



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

An enterprise fund of the State of Iowa

# 2014-2015 Comprehensive Annual Financial Report

For the fiscal years ended  
June 30, 2015 and June 30, 2014







# University of Northern Iowa

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For the fiscal years ended June 30, 2015  
and June 30, 2014

Prepared by:  
Financial Accounting  
and Reporting Services



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**2014-2015**  
**Introductory Section**





December 9, 2015

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

In accordance with Code of Iowa Sections 262.23 and 262.25, we are pleased to submit the Comprehensive Annual Financial Report of the University of Northern Iowa for the year ended June 30, 2015. The audit opinion letter of the Auditor of State appears in the Financial Section and expresses an unmodified opinion on the University's financial statements.

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

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

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

## **PROFILE OF THE UNIVERSITY**

The University of Northern Iowa serves Iowa through a tripartite mission of education, research and service. The University of Northern Iowa has served Iowa continuously for 138 years. Founded in 1876 as Iowa State Normal School, the School became Iowa State Teacher's College in 1909 and State College of Iowa in 1961. In 1967, the College achieved full university status and was renamed the University of Northern Iowa.

The University of Northern Iowa is a comprehensive university with 11,981 students and 1,835 full-time faculty and staff. Eighty-eight percent of the students are from the State of Iowa. The student body represents 98 counties in Iowa, 43 states and 65 foreign countries.

The University of Northern Iowa provides transformative learning experiences that inspire students to embrace challenge, engage in critical inquiry and creative thought and contribute to society. It is committed to being an intellectually and culturally diverse community. The University focuses both on undergraduate education and on selected master's, doctoral and other graduate programs. It is characterized by excellence in three areas: teaching and learning; research, scholarship and creative work; and service. Through its varied endeavors, UNI shares its expertise with, and provides service to individuals, communities, and organizations throughout the state, the nation and the world. Building on its traditional strength in teacher education, the University of Northern Iowa offers nationally recognized programs in its colleges of Business Administration; Education; Humanities, Arts and Sciences; Social and Behavioral Sciences; and Graduate College.

The University is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. Individual programs are accredited by several national accrediting agencies. The University is a member of the American Association of State Colleges and Universities (AASCU), the American Association of Colleges for Teacher Education (AACTE) and the Council of Graduate Schools in the United States.

## **ECONOMIC CONDITION AND OUTLOOK**

### **National Economic Outlook for 2015-2016**

Real Gross Domestic Product (GDP) quarter-over-quarter growth has remained sluggish since the end of the Great Recession. Real GDP was 2.2% in calendar year 2012, 1.5% in 2013 and 2.4% in 2014. According to the Wells Fargo Economics Group, GDP growth will be 2.4% for 2015 and 2.4% during 2016.

Jobs have been added and unemployment has decreased. Total nonfarm employment increased 2.3 million jobs in 2012, 2.4 million jobs in 2013 and 3.1 million jobs in 2014. During the first 10 months of 2015, 2.1 million jobs were added. Unemployment was 8.1% in 2012, 7.4% in 2013 and 6.2% in 2014. The Wells Fargo Economics Group predicts unemployment will average 5.3% for 2015 and decline to 4.7% in 2016.

The "Core" Consumer Price Index was 2.1% in 2012, 1.8% in 2013 and 1.7% in 2014, indicating inflation remains controlled. The Wells Fargo Economics Group predicts core inflation will continue to be modest, averaging 1.8% in 2015 and 2.0% in 2016.

Housing starts and light vehicle sales are adding strength to the economy. Housing starts were 0.78 million in 2012, 0.92 million in 2013 and 1.00 million in 2014. The Wells Fargo Economics Group predicts housing starts will average 1.13 million in 2015 and increase to 1.25 million units in 2016. Light vehicle sales have increased each year following the recession, but the growth of light vehicles is close to peaking. Light vehicle sales were 14.4 million in 2012, 15.5 million in 2013 and 16.4 million in 2014. The Wells Fargo Economics Group predicts light vehicle sales will be 17.4 million in 2015 and 17.5 million in 2016.

Interest rates have remained historically low since the fourth quarter of 2008. The Federal Funds Target Rate has been at 0.0% to 0.25% and the prime rate has been at 3.25% since the fourth quarter of 2008. Both continued to remain at those levels through the second quarter of 2015. The Federal Open Market Committee is expected to increase the Fed Funds Rate in December. The Wells Fargo Economics Group predicts the Fed Funds rate will increase to 1.25% and the prime rate will increase to 4.25% by the end of 2016.

### **State and Local Economy**

**Introduction.** Iowa's economy is supported by a diverse mix of agricultural, manufacturing, trade, service and governmental employment. During the past ten years, manufacturing decreased from 20.4% to 18.3% of the state's GDP. Finance and insurance decreased from 12.1% to 10.6%, wholesale and retail trade decreased from 11.4% to 11.3%, government decreased from 11.2% to 11.1%, and real estate, rental and leasing increased from 9.1% to 10.9%. Agriculture became more significant, increasing from 5.7% to 7.2% of the state's GDP.

**Farmland Values.** According to the Federal Reserve Bank of Chicago, the annual percentage change in the dollar value of "good" Iowa farmland was +18% between July 1, 2012 and July 1, 2013, -1% between 2013 and 2014 and -7% between 2014 to 2015. Lower farm product prices have contributed to lower land value. Corn prices are down 20% from one year ago and 49% from two years ago. Soybeans are down 33% from one year ago and 37% from two years ago. Hog prices are down 28% from one year ago and 19% from two years ago.

**Per-Capita Personal Income.** Iowa's average per-capita income, as reported by the Bureau of Economic Analysis, was \$44,937 in 2014 and \$44,763 in 2013. The average per-capita income in the nation was \$46,049 in 2014 and \$44,765 in 2013. Iowa's per-capita personal income increased .4% from 2013 to 2014, while the nation's increased 2.9%.

**Employment.** According to the Bureau of Labor Statistics, Iowa's seasonally adjusted percent unemployed for the State was 3.7% for June 2015, 4.4% for June 2014 and 4.7% in June 2013. For the nation, seasonally adjusted percent unemployed was 5.3% in June 2015, 6.1% in June 2014 and 7.5% in June 2013, 8.2% in June 2012 and 9.1% in June 2011. Over the past three years, Iowa's unemployment rate has been between 1.6 and 2.8 percentage points below the national average. In June 2015, there were 1,640,512 employed Iowans compared with 1,629,452 in June 2014, an increase of 11,060 persons. There were 63,887 unemployed Iowans in June 2015 compared with 74,206 in June 2014, a decrease of 10,319.

**Manufacturing.** According to the Bureau of Economic Analysis, Iowa's GDP from manufacturing increased by 28.9% in current dollars between 2004 and 2014 while the nation's GDP from manufacturing increased by 29.1%. According to the Bureau of Labor Statistics, Iowa's manufacturing employment decreased by 2.4% while the nation's manufacturing employment decreased by 15.0% during the same period of time. According to the Bureau of Labor Statistics, manufacturing employment in Iowa averaged 214,400 in 2013 and 216,800 in 2014.

**Exports.** According to the U.S. Department of Census, Iowa's export shipments of merchandise totaled \$15.1 billion in 2014 and \$13.9 billion in 2013. In 2014, Iowa exported merchandise valued at \$4.6 billion to Canada, \$2.3 billion to Mexico, \$1.2 billion to Japan, \$946 million to China and \$502 million to Brazil. Iowa's leading export categories were corn, tractors, pork, soybeans, herbicide and aircraft parts.

Information about the economic outlook for the State of Iowa is contained in Management's Discussion and Analysis.

#### **Financial Policies**

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

#### **MAJOR INITIATIVES**

**Transparent, Inclusive Efficiency Review (TIER).** The Board of Regents, State of Iowa engaged Deloitte Consulting to do an independent, comprehensive administrative and academic review of Iowa's three public universities. The goal is to transform the universities so they are sustainable for the long term and true to their core academic missions of education, research and service. The efficiencies implemented will create savings that will be reinvested into programs that strengthen teaching, research and service, improve administrative processes and keep high-quality public education affordable to Iowans. In June 2014, Deloitte completed Phase I of the review and identified seventeen primary areas to continue to review and develop business cases for consideration in Phase II and in October 2014 the firm presented recommendations on eight business cases in the areas of facilities, finance, human resources and information technology. The universities are implementing five of the business cases without assistance and Chazey Partners is assisting in development of implementation plans for the HR, Finance and IT services business cases. Huron Consulting Group is working to identify opportunities to enhance sourcing and procurement processes and policies. Ad Astra and the Pappas Consulting Group are assisting with academic business cases. Ad Astra is working with academic space utilization and course scheduling and the Pappas Consulting Group is assisting with "distance education" and "time to graduation" opportunities.

**Executive Management Team.** President William Ruud filled two positions on his Executive Management Team by hiring Jim Wohlpart as Provost and Executive Vice President and Lisa Birley Baronio as Vice President for University Advancement and President of the UNI Foundation.

## FINANCIAL INFORMATION

**Internal Controls.** Management of the University is responsible for establishing and maintaining a system of internal controls. In fulfilling this responsibility, estimates and judgments are routinely made to assess the expected benefits and related costs of internal control policies and procedures. The objective of internal control is to provide reasonable, but not absolute, assurance assets are safeguarded against loss from unauthorized use or disposition and transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with United States generally accepted accounting principles. No matter how well internal controls are designed, they can only provide reasonable assurance that objectives have been achieved. Some limitations are inherent in all internal control systems. These include: judgment, breakdowns, management override and collusion. Executive management of the University is committed to the establishment of internal controls and adherence to the controls. The Office of Auditor of State reviews our internal control procedures as an integral part of the annual audit.

**Budgetary Controls.** The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Regents, State of Iowa. Budgetary control is established by account and function. A position control system is used to manage the staff salary budget. Budgetary control is also exercised over sponsored projects as defined in grant and contract agreements with external agencies. In addition, capital projects are controlled by Board approved budgets. The University also maintains an encumbrance accounting system as a significant element of the budgetary control system.

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

## OTHER INFORMATION

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

As a recipient of federal financial awards, the University is responsible for ensuring compliance with all applicable laws and regulations relating to such assistance. A combination of State and University policies and procedures, integrated with the University's internal controls, provides for this compliance. The Auditor of State conducts an annual single audit under the requirements set forth in the Single Audit Act of 1984, the Single Audit Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Additionally, University of Northern Iowa internal auditors perform fiscal and compliance audits. The reports resulting from these audits are shared with the University's management, the Board of Regents, State of Iowa and the Office of Auditor of State.

**Certificate of Achievement.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to the University of Northern Iowa for its Comprehensive Annual Financial Report for the year ended June 30, 2014. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

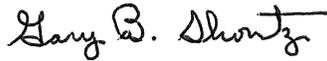
In order to be awarded a Certificate of Achievement, a university must publish an easily readable and efficiently organized annual financial report whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This is the twenty-third consecutive year the University of Northern Iowa has received this prestigious award. We believe our current report continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the GFOA.

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

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

Respectfully submitted,



Gary B. Shontz  
Controller, University Secretary  
and Treasurer



Michael Hager, D.B.A.  
Senior Vice President for Administration  
and Financial Services





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**University of Northern Iowa**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# The Governing Board

## 2014-15

The University of Northern Iowa, together with the State University of Iowa, Iowa State University of Science and Technology, the Iowa Braille and Sight Saving School, and the Iowa School for the Deaf, is governed by the Board of Regents, State of Iowa consisting of nine members.

### Board of Regents, State of Iowa

#### Officers of the Board

Bruce L. Rastetter, President  
Katie S. Mulholland, President Pro Tem  
Robert Donley, Executive Director

#### Members of the Board (As of June 30, 2015)

	<u>Term Expires</u>
Sherry Bates, Scranton	April 30, 2017
Katie S. Mulholland, Marion	April 30, 2017
Bruce L. Rastetter, Alden	April 30, 2017
Milt J. Dakovich, Waterloo	April 30, 2019
Larry E. McKibben, Marshalltown	April 30, 2019
Dr. Subhash C. Sahai, Webster City	April 30, 2019
Mary Vermeer Andringa, Pella	April 30, 2021
Patricia Cownie, Des Moines	April 30, 2021
Rachael Johnson, Cedar Falls	April 30, 2021

#### Officers of the University (As of June 30, 2015)

**President of the University**  
William N. Ruud, B.S., M.B.A., Ph.D.

**Executive Vice President and Provost**  
Jim Wohlpart, B.A., M.A., Ph.D.

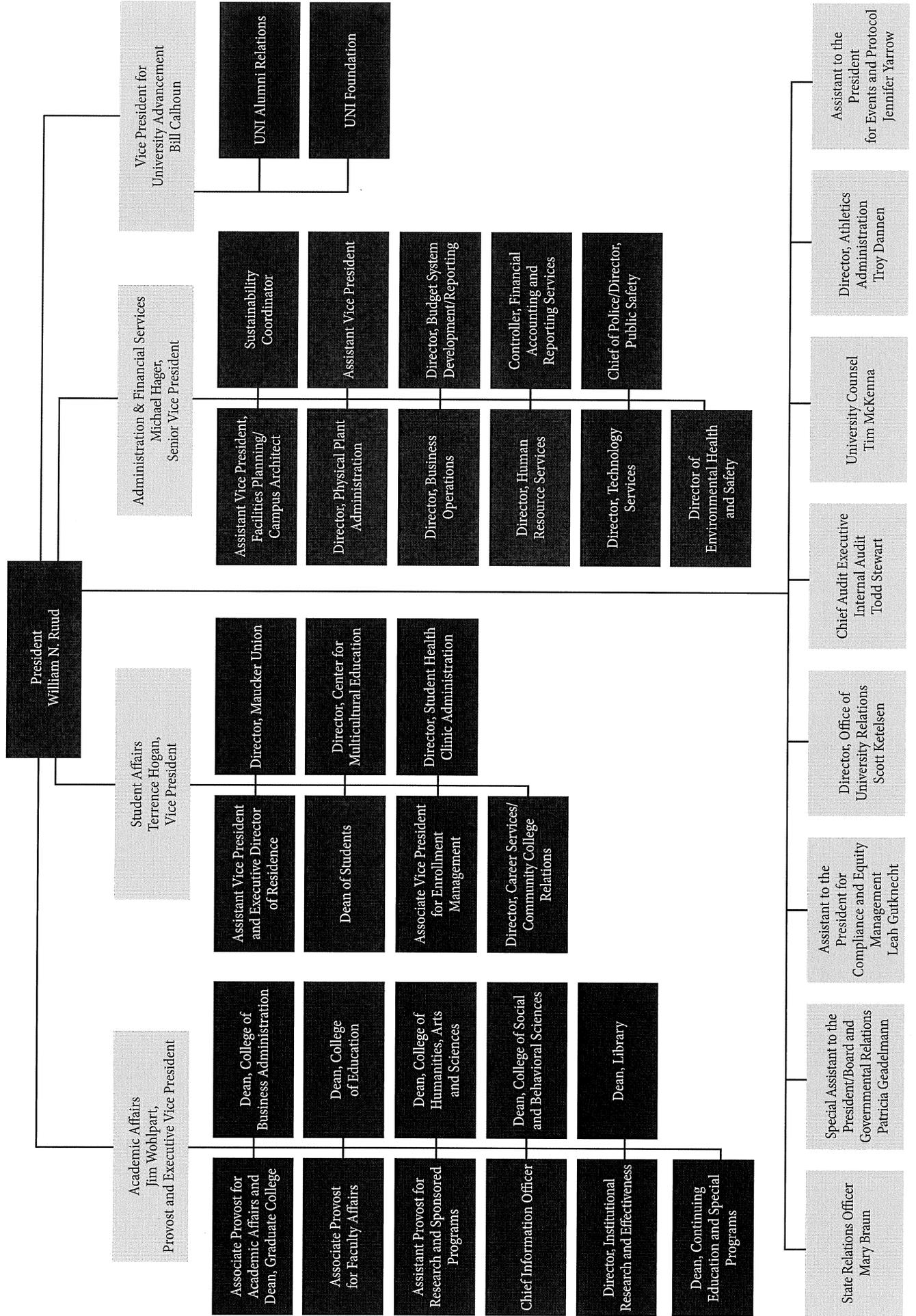
**Senior Vice President for Administration and Financial Services**  
Michael Hager, B.A., M.B.A., D.B.A.

**Vice President for Student Affairs**  
Terrence Hogan, B.S.C., M.A., Ph.D.

**Controller, University Secretary and Treasurer**  
Gary B. Shontz, B.B.A., M.A.E., Ed.S.

**Vice President for University Advancement**  
William D. Calhoun, Jr., B.A., M.A.

**Special Assistant to the President for Board and Governmental Relations**  
Patricia L. Geadelmann, B.A., M.A., Ed.D.

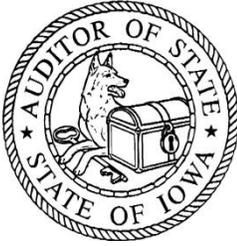






# 2014-2015 Financial Section





**OFFICE OF AUDITOR OF STATE  
STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying Statement of Net Position, and the related Statements of Revenues, Expenses and Changes in Net Position and Cash Flows, of the University of Northern Iowa, Cedar Falls, Iowa, and its discretely presented component unit as of and for the years ended June 30, 2015 and 2014, and the related Notes to Financial Statements, which collectively comprise the University of Northern Iowa's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, the University of Northern Iowa Foundation, discussed in Note A, which represents 100% of the assets, net position and revenues of the discretely presented component unit. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to those financial statements, is based solely on the report of the other auditor. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component unit were not audited in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University of Northern Iowa's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University of Northern Iowa's internal control. Accordingly, we express no

such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University of Northern Iowa and its discretely presented component unit as of June 30, 2015 and 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the years ended June 30, 2015 and 2014 in accordance with U.S. generally accepted accounting principles.

### Emphasis of Matters

As discussed in Note A, the financial statements of the University of Northern Iowa are intended to present the financial position, and the changes in financial position and cash flows, of only that portion of the financial reporting entity of the State of Iowa that is attributable to the transactions of the University of Northern Iowa. They do not purport to, and do not, present fairly the financial position of the State of Iowa as of June 30, 2015 and 2014 and the changes in its financial position and its cash flows for the years ended June 30, 2015 and 2014 in conformity with U.S. generally accepted accounting principles.

As discussed in Note L to the financial statements, the University of Northern Iowa adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. Our opinion is not modified with respect to this matter.

### Other Matters

#### *Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Schedule of the University's Proportionate Share of the Net Pension Liability, the Schedule of University Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 15 through 25 and 79 through 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, 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 financial statements and other knowledge we obtained during our audit of the 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.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by Government Auditing Standards

Our report on the University of Northern Iowa's internal control over financial reporting and other 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.



MARY MOSIMAN, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 4, 2015



# UNIVERSITY OF NORTHERN IOWA

## Management's Discussion and Analysis Years Ended June 30, 2015 and 2014

This section of the University of Northern Iowa's comprehensive annual financial report presents management's discussion and analysis of the financial performance of the University for the two years ended June 30, 2015 and 2014. This discussion should be read in conjunction with the accompanying letter of transmittal, financial statements and notes to financial statements. The financial statements, notes to financial statements and this discussion are the responsibility of University management.

This information is presented to assist the reader in understanding the University's financial position and operating activities, accomplishments and challenges. We are also presenting financial information about the University of Northern Iowa Foundation (the Foundation). The Foundation is a legally separate support organization that raises and holds funds to support the University and its mission. The Foundation is a discretely presented component unit of the University.

### 2015 FINANCIAL HIGHLIGHTS

- The Iowa General Assembly provided appropriations for the primary General Educational Fund in the amounts of \$94,276,732 for Fiscal 2016, \$89,176,732 for Fiscal 2015 and \$83,222,819 for Fiscal 2014. Primary General Educational Fund appropriations increased 7.2% from Fiscal 2014 to Fiscal 2015 and 5.7% from Fiscal 2015 to Fiscal 2016.
- The Iowa General Assembly provided appropriations for the Science, Technology, Engineering and Mathematics (STEM) program in the amounts of \$5,200,000 each for Fiscal 2016, Fiscal 2015 and Fiscal 2014.
- The Iowa General Assembly provided special appropriations for economic development in the amounts of \$1,066,419 each for Fiscal 2016, Fiscal 2015 and Fiscal 2014.
- Special state appropriations for recycling and reuse transfer center, real estate education and the regents' innovation fund were constant in the amounts of \$175,256, \$125,302 and \$900,000 over the three year period ended in Fiscal 2016.
- The 2014 Session of the Iowa General Assembly provided an appropriation of \$30,900,000 payable over three years for the renovation of Schindler Education Center. The 2015 Session of the Iowa General Assembly modified the \$30,900,000 appropriation to make \$15,000,000 available in Fiscal 2016 and \$15,900,000 available in Fiscal 2017. As of June 30, 2015, the project was in the planning phase.
- In June 2014, the Board of Regents, State of Iowa approved a Performance-based Funding Model that would base 60% of annual appropriations beginning in Fiscal 2016 on the number of resident students enrolled. This equity factor would benefit UNI with approximately \$6.6 million of incremental funds in both Fiscal 2016 and Fiscal 2017 and similarly benefit Iowa State University. The Regents requested additional funding for the University of Iowa to hold that institution harmless. The 2015 Session of the Iowa General Assembly did not honor the Regents' request to adopt and fund the Performance-based Funding Model.
- The University's fall headcount enrollments were 13,168 in 2011, 12,273 in 2012, 12,159 in 2013, 11,928 in 2014 and 11,981 in 2015. The decreases were 895 students from fall 2011 to 2012, 114 from fall 2012 to 2013 and 231 from fall 2013 to fall 2014. Enrollment increased 53 students from fall 2014 to fall 2015 breaking the three year decline in enrollment. The decrease from fall 2011 to 2012 was not unexpected due to publicity associated with closing the Malcolm Price Laboratory School and eliminating programs with extremely low enrollments. Other factors were a declining number of Iowa high school graduates, a small entering freshman class in Fall 2011, an unusually large graduating class in May 2012 and robust competition for students.
- The UNI Foundation's contribution revenue was \$27.8 million in 2013, \$11.3 million in 2014 and \$15.2 million in 2015. Included in 2013 gift revenue was a \$15.0 million gift from Richard O. Jacobson, the largest gift in the University's history and a \$2.0 million grant from the Roy J. Carver Charitable Trust. Both contributions were to the College of Education. The Foundation's investment return was \$8.7 million in 2013, \$15.1 million in 2014 and \$2.9 million in 2015. Swings in the Foundation's investment return were caused by volatility in the capital markets. Net assets of the Foundation were \$118.5 million in 2013, \$131.9 million in 2014 and \$135.4 million in 2015. The increases in the Foundation's net assets are primarily attributed to the receipt of large gifts and the return on the endowment.
- The Foundation provided revenues to the University in the amount of \$6.0 million in 2015, \$7.2 million in 2014 and \$4.8 million in 2013. Foundation support of the University was unusually large in 2014 and 2015 due to draws for the benefit of Intercollegiate Athletics.

# UNIVERSITY OF NORTHERN IOWA

## Management's Discussion and Analysis Years Ended June 30, 2015 and 2014

- Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, was implemented during 2015. The beginning net position as of July 1, 2014 was restated to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. The financial statement amounts for Fiscal 2013 and 2014 for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available.
- An actuarial valuation of the University's retiree health benefit plan was updated by a consulting actuary. The beginning of year net OPEB obligation was \$9,207,019. The end of year net OPEB obligation was \$10,787,527. The actuarial valuation of the State of Iowa's postretirement medical plan was also updated. University of Northern Iowa merit employees covered by four AFSCME statewide bargaining units receive medical benefits under the State plan. The University of Northern Iowa's prorated share of the State's net OPEB obligation was \$2,742,685 at the beginning of the year and \$2,572,992 at the end of the year. The University's combined net OPEB obligation was \$11,949,704 at the beginning of the year and \$13,360,519 at the end of the year. Both plans are financed on a pay-as-you-go basis.
- The University was awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the year ended June 30, 2014. The Certificate has been received twenty-three consecutive years.

### USING THIS ANNUAL REPORT

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

During the year ended June 30, 2014, the University implemented Governmental Accounting Standards Board Statement No. 65, Items Previously Reported as Assets and Liabilities. Accordingly, the financial information included in the Management's Discussion and Analysis for the year ended June 30, 2013 has been restated to expense unamortized bond issuance costs which were previously reported as assets.

### THE UNIVERSITY AS A WHOLE

#### The Statement of Net Position

The University's Statement of Net Position presents the assets, liabilities and net position of the University as a whole as of the end of the fiscal year. The Statement of Net Position is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the University to readers of the financial statements. The Statement of Net Position includes year-end information concerning current and noncurrent assets, current and noncurrent liabilities and net position (assets less liabilities). Over time, readers of the financial statements are able to determine the University's financial position by analyzing the increases and decreases in net position. This statement is also a good source for readers to determine how much the University owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

# UNIVERSITY OF NORTHERN IOWA

## Management's Discussion and Analysis Years Ended June 30, 2015 and 2014

<b>University</b>			
<b>The Statement of Net Position</b>			
	<u>2015</u>	<u>2014</u> Not Restated	<u>2013</u> Restated
Current and other assets	\$149,437,710	150,451,536	147,395,990
Capital assets	<u>379,803,577</u>	<u>386,436,448</u>	<u>390,162,500</u>
Total assets	<u>529,241,287</u>	<u>536,887,984</u>	<u>537,558,490</u>
Deferred outflows of resources	<u>3,286,884</u>	-	-
Current liabilities	43,178,804	42,425,883	47,649,239
Noncurrent liabilities	<u>158,970,186</u>	<u>159,011,631</u>	<u>162,987,679</u>
Total liabilities	<u>202,148,990</u>	<u>201,437,514</u>	<u>210,636,918</u>
Deferred inflows of resources	<u>3,598,522</u>	-	-
Net position:			
Net investment in capital assets	258,659,287	254,034,901	251,763,463
Restricted	31,176,329	30,514,024	27,962,910
Unrestricted	<u>36,945,043</u>	<u>50,901,545</u>	<u>47,195,199</u>
Total net position	<u>\$326,780,659</u>	<u>335,450,470</u>	<u>326,921,572</u>

The largest portion of the University's net position (79.2%) is invested in capital assets (e.g., land, land improvements, infrastructure, buildings, equipment, library materials and intangible assets), less the related debt. The debt related to capital assets is liquidated with resources other than capital assets. The restricted portion of net position (9.5%) includes resources subject to external restrictions. The remaining net position (11.3%) is unrestricted net position that can be used as working capital to meet the University's obligations as they come due.

Total net position of the University increased \$8.5 million from June 30, 2013 to June 30, 2014 and decreased \$8.7 million from June 30, 2014 to June 30, 2015. Total net position increased 2.6% from June 30, 2013 to June 30, 2014 and decreased 2.6% from 2014 to 2015.

Because the Bartlett Hall renovation project was ahead of schedule at the end of 2013 and 2014 and because the project was funded by a \$21.0 million appropriation payable in four annual amounts, it was necessary for the University to temporarily advance \$6.0 million of its unrestricted funds at the end of 2013 and \$1.2 million at the end of 2014. Because accounting principles do not permit recording a receivable against future appropriations, advancing University funds on a temporary basis resulted in a \$6.0 million decrease in net position in 2013 and a \$1.2 million decrease in 2014. The University was reimbursed for those expenditures from the 2013 appropriation in early 2014 and the 2014 appropriation in early 2015. Had the University not advanced its own funds on a temporary basis for the project, the net position would have been \$332.9 million at June 30, 2013 and \$336.7 million at June 30, 2014.

The decrease in the net position from 2014 to 2015 is primarily due to implementing GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. That pronouncement required recording a pension liability in the amount of \$9.4 million at June 30, 2015 for its proportionate share of the net pension liability.

# UNIVERSITY OF NORTHERN IOWA

## Management's Discussion and Analysis Years Ended June 30, 2015 and 2014

<b>Foundation</b>			
<b>The Combined Statements of Financial Position</b>			
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
Current assets	\$ 22,896,015	20,807,220	19,139,352
Noncurrent assets	<u>116,101,721</u>	<u>115,736,636</u>	<u>102,909,267</u>
Total assets	<u>138,997,736</u>	<u>136,543,856</u>	<u>122,048,619</u>
Current liabilities	1,122,474	1,833,113	845,460
Noncurrent liabilities	<u>2,497,941</u>	<u>2,839,392</u>	<u>2,682,288</u>
Total liabilities	<u>3,620,415</u>	<u>4,672,505</u>	<u>3,527,748</u>
Net assets:			
Unrestricted	8,507,362	8,892,299	6,213,459
Temporarily restricted	40,417,265	40,986,283	33,826,387
Permanently restricted	<u>86,452,694</u>	<u>81,992,769</u>	<u>78,481,025</u>
Total net assets	<u>\$135,377,321</u>	<u>131,871,351</u>	<u>118,520,871</u>

At June 30, 2015, 93.7% of the Foundation's net assets were donor restricted, either temporarily or permanently. Total net assets of the Foundation increased \$13.4 million from 2013 to 2014 and \$3.5 million from 2014 to 2015. The increase in net assets from 2013 to 2014 was largely due to a \$15 million gift in 2013 and a strong return on investments. The smaller increase from 2014 to 2015 was due to receiving no unusually large donations in 2015 and volatility in the equity markets which caused an abnormally lower return on investments.

Changes in total net position presented in the University's Statement of Net Position are based on the activity presented in the University's Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the University, both operating and nonoperating, and the expenses paid by the University, both operating and nonoperating, and any other revenues, expenses, gains and losses received or expended by the University.

### The Statement of Revenues, Expenses and Changes in Net Position

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

# UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis  
Years Ended June 30, 2015 and 2014

<b>University</b>			
<b>The Statement of Revenues, Expenses and Changes in Net Position</b>			
	<u><b>2015</b></u>	<u><b>2014</b></u> <b>Not Restated</b>	<u><b>2013</b></u> <b>Restated</b>
<b>Operating revenues:</b>			
Tuition and fees, net	\$ 62,538,104	64,320,008	65,107,140
Federal grants and contracts	15,782,976	16,662,776	18,481,032
State and local grants and contracts	2,983,411	2,053,427	2,102,578
Nongovernmental grants and contracts	3,943,663	3,320,222	3,613,871
Sales, rents and services	6,168,882	6,403,218	4,937,703
Interest on student loans	210,849	226,660	245,250
Other operating revenue	711,025	562,860	726,808
Auxiliary enterprises	<u>60,468,336</u>	<u>57,101,721</u>	<u>56,344,034</u>
<b>Total operating revenues</b>	<u><b>152,807,246</b></u>	<u><b>150,650,892</b></u>	<u><b>151,558,416</b></u>
<b>Operating expenses:</b>			
Instruction	86,536,932	86,505,596	82,764,796
Research	3,175,745	2,982,535	3,138,471
Public service	21,315,032	25,052,740	24,325,404
Academic support	22,866,432	22,489,903	21,731,295
Student services	10,430,540	9,636,281	9,005,372
Institutional support	27,210,997	26,066,570	26,441,182
Operation and maintenance of plant	22,201,764	21,166,860	21,423,526
Scholarships and fellowships	6,202,848	3,381,347	4,983,383
Depreciation/amortization	18,095,313	18,040,748	16,095,251
Loan cancellations and write-offs	150,187	193,945	281,264
Auxiliary enterprises	<u>51,743,111</u>	<u>50,774,324</u>	<u>50,975,515</u>
<b>Total operating expenses</b>	<u><b>269,928,901</b></u>	<u><b>266,290,849</b></u>	<u><b>261,165,459</b></u>
<b>Operating loss</b>	<u><b>(117,121,655)</b></u>	<u><b>(115,639,957)</b></u>	<u><b>(109,607,043)</b></u>
<b>Nonoperating revenues (expenses):</b>			
State appropriations	100,659,338	96,910,269	87,662,815
Federal grants and contracts	10,714,971	10,270,339	10,860,223
Nonfederal gifts, grants and contracts	2,010,489	3,827,149	3,101,932
Investment return	1,658,231	3,644,079	1,464,982
Interest expense	(5,890,651)	(5,463,353)	(5,529,028)
Loss on disposal of capital assets	(295,199)	(2,428,923)	(2,381,912)
Other nonoperating expense	<u>(73,167)</u>	<u>-</u>	<u>-</u>
<b>Net nonoperating revenues</b>	<u><b>108,784,012</b></u>	<u><b>106,759,560</b></u>	<u><b>95,179,012</b></u>
Loss before other revenues	(8,337,643)	(8,880,397)	(14,428,031)
State appropriations – capital projects	8,121,169	14,177,141	14,082,733
Capital contributions and grants	<u>1,832,059</u>	<u>3,232,154</u>	<u>1,193,696</u>
Change in net position	1,615,585	8,528,898	848,398
Net position, beginning of year	<u>325,165,074</u>	<u>326,921,572</u>	<u>326,073,174</u>
Net position, end of year	<u><u><b>\$326,780,659</b></u></u>	<u><u><b>335,450,470</b></u></u>	<u><u><b>326,921,572</b></u></u>

# UNIVERSITY OF NORTHERN IOWA

## Management's Discussion and Analysis Years Ended June 30, 2015 and 2014

During the three-year period ended in 2015, operating revenues remained relatively flat, operating expenses increased, the operating loss increased, net nonoperating revenues increased, the loss before other revenues decreased, other revenues decreased and the net position remained flat. State appropriations for operating purposes increased significantly. State appropriations and contributions for capital projects increased from 2013 to 2014 and decreased from 2014 to 2015. An analysis of the changes by category of revenue and expense follows.

Operating revenues totaled \$152.8 million in 2015, \$150.7 million in 2014 and \$151.6 million in 2013. The decrease from 2013 to 2014 was \$0.9 million and the increase from 2014 to 2015 was \$2.2 million. Net nonoperating revenues totaled \$108.8 million in 2015, \$106.8 million in 2014 and \$95.2 million in 2013. There was an \$11.6 million increase from 2013 to 2014 and a \$2.0 million increase from 2014 to 2015. Reasons for changes in operating, nonoperating and other revenues from 2013 to 2014 and 2014 to 2015 follow:

- Tuition and fee income, net of scholarship allowances, decreased 1.2% from 2013 to 2014 and 2.8% from 2014 to 2015. The Board of Regents, State of Iowa authorized a 0.7% increase in the University's resident undergraduate tuition and mandatory fees from 2013 to 2014 and a .8% increase from 2014 to 2015. The decline in enrollment largely negated the effect of the tuition increases.
- Operating grants and contracts revenue decreased \$2.2 million, or 8.9%, from 2013 to 2014 and increased \$0.7 million, or 3.1%, from 2014 to 2015. Revenue is recognized as expenses are incurred and, accordingly, it varies from year to year. The decrease in operating grants and contracts revenue from 2013 to 2014 was due to winding down of congressionally directed research grants and ARRA grants, both of which are no longer awarded.
- Sales, rents and services increased \$1.5 million, or 29.7%, from 2013 to 2014 and decreased \$0.2 million from 2014 to 2015, or 3.7%. The increase from 2013 to 2014 is partially due to increases in certain non-mandatory student fees and increased sales revenue from the Technology Department's materials testing service and the Iowa Waste Reduction Center.
- Auxiliary enterprise revenue increased \$0.8 million, or 1.3%, from 2013 to 2014 and \$3.4 million, or 5.9%, from 2014 to 2015. From 2013 to 2014, auxiliary enterprises, with the exception of the J.W. Maucker Student Union and Gallagher-Bluedorn Performing Arts Center, experienced a slight increase in revenues. From 2014 to 2015, increases were noted in the Residence System, Intercollegiate Athletics, Student Health Services and miscellaneous auxiliary enterprises. Decreases were noted in the J.W. Maucker Student Union, Field House, Gallagher-Bluedorn Performing Arts Center and Wellness and Recreation Services. The decline of 1,273 students from fall 2010 to fall 2014 is largely responsible for decreased auxiliary enterprise revenue.
- State operating appropriations increased \$9.2 million, or 10.5%, from 2013 to 2014 and \$3.7 million, or 3.9%, from 2014 to 2015. The increase from 2013 to 2014 is due to a \$2.1 million increase in the base of the primary General Educational Fund, a \$6.0 million one-time supplemental appropriation to the primary General Educational Fund, a \$0.5 million increase in economic development appropriations and a \$0.5 million increase in the Science, Technology, Engineering and Mathematics appropriation. The increase from 2014 to 2015 is largely due to a \$6.0 million increase in the base of the primary General Educational Fund, elimination of a \$6.0 million one-time appropriation, the addition of a \$4.0 million one-time supplemental appropriation and moving the continuing education center appropriations to the University of Iowa for accounting purposes.
- Nonoperating revenue from Pell grants exceeded \$10 million in 2013, 2014 and 2015. Variances are attributed to the number of students who qualified for Pell grants.
- Investment income increased \$2.2 million from 2013 to 2014, or 148.7%, and decreased \$2.0 million, or 54.5%, from 2014 to 2015. The targeted federal funds rate remained at 0.0% to 0.25% for an extended period of time and interest rates on Treasury and Agency securities were at unprecedented low levels. The increase in investment income from 2013 to 2014 is attributed to investing operating funds in the short-term and intermediate-term diversified operating pools managed by the University of Iowa. The decrease from 2014 to 2015 was due to volatility in the capital markets.
- The loss on disposal of capital assets was \$2.4 million in both 2013 and 2014 and \$0.3 million in 2015. The loss in 2013 was attributed to selling the Malcolm Price Laboratory School's capital assets and the cost of demolishing the school, while the loss in 2014 was attributed to selling the capital assets of the National Ag-Based Lubricants facility, capital assets at Baker Hall and the cost of demolishing Baker Hall. The loss in 2015 largely relates to discarded equipment.

# UNIVERSITY OF NORTHERN IOWA

## Management's Discussion and Analysis Years Ended June 30, 2015 and 2014

- State appropriations for capital projects increased \$0.1 million, or 0.7%, from 2013 to 2014 and decreased \$6.1 million, or 42.7%, from 2014 to 2015. Revenue is recognized as expenses are incurred and, accordingly, it varies from year to year. The 2011 Session of the Iowa General Assembly provided an appropriation of \$21,000,000 for the renovation of Bartlett Hall and the demolition of Baker Hall. \$1.0 million of the appropriation was available for expenditure in Fiscal 2012, \$7.8 million was available for expenditure in Fiscal 2013, \$10.3 million was available for expenditure in Fiscal 2014 and \$1.9 million was available for expenditure in Fiscal 2015. The change in state appropriation revenue for capital projects from 2013 to 2015 was primarily due to the timing of funds appropriated for Bartlett Hall Renovation.
- Capital contributions and grants increased \$2.0 million, or 170.8%, from 2013 to 2014 and decreased \$1.4 million, or 43.3%, from 2014 to 2015. Capital contributions and grants vary from year to year due to fluctuations in grant funded capital projects.

Operating expenses totaled \$270.0 million in 2015, \$266.3 million in 2014 and \$261.2 million in 2013. Operating expenses increased 2.0% from 2013 to 2014 and 1.4% from 2014 to 2015. The small dollar increases in operating expenses from 2013 to 2014 and from 2014 to 2015 are due to conservative spending necessitated by a declining student enrollment. Reasons for changes in operating expenses by object from 2013 to 2014 and 2014 to 2015 follow:

- Expenses for personnel services increased \$4.3 million, or 2.5%, from 2013 to 2014 and \$3.3 million, or 1.8%, from 2014 to 2015. The increases from 2013 to 2014 and 2014 to 2015 were due to salary increases and the cost of fringe benefits related to the salary increases.
- Travel expenses increased \$0.4 million, or 4.3%, from 2013 to 2014 and decreased \$1.0 million, or 11.0%, from 2014 to 2015. Travel expenses increased from 2013 to 2014 due to price inflation. The net decrease from 2014 to 2015 was a combination of price inflation and reclassifying the travel expense of Camp Adventure students to scholarships and fellowships.
- Expenses for contractual services decreased \$1.4 million, or 9.4%, from 2013 to 2014 and increased \$0.9 million, or 6.8%, from 2014 to 2015. A portion of the increases is attributed to the Regents' Transparent Inclusive Efficiency Review (TIER) study.
- Expenses for equipment and repairs increased \$0.6 million, or 5.8%, from 2013 to 2014 and decreased \$1.6 million, or 13.2%, from 2014 to 2015. Changes in equipment and repairs vary from year to year due to whether capital project expenditures are accounted for as repairs or capital expenditures. The increase from 2013 to 2014 was due to purchasing furniture for the Bartlett Hall Renovation project while the decrease from 2014 to 2015 was due to completion of the Bartlett Hall Renovation project in the previous year.
- Expenses for scholarships and fellowships decreased \$0.8 million, or 7.9%, from 2013 to 2014 and \$0.2 million, or 2.2%, from 2014 to 2015. Enrollment declines resulted in decreased scholarship and fellowship expense.
- Depreciation and amortization expense increased \$1.9 million, or 12.1%, from 2013 to 2014 due to placing Panther Village Phase 2 and Bartlett Hall in service. It increased \$0.1 million, or 0.3%, from 2014 to 2015 due to placing a number of small renovation projects in service.

Nonoperating expenses totaled \$6.3 million in 2015, \$7.9 million in 2014 and \$7.9 million in 2013. While nonoperating expenses primarily consist of interest expense, non-operating expenses in 2014 and 2013 included \$2.4 million for the loss on disposal of capital assets each year. The 2013 loss was primarily related to the costs of demolishing the Malcolm Price Laboratory School and the loss on disposal of the school's capital assets. The 2014 loss was due to disposing of the capital assets of the National Agricultural Based Lubricants facility and demolishing Baker Hall and the loss on disposal of the capital assets of Baker Hall.

# UNIVERSITY OF NORTHERN IOWA

## Management's Discussion and Analysis Years Ended June 30, 2015 and 2014

<b>Foundation</b>			
<b>The Combined Statements of Activities</b>			
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
Public support and revenue:			
Contribution revenue	\$ 15,246,299	11,349,083	27,783,085
Investment return	2,869,252	15,092,729	8,726,347
Miscellaneous income	<u>45,891</u>	<u>40,290</u>	<u>37,682</u>
Total revenue and support	18,161,442	26,482,102	36,547,114
Expenses and adjustments	<u>14,655,472</u>	<u>13,131,622</u>	<u>11,052,848</u>
Change in net assets	3,505,970	13,350,480	25,494,266
Net assets, beginning of year	<u>131,871,351</u>	<u>118,520,871</u>	<u>93,026,605</u>
Net assets, end of year	<u>\$135,377,321</u>	<u>131,871,351</u>	<u>118,520,871</u>

Foundation revenue and support was \$18.2 million in 2015, \$26.5 million in 2014 and \$36.5 million in 2013, a decrease of \$10.1 million, or 27.5%, from 2013 to 2014 and a decrease of \$8.3 million, or 31.4%, from 2014 to 2015. Contribution revenue included a \$15.0 million gift to benefit the College of Education in 2013 from Des Moines businessman Richard O. Jacobson. The \$15.0 million gift is the largest in University history. Investment income was \$2.9 million in 2015, \$15.1 million in 2014 and \$8.7 million in 2013. Expenses were \$14.7 million in 2015, \$13.1 million in 2014 and \$11.1 million in 2013.

The Foundation provided revenues to the University in the amount of \$6.0 million in 2015, \$7.2 million in 2014 and \$4.8 million in 2013. Contributions restricted for permanent investment in the Foundation's endowment were \$4.1 million in 2015, \$3.3 million in 2014 and \$18.6 million in 2013. The 2013 contributions restricted for permanent investment reflect a \$15.0 million contribution from Richard O. Jacobson for the benefit of the College of Education.

### The Statement of Cash Flows

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

<b>University</b>			
<b>The Statement of Cash Flows</b>			
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
Net cash provided (used) by:			
Operating activities	\$ (99,089,241)	(96,604,910)	(90,160,469)
Noncapital financing activities	115,088,517	110,830,565	100,688,769
Capital and related financing activities	(14,038,079)	(16,399,481)	(33,900,553)
Investing activities	<u>3,848,623</u>	<u>(4,420,606)</u>	<u>16,928,156</u>
Net increase in cash and cash equivalents	5,809,820	(6,594,432)	(6,444,097)
Cash and cash equivalents, beginning of year	<u>20,588,882</u>	<u>27,183,314</u>	<u>33,627,411</u>
Cash and cash equivalents, end of year	<u>\$ 26,398,702</u>	<u>20,588,882</u>	<u>27,183,314</u>

# UNIVERSITY OF NORTHERN IOWA

## Management's Discussion and Analysis Years Ended June 30, 2015 and 2014

The largest sources and uses of University cash are operating activities. The following analysis discusses the University's cash flows during Fiscal 2015. Cash provided by operating activities includes receipts from tuition and fees (\$62.2 million), grants and contracts (\$22.3 million) and auxiliary enterprises (\$60.2 million). The largest uses of cash for operating activities include payments for salaries and benefits (\$151.1 million), payments for goods and services (\$41.4 million) and payments for auxiliary enterprises (\$51.8 million). Cash provided by noncapital financing activities includes state appropriations (\$100.6 million). Cash provided by capital and related financing activities includes capital appropriations (\$8.1 million), capital gifts and grants (\$1.5 million) and the proceeds from capital debt (\$3.5 million). Cash used by capital and related financing activities includes the acquisition of capital assets (\$11.1 million) and principal and interest payments on debt (\$16.4 million). Cash provided by investing activities totaled \$3.8 million.

### Capital Assets

At June 30, 2015, the University had \$655.5 million of capital assets at cost, accumulated depreciation of \$275.7 million and net capital assets of \$379.8 million. Depreciation and amortization charges totaled \$18.1 million for 2015, \$18.0 million for Fiscal 2014 and \$16.1 million for Fiscal 2013. Details of the capital assets, net of accumulated depreciation, are shown below.

<b>University</b>			
<b>Schedule of Capital Assets, Net, at Year-End</b>			
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
Land	\$ 4,904,493	4,904,493	4,904,493
Construction in progress	<u>4,841,338</u>	<u>4,241,984</u>	<u>45,977,425</u>
Capital assets not depreciated	<u>9,745,831</u>	<u>9,146,477</u>	<u>50,881,918</u>
Land improvements	6,049,192	4,944,288	5,144,275
Infrastructure	25,809,214	26,131,056	26,046,657
Buildings	310,595,575	317,276,772	277,857,377
Equipment	17,723,442	18,070,906	18,352,953
Intangibles-software	6,884,624	7,314,913	7,745,202
Library materials	<u>2,995,699</u>	<u>3,552,036</u>	<u>4,134,118</u>
Capital assets depreciated	<u>370,057,746</u>	<u>377,289,971</u>	<u>339,280,582</u>
Total capital assets	<u>\$379,803,577</u>	<u>386,436,448</u>	<u>390,162,500</u>

During the past three fiscal years, a number of capital projects were completed or remain in progress. State funded capital projects include the renovation of Bartlett Hall and Schindler Education Center, the demolition of Baker Hall, East Bartlett HVAC System Replacement, institutional roads projects, power plant projects and various deferred maintenance projects. Major Residence System projects include construction of Panther Village Phases 1 and 2 and the expansion of the Redeker Center. Other Residence System projects include improvement of restrooms and HVAC systems, installation of electronic door access systems and sprinkler systems, replacement of windows and tuckpointing projects. Student organization offices located in the J.W. Maucker Student Union have been renovated. T12 fluorescent lighting fixtures were replaced with T8 lighting in six academic buildings using proceeds of a loan from the Iowa Energy Bank. A master lease was used for three power plant projects: air regulation compliance, Power Plant Boiler Number 3 Wall Panel Replacement and constructing a Power Plant Storage Facility. Private gifts were used to renovate McLeod Center locker rooms and to replace the UNI-Dome video board. Institutional funds were used to renovate the President's House, demolish the Price Laboratory School, improve various parking lots and west campus recreation field lighting. Detailed information about the University's capital assets is presented in Note I of the Notes to Financial Statements.

# UNIVERSITY OF NORTHERN IOWA

## Management's Discussion and Analysis Years Ended June 30, 2015 and 2014

The Foundation's capital assets consist of a building and related equipment located on land owned by Allen Health Systems, Inc. It is leased by the Foundation for one dollar per year under an agreement expiring June 30, 2016.

### LONG-TERM DEBT

The Board of Regents, State of Iowa issued Field House Revenue Refunding Bonds, Series 2015 to refinance Field House Revenue Refunding Bonds, Series 2005 during Fiscal 2015 to take advantage of lower interest rates. The current refunding resulted in an economic gain of \$263,955. The University's long-term debt is presented in Note M of the Notes to Financial Statements.

### CREDIT RATINGS

In Fiscal 2015, Moody's Investors Service continued its "A1" credit rating on all outstanding University bond issues, but it modified its outlook on the debt from "stable" to "negative." On December 6, 2014, Standard and Poor's downgraded the University's credit rating related to its outstanding academic building revenue, field house revenue, student union revenue and student health facility revenue debt to "A" "stable" outlook from "A+" "negative" outlook. Standard and Poor's credit rating related to its outstanding dormitory revenue bonds remained "BBB+" "stable" outlook. The highest achievable ratings are "Aaa" and "AAA", respectively. The University's capacity to meet its financial obligations is considered strong based upon these ratings.

### ECONOMIC FACTORS THAT WILL AFFECT FUTURE BUDGETS AND RATES

The State of Iowa's net General Fund revenue plus transfers continues to grow. Revenue was \$6,819.7 million in Fiscal 2015, a 5.1% increase from Fiscal 2014. The State ended Fiscal 2015 with \$410.7 million in the Budgetary General Fund and the reserve funds fully funded.

The Revenue Estimating Conference (REC) met on October 13, 2015 and forecast revenue plus transfers to be \$7,054.5 million for Fiscal 2016, an increase of 3.4% over the Fiscal 2015 actual. This estimate indicates the State's revenues continue to grow, but at a slower pace than in Fiscal 2015. Based on the REC's estimates, the Legislative Services Agency (LSA) projected the Fiscal 2016 year-end General Fund balance to be \$187.7 million and the Fiscal 2017 year-end balance to be \$74.6 million.

Non-farm employment in Iowa continues to be strong. According to Iowa Workforce Development, Iowa's non-farm seasonally adjusted employment was reported at 1,573,000 jobs for the month of September 2015, an increase of 23,700, or 1.53%, from the previous September. The Iowa non-farm coincident index reflects employment gains for 60 consecutive months. Iowa's September 2015 unemployment rate was 3.6%, which is lower than the nation's rate of 5.1%.

The Iowa Leading Indicators Index (ILII) is signaling a contraction of the Iowa economy. The Index peaked at 110.26 in September 2014 and it decreased 10 of the following 12 months, resulting in a value of 106.74 as of September 2015. The decline is largely due to declining farm incomes resulting from farm commodity prices that are less than the cost of production.

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

# UNIVERSITY OF NORTHERN IOWA

## Management's Discussion and Analysis Years Ended June 30, 2015 and 2014

For Fiscal 2015, the state appropriation for UNI's primary General Fund totaled \$93.2 million, a 4.4% increase over the Fiscal 2014 level. The state appropriation for Fiscal 2016 is \$94.3 million, a 1.2% increase over the Fiscal 2015 level. Special general fund appropriations were held flat in both years. The Regents held tuition flat for resident undergraduate students for three consecutive years, with modest increases for graduate and nonresident students. The Performance-based Funding Model that would have significantly increased the University's share of state appropriations beginning in Fiscal 2016 was not funded.

The Board of Regents agreed to hold Fiscal 2016 resident undergraduate tuition flat at Iowa's public universities, provided a 4.3% increase in appropriations was received. The smaller than requested increase combined with multi-year tuition freezes placed a significant strain on the General Fund operating budget. At its September 2015 meeting, the Board approved a 3% undergraduate resident tuition increase for the Spring 2016 semester for UNI. At the December 2015 meeting, the Board determined the University's undergraduate resident base tuition will remain at the Spring 2016 level in Fiscal 2017. Modest increases were approved for graduate and nonresident students.

The Board of Regents has requested a state appropriation in the amount of \$101.9 million, a \$7.65 million increase, for Fiscal 2017. An increase of that magnitude is essential to fund negotiated salary and fringe benefit increases, inflationary increases and costs funded in Fiscal 2016 with one-time monies. The Board requested 2.7% increases for recycling and re-use, real estate education, economic education and the Innovation Fund.

The University of Northern Iowa's total enrollment for Fall 2015 was 11,981, which is up 53 students from Fall 2014, and it is the first increase in total enrollment since 2010. There were 1,916 new freshmen, which is an increase of 119, or 6.6%, compared to 2014. This is the third consecutive year the entering freshmen class has increased. These additional students will generate additional operating revenue.

Sponsored funding increased from \$22.0 million in Fiscal 2014 to \$22.7 million in 2015, a 3.1% increase. Federal sponsored funding was impacted by Federal budget reductions. Increases have been realized in state and local as well as nongovernmental funding. Grant proposals submitted by faculty and staff continue to be competitive.

Contributions to the UNI Foundation have increased from \$11.3 million in Fiscal 2014 to \$15.2 million in Fiscal 2015. The Foundation continues in the silent phase of an unnamed campaign which began on January 1, 2013. Facets of the campaign include the "Focus on Students Scholarship Initiative", program support, capital projects including the Schindler Education Center Renovation and undesignated funds.

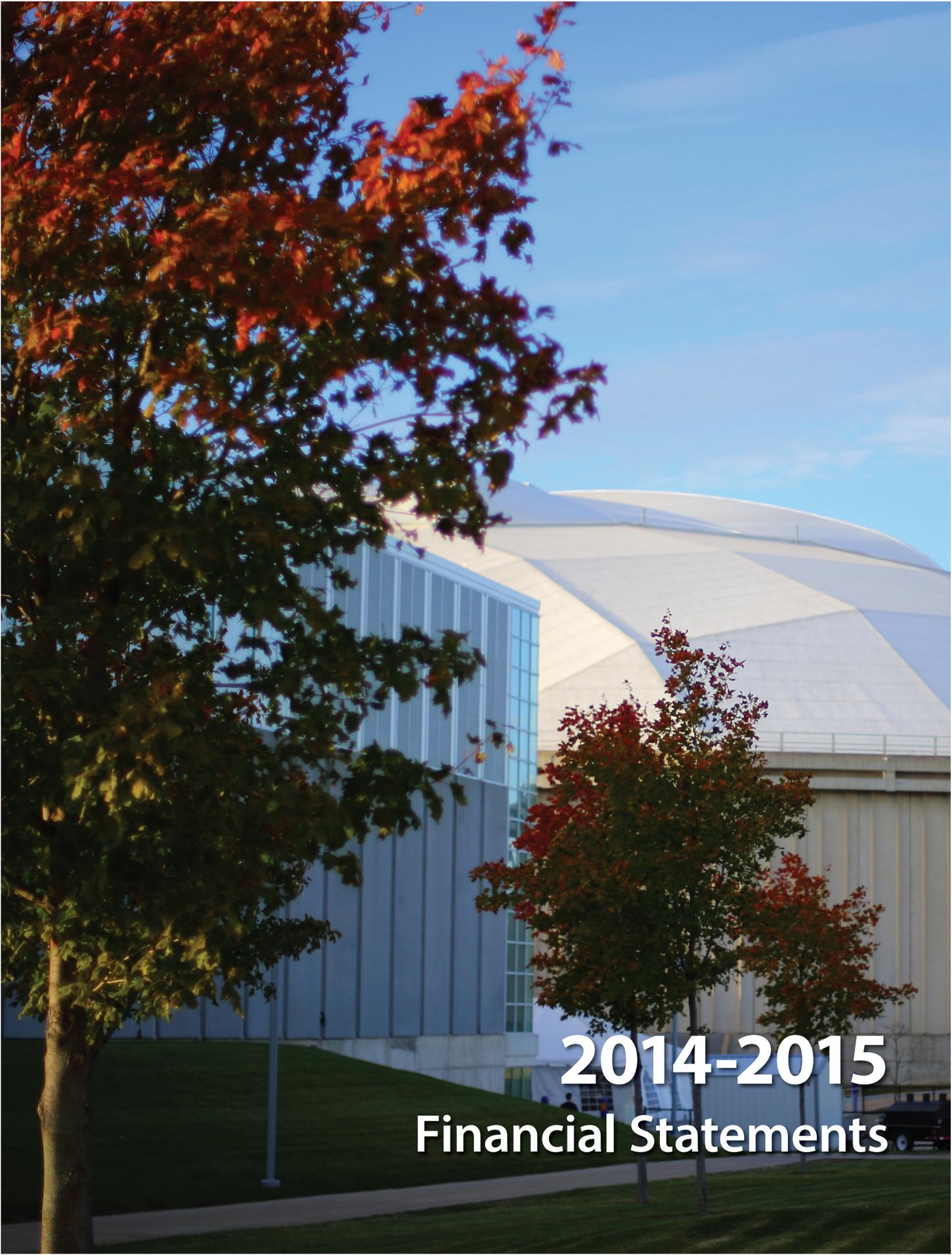
President William Ruud, completing his 2nd year at UNI in 2015, has a strong and experienced executive management team effectively guiding the University as the state's comprehensive university. The executive management team will focus on 1) being a leading undergraduate public university that provides a strong liberal arts foundation, 2) providing rigorous and relevant graduate education that meets the needs of graduate students, the University and the community, 3) leading the state and nation in preK-12 education, 4) creating and maintain an inclusive educational environment that prepares students to thrive in a diverse global environment, 5) enhancing the economic, social, cultural and sustainable development of the state and 6) ensuring accountability, affordability and access.

The entire University community continues to place students and learning first offering a unique and engaged educational experience that makes a difference across the state.

### CONTACTING THE UNIVERSITY

This financial report is designed to provide our customers, our donors, our creditors and the taxpayers of the State of Iowa with a general overview of the University's finances and to demonstrate the University's accountability for the resources it receives. If you have questions about this report or if you would like additional financial information about the University, write to Financial Accounting and Reporting Services, 122 Lang Hall, Cedar Falls, Iowa 50614-0009 or phone 319-273-3576.





**2014-2015**  
**Financial Statements**



**UNIVERSITY OF NORTHERN IOWA**  
**Statement of Net Position**  
**June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b> <b>(not restated)</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents-Note B	\$ 26,398,702	20,588,882
Investments-Note B	63,434,024	55,591,450
Accounts receivable, net-Note C	7,432,290	9,882,201
Notes receivable, net-Note E	1,940,126	1,906,269
Interest receivable	541,945	543,356
Due from government agencies-Note F	5,073,801	5,144,840
Prepaid expenses and other current assets-Note G	3,783,613	4,704,216
Inventories-Note H	1,577,132	2,338,194
<b>Total Current Assets</b>	<b>110,181,633</b>	<b>100,699,408</b>
Noncurrent Assets:		
Investments-Note B	31,124,949	41,075,265
Accounts receivable, net-Note C	-	962,328
Notes receivable, net-Note E	7,760,504	7,600,153
Prepaid expenses-Note G	370,624	114,382
Capital assets, Nondepreciable-Note I	9,745,831	9,146,477
Capital assets, Depreciable, net-Note I	370,057,746	377,289,971
<b>Total Noncurrent Assets</b>	<b>419,059,654</b>	<b>436,188,576</b>
<b>Total Assets</b>	<b>529,241,287</b>	<b>536,887,984</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related deferred outflows	3,286,884	-
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	7,906,198	10,566,918
Salaries and wages payable-Note J	1,251,608	736,803
Unpaid claims and contingent liabilities-Note Q	1,866,813	1,783,788
Unearned revenue-Note G	4,571,649	5,477,006
Interest payable	3,511,161	3,076,806
Other long-term liabilities-Note K	5,043,207	5,481,989
Long-term debt-Note M	14,770,652	10,912,763
Deposits held in custody for others	4,257,516	4,389,810
<b>Total Current Liabilities</b>	<b>43,178,804</b>	<b>42,425,883</b>
Noncurrent Liabilities:		
Other long-term liabilities-Note K	37,886,717	26,662,561
Long-term debt-Note M	121,083,469	132,349,070
<b>Total Noncurrent Liabilities</b>	<b>158,970,186</b>	<b>159,011,631</b>
<b>Total Liabilities</b>	<b>202,148,990</b>	<b>201,437,514</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related deferred inflows	3,598,522	-
<b>NET POSITION</b>		
Net investment in capital assets	258,659,287	254,034,901
Restricted-Note P		
Nonexpendable	615,895	615,895
Expendable	30,560,434	29,898,129
Unrestricted	36,945,043	50,901,545
<b>Total Net Position</b>	<b>\$ 326,780,659</b>	<b>335,450,470</b>

The notes are an integral part of the financial statements.

**UNIVERSITY OF NORTHERN IOWA FOUNDATION**  
**Combined Statements of Financial Position**  
**June 30, 2015 and 2014**

**ASSETS**

	<b>2015</b>	<b>2014</b>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 930,207	621,966
Investments	19,610,914	18,404,719
Pledges receivable, net-Note D	1,945,685	1,498,326
Other receivables	225,524	158,291
Other	183,685	123,918
	22,896,015	20,807,220
<b>Noncurrent Assets:</b>		
Pledges receivable, less current portion	4,879,777	4,559,364
Long-term investments	108,912,354	108,887,771
Life insurance cash value	1,385,701	1,444,554
Building, equipment and leasehold improvements, net	794,416	693,865
Other	129,473	151,082
	116,101,721	115,736,636
Total Assets	\$ 138,997,736	136,543,856

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>		
Accounts payable, accrued expenses and other liabilities	\$ 692,779	1,384,947
Annuities payable	278,259	275,581
Annuity trusts payable	87,163	103,676
Unitrusts payable	64,273	68,909
	1,122,474	1,833,113
<b>Noncurrent Liabilities:</b>		
Annuities payable, less current portion	1,480,658	1,686,824
Annuity trusts payable, less current portion	669,297	770,464
Unitrusts payable, less current portion	347,986	382,104
	2,497,941	2,839,392
Total Liabilities	3,620,415	4,672,505
<b>Net Assets:</b>		
Unrestricted	8,507,362	8,892,299
Temporarily restricted-Note P	40,417,265	40,986,283
Permanently restricted-Note P	86,452,694	81,992,769
	135,377,321	131,871,351
Total Liabilities and Net Assets	\$ 138,997,736	136,543,856

The notes are an integral part of the financial statements.

**UNIVERSITY OF NORTHERN IOWA**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b> <b>(not restated)</b>
<b>REVENUES</b>		
<b>Operating Revenues:</b>		
Tuition and fees, net of scholarship allowances of \$27,115,085 for 2015 and \$25,424,620 for 2014	\$ 62,538,104	64,320,008
Federal grants and contracts	15,782,976	16,662,776
State and local grants and contracts	2,983,411	2,053,427
Nongovernmental grants and contracts	3,943,663	3,320,222
Sales and services of educational activities	6,168,882	6,403,218
Interest on student loans	210,849	226,660
Other operating revenue	711,025	562,860
Auxiliary enterprises	60,468,336	57,101,721
<b>Total Operating Revenues</b>	<u>152,807,246</u>	<u>150,650,892</u>
<b>EXPENSES</b>		
<b>Operating Expenses:</b>		
Instruction	86,536,932	86,505,596
Research	3,175,745	2,982,535
Public service	21,315,032	25,052,740
Academic support	22,866,432	22,489,903
Student services	10,430,540	9,636,281
Institutional support	27,210,997	26,066,570
Operation and maintenance of plant	22,201,764	21,166,860
Scholarships and fellowships	6,202,848	3,381,347
Depreciation/amortization	18,095,313	18,040,748
Other operating expenses	150,187	193,945
Auxiliary enterprises	51,743,111	50,774,324
<b>Total Operating Expenses</b>	<u>269,928,901</u>	<u>266,290,849</u>
<b>Operating (Loss)</b>	<u>(117,121,655)</u>	<u>(115,639,957)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
State appropriations	100,659,338	96,910,269
Federal grants and contracts	10,714,971	10,270,339
Nonfederal gifts, grants and contracts	2,010,489	3,827,149
Investment income	1,658,231	3,644,079
Interest on indebtedness	(5,890,651)	(5,463,353)
Loss on disposal of capital assets	(295,199)	(2,428,923)
Other nonoperating expense	(73,167)	-
<b>Net Nonoperating Revenues</b>	<u>108,784,012</u>	<u>106,759,560</u>
<b>(Loss) Before Other Revenues</b>	<u>(8,337,643)</u>	<u>(8,880,397)</u>
<b>OTHER REVENUES:</b>		
Capital appropriations	8,121,169	14,177,141
Capital gifts, grants and contracts	1,832,059	3,232,154
<b>Total Other Revenues</b>	<u>9,953,228</u>	<u>17,409,295</u>
<b>Change in Net Position</b>	<u>1,615,585</u>	<u>8,528,898</u>
<b>NET POSITION</b>		
<b>Net position, beginning of year, as restated</b>	<u>325,165,074</u>	<u>326,921,572</u>
<b>Net position, end of year</b>	<u>\$ 326,780,659</u>	<u>335,450,470</u>

The notes are an integral part of the financial statements.

**UNIVERSITY OF NORTHERN IOWA FOUNDATION**  
**Combined Statements of Activities**  
**Years Ended June 30, 2015 and 2014**

	<b>2015</b>			
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total Net Assets
<b>Revenue, support and reclassifications:</b>				
Contribution revenue	\$ 2,784,548	8,394,383	4,067,368	15,246,299
Investment return	517,390	2,135,756	216,106	2,869,252
Miscellaneous income	33,891	12,000	-	45,891
Change in donor intent	(16,050)	(327,311)	343,361	-
Reclassifications attributed to underwater endowments	(25,061)	25,061	-	-
Net assets released from restrictions	10,752,504	(10,752,504)	-	-
<b>Total revenue, support and reclassifications</b>	<u>14,047,222</u>	<u>(512,615)</u>	<u>4,626,835</u>	<u>18,161,442</u>
<b>Expenses and adjustments:</b>				
Scholarship expenses	4,357,658	-	-	4,357,658
Programming expenses	5,089,266	-	-	5,089,266
Administrative expenses	1,912,508	-	-	1,912,508
Fundraising expenses	3,027,956	-	-	3,027,956
Uncollectible pledges	36,731	43,130	25,770	105,631
Depreciation expense	107,458	-	-	107,458
Present value liability actuarial adjustment	(99,418)	13,273	141,140	54,995
<b>Total expenses and adjustments</b>	<u>14,432,159</u>	<u>56,403</u>	<u>166,910</u>	<u>14,655,472</u>
<b>Change in net assets</b>	(384,937)	(569,018)	4,459,925	3,505,970
<b>Net assets, beginning of year</b>	<u>8,892,299</u>	<u>40,986,283</u>	<u>81,992,769</u>	<u>131,871,351</u>
<b>Net assets, end of year</b>	<u>\$ 8,507,362</u>	<u>40,417,265</u>	<u>86,452,694</u>	<u>135,377,321</u>

The notes are an integral part of the financial statements.

**2014**

Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total Net Assets
1,218,826	6,858,754	3,271,503	11,349,083
3,960,925	10,509,485	622,319	15,092,729
24,212	16,078	-	40,290
(676,588)	676,588	-	-
<u>10,710,093</u>	<u>(10,710,093)</u>	<u>-</u>	<u>-</u>
<u>15,237,468</u>	<u>7,350,812</u>	<u>3,893,822</u>	<u>26,482,102</u>
4,557,282	-	-	4,557,282
4,593,058	-	-	4,593,058
911,902	-	-	911,902
2,225,306	-	-	2,225,306
22,280	173,811	54,385	250,476
92,600	-	-	92,600
<u>156,200</u>	<u>17,105</u>	<u>327,693</u>	<u>500,998</u>
<u>12,558,628</u>	<u>190,916</u>	<u>382,078</u>	<u>13,131,622</u>
2,678,840	7,159,896	3,511,744	13,350,480
<u>6,213,459</u>	<u>33,826,387</u>	<u>78,481,025</u>	<u>118,520,871</u>
<u>8,892,299</u>	<u>40,986,283</u>	<u>81,992,769</u>	<u>131,871,351</u>

**UNIVERSITY OF NORTHERN IOWA**  
**Statement of Cash Flows**  
**Years Ended June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$ 62,233,336	63,699,063
Grants and contracts receipts	22,264,252	22,715,923
Collections of loans from students	1,822,009	1,867,217
Auxiliary enterprise receipts	60,194,845	57,445,885
Payments for salaries and benefits	(151,086,727)	(153,286,305)
Payments for goods and services	(41,402,092)	(40,255,576)
Scholarships	(6,116,446)	(3,269,564)
Loans issued to students	(1,976,128)	(1,674,133)
Auxiliary enterprise payments	(51,813,457)	(50,797,775)
Interest on loans to students	193,071	215,804
Other operating receipts	6,598,096	6,734,551
<b>Net Cash Used by Operating Activities</b>	<b>(99,089,241)</b>	<b>(96,604,910)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	100,643,709	96,968,644
William D. Ford direct lending and plus loans receipts	54,888,413	58,551,372
William D. Ford direct lending and plus loans made	(54,892,833)	(58,586,203)
Agency receipts	3,279,729	3,334,949
Agency payments	(3,335,602)	(3,426,106)
Noncapital gifts	14,505,101	13,987,909
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>115,088,517</b>	<b>110,830,565</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital appropriations received	8,131,943	14,177,141
Capital gifts and grants received	1,480,015	1,167,716
Acquisition of capital assets	(11,079,376)	(15,288,930)
Proceeds from sale of capital assets	146,207	359,380
Principal paid on capital debt	(10,860,285)	(16,467,891)
Interest paid on capital debt	(5,511,685)	(5,349,219)
Proceeds from capital debt	3,476,289	5,000,000
Other capital and related financing receipts	251,980	2,322
Other capital and related financing payments	(73,167)	-
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(14,038,079)</b>	<b>(16,399,481)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest and dividends on investments	457,275	463,833
Proceeds from sale and maturities of investments	38,315,985	38,990,007
Purchase of investments	(34,924,637)	(43,874,446)
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>3,848,623</b>	<b>(4,420,606)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,809,820</b>	<b>(6,594,432)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>20,588,882</b>	<b>27,183,314</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 26,398,702</b>	<b>20,588,882</b>

**UNIVERSITY OF NORTHERN IOWA**  
**Statement of Cash Flows**  
**Years Ended June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (117,121,655)	(115,639,957)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation/amortization	18,095,313	18,040,748
(Increase)/Decrease in accounts receivable	1,373,637	385,596
(Increase)/Decrease in notes receivable	(194,209)	108,089
(Increase)/Decrease in due from government agencies	3,521	(180,746)
(Increase)/Decrease in inventories	761,062	1,536,259
(Increase)/Decrease in prepaid expenses	668,483	(398,476)
(Increase)/Decrease in other assets	(1,564)	16,907
(Increase)/Decrease in deferred outflows of resources	(1,896,611)	-
Increase/(Decrease) in accounts payable	(2,352,878)	(2,479,983)
Increase/(Decrease) in salaries and wages payable	25,304	(67,645)
Increase/(Decrease) in unearned revenue	(901,347)	1,615,008
Increase/(Decrease) in other liabilities	1,093,103	459,290
Increase/(Decrease) in pension liability	(2,239,922)	-
Increase/(Decrease) in deferred inflows of resources	3,598,522	-
	<u>\$ (99,089,241)</u>	<u>(96,604,910)</u>
<b>Net Cash Used By Operating Activities</b>	<b>\$ (99,089,241)</b>	<b>(96,604,910)</b>

**Noncash Capital, Financing and Investing Activities:**

Equipment with a fair value of \$302,016 was donated to the University in 2015.

Net unrealized gain increased the fair value of the University's investments \$310,905 in 2015 and \$3,928,656 in 2014.

The notes are an integral part of the financial statements.

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015

**Note A – Organization and Summary of Significant Accounting Policies**

**Organization**

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

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

**Basis of Presentation**

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

In June 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. This statement was implemented for the year ended June 30, 2015. This statement established new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position now includes a significant liability for the University's proportionate share of an employee pension plan.

**Discretely Presented Component Unit**

The University of Northern Iowa Foundation (Foundation) is a legally separate, tax-exempt 501(c)(3) corporation. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The University does not control the Foundation or the timing or amount of receipts from the Foundation. The majority of the Foundation's resources are restricted to the activities of the University by UNI Foundation donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. During the years ended June 30, 2015 and 2014, the Foundation provided \$6,014,684 and \$7,191,343, respectively, to the University.

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

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

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

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

The Foundation is a non-profit organization that reports according to standards prescribed by the Financial Accounting Standards Board (FASB). The Foundation's financial statements were prepared in accordance with the provisions of FASB No. 117, Financial Statements of Not-for-Profit Organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial reporting for these differences. A copy of the Foundation's financial statements may be obtained by contacting the University of Northern Iowa Foundation at Cedar Falls, Iowa.

**Affiliated Organization**

Affiliated organizations not controlled by the University, such as the UNI Alumni Association, are not included in the University's financial statements.

**Cash and Cash Equivalents**

In accordance with GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, Paragraph 11, the Board of Regents, State of Iowa established a policy defining cash equivalents as investments purchased by the institutions through Board-authorized brokerage firms that meet the GASB definition of cash equivalents. Cash equivalents are both readily convertible to known amounts of cash and mature within three months from the purchase date. The Board of Regents has established, by policy, that all funds held by external investment managers shall be reported as investments. Any cash or cash equivalents in the diversified operating portfolio, diversified intermediate term portfolio and the endowment portfolio is reported as an investment.

**Investments**

Investments in marketable securities are recorded at their fair value, as established by the major securities markets. Purchases and sales of investments are accounted for on the settlement date basis. Investment income is recorded on the accrual basis. Realized and unrealized gains and losses are reported as investment income. The University is not permitted to invest in derivative instruments. Investments acquired and classified as gift revenue are recorded at fair value or appraised value as of the date of the gift.

The University discloses the Credit Risk, Concentration of Credit Risk and Interest Rate Risk in accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures, in Note B.

Credit Risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations to the University. To reduce the University's exposure to credit risk, the weighted average credit quality of the University's operating portfolio must be AA or Aa as rated by Standard & Poor's or Moody's, respectively.

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

Interest Rate Risk is the possibility changes in interest rates will adversely affect the fair value of fixed income investments. This risk is managed within the portfolio using duration. Duration analysis is widely used in the management of fixed income portfolios to quantify the risk of interest rate changes. The

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

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

methodology takes into account optionality on bonds and scales the risk to price changes on bonds depending upon the degree of change in rates and the slope of the yield curve. The maximum duration of the University's operating portfolio may not exceed the duration of the Merrill 1-3 year Government/Corporate Index by more than 20%. At the time of purchase, the maturity of securities in the operating portfolio cannot exceed sixty-three months.

Interest on the Perkins Student Loan Fund is recorded on the accrual basis while interest on other Loan Funds is reported on the cash basis due to immateriality.

With the exception of funds specifically invested for bond issues and endowment funds, all other monies are pooled in an investment pool entitled "Treasurer's Temporary Investments". Investment income on the investment pool is allocated to the activities that participate in the pool. In fiscal years 2015 and 2014, the amount of income allocated from the Treasurer's Temporary Investment Pool was \$478,144 and \$2,725,896, respectively.

**Investments (Foundation)**

The Foundation has adopted FASB No. 157, Fair Value Measurements. FASB No. 157 defines fair value 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 in its principal market or, in the absence of a principal market, the most advantageous market for the investment or liability. The Foundation categorizes its investments into a three-level fair value hierarchy.

**Inventories**

Inventories, consisting mainly of coal, fuel oil, foodstuffs and supplies, are primarily valued at the lower of cost (first in, first out method) or market. The cost is recorded as an expense at the time individual inventory items are consumed.

**Capital Assets**

Capital assets, which include land, buildings and improvements, intangibles, equipment and library materials, are stated at cost at the date of acquisition. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized.

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

The following useful lives are used:

Infrastructure	20-40 years
Buildings	40-50 years
Improvements other than buildings	20-30 years
Equipment	5-20 years
Vehicles	5-10 years
Library	10 years
Software	5-30 years

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

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

The following thresholds are used to define capital assets:

Infrastructure	\$ 25,000
Land improvements	\$ 25,000
Buildings and building improvements	\$100,000
Equipment	\$ 5,000
Intangible assets	\$500,000

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

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

**Deferred Outflows and Deferred Inflows of Resources**

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

**Bond Issuance Costs, Discounts and Premiums**

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

**Unearned Revenue**

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

**Noncurrent Liabilities**

Noncurrent liabilities include principal amounts of revenue bonds payable, notes payable and capital lease obligations with contractual maturities greater than one year, as well as estimated amounts for accrued compensated absences, early retirement benefits payable, refundable advances on student loans, other postemployment benefit obligations, net pension liability and other liabilities that will not be paid within the next fiscal year.

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

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

**Pensions**

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.

**Net Position**

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

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

**Restricted Net Position:**

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

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

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

**Auxiliary Enterprise Revenues**

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

**Summer Session**

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

**Tuition and Fees**

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

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

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

**Operating and Nonoperating Activities**

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

**Endowment Appreciation**

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

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

**Fringe Benefits**

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

**Termination Benefits**

The University accounts for its termination benefit plans in accordance with GASB Statement No. 47, Accounting for Termination Benefits. Disclosure of the Early Retirement Incentive Programs (ERIP) is presented in Note S.

**Use of Estimates**

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

**Restatements and Reclassifications**

GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27, was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB Statement No. 68 requires a government employer to recognize a net pension liability, changes in the net pension liability and deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

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

Net position at June 30, 2014, as previously reported	\$335,450,470
Net pension liability at June 30, 2014	(11,675,669)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	<u>1,390,273</u>
Net position at July 1, 2014, as restated	<u>\$325,165,074</u>

**Note B – Cash Deposits and Investments**

(1) Cash and cash equivalents:

The bank deposits of the University were covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. In the unlikely event a bank fails, the State Treasurer first determines the amount of the loss and validates the amount of applicable FDIC insurance. He is empowered by this chapter to cover the remaining loss from the State Sinking Fund for public deposits in banks. If the balance in the State Sinking Fund is inadequate to pay the entire loss, he is empowered to make assessments against other banks to ensure there will be no loss of public funds. Cash and cash equivalents at June 30, 2015 and 2014 are:

	<u>2015</u>	<u>2014</u>
Carrying values of cash and cash equivalents	\$26,398,702	20,588,882
The carrying values include:		
Cash-on-hand	172,207	171,706
Uninsured and uncollateralized money market funds	9,951,084	7,684,884
Bank balances	\$19,191,547	15,707,490

(2) Investments:

In accordance with the Code of Iowa, the University's operating portfolio may be invested in obligations of the U.S. government and its agencies, certificates of deposit, prime bankers' acceptances, investment grade commercial paper, repurchase agreements, investments authorized for the Iowa Public Employees' Retirement System in Section 97B.7 of the Code of Iowa, investment grade corporate debt, mortgage pass-through and asset-backed securities with an A rating at time of purchase and an open-end management investment company organized in trust form registered with the S.E.C. under the Investment Company Act of 1940. The University's endowment portfolio may invest in all of the above as well as certain international and listed domestic equities. A portion of the University's operating portfolio is invested in the State University of Iowa's diversified pool. In addition, the University's endowments are pooled with the State University of Iowa's endowments to achieve economies of scale.

Chapter 540A of the Code of Iowa permits the University to spend endowment income and to appropriate within certain limitations an amount of realized and unrealized endowment appreciation as the University determines to be prudent considering the University's long-term and short-term needs, its present and anticipated financial requirements, expected total return on its investments, price level trends and general economic conditions. The University's policy is to retain the realized and unrealized appreciation with the endowment pursuant to the spending rule of the University. The University's spending rule is that five percent (5%) of the three year moving average of the fair value of the endowment will be calculated and distributed. The net appreciation on true endowments available for expenditure at June 30, 2015 and 2014

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
 June 30, 2015

**Note B – Cash Deposits and Investments (continued)**

was \$671,997 and \$723,470, respectively. The net appreciation is classified in the Statement of Net Position as follows:

	<u>2015</u>	<u>2014</u>
Restricted Expendable:		
Scholarships and fellowships	\$ 162,908	173,411
Loans	145,103	152,262
Other-Chair	<u>363,986</u>	<u>397,797</u>
Total	\$ <u>671,997</u>	<u>723,470</u>

The University's investments are recorded at fair value, as determined by quoted market price. At June 30, 2015, the University had the following investments and quality credit ratings by investment type:

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**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note B – Cash Deposits and Investments (continued)**

Invested Assets		Fair Value
Operating Portfolio:		
Fixed Income:		
U.S. Government Securities:		
U.S. Government Treasuries		\$ 14,479,602
U.S. Government Agencies		23,548,007
Short-Term Securities:		
Commercial Paper		3,999,553
Fixed Income Mutual Funds		19,092,547
Total Fixed Income Securities		<u>61,119,709</u>
Equity and Other Securities:		
Domestic Equity Mutual Funds		2,930,356
International Equity Mutual Funds		2,458,597
REIT Mutual Funds		4,020,789
Senior Secured, Floating Rate Leveraged Loans		3,246,875
Total Equity and Other Securities		<u>12,656,617</u>
Cash and Cash Equivalents:		
Money Market Fund Shares		<u>11,400,433</u>
Total Cash and Cash Equivalents		<u>11,400,433</u>
Total Operating Portfolio		<u>85,176,759</u>
Endowment Portfolio (UNI Equity in SUI Endowment Pool):		
Fixed Income:		
U.S. Government Securities:		
U.S. Government Treasuries		454,228
U.S. Government Agencies		223,183
Mortgage-Backed Securities		49,113
Credit:		
Corporate Bonds		299,697
Corporate Asset-Backed		39,756
Private Placements		52,607
Fixed Income Mutual Funds		1,121,876
Total Fixed Income Securities		<u>2,240,460</u>
Equity and Other Securities:		
Domestic Equity Mutual Funds		3,227,740
International Equity Mutual Funds		2,526,562
REIT Mutual Funds		923,697
Senior Secured, Floating Rate Leveraged Loans		463,755
Total Equity and Other Securities		<u>7,141,754</u>
Total Endowment Portfolio		<u>9,382,214</u>
Total Invested Assets		<u>\$ 94,558,973</u>

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note B – Cash Deposits and Investments (continued)**

Credit Risk Concentration

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

Investment	Fair Value	% of Total Operating Portfolio Fixed Income Assets
Federal National Mortgage Association	\$11,710,178	18%
Federal Farm Credit Bank	4,953,007	8%
Federal Home Loan Mortgage Corporation	4,819,774	8%

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**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note B – Cash Deposits and Investments (continued)**

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

Interest Rate Sensitivity – Duration	Fair Value	Duration (in years)
Operating Portfolio:		
Fixed Income:		
U.S. Government Securities:		
U.S. Government Treasuries	\$ 14,479,602	2.15
U.S. Government Agencies	23,548,007	2.07
Short-Term Securities:		
Commercial Paper	3,999,553	0.04
Fixed Income Mutual Funds	<u>19,092,547</u>	4.68
Operating Portfolio-Total Fixed Income Securities	<u>61,119,709</u>	
Operating Portfolio Duration		2.77
Endowment Portfolio:		
Fixed Income:		
U.S. Government Securities:		
U.S. Government Treasuries	454,228	1.92
U.S. Government Agencies	223,183	1.62
Mortgage-Backed Securities	49,113	0.71
Credit:		
Corporate Bonds	299,697	1.72
Corporate Asset-Backed	39,756	1.18
Private Placements	52,607	2.03
Fixed Income Mutual Funds	<u>1,121,876</u>	4.72
Endowment Portfolio-Total Fixed Income Securities	<u>2,240,460</u>	
Endowment Portfolio Duration		3.23
Total All Portfolios	<u>\$ 63,360,169</u>	

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note B – Cash Deposits and Investments (continued)**

		Credit Risk – Quality Ratings		
	Treasury and GNMA	AAA	AA	A
Fixed Income Securities:				
U.S. Government Guaranteed:				
U.S. Government Treasuries	\$14,933,830	-	-	-
Government National Mortgage Association	13,559	-	-	-
U.S. Government Non-Guaranteed:				
Federal National Mortgage Association	-	11,710,177	-	-
Federal Farm Credit Bank	-	4,953,007	-	-
Federal Home Loan Mortgage Corporation	-	4,819,774	-	-
Federal Home Loan Bank	-	2,274,673	-	-
Mortgage-Backed Securities	-	49,113	-	-
Credit:				
Corporate Bonds	-	8,226	13,450	156,756
Corporate Asset-Backed	-	35,097	3,733	-
Private Placements	-	21,999	5,375	9,505
Commercial Paper	-	-	-	-
Fixed Income Mutual Funds	-	10,229,729	2,538,630	1,472,471
Total Fixed Income Securities	<u>\$14,947,389</u>	<u>34,101,795</u>	<u>2,561,188</u>	<u>1,638,732</u>

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

<u>BBB</u>	<u>BB</u>	<u>B</u>	<u>Below B</u>	<u>A1+P1</u>	<u>Total</u>
-	-	-	-	-	14,933,830
-	-	-	-	-	13,559
-	-	-	-	-	11,710,177
-	-	-	-	-	4,953,007
-	-	-	-	-	4,819,774
-	-	-	-	-	2,274,673
-	-	-	-	-	49,113
117,796	3,469	-	-	-	299,697
926	-	-	-	-	39,756
15,728	-	-	-	-	52,607
-	-	-	-	3,999,553	3,999,553
<u>2,189,131</u>	<u>2,001,506</u>	<u>1,329,164</u>	<u>453,792</u>	<u>-</u>	<u>20,214,423</u>
<u>2,323,581</u>	<u>2,004,975</u>	<u>1,329,164</u>	<u>453,792</u>	<u>3,999,553</u>	<u>63,360,169</u>

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note C – Accounts Receivable**

Accounts receivable are summarized as follows:

	<u>2015</u>	<u>2014</u>
Student accounts	\$ 4,282,217	4,762,528
University of Northern Iowa Foundation	266,638	127,308
Sponsoring agencies	318,946	1,013,674
Other	<u>2,564,489</u>	<u>4,941,019</u>
Total	<u>\$ 7,432,290</u>	<u>10,844,529</u>

**Note D – Pledges Receivable (Foundation)**

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

	<u>2015</u>	<u>2014</u>
In one year or less	\$ 2,107,032	1,726,766
Between one year and five years	3,969,550	3,423,745
More than five years	<u>1,378,958</u>	<u>1,573,579</u>
	7,455,540	6,724,090
Less discounts to net present value	(430,939)	(438,070)
Less allowance for uncollectible pledges	<u>(199,139)</u>	<u>(228,330)</u>
Total	<u>\$ 6,825,462</u>	<u>6,057,690</u>

Pledges receivable at June 30, 2015 and 2014 have the following restrictions:

	<u>2015</u>	<u>2014</u>
Unrestricted:		
Undesignated	\$ 296,325	159,069
Temporarily Restricted:		
Scholarships and department programs	3,478,328	3,545,864
Plant	997,890	1,708,472
Permanently Restricted:		
Endowments-Scholarships and department programs	<u>2,052,919</u>	<u>644,285</u>
Total	<u>\$ 6,825,462</u>	<u>6,057,690</u>

**Note E – Notes Receivable**

Notes receivable are summarized as follows:

	<u>2015</u>	<u>2014</u>
Student loans:		
Federal loan programs	\$10,450,081	10,579,296
University loan funds	<u>114,284</u>	<u>110,553</u>
	10,564,365	10,689,849
Less allowance for uncollectible loans	<u>(863,735)</u>	<u>(1,183,427)</u>
Total	<u>\$ 9,700,630</u>	<u>9,506,422</u>

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

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
 June 30, 2015

**Note F – Due From Government Agencies**

Due from Government Agencies is summarized as follows:

	<u>2015</u>	<u>2014</u>
Federal Government	\$3,118,999	3,512,148
State Government	1,950,877	1,616,674
Local Governments	<u>3,925</u>	<u>16,018</u>
Total	<u>\$5,073,801</u>	<u>5,144,840</u>

**Note G – Prepaid Expenses/Unearned Revenue**

Prepaid expenses at June 30, 2015 and 2014 totaled \$4,154,237 and \$4,818,598, respectively, and unearned revenue at June 30, 2015 and 2014 totaled \$4,571,649 and \$5,477,006, respectively. The summer session portion for unearned tuition and fees for 2015 and 2014 was \$2,500,350 and \$2,662,604, respectively. In fiscal year 2014, students signed housing contracts with the Department of Residence for the following Fall semester. Starting in fiscal year 2015, housing deposits were included in the admissions acceptance fee. Unearned revenue on housing contracts was \$23,450 and \$584,600 at June 30, 2015 and 2014, respectively. Season ticket sales for the Gallagher-Bluedorn Performing Arts Center Artist Series and for Athletic football games begin in the Spring for the following year. Unearned ticket sale revenues were \$1,355,775 and \$1,031,291 at June 30, 2015 and 2014, respectively.

**Note H – Inventories**

Inventories at June 30, 2015 and 2014, consisting mainly of supplies and merchandise, primarily valued at cost, had values of \$1,577,132 and \$2,338,194, respectively.

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**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note I – Capital Assets**

Capital assets activity for the year ended June 30, 2015 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Book Value</u>
Land	\$ 4,904,493	-	-	4,904,493	-	4,904,493
Construction in Progress	<u>4,241,984</u>	<u>8,789,017</u>	<u>(8,189,663)</u>	<u>4,841,338</u>	<u>-</u>	<u>4,841,338</u>
Capital Assets, Nondepreciable/ Amortizable	<u>9,146,477</u>	<u>8,789,017</u>	<u>(8,189,663)</u>	<u>9,745,831</u>	<u>-</u>	<u>9,745,831</u>
Land Improvements	14,426,753	1,630,067	-	16,056,820	(10,007,628)	6,049,192
Infrastructure	40,068,117	717,599	-	40,785,716	(14,976,502)	25,809,214
Buildings	488,100,847	4,619,664	-	492,720,511	(182,124,936)	310,595,575
Equipment	51,354,579	3,799,732	(1,804,873)	53,349,438	(35,625,996)	17,723,442
Intangibles	8,605,780	-	-	8,605,780	(1,721,156)	6,884,624
Library Materials	<u>34,173,265</u>	<u>290,078</u>	<u>(195,323)</u>	<u>34,268,020</u>	<u>(31,272,321)</u>	<u>2,995,699</u>
Capital Assets, Depreciable/ Amortizable	<u>636,729,341</u>	<u>11,057,140</u>	<u>(2,000,196)</u>	<u>645,786,285</u>	<u>(275,728,539)</u>	<u>370,057,746</u>
Total Capital Assets	<u>\$645,875,818</u>	<u>19,846,157</u>	<u>(10,189,859)</u>	<u>655,532,116</u>	<u>(275,728,539)</u>	<u>379,803,577</u>

Depreciation and amortization activity for the year ended June 30, 2015 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land Improvements	\$ 9,482,465	525,163	-	10,007,628
Infrastructure	13,937,061	1,039,441	-	14,976,502
Buildings	170,824,075	11,300,861	-	182,124,936
Equipment	33,283,673	3,953,144	(1,610,821)	35,625,996
Intangibles	1,290,867	430,289	-	1,721,156
Library Materials	<u>30,621,229</u>	<u>846,415</u>	<u>(195,323)</u>	<u>31,272,321</u>
Total	<u>\$259,439,370</u>	<u>18,095,313</u>	<u>(1,806,144)</u>	<u>275,728,539</u>

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note I – Capital Assets**

Capital assets activity for the year ended June 30, 2014 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Book Value</u>
Land	\$ 4,904,493	-	-	4,904,493	-	4,904,493
Construction in Progress	<u>45,977,425</u>	<u>10,891,720</u>	<u>(52,627,161)</u>	<u>4,241,984</u>	<u>-</u>	<u>4,241,984</u>
Capital Assets, Nondepreciable/ Amortizable	<u>50,881,918</u>	<u>10,891,720</u>	<u>(52,627,161)</u>	<u>9,146,477</u>	<u>-</u>	<u>9,146,477</u>
Land Improvements	14,158,538	268,215	-	14,426,753	(9,482,465)	4,944,288
Infrastructure	38,832,401	1,235,716	-	40,068,117	(13,937,061)	26,131,056
Buildings	439,069,241	51,375,649	(2,344,043)	488,100,847	(170,824,075)	317,276,772
Equipment	50,668,213	4,289,596	(3,603,230)	51,354,579	(33,283,673)	18,070,906
Intangibles	8,605,780	-	-	8,605,780	(1,290,867)	7,314,913
Library Materials	<u>34,612,204</u>	<u>325,379</u>	<u>(764,318)</u>	<u>34,173,265</u>	<u>(30,621,229)</u>	<u>3,552,036</u>
Capital Assets, Depreciable/ Amortizable	<u>585,946,377</u>	<u>57,494,555</u>	<u>(6,711,591)</u>	<u>636,729,341</u>	<u>(259,439,370)</u>	<u>377,289,971</u>
Total Capital Assets	<u>\$636,828,295</u>	<u>68,386,275</u>	<u>(59,338,752)</u>	<u>645,875,818</u>	<u>(259,439,370)</u>	<u>386,436,448</u>

Depreciation and amortization activity for the year ended June 30, 2014 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land Improvements	\$ 9,014,263	468,202	-	9,482,465
Infrastructure	12,785,744	1,151,317	-	13,937,061
Buildings	161,211,864	10,974,187	(1,361,976)	170,824,075
Equipment	32,315,260	4,109,292	(3,140,879)	33,283,673
Intangibles	860,578	430,289	-	1,290,867
Library Materials	<u>30,478,086</u>	<u>907,461</u>	<u>(764,318)</u>	<u>30,621,229</u>
Total	<u>\$246,665,795</u>	<u>18,040,748</u>	<u>(5,267,173)</u>	<u>259,439,370</u>

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note J – Salaries and Wages Payable**

All non-student University employees are paid the last working day of each month. Certain bargaining unit employees submit time sheets verifying hours worked up to the middle of the month. Student employees submit time sheets verifying hours worked and are paid bi-weekly. Accrued salaries and wages payable at June 30, 2015 and 2014 were \$1,251,608 and \$736,803, respectively.

**Note K – Other Long-Term Liabilities**

Other long-term liabilities at June 30, 2015 and 2014 are summarized as follows:

	<u>2015</u>	<u>2014</u>
Other Long-Term Liabilities:		
Compensated absences payable	\$10,949,363	11,094,658
Net pension liability	9,435,747	-
Net OPEB liability	13,360,519	11,949,704
Refundable advances on student loans	<u>9,184,295</u>	<u>9,100,188</u>
Total Other Long-Term Liabilities	<u>\$42,929,924</u>	<u>32,144,550</u>

**Compensated Absences**

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

With certain exceptions, accumulated sick leave is paid at the employee's hourly rate to a maximum of \$2,000 on retirement.

The following schedule presents the changes in the liability for compensated absences, including accrued retirement and FICA contributions, for the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Amount of accrued compensated absences at beginning of year	\$11,094,658	11,031,185
Amount of compensated absences accrued during the fiscal year	7,318,334	7,617,849
Payments on compensated absences during the fiscal year	<u>(7,463,629)</u>	<u>(7,554,376)</u>
Amount of accrued compensated absences at end of year	<u>\$10,949,363</u>	<u>11,094,658</u>

As of June 30, 2015 and 2014, the current liabilities for compensated absences payable were \$5,043,207 and \$5,481,989, respectively.

**OPEB (Other Postemployment Benefits)**

Plan Description – The University operates a single-employer retiree benefit plan which provides medical, dental and life insurance benefits for retirees and their spouses. There are 1,446 active and 1,001 retired members in the plan. Retired members must be age 55 or older at retirement.

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

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note K – Other Long-Term Liabilities (continued)**

Funding Policy – The contribution requirements of plan members are established and may be amended by the University. The University established a quasi-endowment fund in fiscal year 2015 to earmark funds for retiree medical premiums. At June 30, 2015, the quasi-endowment fund balance was \$1,057,750.

Annual OPEB Cost and Net OPEB Obligation – The University’s annual OPEB cost is calculated based on the annual required contribution of the University (ARC), an amount actuarially determined in accordance with GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the University’s annual OPEB cost as of June 30, 2015, the amount actually contributed to the plan and changes in the University’s net OPEB obligation:

Annual required contribution	\$ 3,156,000
Interest on net OPEB obligation	414,000
Adjustment to annual required contribution	<u>(352,000)</u>
Annual OPEB cost	3,218,000
Contributions made	<u>(1,637,492)</u>
Increase in net OPEB obligation	1,580,508
Net OPEB obligation beginning of year	<u>9,207,019</u>
Net OPEB obligation end of year	<u>\$ 10,787,527</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2007. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the plan’s actual contributions for the year ended June 30, 2015.

For fiscal year 2015, the University contributed \$1,637,492 to the medical plan. Plan members receiving benefits contributed \$3.0 million, or 64% of the premium costs.

The University’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations are summarized as follows:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
2013	\$3,506,000	27.9%	\$7,177,360
2014	3,057,000	33.6	9,207,019
2015	3,218,000	50.9	10,787,527

Funded Status and Funding Progress – As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$34.1 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$34.1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$142.8 million and the ratio of the UAAL to the covered payroll was 23.9%. As of June 30, 2015, there were no trust fund assets.

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note K – Other Long-Term Liabilities (continued)**

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as required supplementary information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2014 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% discount rate based on the University's funding policy. The projected annual health care trend rate is 8.5%. The ultimate health care trend rate is 5%. The health care trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate. The inflation rate is assumed to increase at a rate of 5%.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed by adjusting the retirement probabilities from the IPERS Actuarial Valuation Report as of June 30, 2013 to reflect the University's experienced retirement age of 62 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2013.

Projected claim costs of the medical plan are \$920 per month for retirees age 69 or less and \$427 per month for retirees who have attained age 70. The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Details of the University's OPEB plan may be obtained by writing Financial Accounting and Reporting Services, 122 Lang Hall, Cedar Falls, IA 50614-0009 or phone 319-273-3576.

Allocated Other Postemployment Benefits Liability – The University's merit employees are participants in the State of Iowa's postretirement medical plan (OPEB Plan). The State of Iowa recognizes the implicit rate subsidy for the OPEB Plan as required by GASB Statement No. 45.

The annual valuation of liabilities under the OPEB Plan is calculated using the entry age normal cost method. The method requires the calculation of an unfunded actuarial accrued liability, which was approximately \$217,948,000 for the State of Iowa at June 30, 2015. The University's allocation of the unfunded liability is not separately determinable.

Details of the OPEB Plan are provided on a state-wide basis and are available in the State of Iowa's Comprehensive Annual Financial Report for the year ended June 30, 2015. The report may be obtained by writing the Iowa Department of Administrative Services, Hoover State Office Building, Des Moines, Iowa 50319.

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note K – Other Long-Term Liabilities (continued)**

The University recognized a net OPEB liability of \$2,572,992 for other postemployment benefits, which represents the University's allocated portion of the State's net OPEB liability. The University's portion of the net OPEB liability was calculated using the ratio of full time equivalent University merit employees compared to all full time equivalent employees of the State of Iowa.

In summary, the University has recognized a net OPEB liability of \$10,787,527 for its retiree benefit plan and a liability of \$2,572,992 for its allocated portion of the State's net OPEB liability, for a total net OPEB liability of \$13,360,519.

**Refundable Advances on Student Loans**

The Perkins Federal Loan program requires a return of Federal Capital Contribution if the United States Government terminates the program. The accumulated Federal Capital Contribution received by the University over the lifetime of the Perkins Loan program is \$9,184,295 and \$9,100,188 at June 30, 2015 and 2014, respectively.

**Note L – Retirement Programs**

**Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF)**

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

Benefit terms, including contribution requirements, for TIAA-CREF are established and specified by the contract with TIAA-CREF in accordance with Board of Regents, State of Iowa policy. For each employee in the pension plan, the University is required to contribute 6 2/3% of the first \$4,800 of annual salary and 10% of annual salary above \$4,800 through the fifth year of employment. Upon completion of five years of service, the University is required to contribute 10% of annual salary to an individual employee account. Each employee is required to contribute 3 1/3% of the first \$4,800 of annual salary and 5% of annual salary above \$4,800 through the fifth year of employment. Upon completion of five years of service, each employee is required to contribute 5%. Contributions made by both employer and employee vest immediately. During fiscal years 2015 and 2014, the University's required and actual contribution totaled \$10,789,441 and \$11,109,967, respectively. During fiscal years 2015 and 2014, the employees' required and actual contribution totaled \$5,271,647 and \$5,270,083, respectively.

As of June 30, 2015, the University remitted all required employer and employee contributions to TIAA-CREF.

**Iowa Public Employees' Retirement System (IPERS)**

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

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note L – Retirement Programs (continued)**

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

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

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

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

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

Contributions – Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits contribution rate increases or decreases each year to 1%. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the “entry age normal” actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board. In fiscal year 2015 and 2014, pursuant to the required rate, Regular Members contributed 5.95% of pay and the University contributed 8.93% for a total rate of 14.88%.

The University’s contributions to IPERS for the years ended June 30, 2015 and 2014 were \$1,532,833 and \$1,386,177, respectively.

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note L – Retirement Programs (continued)**

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the University reported a liability of \$9,435,747 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University’s proportion of the net pension liability was based on the University’s share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2014, the University’s proportion was 0.237922%, which was an increase of 0.034572% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the University recognized pension expense of \$994,823. At June 30, 2015, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 102,548	-
Changes of assumptions	416,421	-
Net difference between projected and actual earnings on IPERS investments	-	3,598,522
Changes in proportion and differences between University contributions and its proportionate share of contributions	1,235,082	-
University contributions subsequent to the measurement date	<u>1,532,833</u>	<u>-</u>
Total	<u>\$ 3,286,884</u>	<u>3,598,522</u>

Deferred outflows of resources related to pensions of \$1,532,833 represents the amount the University contributed subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2016	\$ (489,806)
2017	(489,806)
2018	(489,806)
2019	(489,806)
2020	<u>114,753</u>
Total	<u>\$ (1,844,471)</u>

There are no non-employer contributing entities to IPERS.

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note L – Retirement Programs (continued)**

Actuarial Assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00%
Salary increases (effective June 30, 2010)	4.00 to 17.00%, average, including inflation. Rates vary by membership group.
Investment rate of return (effective June 30, 1996)	7.50% per annum, compounded annually, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on IPERS' 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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	23%	6.31%
Non US Equity	15%	6.76%
Private Equity	13%	11.34%
Real Estate	8%	3.52%
Core Plus Fixed Income	28%	2.06%
Credit Opportunities	5%	3.67%
TIPS	5%	1.92%
Other Real Assets	2%	6.27%
Cash	1%	(0.69%)
Total	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions by 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.

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS** (continued)  
 June 30, 2015

**Note L – Retirement Programs** (continued)

Sensitivity of the University’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the University’s proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the University’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

	1% Decrease <u>(6.50%)</u>	Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
University’s proportionate share of the net pension liability	\$17,828,579	9,435,747	2,351,327

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](http://www.ipers.org).

Payables to the Pension Plan – At June 30, 2015, the University reported payables to IPERS of \$107,248 for legally required employer contributions and \$71,480 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note M – Long-Term Debt**

Long-term debt at June 30, 2015, consisted of the following:

	Interest Rates %	Maturity Date	Original Value	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Academic Bldg. Revenue Bonds:								
Series 1994-Refunding	4.50 – 6.00	2015	\$ 2,180,000	360,000	-	180,000	180,000	180,000
Series 1994	5.00 – 8.25	2015	9,201,461	582,863	-	291,127	291,736	291,736
Series 2002-Refunding	4.00 – 5.50	2015	4,890,000	950,000	-	465,000	485,000	485,000
Series 2003-Refunding	3.00 – 3.80	2015	8,465,000	1,830,000	-	895,000	935,000	935,000
Series 2005-Refunding	5.75 – 6.20	2020	5,110,000	2,400,000	-	300,000	2,100,000	110,000
Series 2005	2.90 – 4.25	2027	12,800,000	10,770,000	-	585,000	10,185,000	605,000
Series 2007	4.00 – 4.25	2027	8,000,000	7,130,000	-	385,000	6,745,000	405,000
Series 2008	4.00 – 5.00	2035	12,000,000	11,850,000	-	100,000	11,750,000	125,000
Series 2009	3.00 – 5.00	2035	13,860,000	13,860,000	-	50,000	13,810,000	50,000
Residence System Bonds:								
Series 2010-Refunding	2.00 – 3.13	2020	4,255,000	3,100,000	-	410,000	2,690,000	415,000
Series 2010A	3.25 – 5.00	2030	16,790,000	14,950,000	-	650,000	14,300,000	670,000
Series 2010B-Refunding	2.50 – 4.00	2021	10,160,000	8,335,000	-	940,000	7,395,000	960,000
Series 2011	2.00 – 4.00	2033	24,870,000	24,870,000	-	1,380,000	23,490,000	1,395,000
Series 2012	1.00 – 2.75	2023	13,810,000	12,860,000	-	1,440,000	11,420,000	1,455,000
Field House Bonds:								
Series 2005-Refunding	3.00 – 4.20	2022	7,465,000	4,580,000	-	430,000	4,150,000	4,150,000
Series 2011-Refunding	2.00 – 3.50	2022	3,685,000	3,035,000	-	295,000	2,740,000	325,000
Series 2013-Refunding	2.00 – 3.00	2024	4,815,000	4,815,000	-	385,000	4,430,000	415,000
Series 2015-Refunding	2.00 – 2.13	2022	3,460,000	-	3,460,000	-	3,460,000	-
Student Union Bonds:								
Series 2011-Refunding	2.00 – 3.00	2022	8,425,000	6,980,000	-	705,000	6,275,000	725,000
Student Health System Bonds:								
Series 2013-Refunding	2.00 – 2.25	2024	2,435,000	2,435,000	-	195,000	2,240,000	205,000
Premiums-Reoffering:								
Residence-Series 2011			-	446,145	-	23,481	422,664	23,481
Field House-Series 2013			-	258,593	-	25,859	232,734	25,859
Student Health System-Series 2013			-	31,375	-	3,138	28,237	3,138
Field House-Series 2015			-	-	45,052	-	45,052	8,343
Total Bonds Payable			<u>176,676,461</u>	<u>136,428,976</u>	<u>3,505,052</u>	<u>10,133,605</u>	<u>129,800,423</u>	<u>13,962,557</u>
Notes Payable:								
City of Cedar Falls	0.00	2027	500,000	410,000	-	15,000	395,000	15,000
Wells Fargo	4.25	2016	2,150,000	480,993	-	235,440	245,553	245,552
Iowa Finance Authority	1.25	2023	1,217,000	941,864	-	98,061	843,803	99,291
Total Notes Payable			<u>3,867,000</u>	<u>1,832,857</u>	<u>-</u>	<u>348,501</u>	<u>1,484,356</u>	<u>359,843</u>
Capital Leases Payable-Wells Fargo	3.06	2024	5,000,000	5,000,000	-	430,658	4,569,342	448,252
Total Long-Term Debt Payable			<u>\$185,543,461</u>	<u>143,261,833</u>	<u>3,505,052</u>	<u>10,912,764</u>	<u>135,854,121</u>	<u>14,770,652</u>

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note M – Long-Term Debt**

Long-term debt at June 30, 2014, consisted of the following:

	Interest Rates %	Maturity Date	Original Value	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Academic Bldg. Revenue Bonds:								
Series 1994-Refunding	4.50 – 6.00	2015	\$ 2,180,000	530,000	-	170,000	360,000	180,000
Series 1994	5.00 – 8.25	2015	9,201,461	732,085	-	149,222	582,863	291,126
Series 1996-Refunding	4.55 – 6.00	2013	7,600,000	655,000	-	655,000	-	-
Series 2002-Refunding	4.00 – 5.50	2015	4,890,000	1,390,000	-	440,000	950,000	465,000
Series 2003-Refunding	3.00 – 3.80	2015	8,465,000	2,690,000	-	860,000	1,830,000	895,000
Series 2005-Refunding	5.75 – 6.20	2020	5,110,000	2,810,000	-	410,000	2,400,000	300,000
Series 2005	2.90 – 4.25	2027	12,800,000	11,330,000	-	560,000	10,770,000	585,000
Series 2007	4.00 – 4.25	2027	8,000,000	7,500,000	-	370,000	7,130,000	385,000
Series 2008	4.00 – 5.00	2035	12,000,000	11,925,000	-	75,000	11,850,000	100,000
Series 2009	3.00 – 5.00	2035	13,860,000	13,860,000	-	-	13,860,000	50,000
Residence System Bonds:								
Series 2010-Refunding	2.00 – 3.13	2020	4,255,000	3,505,000	-	405,000	3,100,000	410,000
Series 2010A	3.25 – 5.00	2030	16,790,000	15,580,000	-	630,000	14,950,000	650,000
Series 2010B-Refunding	2.50 – 4.00	2021	10,160,000	9,260,000	-	925,000	8,335,000	940,000
Series 2011	2.00 – 4.00	2033	24,870,000	24,870,000	-	-	24,870,000	1,380,000
Series 2012	1.00 – 2.75	2023	13,810,000	13,810,000	-	950,000	12,860,000	1,440,000
Field House Bonds:								
Series 2004	2.50 – 4.40	2024	10,000,000	5,495,000	-	5,495,000	-	-
Series 2005-Refunding	3.00 – 4.20	2022	7,465,000	4,995,000	-	415,000	4,580,000	430,000
Series 2011-Refunding	2.00 – 3.50	2022	3,685,000	3,325,000	-	290,000	3,035,000	295,000
Series 2013-Refunding	2.00 – 3.00	2024	4,815,000	4,815,000	-	-	4,815,000	385,000
Student Union Bonds:								
Series 2011-Refunding	2.00 – 3.00	2022	8,425,000	7,670,000	-	690,000	6,980,000	705,000
Student Health System Bonds:								
Series 2004	3.00 – 4.40	2024	3,875,000	2,640,000	-	2,640,000	-	-
Series 2013-Refunding	2.00 – 2.25	2024	2,435,000	2,435,000	-	-	2,435,000	195,000
Premiums-Reoffering:								
Residence-Series 2011			-	469,626	-	23,481	446,145	23,481
Field House-Series 2013			-	284,452	-	25,859	258,593	25,859
Student Health System-Series 2013			-	34,513	-	3,138	31,375	3,138
<b>Total Bonds Payable</b>			<u>194,691,461</u>	<u>152,610,676</u>	<u>-</u>	<u>16,181,700</u>	<u>136,428,976</u>	<u>10,133,604</u>
Notes Payable:								
City of Cedar Falls	0.00	2027	500,000	425,000	-	15,000	410,000	15,000
Wells Fargo	4.25	2016	2,150,000	706,736	-	225,743	480,993	235,440
Iowa Finance Authority	1.25	2023	1,217,000	1,122,389	-	180,525	941,864	98,061
<b>Total Notes Payable</b>			<u>3,867,000</u>	<u>2,254,125</u>	<u>-</u>	<u>421,268</u>	<u>1,832,857</u>	<u>348,501</u>
Capital Leases Payable-Wells Fargo	3.06	2024	5,000,000	-	5,000,000	-	5,000,000	430,658
<b>Total Long-Term Debt Payable</b>			<u>\$203,558,461</u>	<u>154,864,801</u>	<u>5,000,000</u>	<u>16,602,968</u>	<u>143,261,833</u>	<u>10,912,763</u>

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note M – Long-Term Debt (continued)**

**Bonds Payable**

The above bonds were issued for the following purposes:

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

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

Field House System Revenue Bonds were issued in 1997 to replace the air-supported roof of the UNI-Dome with a self-supported roof. Bonds were issued in 2001 to make repairs to the roof and to the structure of the UNI-Dome. Bonds were issued in 2004 for the construction of the McLeod Center and to remodel the UNI-Dome. The 1997 bonds were refunded in 2005 and the 2001 bonds were refunded in 2011.

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

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

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

The bonds mature as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 13,962,557	5,590,482	19,553,039
2017	9,127,722	4,046,148	13,173,870
2018	9,502,722	3,808,186	13,310,908
2019	9,787,722	3,541,870	13,329,592
2020	9,687,722	3,251,106	12,938,828
2021-2025	39,989,126	11,756,286	51,745,412
2026-2030	21,417,407	6,136,153	27,553,560
2031-2035	14,360,445	2,004,025	16,364,470
2036-2040	<u>1,965,000</u>	<u>49,125</u>	<u>2,014,125</u>
Total	<u>\$129,800,423</u>	<u>40,183,381</u>	<u>169,983,804</u>

The changes in Bonds Payable for fiscal years 2015 and 2014 are detailed below:

	<u>2015</u>	<u>2014</u>
Bonds payable beginning of year	\$136,428,976	152,610,676
Bonds retired during the fiscal year	(10,133,605)	(16,181,700)
Bonds issued during the fiscal year	<u>3,505,052</u>	-
Bonds payable end of year	<u>\$129,800,423</u>	<u>136,428,976</u>

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note M – Long-Term Debt (continued)**

**Notes Payable**

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

The University has an equipment master lease agreement to finance the acquisition of certain equipment and real property. The University entered into a capital lease agreement with Wells Fargo Brokerage Services, LLC. Funds provided were to be used for the construction of a Human Performance Complex on campus to support the academic, research and public service programs of the School of Health, Physical Education and Leisure Services. The original lease agreement provided funding for costs of \$2,150,000, with payments due semi-annually through fiscal year 2016 and bore an interest rate of 6.60%. In fiscal year 2011, the interest rate was renegotiated to 4.25%. At the time of the interest rate change, both Wells Fargo and the University reclassified the agreement as a note payable.

At its March 21, 2012 meeting, the Board of Regents, State of Iowa authorized the University to enter into a loan agreement with the Iowa Department of Administrative Services to finance energy management improvements in six academic buildings. The note principal of \$1,217,000 is to be repaid in 24 semi-annual payments ending on June 30, 2024. Upon completion of the project, it was determined an amount less than the original principal was owed. The remaining principal will be repaid in 19 semi-annual payments ending on December 30, 2023. The nominal interest rate remains 1.25%, consisting of a 1.00% interest rate and a 0.25% annual servicing fee.

At its June 4, 2014 meeting, the Board of Regents, State of Iowa authorized the University to enter into a master lease financing agreement with Wells Fargo Municipal Capital Strategies, LLC. The lease agreement provides funding for costs of \$5 million for power plant air regulations compliance, power plant boiler #3 wall panel replacement and power plant storage facility projects. Payments are due semi-annually through fiscal year 2024 and bears an interest rate of 3.06% per annum.

**Current Refunding**

On April 1, 2015, the University issued \$3,460,000 of Field House Revenue Refunding Bonds, Series 2015 with an average interest cost of 2.051% per annum. The bonds were issued in the form of a current refunding to refund the July 1, 2016 through July 1, 2022 maturities of Field House Revenue Bonds, Series 2005. Outstanding Series 2005 bonds totaled \$4,150,000 and the interest rates ranged between 3.75% and 4.20% per annum. Aggregate debt service payments are reduced \$576,847 over the next seven years as a result of the refunding.

The net proceeds of \$3,081,288 and \$1,152,868 in University funds were deposited in an irrevocable escrow account with the University as trustee. The escrow account is sufficient to fully pay the remaining principal and interest due on the outstanding bonds. The Field House Revenue Bonds, Series 2005 were called on July 1, 2015. The current refunding resulted in an economic gain of \$263,955.

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note M – Long-Term Debt (continued)**

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

**Note N – Endowments**

Prior to the establishment of the Foundation in 1959, the University accepted \$615,895 from donors to be invested in perpetuity with only the agreed upon spending rule payout to be made available for annual expenditures according to the donor’s restrictions. The revenue and appreciation on the non-expendable donations in excess of the spending rule is retained as an inflationary hedge. The net position retained by the University from these endowments as of June 30, 2015 and 2014 is classified as follows:

	<u>2015</u>	<u>2014</u>
Restricted-Nonexpendable	\$ <u>615,895</u>	<u>615,895</u>
Restricted-Expendable:		
Scholarships	\$ 162,908	173,411
Loans	145,103	152,262
Other-Chair	<u>363,986</u>	<u>397,797</u>
Total	<u>\$ 671,997</u>	<u>723,470</u>

**Note O – Related Party Organization**

The University of Northern Iowa Alumni Association is a related party organization to the University because of common management. The separate board of this organization includes members who are also officers of the University. The significant revenues for the Alumni Association are royalties, membership dues and investment income. The material expenses of the Alumni Association are alumni programming costs.

Significant Alumni Association financial data as of and for the years ended June 30, 2015 and 2014 follows:

	<u>2015</u>	<u>2014</u>
Total Assets	\$ 1,107,187	1,056,434
Total Liabilities	143,044	53,379
Total Equity	964,143	1,003,055
Due to the University	46,495	30,614
Total Support and Revenues	979,885	394,108
Total Expenses	1,018,797	339,162

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note P – Restricted Net Position**

The University's restricted net position is classified according to externally imposed restrictions. A summary of restricted net position as of June 30, 2015 and 2014 follows:

	<u>2015</u>	<u>2014</u>
Restricted-Nonexpendable:		
Permanent endowment	\$ <u>615,895</u>	<u>615,895</u>
Restricted-Expendable:		
Scholarships and fellowships	\$ 241,161	208,848
Student loans	2,970,088	2,926,953
Capital projects	2,915,377	5,137,336
Reserve for debt service	23,789,520	20,787,461
Research and gifts	<u>644,288</u>	<u>837,531</u>
Total	<u>\$30,560,434</u>	<u>29,898,129</u>

**Foundation Restrictions on Net Assets**

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors during the years ended June 30, 2015 and 2014 as follows:

	<u>2015</u>	<u>2014</u>
Purpose restrictions accomplished:		
Scholarships and department programs	\$ 9,803,241	10,064,900
Plant	<u>949,263</u>	<u>645,193</u>
Total Restrictions Released	<u>\$10,752,504</u>	<u>10,710,093</u>

Temporarily restricted net assets as of June 30, 2015 and 2014 are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Program activities:		
Scholarships and department programs	\$39,071,470	38,841,600
Plant	677,804	1,479,724
Charitable gift annuities	23,276	41,383
Charitable remainder unitrusts	<u>644,715</u>	<u>623,576</u>
Total Temporarily Restricted Net Assets	<u>\$40,417,265</u>	<u>40,986,283</u>

Permanently restricted net assets as of June 30, 2015 and 2014 are restricted for the following purposes:

	<u>2015</u>	<u>2014</u>
Endowment	\$82,619,158	77,857,592
Charitable gift annuities	58,711	183,357
Charitable remainder trust annuities	1,283,494	282,967
Charitable remainder unitrusts	243,270	1,273,429
Life insurance fund	791,272	884,730
Beneficial interest in trust	<u>1,456,789</u>	<u>1,510,694</u>
Total Permanently Restricted Net Assets	<u>\$86,452,694</u>	<u>81,992,769</u>

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note Q – Risk Management**

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

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

**Business Income.** The University purchased business income insurance for the McLeod Center, Field House, Residence System, Maucker Union, Student Health Center, Human Performance Center, Gallagher-Bluedorn Performing Arts Center, Multimodal Transportation Center and the radio towers. The University self-funds business income losses for other buildings.

**Errors and Omissions.** The University self-funds errors and omissions losses.

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

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

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

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

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

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
 June 30, 2015

**Note Q – Risk Management (continued)**

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

The University purchased commercial insurance to cover the collection of the Art Gallery. The University also purchased commercial insurance to cover media perils of libel and slander for the University's student newspaper.

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

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

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

The following schedule presents the changes in claims liabilities for medical and dental insurance for professional staff and unemployment compensation for the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Amount of claims and contingent liabilities accrued beginning of year	\$ 1,783,788	1,580,470
Claims incurred and contingent liabilities accrued for the previous and current year and any changes in amounts estimated for prior years	19,715,718	18,248,367
Payments on claims during the fiscal year	<u>(19,632,693)</u>	<u>(18,045,049)</u>
Amount of claims liabilities end of year	\$ <u>1,866,813</u>	<u>1,783,788</u>

**Motor Vehicle Liability.** Institutions governed by the Board of Regents, State of Iowa cooperatively self-fund collision, comprehensive, property damage and liability losses related to motor vehicle liability up to \$250,000 per claim in an insurance pool. Each Regents' institution is assessed a premium of \$27 to \$43 per rated vehicle per month. Losses in excess of \$250,000 are self-funded by the State, as provided in Chapter 669 of the Code of Iowa.

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

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

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note Q – Risk Management (continued)**

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

**Note R – Operating Leases**

The University has leased various buildings, tower space and equipment. These leases have been classified as operating leases and, accordingly, all rents are expensed as incurred. These leases expire between June 30, 2014 and June 30, 2020 and require various minimum annual rentals. Certain leases are renewable for additional periods. Some leases also require the payment of normal maintenance and insurance on the properties and equipment. In most cases, management expects the leases will be renewed or replaced by other leases.

The following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2015:

Year ending <u>June 30,</u>	<u>Amount</u>
2016	\$ 321,716
2017	146,655
2018	107,280
2019	107,724
2020	<u>55,867</u>
Total	<u>\$ 739,242</u>

All leases contain non-appropriation clauses indicating continuation of the lease is subject to funding by the Legislature.

Rental expense for the years ended June 30, 2015 and 2014, for all operating leases, except those with terms of a month or less that were not renewed, totaled \$628,700 and \$649,689, respectively.

**Note S – Retirement Incentive Programs and Termination Benefits**

**Early Retirement Incentive Program of 2009**

The Early Retirement Incentive Program of 2009 was approved by the Board of Regents, State of Iowa in April, 2009. The 2009 Program was a one-time program which expired on July 31, 2009. Eligible for participation were faculty, professional-scientific employees, institutional officials and merit system employees who had attained the age of 57 and whose age plus years of service equaled 70 or more on his or her retirement date. Employees participating in the program were required to retire between June 1 and December 31, 2009.

The following benefits are applicable during participation in the 2009 Program:

- 1) Health and Dental Insurance - The employer's and employee's contributions are made for the employee and spouse/domestic partner for five years.
- 2) TIAA/CREF - The employer's contributions are made to TIAA/CREF for five years based on the employee's annual salary as of May 1, 2009.

The employee may have elected, prior to approval of participation in the program, to accept the present value of the health and dental incentives as a lump sum payment on the beginning date of participation in the program.

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
 June 30, 2015

**Note S – Retirement Incentive Programs and Termination Benefits (continued)**

The University funded the 2009 Program on a pay-as-you-go basis using ARRA Education Stimulus funds, health and dental insurance reserves and operating funds. At June 30, 2015, benefits were fully paid. At June 30, 2014, the present value of future benefits was \$609,009. The liabilities are included in Accounts Payable in the Statement of Net Position in fiscal year 2014. The interest rate utilized to calculate the present value was 0.06% at June 30, 2014. During fiscal year 2015, benefit payments for 102 participants totaled \$630,634. During fiscal year 2014, benefit payments for 109 participants totaled \$1,595,221.

**Note T – Funds Held in Trust by Others**

The University is a beneficiary of the Joseph S. Wright Trust, which is held by others and had an aggregate fair value of \$707,055 and \$741,095 at June 30, 2015 and 2014, respectively. The income received by the University from this trust was \$31,578 in fiscal year 2015 and \$29,248 in fiscal year 2014.

**Note U – Other Commitments, Claims and Contingencies**

Commitments: Changes to the University’s outstanding construction contract commitments for Plant construction for the year ended June 30, 2015 are as follows:

Construction commitments beginning of year	\$ 2,639,794
Increases in commitments	9,636,088
Payments and decreases in commitments	<u>(6,903,125)</u>
Construction commitments end of year	<u>\$ 5,372,757</u>

There were no material claims or contingencies as of June 30, 2015.

Contingencies: In July 2012, a company of a major donor to the UNI Foundation declared bankruptcy. The donor’s pledge receivable of \$500,000 was written off as of June 30, 2012. As of the date of the release of the Foundation’s fiscal 2015 financial statements, there was not enough information to assess the likelihood of a contingent liability for return of contributions related to this event. As a result, no amounts have been recorded in the Foundation’s financial statements as of June 30, 2015 and 2014.

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**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note V – Segment Reporting**

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

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

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

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

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

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

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**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS** (continued)  
June 30, 2015

**Note V – Segment Reporting** (continued)  
**Academic Buildings**

<b>Condensed Statement of Net Position</b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Assets:		
Current assets	\$ 5,465,804	5,811,606
Capital assets	60,508,448	63,056,678
Other noncurrent assets	<u>4,158,938</u>	<u>3,548,486</u>
Total assets	<u>70,133,190</u>	<u>72,416,770</u>
Liabilities:		
Current liabilities	5,460,974	5,037,414
Noncurrent liabilities	<u>43,295,000</u>	<u>46,481,736</u>
Total liabilities	<u>48,755,974</u>	<u>51,519,150</u>
Net position:		
Net investment in capital assets	17,213,448	16,574,942
Restricted, expendable	<u>4,163,768</u>	<u>4,322,678</u>
Total net position	<u>\$ 21,377,216</u>	<u>20,897,620</u>

**Condensed Statement of Changes in Net Position**

Operating revenues	\$ 66,565,510	66,802,547
Depreciation expense	<u>(2,548,230)</u>	<u>(2,633,801)</u>
Net operating income (loss)	64,017,280	64,168,746
Nonoperating revenues (expenses)	3,015,276	1,167,911
Transfers from (to) University funds	<u>(66,552,960)</u>	<u>(66,889,937)</u>
Change in net position	479,596	(1,553,280)
Net position, beginning of year	<u>20,897,620</u>	<u>22,450,900</u>
Net position, end of year	<u>\$ 21,377,216</u>	<u>20,897,620</u>

**Condensed Statement of Cash Flows**

Net cash provided (used) by operating activities	\$ 66,565,510	66,802,547
Net cash provided (used) by capital and related financing activities	<u>(66,351,772)</u>	<u>(69,253,559)</u>
Net cash provided (used) by investing activities	<u>206,144</u>	<u>2,263,223</u>
Net increase (decrease) in cash	419,882	(187,789)
Cash and cash equivalents, beginning of year	<u>5,036,418</u>	<u>5,224,207</u>
Cash and cash equivalents, end of year	<u>\$ 5,456,300</u>	<u>5,036,418</u>

**Debt Service Coverage**

Debt service coverage – required	1.25	1.25
Debt service coverage – actual	11.70	11.74

**Proportion of Revenue Pledged**

Annual debt service (principal & interest)	\$ 6,492,948	6,127,828
Net operating income *	66,565,510	66,802,547
Annual debt service/net operating income (%)	9.8%	9.2%

As of June 30, 2015, revenue pledged for future principal and interest payments was \$68,919,325.

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

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS** (continued)  
June 30, 2015

**Note V – Segment Reporting** (continued)  
**Residence System**

<b>Condensed Statement of Net Position</b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Assets:		
Current assets	\$ 20,121,707	17,421,568
Capital assets	86,646,935	88,495,549
Other noncurrent assets	<u>7,750,019</u>	<u>9,222,803</u>
Total assets	<u>114,518,661</u>	<u>115,139,920</u>
Liabilities:		
Current liabilities	7,167,971	7,454,842
Noncurrent liabilities	<u>55,332,284</u>	<u>60,201,566</u>
Total liabilities	<u>62,500,255</u>	<u>67,656,408</u>
Net position:		
Net investment in capital assets	31,824,271	28,754,404
Restricted, expendable	17,892,330	14,303,886
Unrestricted	<u>2,301,805</u>	<u>4,425,222</u>
Total net position	<u>\$ 52,018,406</u>	<u>47,483,512</u>

**Condensed Statement of Changes in Net Position**

Operating revenues	\$ 38,834,486	37,117,642
Depreciation expense	(3,043,248)	(2,932,625)
Other operating expenses	<u>(29,642,016)</u>	<u>(28,107,239)</u>
Net operating income (loss)	6,149,222	6,077,778
Nonoperating revenues (expenses)	(1,709,153)	(1,232,517)
Transfers from (to) University funds	<u>94,825</u>	<u>-</u>
Change in net position	4,534,894	4,845,261
Net position, beginning of year	<u>47,483,512</u>	<u>42,638,251</u>
Net position, end of year	<u>\$ 52,018,406</u>	<u>47,483,512</u>

**Condensed Statement of Cash Flows**

Net cash provided (used) by operating activities	\$ 8,962,095	8,926,317
Net cash provided (used) by capital and related financing activities	(7,995,089)	(9,643,619)
Net cash provided (used) by investing activities	<u>206,600</u>	<u>658,593</u>
Net increase (decrease) in cash	1,173,606	(58,709)
Cash and cash equivalents, beginning of year	<u>16,359,505</u>	<u>16,418,214</u>
Cash and cash equivalents, end of year	<u>\$ 17,533,111</u>	<u>16,359,505</u>

**Debt Service Coverage**

Debt service coverage – required	1.35	1.35
Debt service coverage – actual	1.84	1.82

**Proportion of Revenue Pledged**

Annual debt service (principal & interest)	\$ 6,749,590	6,769,415
Net operating income *	12,453,234	12,287,380
Annual debt service/net operating income (%)	54.2%	55.1%

As of June 30, 2015, revenue pledged for future principal and interest payments was \$74,641,114.

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

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS** (continued)  
June 30, 2015

**Note V – Segment Reporting** (continued)  
**Field House System**

<b>Condensed Statement of Net Position</b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Assets:		
Current assets	\$ 5,253,790	2,798,195
Capital assets	33,932,605	34,106,924
Other noncurrent assets	<u>6,921,488</u>	<u>7,241,524</u>
Total assets	<u>46,107,883</u>	<u>44,146,643</u>
Liabilities:		
Current liabilities	5,250,252	1,426,256
Noncurrent liabilities	<u>10,558,713</u>	<u>11,979,339</u>
Total liabilities	<u>15,808,965</u>	<u>13,405,595</u>
Net position:		
Net investment in capital assets	23,384,820	22,133,331
Restricted, expendable	1,187,110	1,603,616
Unrestricted	<u>5,726,988</u>	<u>7,004,101</u>
Total net position	<u>\$ 30,298,918</u>	<u>30,741,048</u>

**Condensed Statement of Changes in Net Position**

Operating revenues	\$ 3,713,603	3,785,458
Depreciation expense	(1,629,701)	(1,452,053)
Other operating expenses	<u>(2,939,672)</u>	<u>(2,701,833)</u>
Net operating income (loss)	(855,770)	(368,428)
Nonoperating revenues (expenses)	14,146	812,415
Other Revenues	<u>399,494</u>	-
Change in net position	(442,130)	443,987
Net position, beginning of year	<u>30,741,048</u>	<u>30,297,061</u>
Net position, end of year	<u>\$ 30,298,918</u>	<u>30,741,048</u>

**Condensed Statement of Cash Flows**

Net cash provided (used) by operating activities	\$ 929,239	1,003,484
Net cash provided (used) by capital and related financing activities	1,415,842	(7,903,781)
Net cash provided (used) by investing activities	<u>867,534</u>	<u>128,254</u>
Net increase (decrease) in cash	3,212,615	(6,772,043)
Cash and cash equivalents, beginning of year	<u>1,450,551</u>	<u>8,222,594</u>
Cash and cash equivalents, end of year	<u>\$ 4,663,166</u>	<u>1,450,551</u>

**Debt Service Coverage**

Debt service coverage – required	1.20	1.20
Debt service coverage – actual	4.45	5.42

**Proportion of Revenue Pledged**

Annual debt service (principal & interest)	\$ 1,561,288	1,536,916
Net operating revenue *	1,116,619	1,313,546
Annual debt service/net operating income (%)	139.8%	117.0%

As of June 30, 2015, revenue pledged for future principal and interest payments was \$12,861,872.

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

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS** (continued)  
June 30, 2015

**Note V – Segment Reporting** (continued)  
**Student Union**

<b>Condensed Statement of Net Position</b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Assets:		
Current assets	\$ 1,154,647	1,243,223
Capital assets	12,837,468	13,261,119
Other noncurrent assets	<u>2,386,658</u>	<u>2,373,545</u>
Total assets	<u>16,378,773</u>	<u>16,877,887</u>
Liabilities:		
Current liabilities	885,360	889,887
Noncurrent liabilities	<u>5,597,769</u>	<u>6,320,850</u>
Total liabilities	<u>6,483,129</u>	<u>7,210,737</u>
Net position:		
Net investment in capital assets	7,287,468	6,986,119
Restricted, expendable	842,500	842,500
Unrestricted	<u>1,765,676</u>	<u>1,838,531</u>
Total net position	<u>\$ 9,895,644</u>	<u>9,667,150</u>

**Condensed Statement of Changes in Net Position**

Operating revenues	\$ 1,414,492	1,411,657
Depreciation expense	(467,420)	(460,506)
Other operating expenses	<u>(1,294,814)</u>	<u>(1,199,981)</u>
Net operating income (loss)	(347,742)	(248,830)
Nonoperating revenues (expenses)	(136,254)	(109,284)
Transfers from (to) University funds	<u>712,490</u>	<u>694,825</u>
Change in net position	228,494	336,711
Net position, beginning of year	<u>9,667,150</u>	<u>9,330,439</u>
Net position, end of year	<u>\$ 9,895,644</u>	<u>9,667,150</u>

**Condensed Statement of Cash Flows**

Net cash provided (used) by operating activities	\$ 115,892	230,253
Net cash provided (used) by capital and related financing activities	(233,075)	(478,530)
Net cash provided (used) by investing activities	<u>27,958</u>	<u>54,630</u>
Net increase (decrease) in cash	(89,225)	(193,647)
Cash and cash equivalents, beginning of year	<u>1,208,590</u>	<u>1,402,237</u>
Cash and cash equivalents, end of year	<u>\$ 1,119,365</u>	<u>1,208,590</u>

**Debt Service Coverage**

Debt service coverage – required	1.20	1.20
Debt service coverage – actual	3.27	3.44

**Proportion of Revenue Pledged**

Annual debt service (principal & interest)	\$ 902,325	896,425
Net operating revenue *	1,097,661	1,048,104
Annual debt service/net operating income (%)	82.20%	85.53%

As of June 30, 2015, revenue pledged for future principal and interest payments was \$7,043,238.

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

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS** (continued)  
June 30, 2015

**Note V – Segment Reporting** (continued)  
**Student Health System**

<b>Condensed Statement of Net Position</b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Assets:		
Current assets	\$ 690,466	655,326
Capital assets	3,043,438	3,140,554
Other noncurrent assets	<u>1,831,971</u>	<u>1,814,348</u>
Total assets	<u>5,565,875</u>	<u>5,610,228</u>
Liabilities:		
Current liabilities	343,284	337,313
Noncurrent liabilities	<u>2,144,182</u>	<u>2,346,516</u>
Total liabilities	<u>2,487,466</u>	<u>2,683,829</u>
Net position:		
Net investment in capital assets	980,199	869,178
Restricted, expendable	243,500	243,500
Unrestricted	<u>1,854,710</u>	<u>1,813,721</u>
Total net position	<u>\$ 3,078,409</u>	<u>2,926,399</u>

**Condensed Statement of Changes in Net Position**

Operating revenues	\$ 3,354,922	3,248,642
Depreciation expense	(138,382)	(142,958)
Other operating expenses	<u>(3,283,350)</u>	<u>(3,220,301)</u>
Net operating income (loss)	(66,810)	(114,617)
Nonoperating revenues (expenses)	(1,154)	4,704
Transfers from (to) University funds	<u>219,974</u>	<u>213,673</u>
Change in net position	152,010	103,760
Net position, beginning of year	<u>2,926,399</u>	<u>2,822,639</u>
Net position, end of year	<u>\$ 3,078,409</u>	<u>2,926,399</u>

**Condensed Statement of Cash Flows**

Net cash provided (used) by operating activities	\$ 26,371	12,262
Net cash provided (used) by capital and related financing activities	(63,952)	(2,512,579)
Net cash provided (used) by investing activities	<u>23,630</u>	<u>41,354</u>
Net increase (decrease) in cash	(13,951)	(2,458,963)
Cash and cash equivalents, beginning of year	<u>469,042</u>	<u>2,928,005</u>
Cash and cash equivalents, end of year	<u>\$ 455,091</u>	<u>469,042</u>

**Debt Service Coverage**

Debt service coverage – required	1.20	1.20
Debt service coverage – actual	8.74	9.35

**Proportion of Revenue Pledged**

Annual debt service (principal & interest)	\$ 250,713	252,881
Net operating revenue *	377,836	546,312
Annual debt service/net operating income (%)	66.4%	46.3%

As of June 30, 2015, revenue pledged for future principal and interest payments was \$2,479,569.

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

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note W – Operating Expenses by Function**

Operating expenses by natural classification for the year ended June 30, 2015 are summarized as follows:

	<u>Personnel Services</u>	<u>Travel</u>	<u>Supplies</u>	<u>Contractual Services</u>	<u>Equipment and Repairs</u>
Operating Expenses:					
Instruction	\$ 82,119,736	1,676,995	630,007	1,263,874	267,330
Research	2,137,592	155,225	159,154	615,861	24,413
Public Service	10,323,733	2,010,536	1,331,549	5,104,851	256,826
Academic Support	16,970,595	688,224	345,714	708,667	2,933,308
Student Services	7,959,504	500,754	208,013	472,509	76,519
Institutional Support	21,292,366	375,494	413,880	3,165,755	274,160
Operation and Maintenance of Plant	11,559,569	47,868	749,745	313,694	4,726,271
Scholarships and Fellowships	666,821	783	103	(7,136)	-
Depreciation	-	-	-	-	-
Other Operating Expenses	-	-	-	106,099	-
Auxiliary Enterprises	<u>28,518,241</u>	<u>2,286,623</u>	<u>6,847,902</u>	<u>2,742,520</u>	<u>1,639,527</u>
Total Operating Expenses	<u>\$181,548,157</u>	<u>7,742,502</u>	<u>10,686,067</u>	<u>14,486,694</u>	<u>10,198,354</u>

	<u>Claims and Miscellaneous</u>	<u>Licenses, Permits &amp; Refunds</u>	<u>Scholarships and Fellowships</u>	<u>Depreciation</u>	<u>Total Operating Expenses</u>
Operating Expenses: (continued)					
Instruction	472,175	106,815	-	-	\$ 86,536,932
Research	73,360	10,140	-	-	3,175,745
Public Service	1,386,096	901,441	-	-	21,315,032
Academic Support	296,296	923,628	-	-	22,866,432
Student Services	400,935	812,306	-	-	10,430,540
Institutional Support	390,194	1,299,148	-	-	27,210,997
Operation and Maintenance of Plant	4,608,540	196,077	-	-	22,201,764
Scholarships and Fellowships	-	-	5,542,277	-	6,202,848
Depreciation	-	-	-	18,095,313	18,095,313
Other Operating Expenses	(40,020)	84,108	-	-	150,187
Auxiliary Enterprises	<u>5,223,004</u>	<u>749,747</u>	<u>3,735,547</u>	-	<u>51,743,111</u>
Total Operating Expenses	<u>12,810,580</u>	<u>5,083,410</u>	<u>9,277,824</u>	<u>18,095,313</u>	<u>\$269,928,901</u>

**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note W – Operating Expenses by Function**

Operating expenses by natural classification for the year ended June 30, 2014 are summarized as follows:

	<u>Personnel Services</u>	<u>Travel</u>	<u>Supplies</u>	<u>Contractual Services</u>	<u>Equipment and Repairs</u>
Operating Expenses:					
Instruction	\$ 80,359,919	1,846,505	793,245	1,274,954	668,980
Research	1,840,723	99,429	69,490	780,092	77,088
Public Service	10,687,300	3,194,839	1,174,512	5,281,129	365,693
Academic Support	16,418,137	676,766	457,922	494,439	3,256,378
Student Services	7,383,859	546,204	230,789	418,276	107,107
Institutional Support	21,337,760	298,780	359,118	2,157,068	239,000
Operation and Maintenance of Plant	11,583,024	34,692	505,169	108,819	5,405,166
Scholarships and Fellowships	637,118	405	-	109,903	-
Depreciation	-	-	-	-	-
Other Operating Expenses	-	-	-	117,262	-
Auxiliary Enterprises	<u>28,041,226</u>	<u>2,002,995</u>	<u>6,734,871</u>	<u>2,828,053</u>	<u>1,629,618</u>
Total Operating Expenses	<u>\$178,289,066</u>	<u>8,700,615</u>	<u>10,325,116</u>	<u>13,569,995</u>	<u>11,749,030</u>

	<u>Claims and Miscellaneous</u>	<u>Licenses, Permits &amp; Refunds</u>	<u>Scholarships and Fellowships</u>	<u>Depreciation</u>	<u>Total Operating Expenses</u>
Operating Expenses: (continued)					
Instruction	473,921	111,912	976,160	-	\$ 86,505,596
Research	56,227	9,696	49,790	-	2,982,535
Public Service	1,288,620	978,563	2,082,084	-	25,052,740
Academic Support	268,139	842,431	75,691	-	22,489,903
Student Services	391,325	558,721	-	-	9,636,281
Institutional Support	493,828	1,126,220	54,796	-	26,066,570
Operation and Maintenance of Plant	3,596,971	(66,981)	-	-	21,166,860
Scholarships and Fellowships	-	-	2,633,921	-	3,381,347
Depreciation	-	-	-	18,040,748	18,040,748
Other Operating Expenses	(84,996)	161,679	-	-	193,945
Auxiliary Enterprises	<u>5,383,267</u>	<u>538,705</u>	<u>3,615,589</u>	-	<u>50,774,324</u>
Total Operating Expenses	<u>11,867,302</u>	<u>4,260,946</u>	<u>9,488,031</u>	<u>18,040,748</u>	<u>\$266,290,849</u>

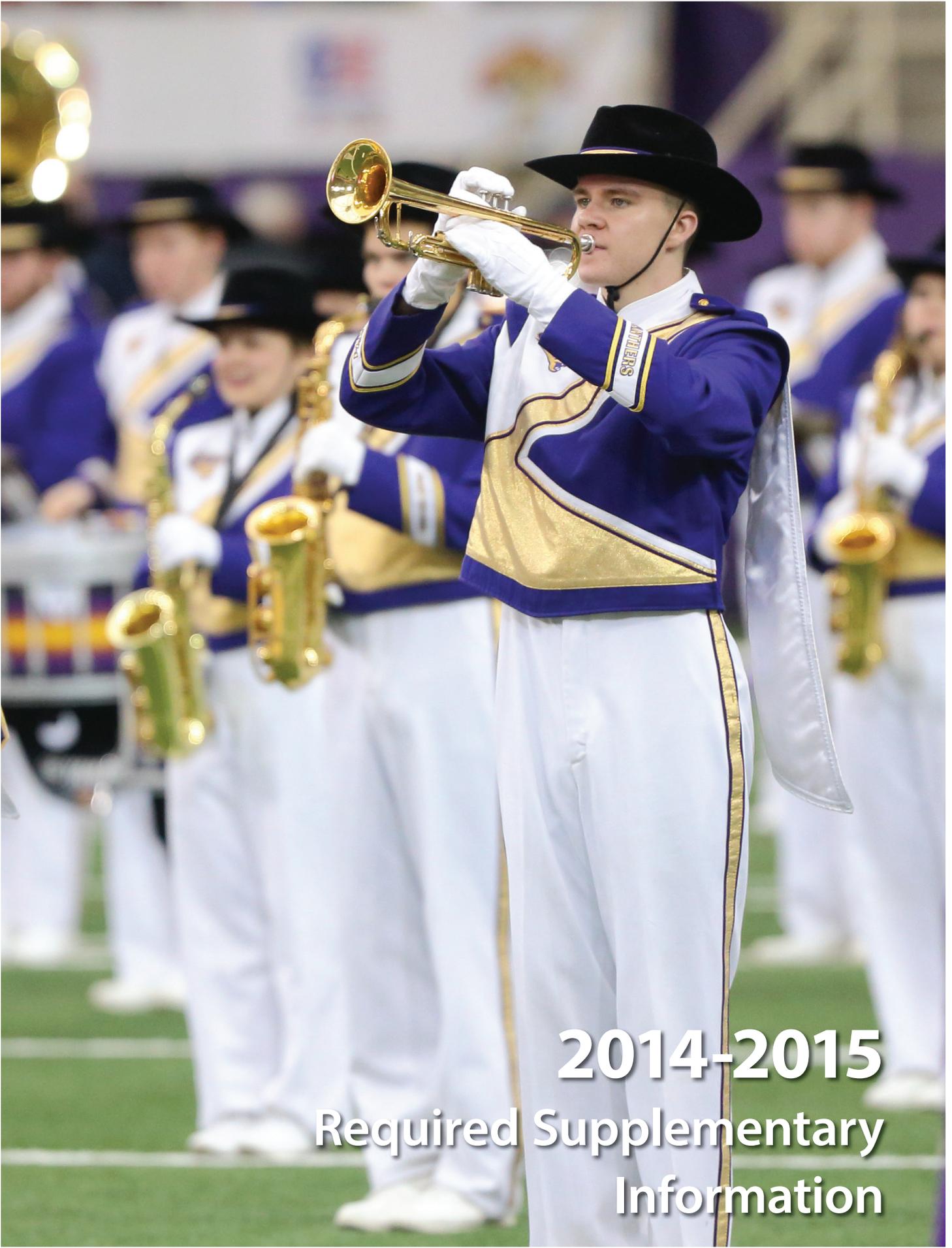
**University of Northern Iowa**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
June 30, 2015

**Note X – Prospective Accounting Change**

In February 2015, GASB issued Statement No. 72, Fair Value Measurement and Application. This statement will be implemented for the fiscal year ending June 30, 2016. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. A fair value hierarchy will be used in reporting investment values.

**Note Y – Subsequent Event**

On August 5, 2015, the Board of Regents, State of Iowa approved for the benefit of the University of Northern Iowa, the sale of fifty acres of land on the southwest corner of the campus to Sartori Memorial Hospital, Inc. at a price of \$4,300,000 subject to approval of the final documents by the Board Office and Attorney General's Office. A document entitled "Offer to Buy Real Estate and Acceptance" was executed on November 2, 2015 by the seller and buyer. The transaction is to close on March 2, 2016.



**2014-2015**  
Required Supplementary  
Information



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

**Iowa Public Employee's Retirement System**  
**Last Fiscal Year\***  
(In Thousands)

<u>Year Ended June 30,</u>	<u>University's Proportion of the Net Pension Liability</u>	<u>University's Proportionate Share of the Net Pension Liability</u>	<u>University's Covered-Employee Payroll</u>	<u>University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.233149%	\$ 9,436	\$17,165	55.0%	87.61%

\* The amounts presented for each fiscal year were determined as of June 30.

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

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

See accompanying independent auditor's report.

**University of Northern Iowa**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of University Contributions**

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

<u>Year Ended June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>University's Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
2006	\$ 336	(336)	\$ _____ -	\$ 5,843	5.75%
2007	371	(371)	_____ -	6,452	5.75%
2008	446	(446)	_____ -	7,372	6.05%
2009	543	(543)	_____ -	8,551	6.35%
2010	615	(615)	_____ -	9,248	6.65%
2011	769	(769)	_____ -	11,065	6.95%
2012	1,047	(1,047)	_____ -	12,974	8.07%
2013	1,169	(1,169)	_____ -	13,483	8.67%
2014	1,386	(1,386)	_____ -	15,521	8.93%
2015	1,533	(1,533)	_____ -	17,165	8.93%

See accompanying independent auditor's report.

## University of Northern Iowa

### Notes to Required Supplementary Information – Pension Liability

#### Year Ended June 30, 2015

##### 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% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

##### Changes of assumptions:

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.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25% to 4.00%.
- Lowered the inflation assumption from 3.50% to 3.25%.

**University of Northern Iowa**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Funding Progress**  
**for the Retiree Health Plan**  
(In Thousands)

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
2013	07/01/12	-	\$39,497	\$39,497	0.0%	\$129,092	30.6%
2014	07/01/13	-	32,364	32,364	0.0	136,899	23.6
2015	07/01/14	-	34,123	34,123	0.0	142,835	23.9

See Note K in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost, Net OPEB Obligation, funded status and funding progress.

See accompanying independent auditor's report.



# 2014-2015 Statistical Section



## University of Northern Iowa Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help understand how the University's financial performance has changed over time.	85-88
<b>Revenue Capacity</b> These schedules provide information on the University's most significant revenue sources, tuition and fees, and state appropriations.	89-90
<b>Debt Capacity</b> These schedules present the University's bonded debt obligation and the revenue bond coverage.	91-93
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help understand the environment within which the University's financial activities take place.	94-95
<b>Operating Information</b> These schedules contain information about the University's operations and resources to help the reader understand how the University's financial information relates to the students and services the University provides.	96-102

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

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University of Northern Iowa

Schedule 1

**HIGHER EDUCATION PRICE INDEX (HEPI)/FULL YEAR FTE**

For the Last Ten Years

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Higher Education Price Index	<b>7.442</b>	7.285	7.074	6.964	6.850	6.694	6.637	6.406	6.183	5.983
Normalized HEPI	<b>1.244</b>	1.218	1.182	1.164	1.145	1.119	1.109	1.071	1.033	1.000
Full Year FTE	<b>9,765</b>	10,024	10,425	11,379	11,431	11,391	11,141	10,979	10,783	10,969

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

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>CHANGE IN NET POSITION</b>										
Total Revenues - Schedule 3	\$ 277,804	282,711	269,925	265,525	269,678	284,297	278,283	256,846	255,306	239,105
Total Expenses - Schedule 4	276,188	274,183	269,076	268,615	262,528	258,286	266,760	242,746	227,586	226,612
Change in Net Position	1,616	8,528	849	(3,090)	7,150	26,011	11,523	14,100	27,720	12,493
Net Position - July 1	325,165 *	326,922	326,073	329,163	322,013	296,002	284,479	270,379	242,659	230,166
Net Position - June 30	\$ 326,781	335,450	326,922	326,073	329,163	322,013	296,002	284,479	270,379	242,659
<b>NET POSITION BY CLASSIFICATION</b>										
Net investment in capital assets	\$ 258,659	254,035	251,764	225,622	226,533	219,730	205,107	194,237	180,720	158,553
Restricted										
Nonexpendable										
Scholarships and fellowships	615	615	615	615	615	615	615	615	615	615
Expendable										
Scholarships and fellowships	241	209	321	333	389	408	274	340	391	371
Loans	2,970	2,927	2,803	2,876	2,979	2,901	2,817	2,996	2,976	2,962
Capital projects	2,916	5,137	-	13,185	5,707	102	429	4,576	14,936	17,828
Debt service	23,790	20,787	23,735	24,351	24,204	22,813	23,780	20,912	19,719	27,548
Other	645	838	489	362	356	1,168	318	846	1,034	635
Unrestricted	36,945	50,902	47,195	58,729	68,380	74,276	62,662	59,957	49,988	34,147
<b>Net Position - June 30</b>	\$ <b>326,781</b>	<b>335,450</b>	<b>326,922</b>	<b>326,073</b>	<b>329,163</b>	<b>322,013</b>	<b>296,002</b>	<b>284,479</b>	<b>270,379</b>	<b>242,659</b>

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>OPERATING</b>										
Gross Tuition & Fees	\$ 89,653	89,745	90,442	91,726	87,554	81,867	77,260	73,394	70,721	65,855
Less: Scholarship Allowance	27,115	25,425	25,335	25,483	24,139	21,202	17,226	15,871	14,290	13,351
Net Tuition & Fees	62,538	64,320	65,107	66,243	63,415	60,665	60,034	57,523	56,431	52,504
Federal grants and contracts	15,783	16,663	18,481	21,158	23,427	23,206	19,837	18,217	18,468	17,338
State and local grants and contracts	2,984	2,053	2,102	2,182	2,271	2,634	2,945	2,961	3,703	3,376
Nongovernmental grants and contracts	3,944	3,320	3,614	4,675	5,097	5,851	6,514	4,002	2,771	2,254
Sales and services of educational activities	6,169	6,403	4,938	8,238	7,998	7,688	5,775	7,421	6,192	8,476
Interest on student loans	211	227	245	239	237	227	191	169	148	141
Other operating revenue	711	563	727	502	993	2,869	608	720	805	772
Auxiliary enterprises	60,468	57,102	56,344	58,742	56,156	55,193	54,859	50,177	47,559	41,967
Total Operating Income	152,808	150,651	151,558	161,979	159,594	158,333	150,763	141,190	136,077	126,828
<b>NONOPERATING</b>										
State appropriations	100,659	96,910	87,663	77,765	82,684	97,862	101,686	95,364	86,531	83,585
Federal grants and contracts	10,715	10,270	10,860	11,467	12,213	10,913	7,654	7,037	6,007	6,232
Nonfederal gifts, grants and contracts	2,011	3,827	3,102	3,701	3,180	3,333	3,385	2,601	2,954	2,433
Investment income	1,658	3,644	1,465	1,683	2,786	2,763	(802)	1,518	5,099	2,553
Total Nonoperating Revenue	115,043	114,651	103,090	94,616	100,863	114,871	111,923	106,520	100,591	94,803
<b>CAPITAL AND OTHER REVENUES</b>										
Capital appropriations	8,121	14,177	14,083	7,017	5,808	5,928	5,752	5,018	8,650	6,188
Capital gifts, grants and contracts	1,832	3,232	1,194	1,913	3,413	5,165	9,845	4,118	9,988	4,311
Casualty reimbursement	-	-	-	-	-	-	-	-	-	3,170 #
Extraordinary gain on asset impairment	-	-	-	-	-	-	-	-	-	3,805 #
Total Capital and Other Revenues	9,953	17,409	15,277	8,930	9,221	11,093	15,597	9,136	18,638	17,474
<b>Total Revenues</b>	<b>\$ 277,804</b>	<b>282,711</b>	<b>269,925</b>	<b>265,525</b>	<b>269,678</b>	<b>284,297</b>	<b>278,283</b>	<b>256,846</b>	<b>255,306</b>	<b>239,105</b>
<b>Constant Dollar Revenues</b>	<b>\$ 223,315</b>	232,111	228,363	228,114	235,527	254,063	250,931	239,819	247,150	239,105
<b>Revenues per FTE (Actual)</b>	<b>\$ 28,449</b>	28,203	25,892	23,335	23,592	24,958	24,978	23,394	23,677	21,798
<b>Constant Dollar Revenues per FTE (Actual)</b>	<b>\$ 22,869</b>	23,155	21,905	20,047	20,604	22,304	22,523	21,843	22,921	21,798

# Gilchrist arson October 16, 2005.

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>OPERATING EXPENSES BY FUNCTION</b>										
Instruction	\$ 86,537	86,506	82,765	80,292	78,571	71,168	76,485	72,605	68,768	67,145
Research	3,176	2,982	3,139	2,952	3,106	2,507	1,793	2,455	3,232	1,428
Public service	21,315	25,053	24,325	22,153	25,396	31,497	31,097	24,185	23,488	22,589
Academic support	22,866	22,490	21,731	24,856	25,414	23,895	22,730	22,050	19,771	19,904
Student services	10,431	9,636	9,005	8,210	7,280	6,205	7,077	6,558	6,278	5,973
Institutional support	27,211	26,067	26,441	29,683	23,536	26,714	29,348	20,231	19,163	23,311
Operation and maintenance of plant	22,202	21,167	21,424	20,441	21,884	20,178	22,186	21,396	20,687	20,576
Scholarships and fellowships	6,203	3,381	4,983	6,471	7,150	6,760	5,712	4,884	4,495	4,861
Depreciation	18,095	18,041	16,095	16,105	15,271	14,461	13,975	13,292	12,517	11,469
Other operating expenses	150	194	281	288	137	172	514	252	279	277
Auxiliary enterprises	51,743	50,774	50,976	50,787	48,859	48,447	50,078	49,043	43,779	41,066
Total Operating Expenses	269,929	266,291	261,165	262,238	256,604	252,004	260,995	236,951	222,457	218,599
<b>NONOPERATING EXPENSES</b>										
Interest on indebtedness	5,891	5,463	5,529	6,259	5,924	6,275	5,743	5,765	5,014	5,010
Miscellaneous expense	368	2,429	2,382	118	-	7	22	30	115	3,003 *
Total Nonoperating Expenses	6,259	7,892	7,911	6,377	5,924	6,282	5,765	5,795	5,129	8,013
<b>Total Expenses</b>	<b>\$ 276,188</b>	<b>274,183</b>	<b>269,076</b>	<b>268,615</b>	<b>262,528</b>	<b>258,286</b>	<b>266,760</b>	<b>242,746</b>	<b>227,586</b>	<b>226,612</b>
<b>Constant Dollar Expenses</b>	<b>\$ 222,016</b>	225,109	227,645	230,769	229,282	230,819	240,541	226,654	220,316	226,612
<b>Expenses per FTE (Actual)</b>	<b>\$ 28,283</b>	27,353	25,811	23,606	22,966	22,675	23,944	22,110	21,106	20,659
<b>Constant Dollar</b>										
<b>Expenses per FTE (Actual)</b>	<b>\$ 22,736</b>	22,457	21,837	20,280	20,058	20,264	21,591	20,644	20,432	20,659

\* Includes unrealized loss on increase in equipment capitalization threshold of \$3,001,533.

University of Northern Iowa  
Schedule 5

**TUITION & FEES PER FULL TIME EQUIVALENT (FTE) STUDENT/  
TUITION & FEES RATES**

For the Last Ten Years

(Expressed in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>TUITION &amp; FEES</b>										
Total Tuition & Fees	\$ 89,653	89,745	90,442	91,726	87,554	81,867	77,260	73,394	70,721	65,855
Less: Other Funds Unrestricted	12,437	12,271	11,341	9,465	9,578	8,895	8,781	8,298	7,565	6,496
Unrestricted Scholarships & Fellowships	14,832	13,066	13,222	13,920	12,745	12,183	10,541	9,851	9,324	9,438
Net Tuition & Fees	\$ 62,384	64,408	65,879	68,341	65,231	60,789	57,938	55,245	53,832	49,921
<b>Constant Dollar Net Tuition &amp; Fees</b>										
	\$ 50,148	52,880	55,735	58,712	56,970	54,324	52,243	51,583	52,112	49,921
<b>Tuition &amp; Fees per FTE Student (Actual)</b>										
	\$ 6,389	6,425	6,319	6,006	5,706	5,337	5,200	5,032	4,992	4,551
<b>Constant Dollar Tuition &amp; Fees per FTE Student (Actual)</b>										
	\$ 5,135	5,275	5,346	5,160	4,984	4,769	4,689	4,698	4,833	4,551
<b>TUITION &amp; FEES RATES</b>										
Resident Undergraduate	\$ 7,749	7,685	7,635	7,350	7,008	6,636	6,376	6,190	6,112	5,602
Non-resident Undergraduate	17,647	17,181	16,721	16,106	15,348	14,900	14,596	14,282	14,028	13,214
Resident Graduate	9,013	8,793	8,743	8,418	8,026	7,596	7,298	7,084	6,962	6,420
Non-resident Graduate	19,007	18,507	18,013	17,352	16,534	16,052	15,726	15,392	15,100	14,244
<b>FULL ROOM &amp; BOARD RATE</b>	\$ 8,066	7,820	7,597	7,426	7,140	6,980	6,790	6,280	5,740	5,519
<b>TOTAL COST OF ATTENDANCE</b>										
Resident Undergraduate	\$ 15,815	15,505	15,232	14,776	14,148	13,616	13,166	12,470	11,852	11,121
Non-resident Undergraduate	25,713	25,001	24,318	23,532	22,488	21,880	21,386	20,562	19,768	18,733
<b>CONSTANT DOLLAR TUITION &amp; FEE RATES</b>										
Resident Undergraduate	\$ 6,229	6,310	6,459	6,314	6,121	5,930	5,749	5,780	5,917	5,602
Non-resident Undergraduate	14,186	14,106	14,146	13,837	13,404	13,315	13,161	13,335	13,580	13,214
Resident Graduate	7,245	7,219	7,397	7,232	7,010	6,788	6,581	6,614	6,740	6,420
Non-resident Graduate	15,279	15,195	15,239	14,907	14,440	14,345	14,180	14,372	14,618	14,244
<b>CONSTANT DOLLAR FULL ROOM &amp; BOARD RATE</b>										
	\$ 6,484	6,420	6,427	6,380	6,236	6,238	6,123	5,864	5,557	5,519
<b>CONSTANT DOLLAR COST OF ATTENDANCE</b>										
Resident Undergraduate	\$ 12,713	12,730	12,886	12,694	12,357	12,168	11,872	11,644	11,474	11,121
Non-resident Undergraduate	20,670	20,526	20,573	20,217	19,640	19,553	19,284	19,199	19,137	18,733

University of Northern Iowa  
Schedule 6  
**STATE APPROPRIATIONS**  
For the Last Ten Years  
**CAPITAL APPROPRIATIONS**  
For the Last Ten Years  
(Expressed in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>STATE APPROPRIATIONS</b>										
Total	\$ 100,659	96,910	87,663	77,765	82,684	97,862	101,686	95,364	86,531	83,585
Less: Non-General Funds	916	1,121	974	420	956	1,023	993	1,606	1,544	677
Net State Appropriations	\$ 99,743	95,789	86,689	77,345	81,728	96,839	100,693	93,758	84,987	82,908
<b>Constant Dollar Unrestricted State Appropriations</b>	\$ 80,179	78,644	73,341	66,448	71,378	86,541	90,796	87,542	82,272	82,908
<b>State Appropriations per FTE Student (Actual)</b>	\$ 10,214	9,556	8,315	6,797	7,150	8,501	9,038	8,540	7,882	7,558
<b>Constant Dollar State Appropriations per FTE Student (Actual)</b>	\$ 8,211	7,846	7,035	5,839	6,244	7,597	8,150	7,974	7,630	7,558
<b>CAPITAL APPROPRIATIONS</b>	\$ 8,121	14,177	14,083	7,017	5,808	5,928	5,752	5,018	8,650	6,188
<b>Constant Dollar Restricted Capital Appropriations</b>	\$ 6,528	11,640	11,915	6,028	5,072	5,298	5,187	4,685	8,374	6,188
<b>Capital Appropriations per FTE Student (Actual)</b>	\$ 832	1,414	1,351	617	508	520	516	457	802	564
<b>Constant Dollar Capital Appropriations per FTE Student (Actual)</b>	\$ 669	1,161	1,143	530	444	465	466	427	777	564

University of Northern Iowa  
Schedule 7

**OUTSTANDING DEBT PER FULL TIME EQUIVALENT (FTE) STUDENT**

For the Last Ten Years

(Expressed in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Bonded Debt</b>										
Academic Building Revenue Bonds \$	<b>46,482</b>	49,733	53,422	57,250	61,017	64,419	67,704	57,066	47,854	42,738
Residence System Bonds	<b>59,717</b>	64,561	67,495	80,443	43,170	33,005	30,590	32,355	34,040	35,655
Field House Bonds	<b>15,058</b>	12,689	18,914	14,855	19,470	16,815	17,735	18,630	20,190	21,640
Student Union Bonds	<b>6,275</b>	6,980	7,670	8,425	8,915	9,460	9,980	10,480	10,965	11,430
Student Health Center Bonds	<b>2,268</b>	2,466	5,110	2,810	2,975	3,135	3,290	3,440	3,585	3,730
Total Bonded Debt	<b>129,800</b>	136,429	152,611	163,783	135,547	126,834	129,299	121,971	116,634	115,193
<b>Notes Payable</b>										
City of Cedar Falls	<b>395</b>	410	425	440	455	470	485	500	500	500
Wells Fargo	<b>246</b>	481	707	923	-	-	-	-	-	-
Iowa Finance Authority	<b>844</b>	942	1,122	1,217	-	-	-	-	-	-
Total Notes Payable	<b>1,485</b>	1,833	2,254	2,580	455	470	485	500	500	500
<b>Capital Leases Payable</b>										
Power Plant Projects	<b>4,569</b>	5,000	-	-	-	-	-	-	-	-
Human Performance Center	-	-	-	-	1,131	1,432	1,621	1,799	1,965	-
McLeod Center Video Boards	-	-	-	-	-	-	-	-	717	-
Total Capital Leases Payable	<b>4,569</b>	5,000	-	-	1,131	1,432	1,621	1,799	2,682	-
Total Debt	<b>\$ 135,854</b>	143,262	154,865	166,363	137,133	128,736	131,405	124,270	119,816	115,693
<b>Constant Dollar</b>										
Outstanding Debt	<b>\$ 109,207</b>	117,621	131,019	142,924	119,767	115,046	118,490	116,032	115,988	115,693
<b>Outstanding Debt</b>										
per FTE Student (Actual)	<b>\$ 13,912</b>	14,292	14,855	14,620	11,997	11,302	11,795	11,319	11,112	10,547
<b>Constant Dollar Debt</b>										
per FTE Student (Actual)	<b>\$ 11,184</b>	11,734	12,568	12,560	10,477	10,100	10,635	10,569	10,757	10,547

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

**ACADEMIC BUILDING REVENUE BONDS**

Legal coverage = 1.25 of Maximum Debt Service Requirements

<b>Fiscal Year Ended June 30</b>	<b>Pledged General Fund Tuition</b>	<b>Maximum Debt Service</b>	<b>Actual Coverage</b>
<b>2015</b>	<b>75,990</b>	<b>6,493</b>	<b>11.70</b>
2014	76,246	6,493	11.74
2013	77,792	6,493	11.98
2012	80,776	6,493	12.44
2011	76,542	6,905	11.09
2010	71,581	7,116	10.06
2009	67,272	7,116	9.45
2008	63,771	6,287	10.14
2007	61,801	5,901	10.47
2006	58,158	5,392	10.79

**RESIDENCE SYSTEM REVENUE BONDS**

Legal coverage = 1.35 of Maximum Debt Service Requirements

<b>Fiscal Year Ended June 30</b>	<b>Gross Revenues</b>	<b>Less Operating Expenses</b>	<b>Net Available Revenues</b>	<b>Maximum Debt Service</b>	<b>Actual Coverage</b>
<b>2015</b>	<b>39,054</b>	<b>26,601</b>	<b>12,453</b>	<b>6,750</b>	<b>1.84</b>
2014	37,746	25,459	12,287	6,769	1.82
2013	36,642	25,375	11,267	6,769	1.66
2012	38,512	25,809	12,703	6,769	1.88
2011	37,511	24,906	12,605	4,473	2.82
2010	36,585	25,008	11,577	3,288	3.52
2009	36,099	25,559	10,540	3,347	3.15
2008	32,650	24,151	8,499	3,347	2.54
2007	30,323	22,701	7,622	3,347	2.28
2006	27,344	21,165	6,179	3,347	1.85

Maximum Debt Service is defined as the largest amount of both principal and interest that will become due in any fiscal year during the life of the bonds. Legal coverage for the above bond issues is computed utilizing Maximum Debt Service.

University of Northern Iowa  
Schedule 8 (continued)

**REVENUE BOND COVERAGE**

For the Last Ten Years

(Dollars in Thousands)

**FIELD HOUSE REVENUE BONDS**

Legal coverage = 1.20 of Annual Debt Service Requirements

Fiscal Year Ended June 30	Gross Revenues	Less Operating Expenses	Net Available Revenues	System Fund Balance	Debt Service Requirements			Actual Coverage
					Principal	Interest	Total	
<b>2015</b>	<b>3,880</b>	<b>2,763</b>	<b>1,117</b>	<b>5,764</b>	<b>1,185</b>	<b>361</b>	<b>1,546</b>	<b>4.45</b>
2014	3,952	2,638	1,314	6,932	1,110	412	1,522	5.42
2013	3,827	2,502	1,325	7,215	1,070	504	1,574	5.43
2012	4,230	2,603	1,627	7,652	1,055	542	1,597	5.81
2011	4,319	2,386	1,933	7,620	986	638	1,624	5.88
2010	3,886	2,126	1,760	8,638	955	669	1,624	6.40
2009	4,029	2,156	1,873	6,627	920	697	1,617	5.26
2008	4,062	2,345	1,717	5,938	895	725	1,620	4.73
2007	4,419	1,916	2,503	6,751	1,560	769	2,329	3.97
2006	3,577	1,701	1,876	2,903	1,450	855	2,305	2.07

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

**STUDENT UNION REVENUE BONDS**

Legal coverage = 1.20 of Annual Debt Service Requirements

Fiscal Year Ended June 30	Gross Revenues	Less Operating Expenses	Net Available Revenues	System Fund Balance	Debt Service Requirements			Actual Coverage
					Principal	Interest	Total	
<b>2015</b>	<b>2,168</b>	<b>1,070</b>	<b>1,098</b>	<b>1,850</b>	<b>725</b>	<b>177</b>	<b>902</b>	<b>3.27</b>
2014	2,296	1,141	1,155	1,925	705	191	896	3.44
2013	2,245	1,126	1,119	2,109	690	205	895	3.61
2012	2,410	1,089	1,321	1,961	755	202	957	3.43
2011	2,397	1,005	1,392	2,937	565	428	993	4.36
2010	2,402	897	1,505	2,907	545	451	996	4.43
2009	2,860	1,299	1,561	2,951	520	472	992	4.55
2008	2,704	1,313	1,391	3,089	500	491	991	4.52
2007	2,874	1,071	1,803	2,768	485	508	993	4.59
2006	2,357	1,121	1,236	1,991	465	523	988	3.26

**STUDENT HEALTH SYSTEM REVENUE BONDS**

Legal coverage = 1.20 of Annual Debt Service Requirements

Fiscal Year Ended June 30	Gross Revenues	Less Operating Expenses	Net Available Revenues	System Fund Balance	Debt Service Requirements			Actual Coverage
					Principal	Interest	Total	
<b>2015</b>	<b>3,616</b>	<b>3,238</b>	<b>378</b>	<b>1,816</b>	<b>205</b>	<b>46</b>	<b>251</b>	<b>8.74</b>
2014	3,751	3,205	546	1,820	195	58	253	9.35
2013	3,440	3,200	240	1,784	175	106	281	7.20
2012	3,476	3,248	228	1,872	170	112	282	7.45
2011	3,533	3,063	470	2,061	165	117	282	8.98
2010	3,542	2,955	587	2,130	160	121	281	9.67
2009	3,546	3,012	534	1,898	155	126	281	8.65
2008	3,445	2,725	720	1,689	150	131	281	8.57
2007	3,247	2,650	597	1,263	145	135	280	6.64
2006	3,069	2,493	576	986	145	139	284	5.50

University of Northern Iowa  
 Schedule 9

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Personal Income (expressed in millions)	\$ 139,625	138,337	135,063	130,131	119,080	117,411	118,980	110,484	103,072	97,827
Population (expressed in thousands)	3,107	3,090	3,074	3,062	3,046	3,008	3,003	2,988	2,982	2,966
Per Capita Personal Income (expressed in dollars)	\$ 44,937	44,763	43,935	42,470	39,038	38,713	39,440	36,838	34,557	33,000
Unemployment Percentage	3.7%	4.5%	4.6%	5.3%	6.0%	6.0%	4.1%	3.8%	3.7%	4.6%
<b>Constant Dollar Per Capita Personal Income</b>	\$ 36,123	36,751	37,170	36,486	34,094	34,596	35,564	34,396	33,453	33,000
<b>Net UNI Appropriations (expressed in thousands)</b>	\$ 95,789	86,689	77,345	81,728	96,839	100,693	93,758	84,987	82,908	78,405
<b>UNI Appropriations per Capita</b>	\$ 30.83	28.05	25.16	26.69	31.79	33.48	31.22	28.44	27.80	26.43
<b>Constant Dollar UNI Appropriations per Capita</b>	\$ 24.78	23.03	21.29	22.93	27.77	29.92	28.15	26.56	26.91	26.43

Source: State of Iowa Comprehensive Annual Financial Report, most recent audited report

**STATE OF IOWA PRINCIPAL NON-GOVERNMENTAL EMPLOYERS**

Current Year and Nine Years Prior

<b>Rank</b>	<b>Employer</b>	<b>Type of Business</b>
1	Hy-Vee Food Stores, Inc.	Retail Food
2	Wal-Mart Stores, Inc.	Retail General Merchandise
3	Deere and Company	Machinery Manufacturing
4	Wells Fargo Bank NA	Finance
5	Rockwell Collins, Inc.	Equipment Manufacturing
6	Casey's General Store	Convenience Stores
7	Tyson Fresh Meats, Inc.	Food Manufacturing
8	Fareway Food Stores, Inc.	Retail Food
9	Principal Life Insurance Company	Life Insurance
10	Unitypoint Health	Health Services

Source: Iowa Workforce Development

<b>Rank</b>	<b>Employer</b>	<b>Type of Business</b>
1	Hy-Vee Food Stores, Inc.	Retail Food
2	Wal-Mart Stores, Inc.	Retail General Merchandise
3	Deere and Company	Machinery Manufacturing
4	Rockwell Collins, Inc.	Equipment Manufacturing
5	Principal Financial Group	Finance & Insurance
6	Tyson Fresh Meats, Inc.	Food Manufacturing
7	Wells Fargo Bank NA	Finance
8	Fareway Food Stores, Inc.	Retail Food
9	Pella Corporation	Wood Products Manufacturing
10	Mercy Health	Health Services

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

Source: Iowa Workforce Development

University of Northern Iowa  
 Schedule 11  
**FULL TIME EMPLOYEES AND FACULTY DATA**  
 For the Last Ten Fiscal Years

**STAFF POSITIONS (Full Time)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Executive/Managerial										
Institutional Officials	13	13	13	13	13	15	15	16	15	15
Academic Administrators	45	44	47	46	50	57	53	50	44	47
Professional & Scientific	39	36	35	35	35	40	42	37	35	34
Faculty										
Professor	164	170	169	177	174	176	166	163	165	160
Associate Professor	201	202	200	207	205	202	204	209	209	205
Assistant Professor	134	120	114	123	119	121	127	122	133	143
Instructor	32	33	36	45	48	47	53	51	50	48
Faculty-Term/Renewable Term										
Professor	0	0	0	0	0	1	1	1	1	1
Associate Professor	0	0	0	0	0	0	0	0	0	1
Assistant Professor	1	0	2	3	2	1	2	1	0	0
Instructor	46	36	35	60	39	38	37	38	41	49
Professional/Scientific	622	609	592	603	578	577	570	541	530	523
Secretarial/Clerical										
Merit Supervisory	16	16	17	18	42	42	43	45	46	46
Merit Confidential	17	17	16	16	4	4	5	5	7	9
Merit AFSCME	216	216	221	230	210	226	227	230	229	232
Technical-AFSCME	21	20	20	22	24	27	30	31	31	33
Skilled Crafts-AFSCME										
Merit AFSCME	59	59	56	55	55	56	59	58	64	64
Merit Supervisory	0	0	0	0	0	4	4	4	4	4
Service/Maintenance										
Merit AFSCME	212	204	203	214	219	223	223	218	213	215
Merit Supervisory	23	24	25	27	25	26	29	27	26	22
<b>Total</b>	<b>1,861</b>	<b>1,819</b>	<b>1,801</b>	<b>1,894</b>	<b>1,842</b>	<b>1,883</b>	<b>1,890</b>	<b>1,847</b>	<b>1,843</b>	<b>1,851</b>

Note: Staff counts are as of September.

**FACULTY POSITIONS (FTE)**

Total Faculty	698.0	667.0	664.0	710.0	690.0	691.3	711.3	684.3	689.3	703.7
Percent Tenured	61.0%	56.2%	57.5%	56.0%	56.2%	57.7%	54.1%	56.6%	56.3%	53.8%
Students per Faculty Member	16.0	16.0	17.0	16.0	17.0	16.7	16.0	16.5	15.8	15.8

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

University of Northern Iowa  
 Schedule 12

**ENROLLMENT AND FRESHMAN CLASS DATA**  
 For the Last Ten Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>ENROLLMENT (Fall Headcount)</b>										
Undergraduate - Lower	4,235	4,149	4,329	4,713	4,780	4,841	4,865	4,719	4,427	4,433
Undergraduate - Upper	5,907	6,231	6,326	6,695	6,611	6,453	6,182	6,291	6,275	6,519
Graduate - Masters	1,232	1,283	1,161	1,236	1,289	1,300	1,369	1,157	1,113	1,112
Graduate - Advanced	554	496	457	524	521	486	492	442	445	449
<b>Total</b>	<b>11,928</b>	<b>12,159</b>	<b>12,273</b>	<b>13,168</b>	<b>13,201</b>	<b>13,080</b>	<b>12,908</b>	<b>12,609</b>	<b>12,260</b>	<b>12,513</b>
Residents	10,491	10,842	11,095	11,915	11,978	11,896	11,562	11,444	11,129	11,400
Nonresidents	1,437	1,317	1,178	1,253	1,223	1,184	1,346	1,165	1,131	1,113
<b>ENROLLMENT (FTE)</b>										
Full Year FTE	9,765	10,024	10,425	11,379	11,431	11,391	11,141	10,979	10,783	10,969
Fall FTE	10,311	10,616	10,873	11,393	11,681	11,571	11,365	11,107	10,835	11,016
<b>ADMISSIONS (Freshmen)</b>										
Applications	5,524	4,109	4,322	4,666	4,092	4,133	4,584	4,722	4,585	4,360
Accepted	2,962	3,392	3,350	3,607	3,411	3,505	3,841	3,759	3,572	3,422
Acceptance Ratio	53.6%	82.6%	77.5%	77.3%	83.4%	84.8%	83.8%	79.6%	77.9%	78.5%
Enrolled	1,797	1,722	1,704	1,942	1,978	1,946	2,015	1,991	1,768	1,737
Enrollment Ratio	60.7%	50.8%	50.9%	53.8%	58.0%	55.5%	52.5%	53.0%	49.5%	50.8%
Average ACT Score	22.8	22.8	23.1	23.3	23.1	23.0	22.9	23.0	23.0	22.8
Percent in Upper 30% of High School Class	54.4%	55.2%	57.2%	56.2%	51.5%	52.3%	50.6%	53.8%	57.5%	56.7%
Percent in Upper 10% of High School Class	17.0%	18.1%	20.0%	18.5%	17.3%	16.9%	16.6%	17.6%	18.2%	19.0%

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>DEGREES GRANTED (Summary)</b>										
Baccalaureate	2,303	2,357	2,349	2,440	2,198	2,347	2,268	2,221	2,259	2,423
Masters	446	512	483	572	509	561	467	474	471	485
Specialists	5	8	13	10	5	6	6	9	10	7
Doctorates	14	20	30	13	14	22	11	17	8	21
<b>Total</b>	<b>2,768</b>	<b>2,897</b>	<b>2,875</b>	<b>3,035</b>	<b>2,726</b>	<b>2,936</b>	<b>2,752</b>	<b>2,721</b>	<b>2,748</b>	<b>2,936</b>
<b>DEGREES GRANTED (Detail)</b>										
Doctor of Industrial Technology	1	1	2	1	1	2	1	1	-	3
Doctor of Technology	1	5	2	1	1	2	1	1	-	3
Doctor of Education	12	14	26	11	12	18	9	15	8	15
Specialist in Education	5	8	13	10	5	6	6	9	10	7
Professional Science Master's	-	12	21	17	17	19	19	5	-	-
Master of Arts in Education	112	118	104	121	105	147	99	119	129	103
Master of Arts	190	242	235	284	255	243	204	208	231	237
Master of Business Administration	38	36	28	27	31	40	42	42	35	62
Master of Music	13	15	11	26	10	24	14	22	13	12
Master of Public Policy	12	11	9	11	10	4	10	16	11	5
Master of Science	26	23	22	21	19	15	16	10	10	20
Master of Accounting	23	18	20	25	21	29	36	23	11	19
Master of Social Work	32	37	33	40	41	40	27	29	31	27
Bachelor of Arts	2,142	2,209	2,227	2,293	2,079	2,201	2,148	2,121	2,148	2,272
Bachelor of Fine Arts	8	11	11	11	6	8	3	8	8	15
Bachelor of Music	25	34	18	22	15	27	22	14	19	19
Bachelor of Science	91	86	79	98	84	84	76	64	64	93
Bachelor of Liberal Studies	37	17	14	16	14	27	19	14	20	24
<b>Total</b>	<b>2,768</b>	<b>2,897</b>	<b>2,875</b>	<b>3,035</b>	<b>2,726</b>	<b>2,936</b>	<b>2,752</b>	<b>2,721</b>	<b>2,748</b>	<b>2,936</b>

Source: Office of Institutional Research and Effectiveness

University of Northern Iowa  
Schedule 14  
***COST PER FULL TIME EQUIVALENT (FTE) STUDENT***  
For the Last Ten Years  
(Expressed in Thousands)

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
General Educational Fund Expenditures	\$ <b>166,474</b>	165,628	157,323	149,953	146,885	149,001	156,951	143,263	136,384	132,257
Less Separately Budgeted Expenditures:										
Research	<b>633</b>	657	564	651	506	504	656	628	581	487
Public Service	<b>6,900</b>	6,851	5,899	2,632	3,232	4,798	6,048	1,905	1,616	1,611
Scholarships/Fellowships	<b>12,853</b>	13,066	13,222	13,920	12,745	12,183	10,547	9,845	9,324	9,438
General Educational Fund Instructional Expenditures	\$ <b>146,088</b>	145,054	137,638	132,750	130,402	131,516	139,700	130,885	124,863	120,721
<b>Cost per FTE Student (Actual)</b>	\$ <b>14,960</b>	14,471	13,203	11,666	11,408	11,546	12,539	11,921	11,580	11,006
<b>Constant Dollar Cost per FTE Student (Actual)</b>	\$ <b>12,026</b>	11,881	11,170	10,023	9,963	10,318	11,307	11,131	11,210	11,006

University of Northern Iowa  
Schedule 15

**SCHOLARSHIPS & FELLOWSHIPS PER FULL TIME EQUIVALENT (FTE) STUDENT**

For the Last Ten Years  
(Expressed in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>SCHOLARSHIPS &amp; FELLOWSHIPS</b>										
Unrestricted	\$ 14,832	13,066	13,222	13,920	12,745	12,183	10,541	9,851	9,324	9,438
Restricted	18,486	15,740	17,096	18,034	18,544	15,779	12,397	10,904	9,461	8,774
Total	\$ 33,318	28,806	30,318	31,954	31,289	27,962	22,938	20,755	18,785	18,212

<b>CONSTANT DOLLAR SCHOLARSHIPS &amp; FELLOWSHIPS</b>										
Unrestricted	\$ 11,923	10,727	11,186	11,959	11,131	10,887	9,505	9,198	9,026	9,438
Restricted	14,860	12,923	14,464	15,493	16,196	14,101	11,179	10,181	9,159	8,774
Total	\$ 26,783	23,650	25,650	27,452	27,327	24,988	20,684	19,379	18,185	18,212

<b>SCHOLARSHIPS &amp; FELLOWSHIPS PER FTE STUDENT (Actual)</b>										
Unrestricted	\$ 1,519	1,303	1,268	1,223	1,115	1,070	946	897	865	860
Restricted	1,893	1,570	1,640	1,585	1,622	1,385	1,113	993	877	800
Total	\$ 3,412	2,873	2,908	2,808	2,737	2,455	2,059	1,890	1,742	1,660

<b>CONSTANT DOLLAR SCHOLARSHIPS &amp; FELLOWSHIPS PER FTE STUDENT (Actual)</b>										
Unrestricted	\$ 1,221	1,070	1,073	1,051	974	956	853	838	837	860
Restricted	1,522	1,289	1,387	1,362	1,417	1,238	1,004	927	849	800
Total	\$ 2,743	2,359	2,460	2,413	2,391	2,194	1,857	1,765	1,686	1,660

University of Northern Iowa  
Schedule 16

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

For the Last Ten Years

(Expressed in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Land	\$ 4,905	4,905	4,905	4,917	4,917	4,917	4,917	4,580	4,305	4,235
Construction in Progress	4,841	4,242	45,977	39,059	16,165	11,354	23,590	13,423	19,461	24,979
Software in Progress	-	-	-	-	8,606	4,576	-	-	-	-
Capital Assets Not Depreciated	<u>9,746</u>	<u>9,147</u>	<u>50,882</u>	<u>43,976</u>	<u>29,688</u>	<u>20,847</u>	<u>28,507</u>	<u>18,003</u>	<u>23,766</u>	<u>29,214</u>
Land Improvements	16,057	14,426	14,159	13,691	13,492	13,056	12,499	12,447	12,250	12,233
Infrastructure	40,786	40,068	38,832	38,098	37,041	36,167	27,523	27,403	27,043	27,040
Buildings	492,721	488,101	439,069	418,008	410,710	391,501	368,086	355,148	326,437	292,846
Equipment	53,349	51,354	50,668	55,340	51,625	48,217	45,193	43,812	41,060	37,655
Intangibles	8,606	8,606	8,606	8,606	-	-	-	-	-	-
Library Materials	34,268	34,173	34,612	35,253	35,125	34,807	34,844	33,969	33,075	32,158
Capital Assets Depreciated	<u>645,787</u>	<u>636,728</u>	<u>585,946</u>	<u>568,996</u>	<u>547,993</u>	<u>523,748</u>	<u>488,145</u>	<u>472,779</u>	<u>439,865</u>	<u>401,932</u>
Total Capital Assets	<u>655,533</u>	<u>645,875</u>	<u>636,828</u>	<u>612,972</u>	<u>577,681</u>	<u>544,595</u>	<u>516,652</u>	<u>490,782</u>	<u>463,631</u>	<u>431,146</u>
Less: Accumulated Depreciation/ Amortization	<u>275,729</u>	<u>259,439</u>	<u>246,666</u>	<u>240,593</u>	<u>225,980</u>	<u>213,060</u>	<u>201,521</u>	<u>190,294</u>	<u>178,466</u>	<u>168,232</u>
Net Book Value	<u>\$ 379,804</u>	<u>386,436</u>	<u>390,162</u>	<u>372,379</u>	<u>351,701</u>	<u>331,535</u>	<u>315,131</u>	<u>300,488</u>	<u>285,165</u>	<u>262,914</u>

**ACCUMULATED DEPRECIATION/AMORTIZATION**

Land Improvements	\$ 10,008	9,482	9,014	8,554	8,110	7,683	7,264	6,844	6,413	5,992
Infrastructure	14,977	13,937	12,786	11,822	10,901	9,999	9,293	8,605	7,901	7,159
Buildings	182,125	170,824	161,212	153,872	144,359	135,418	126,498	117,918	109,819	102,524
Equipment	35,626	33,284	32,315	35,153	32,462	30,569	29,581	29,326	27,986	27,451
Intangibles	1,721	1,291	861	430	-	-	-	-	-	-
Library Materials	31,272	30,621	30,478	30,762	30,148	29,391	28,885	27,601	26,347	25,106
Total Accumulated Depreciation/ Amortization	<u>\$ 275,729</u>	<u>259,439</u>	<u>246,666</u>	<u>240,593</u>	<u>225,980</u>	<u>213,060</u>	<u>201,521</u>	<u>190,294</u>	<u>178,466</u>	<u>168,232</u>

University of Northern Iowa

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**ENROLLMENT PROJECTIONS (Headcount Basis)**

For the Next Ten Years

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Undergraduate - Lower	4,323	4,401	4,442	4,490	4,513	4,524	4,549	4,585	4,671	4,708
Undergraduate - Upper	5,513	5,538	5,638	5,731	5,797	5,859	5,899	5,922	5,956	5,981
Unclassified - Special	399	414	420	422	423	423	423	423	423	423
Graduate	1,810	1,835	1,869	1,905	1,941	1,941	1,941	1,941	1,941	1,941
<b>Total</b>	<b><u>12,045</u></b>	<b><u>12,188</u></b>	<b><u>12,369</u></b>	<b><u>12,548</u></b>	<b><u>12,674</u></b>	<b><u>12,747</u></b>	<b><u>12,812</u></b>	<b><u>12,871</u></b>	<b><u>12,991</u></b>	<b><u>13,053</u></b>

Note: Enrollment projections are based primarily on high school graduate projections provided by the Iowa Department of Education. Historical trends are used to project other student pools for non-traditional, out-of-state, and new transfers. The overall historical yield is also adjusted for current recruiting factors.

## **Acknowledgements**

**Report Prepared by  
The University of Northern Iowa  
Financial Accounting and Reporting Services**

**Gary B. Shontz**, Controller, University Secretary and Treasurer  
**Tonya Gerbracht**, Assistant Controller  
**Mark Foer**, Accounting Manager  
**Jeanne Alcantara**, CPA, Accountant  
**Yvonne Buehner**, Secretary

**Additional Assistance Provided by  
Office of University Relations**

*The University of Northern Iowa Comprehensive  
Annual Financial Report is available  
on the World Wide Web at:*

*<http://cgi.access.uni.edu/reports/cafr/index.shtml>*

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

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

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







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