



2020-2021

**Annual Comprehensive
Financial Report**

For the fiscal years ended June 30, 2021 and June 30, 2020

UNI

**University of
Northern Iowa™**

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

An enterprise fund of the
State of Iowa



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2020-2021 Annual Comprehensive Financial Report

For the fiscal years ended June 30, 2021
and June 30, 2020

Prepared by:
Financial Accounting and Reporting
Services

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2020-2021
Introductory Section



December 16, 2021

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

In accordance with Code of Iowa Sections 262.23 and 262.25, we are pleased to submit the Annual Comprehensive Financial Report of the University of Northern Iowa for the year ended June 30, 2021. The audit opinion letter of the Auditor of State appears in the Financial Section and expresses an unmodified opinion on the University's financial statements.

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

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

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

PROFILE OF THE UNIVERSITY

The University of Northern Iowa serves Iowa through a tripartite mission of education, research and service. The University of Northern Iowa has served Iowa continuously for 144 years. Founded in 1876 as Iowa State Normal School, the School became Iowa State Teacher's College in 1909 and State College of Iowa in 1961. In 1967, the College achieved full university status and was renamed the University of Northern Iowa.

The University of Northern Iowa is a comprehensive university with 9,231 students and 1,604 full-time faculty and staff as of fall 2021. Eighty-nine percent of the students are from Iowa. The student body represents 99 counties in Iowa, 45 states and 56 different countries.

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

STATE ECONOMY

Introduction. Iowa's economy is supported by a robust mix of industries in manufacturing, trade, service and governmental employment. Although Iowa has a strong agricultural foundation, Iowa has become one of the nation's top headquarters for insurance. The GDP for the nation increased at an annual rate of 6.7% and Iowa's GDP increase was 7.7%. The increase in the nation's second quarter 2021 GDP reflected the continued economic recovery, reopening of establishments, and continued government response related to the COVID-19 pandemic. Finance and insurance are the largest industry in Iowa at 15.02% of the state's GDP as of June 30, 2021. During the past ten years 2012 to 2021, the State's GDP for this category saw the greatest increase of 4.2%. Government, real estate and agriculture are the other leading industries per the state's GDP. Fiscal year 2021 revenues in Iowa exceeded estimates due to consumer confidence, improving economy, federal assistance payments, extended unemployment benefits, child tax credits, and paycheck protection program. Next fiscal year leaves a lot of unknowns including inflation, interest rates, and continued worker shortage.

Farmland Values. The Federal Reserve Bank of Chicago, in their August 2021 public release, reported that farmland values in Iowa increased 18% for the period July 1, 2020 to July 1, 2021. The increase is the largest recorded since 2013. The U.S. Department of Agriculture's June 2021 index of prices received by farmers was up 22% from a year earlier. Prices for corn were up 90%, soybeans were up 74% and hogs 100% from a year ago due to accelerating exports after the pandemic. The surge in farm revenues substantially increase farmland values.

Per-Capita Personal Income. Iowa's average per-capita income, as reported by the Bureau of Economic Analysis, as of the second quarter was \$58,612 in 2020 and \$56,457 in 2021. The average per-capita income in the nation as of the second quarter was \$55,474 in 2020 and \$55,528 in 2021. Personal income for the nation decreased 21.8% at an annual rate in the second quarter of 2021 and Iowa's personal income decrease 22.4%. Government relief payments provided by the Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020 declined in the second quarter of 2021 contributing to the decrease in earnings.

Employment. According to the Bureau of Labor Statistics, Iowa's seasonally adjusted percent unemployed for the State was 2.7% for June 2019, 7.1% for June 2020 and 4.0% for June 2021. Iowa's unemployment continues to be below the nation's unemployment rate. More Iowans are entering the labor workforce after leaving federal unemployment programs. Iowa's main nonfarm employment industries; manufacturing, education and health services, government and transportation and utilities all reported increases in employment as of June 30, 2021 compared to the previous year. A portion of the job increases from June 2020 to June 2021 can be contributed to the loss of jobs during the fourth quarter of 2020 due to the pandemic. Iowa continues to have a workforce shortage with over 70,000 open jobs as of June 2021.

Manufacturing. According to the Iowa Economic Development Authority, in the last decade Iowa's bioscience workforce grew by 8%, between 2007 and 2014, outpacing national growth of bioscience employment by more than 400%. Iowa leads in bioproducts for agri-industrial processing and crop genetics. Iowa is one of the nation's top headquarters for the finance and insurance industries. Iowa is home to over 7,000 finance and insurance companies and a workforce of nearly 95,000 and offers one of the lowest insurance premium tax rates in the country at 1%. Advanced manufacturing is the leading business sector in Iowa, accounting for more than 18% of the state's total GDP. Nearly 4,100 manufacturers produce everything from food products and medical devices to aerospace products and construction machinery. Iowa has ramped up its STEM (science, technology, engineering and math) education in public schools and increased its focus on technical trade skills at community colleges. The University's Metal Casting Center is a nationally recognized leader in foundry research, applied technology and technical business assistance.

Exports. According to the U.S. Department of Census, Iowa's export shipments of merchandise totaled \$13.2 billion in 2019 and \$12.6 billion in 2020. In 2020, Iowa exported merchandise valued at \$3.5 billion to Canada, \$2.0 billion to Mexico and \$1.2 billion to China. Iowa's leading export categories were corn and soybeans, tractors, pork and herbicides.

Initiatives. Governor Kim Reynolds' priority for 2021 has been economic recovery. Despite the pandemic, Iowa ended fiscal years 2020 and 2021 with cash reserves replenished and reserves fully funded. Economic recovery allows the Governor to move forward with her number one priority of expanding tax relief. The planned tax relief will ensure income tax cuts in 2023. Putting Students First initiative includes Iowa's Return to Learn plan to support schools in reopening safely and responsibly to have children back to school for full-time, in-person learning. One of the many lessons learned from the pandemic is the critical need in Iowa for

access to reliable high-speed internet especially in rural areas. Governor Reynolds is proposing an initiative to ensure broadband access to all Iowans in every part of the state by 2025. Confronting Iowa's Child Care Crisis initiative will expand and improve the child care options for families. The Future Ready Iowa initiative will provide opportunities to Iowans to get the education and training beyond high school required for high-demand jobs in a dynamic, technology-driven economy. Through dynamic public-private partnerships, Iowa has implemented innovative solutions that start in our schools and continue in the workplace to ensure opportunities in Iowa.

STATE FINANCIAL POLICIES

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

MAJOR INITIATIVES

Tuition Differentiation. The University's distinctiveness as an institution with the highest proportion of Iowa resident undergraduates of all three Regent universities means we must preserve our charge to be accessible to Iowans. Differentiating tuition and mandatory fees will help the University ensure costs align with the needs of our students and the state while remaining a reasonable investment for taxpayers. The University is confronting challenges and opportunities to ensure we continue building on our commitment to quality, affordability and access for Iowans. The Board of Regents, State of Iowa approved flat tuition and fees for the 2019 to 2021 academic years for all student classifications for the University. State appropriation funding was held flat for fiscal year 2022 and tuition was increased 1.5% for all student classifications.

Academic Positioning. The Academic Positioning effort will generate ideas to build on the University's rich tradition of academic excellence while positioning the University to continue meeting the needs of the students, industries, and communities we serve. The forces driving change to higher education affirm our need to imagine and create new, innovative, and interdisciplinary approaches to scholarship, teaching, academic and student support program planning activities, community engagement initiatives to ensure our short-and long-term vitality. On April 29, 2021, the Academic Positioning Project Management Team will provide the final report to the Office of the President and the Office of the Provost. This work will remain an essential component to bringing the University's future vision and strategic plan to life now and in the years to come.

Accreditation. On June 7, 2021, the Higher Learning Commission's (HLC) Institutional Actions Council reaffirmed the University's accreditation through 2030-2031. The HLC confirmed, consistent with our mission and vision, the University provides a high-quality education experience for students. This is a testament to the on-going commitment by our faculty and staff to the quality and integrity of the educational, social, and personal growth opportunities we provide our students.

Strategic Course and Program Planning. The University is collaborating with community colleges in the form of articulation agreements and 2+2 options, as well as a new partnership with Des Moines Area Community College (DMACC) to expand pathways to in-demand credentials for traditional and post-traditional learners alike. This collaboration will allow us to leverage our existing program array to expand access in-demand programs for working and/or geographically place-bound adults, near-completers, first generation, low income and other non-traditional learners. The partnership with DMACC provides degree completion pathways and a certificate program with distance learning.

FINANCIAL INFORMATION

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

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

OTHER INFORMATION

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

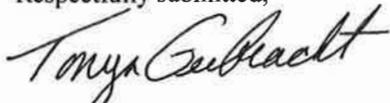
As a recipient of federal financial awards, the University is responsible for ensuring compliance with all applicable laws and regulations relating to such assistance. A combination of State and University policies and procedures, integrated with the University's internal controls, provides for this compliance. The Auditor of State conducts an annual single audit under the requirements set forth in the Single Audit Amendments of 1996 and Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Additionally, University of Northern Iowa internal auditors perform fiscal and compliance audits. The reports resulting from these audits are shared with the University's management, the Board of Regents, State of Iowa and the Office of Auditor of State.

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to the University of Northern Iowa for its Annual Comprehensive Financial Report for the year ended June 30, 2020. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. A Certificate of Achievement is valid for a period of one year only. This is the twenty-ninth consecutive year the University of Northern Iowa has received this prestigious award.

Acknowledgements. Appreciation is expressed to the staff of Financial Accounting and Reporting Services, Office of Business Operations, Treasury, 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,



Tonya Gerbracht
Controller and Treasurer



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

University of Northern Iowa

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

The Governing Board

2020-21

The University of Northern Iowa, together with the State University of Iowa, Iowa State University, the Iowa Educational Services for the Blind and Visually Impaired, and the Iowa School for the Deaf, is governed by the Board of Regents, State of Iowa consisting of nine members.

Board of Regents, State of Iowa

Officers of the Board

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

Members of the Board (As of June 30, 2021)

Term Expires

Dr. Michael Richards, West Des Moines	April 30, 2022
Sherry Bates, Scranton	April 30, 2023
Nancy Boettger, Harlan	April 30, 2023
Nancy Dunkel, Dyersville	April 30, 2023
David Barker, Iowa City	April 30, 2025
Milt Dakovich, Waterloo	April 30, 2025
Dr. Jim Lindenmayer, Ottumwa	April 30, 2025
Abby Crow, Tiffin	April 30, 2027
Greta Rouse, Emmetsburg	April 30, 2027

Officers of the University (As of June 30, 2021)

President of the University

Mark A. Nook, B.A., M.S., Ph.D.

Interim Provost and Executive Vice President

Patrick Pease, B.S., M.A., Ph.D.

Senior Vice President for Finance and Operations

Michael Hager, B.A., M.B.A., D.B.A.

Vice President for Student Affairs & Instructor

Paula Knudson, B.A., M.P.A., Ph.D.

Controller/University Secretary & Treasurer

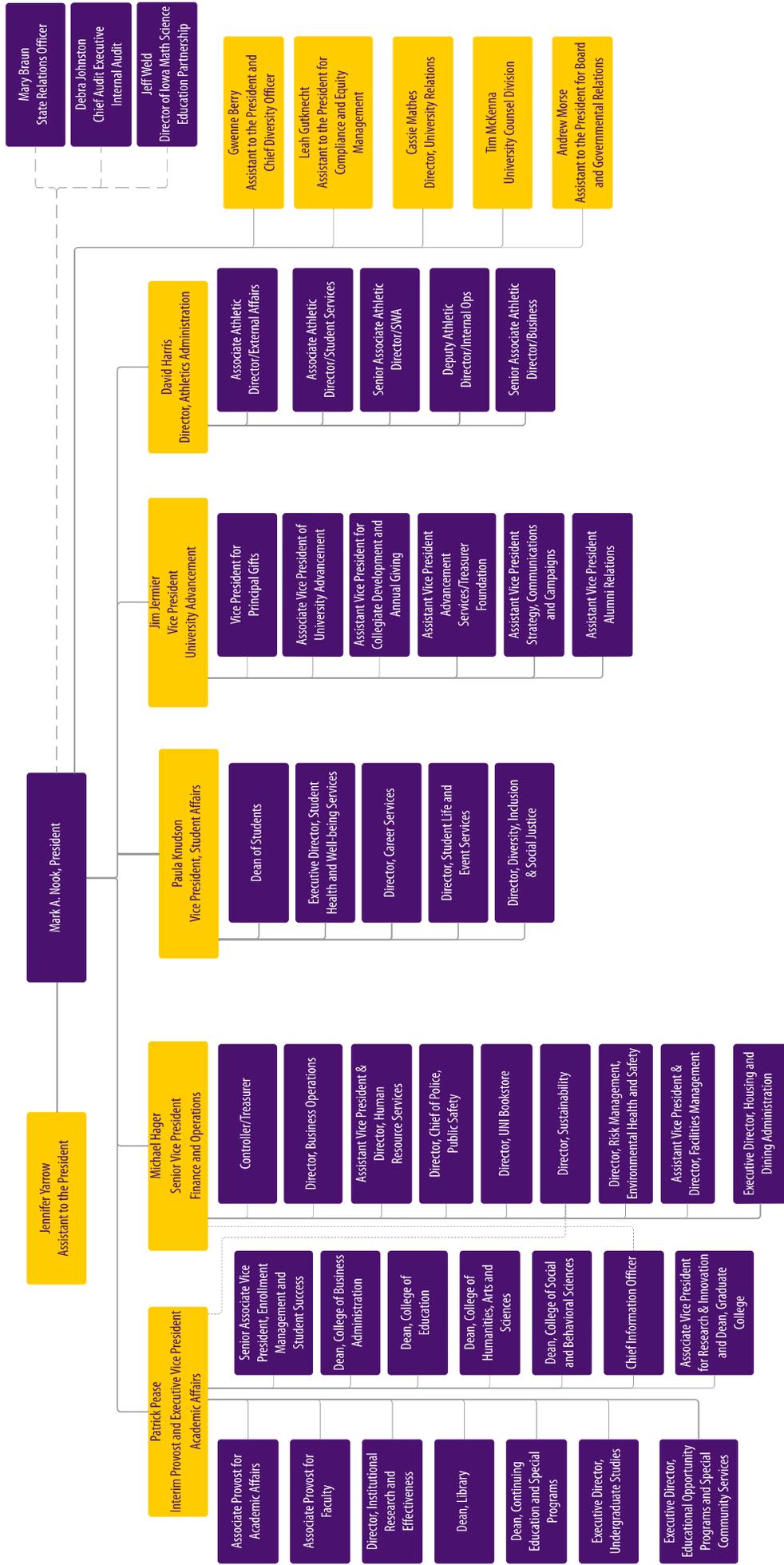
Tonya Gerbracht, B.A., M.B.A.

Vice President for University Advancement

Jim Jermier, B.A., M.A.

Assistant to the President

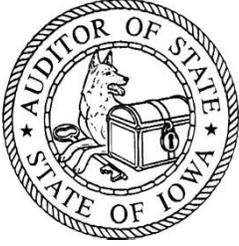
Jennifer Yarrow, B.A., M.A.



Administrative Organization 2020-21
(updated June 2021)



**2020-2021
Financial Section**



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

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities and the fiduciary activities of the University of Northern Iowa, Cedar Falls, Iowa and its discretely presented component unit as of and for the years ended June 30, 2021 and 2020, and the related Notes to Financial Statements, which collectively comprise the University of Northern Iowa's basic financial statements.

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 discretely presented component unit, the University of Northern Iowa Foundation (the "Foundation") which includes the combined financial statements of the University of Northern Iowa Foundation, University of Northern Iowa Properties Corporation and the University of Northern Iowa Research Foundation, discussed in Note A, which represents 100% of the assets, net position and revenues of the discretely presented component unit. Those financial statements were audited by 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.

Opinions

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 business type activities and the fiduciary activities of the University of Northern Iowa and its discretely presented component unit as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years ended June 30, 2021 and 2020 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, 2021 and 2020 and the changes in its financial position and its cash flows for the years ended June 30, 2021 and 2020 in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

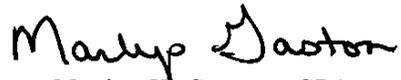
U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Schedule of the University's Proportionate Share of the Net Pension Liability, the Schedule of University Contributions and the Schedule of Changes in the University's Total OPEB Liability and Related Ratios and Notes on pages 13 through 20 and 81 through 84 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 basic 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.

Other Information

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.


Marlys K. Gaston, CPA
Deputy Auditor of State

December 15, 2021

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

This section of the University of Northern Iowa's annual comprehensive financial report presents management's discussion and analysis of the financial performance of the University for the two years ended June 30, 2021 and 2020. This discussion should be read in conjunction with the accompanying letter of transmittal, financial statements and notes to financial statements. The financial statements, notes to financial statements and this discussion are the responsibility of University management.

USING THIS ANNUAL REPORT

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

PANDEMIC

On March 11, 2020, the World Health Organization proclaimed COVID-19 to be a pandemic. In the spring of 2020, in an effort to mitigate the impact of COVID-19, the University took the following steps: suspended in-person classes for the remainder of the spring semester with all instruction being delivered virtually, students residing in residence halls were asked to return to their permanent residences or request special permission to remain on campus, all campus events were cancelled or postponed and summer 2020 courses were only offered online. The University refunded students, on a prorated basis, the following fees: housing, dining, course and lab fees, recreation fees and parking permits. Students returned to campus in fall 2020 with 78% of classes at face-to face instruction while ensuring classroom use was at 40% of capacity. Hundreds of transaction barriers were installed around campus, classrooms have been altered for physical distancing guidelines and public spaces reconfigured to allow for social distancing. The University had revenue of \$7.6 million from Coronavirus Aid, Relief and Economic Security (CARES) Act funds in 2020 and \$21.8 million in 2021. The Institutional Portion of CARES Act funds, \$3.8 million, provided reimbursement for spring 2020 housing and room and board refunds and, \$18.0 million, during 2021 for lost revenue including appropriations, tuition, and auxiliaries. The Student Portion of CARES Act funds was allocated to students; \$3.8 million in 2020 and \$3.8 million in 2021. The pandemic creates a challenge when comparing fiscal year 2019, 2020 and 2021 as illustrated in the following discussion and analysis.

THE UNIVERSITY

The Statement of Net Position

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

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

University			
The Statement of Net Position			
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$211,952,125	188,165,051	178,574,320
Capital assets	<u>403,272,927</u>	<u>407,089,898</u>	<u>401,269,331</u>
Total assets	<u>615,225,052</u>	<u>595,254,949</u>	<u>579,843,651</u>
Deferred outflows of resources	<u>6,264,006</u>	<u>6,677,416</u>	<u>7,676,547</u>
Current liabilities	37,280,188	34,984,494	38,952,278
Noncurrent liabilities	<u>140,304,028</u>	<u>149,853,365</u>	<u>156,337,420</u>
Total liabilities	<u>177,584,216</u>	<u>184,837,859</u>	<u>195,289,698</u>
Deferred inflows of resources	<u>13,213,145</u>	<u>14,037,359</u>	<u>3,791,422</u>
Net position:			
Net investment in capital assets	308,062,989	310,277,521	296,991,150
Restricted	34,961,073	26,335,528	34,840,811
Unrestricted	<u>87,667,635</u>	<u>66,444,098</u>	<u>56,607,117</u>
Total net position	<u>\$430,691,697</u>	<u>403,057,147</u>	<u>388,439,078</u>

Total assets increased from fiscal year 2019 to 2021 partially due to immediate measures taken in March 2020 related to the COVID-19 pandemic and the federal funding received. Cash and investments increased \$40.3 million from June 30, 2019 to June 30, 2021. Measures were taken to limit spending to essential expenditures in the last quarter of fiscal year 2020 to accumulate cash to offset lost revenue and prepare for additional expenditures related to the pandemic. The University received \$29.4 million of federal funds for COVID relief funds through 2020 and 2021. Capital assets in total remained steady over the three years with current construction in progress at \$21.7 million. Current construction in process include utility system upgrades, residence hall renovations and upgrades to the Industrial Technology Center.

Total liabilities decreased \$17.7 million from fiscal year 2019 to 2021. The total OPEB liability decreased \$11.4 million from fiscal year 2019 to 2021 primarily due to legislation changes in November 2019 leading to a repeal of the Excise Tax, an experience study performed in 2021. Deferred inflows of resources increased with the significant decrease in OPEB liability. The University deferred payment of the employer's share of Social Security taxes per the Coronavirus, Aid, Relief, and Economic Security Act (CARES Act) which increased salaries and wages payable \$5.0 million from 2019 to 2021. Long-term debt decreased \$10.5 million driven by defeasement of Residence System Bonds Refunding Series 2010 & 2010B, calling the Field House Series 2011 bonds and refunding Residence System Bonds Series 2011.

Total net position of the University increased \$42.3 million from June 30, 2019 to June 30, 2021. Overall the financial position improved in fiscal years 2020 and 2021 despite the impact of the pandemic. Unrestricted net position that can be used as working capital to meet the University's obligations as they come due, equipment replacement or campus improvements increased \$31.1 million from fiscal year 2019 to 2021. The University strategically adjusted the budget and took advantage of refundings or defeasement of debt for savings to help offset the decrease in enrollment to ensure a positive financial position.

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.

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

Nonoperating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation and amortization, which allocates the cost of an asset over its expected useful life.

University			
The Statement of Revenues, Expenses and			
Changes in Net Position			
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues:			
Tuition and fees, net	\$ 52,916,570	61,577,160	65,999,068
Federal grants and contracts	9,835,841	10,471,492	13,308,944
State and local grants and contracts	1,878,879	1,536,350	1,951,083
Nongovernmental grants and contracts	4,639,669	4,754,428	4,609,639
Sales, rents and services	3,413,108	4,504,409	5,236,235
Interest on student loans	93,923	247,504	83,586
Other operating revenue	774,098	1,058,018	1,588,105
Auxiliary enterprises	<u>45,063,131</u>	<u>52,258,082</u>	<u>65,844,567</u>
Total operating revenues	<u>118,615,219</u>	<u>136,407,443</u>	<u>158,621,227</u>
Operating expenses:			
Instruction	70,159,642	78,078,950	80,498,985
Research	2,655,105	2,437,009	2,930,394
Public service	16,417,781	19,158,773	19,908,014
Academic support	30,158,698	24,672,884	25,598,288
Student services	9,287,237	10,377,045	10,235,429
Institutional support	18,146,749	15,173,659	21,357,856
Operation and maintenance of plant	26,448,363	26,231,184	30,555,460
Scholarships and fellowships	5,293,125	8,232,105	5,683,836
Depreciation/amortization	19,309,669	19,463,291	19,400,815
Other operating expenses	132,652	286,480	214,348
Auxiliary enterprises	<u>49,346,851</u>	<u>54,409,747</u>	<u>61,223,473</u>
Total operating expenses	<u>247,355,872</u>	<u>258,521,127</u>	<u>277,606,898</u>
Operating loss	<u>(128,740,653)</u>	<u>(122,113,684)</u>	<u>(118,985,671)</u>
Nonoperating revenues (expenses):			
State appropriations	107,046,544	108,523,295	103,414,372
Federal grants and contracts	32,443,810	17,966,861	11,190,012
Nonfederal gifts, grants and contracts	3,541,783	3,127,041	3,857,346
Investment income	9,340,307	3,090,283	4,852,700
Interest on indebtedness	(2,395,942)	(2,881,783)	(3,075,139)
Loss on disposal of capital assets	(366,203)	(85,720)	(201,465)
Other nonoperating revenue/(expense)	<u>1,428,610</u>	<u>1,155,725</u>	<u>2,809,610</u>
Net nonoperating revenues	<u>151,038,909</u>	<u>130,895,702</u>	<u>122,847,436</u>
Income before other revenues	22,298,256	8,782,018	3,861,765
Capital appropriations	3,773,050	3,566,940	3,580,380
Capital gifts, grants and contracts	<u>1,563,244</u>	<u>2,269,111</u>	<u>1,891,806</u>
Change in net position	27,634,550	14,618,069	9,333,951
Net position, beginning of year	<u>403,057,147</u>	<u>388,439,078</u>	<u>379,105,127</u>
Net position, end of year	<u>\$430,691,697</u>	<u>\$403,057,147</u>	<u>\$388,439,078</u>

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

The COVID-19 pandemic continues to create a challenge when comparing fiscal year 2021 with the previous two fiscal years. During the three-year period ended in 2021, the net operating loss increased. Total operating revenues decreased significantly partially due to a decrease in enrollment but the main contributor to the decrease in operating revenues was the impact of COVID-19. Auxiliary enterprises were heavily impacted by refunds and lost revenue as a result of the pandemic. Operating expenses decreased over the three-year period as well due to COVID-19 with the cancellation of events and a decrease in enrollment. The operating loss increased \$9.8 million over the three fiscal years and was offset by an increase in nonoperating revenues and expenses of \$28.2 million. Nonoperating revenues increased with \$21.8 million of HEERF dollars received in 2021. Net position increased from \$388.4 million to \$430.7 million with an increase of \$31.1 million in unrestricted net position. An analysis of the changes by category of revenue and expense follows.

Operating revenues decreased \$22.2 million from 2019 to 2020 and \$17.8 million from 2020 to 2021. Reasons for changes in operating, nonoperating and other revenues from 2019 to 2021 follow:

- Tuition and fee income, net of scholarship allowances, decreased 6.7% from 2019 to 2020 and 14.1% from 2020 to 2021. The Board of Regents, State of Iowa approved tuition and fees to remain flat for academic years 2019-2020 and 2020-2021. Enrollment decreased 1,690 students from fall 2018 to fall 2020.
- State appropriations received increased \$3.6 million from 2019 to 2021. General fund appropriations increased \$4.0 million in fiscal year 2020 and decreased \$1.4 million in fiscal year 2021.
- Operating federal grants and contracts decreased with the closure of the Camp Adventure program in 2020.
- Auxiliary enterprises revenue decreased \$13.6 million from fiscal year 2019 to 2020 and \$7.2 million from fiscal year 2020 to 2021. Housing and dining refunds issued to students due to the pandemic during spring 2020 were \$5.3 million. Additional lost revenue for cancellation of events for performing arts, athletics, camps, recreation and health center and the required closure of the bookstore to limit the spread of the virus significantly impacted auxiliary revenues in fiscal year 2020 and 2021.
- Nonoperating federal grants and contracts increased \$21.3 million from 2019 to 2021 with \$7.6 million and \$21.8 million of HEERF funds received in 2020 and 2021, respectively. The student aid portion of the HEERF allocation was \$7.6 million.
- Investment income decreased \$1.8 million from 2019 to 2020 and increased \$6.2 million from 2020 to 2021. The equity market was strong until the pandemic in March 2020 and the federal funds rate was dropped to 0.25%. Travel restrictions and federal funding increased cash and investments during 2021.

Operating expenses decreased \$19.1 million, or 6.9%, from 2019 to 2020 and \$11.2 million, or 4.3%, from 2020 to 2021. Reasons for changes in operating expenses from 2019 to 2021 follow:

- Expenses for personnel services decreased \$16.4 million, or 8.9%, from 2019 to 2021. Full time staff counts have decreased by 157 from September 2018 to September 2020 with attrition and a decrease in adjunct faculty. Student wages started decreasing in spring 2020 when instruction moved online and events and activities continued to be limited due to the pandemic.
- Supplies and services expenses decreased \$17.5 million, or 26.9%, from 2019 to 2020 due to the travel restrictions and spending limited to essential purchases starting in March 2020 due to the pandemic. Supplies and services increased \$2.5 million, or 5.3%, from 2020 to 2021 primarily due to building repairs for space modifications to convert rooms into classrooms to allow for social distancing, HVAC updates for preventative COVID exposure and personal protective equipment, signage, sanitation and cleaning supplies, and other pandemic related expenditures.
- Scholarships and fellowships increased \$1.2 million, or 12.4%, from 2019 to 2021 with the Panther Impact Award and an increase in non-resident scholarships and offset by a decrease in enrollment.
- Interest on indebtedness decreased \$.7 million for the three-year period with the decrease in long-term debt.

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

The Statement of Cash Flows

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

University			
The Statement of Cash Flows			
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net cash provided (used) by:			
Operating activities	\$ (107,300,033)	(99,108,775)	(97,125,016)
Noncapital financing activities	146,264,240	130,014,128	117,778,007
Capital and related financing activities	(24,518,487)	(21,796,956)	(19,726,107)
Investing activities	<u>(16,638,382)</u>	<u>4,833,678</u>	<u>(14,095,508)</u>
Net increase/(decrease) in cash and cash equivalents	(2,192,662)	13,942,075	(13,168,624)
Cash and cash equivalents, beginning of year as restated	<u>29,010,639</u>	<u>15,068,564</u>	<u>28,237,188</u>
Cash and cash equivalents, end of year	<u>\$ 26,817,977</u>	<u>29,010,639</u>	<u>15,068,564</u>

GASB Statement No. 84, Fiduciary Activities, was implemented in fiscal year 2020 and as a result fiscal year 2019 was restated. This standard establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria generally is whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting the criteria are required to present these activities in a statement of fiduciary net position and a statement of changes in fiduciary net position. The following analysis discusses the University's cash flows during fiscal year 2021. Cash provided by operating activities includes receipts from tuition and fees (\$52.9 million), grants and contracts (\$17.1 million) and auxiliary enterprises (\$45.8 million). The largest uses of cash for operating activities include payments for salaries and benefits (\$139.9 million), payments for goods and services (\$35.0 million) and payments for auxiliary enterprises (\$48.9 million). Cash provided by noncapital financing activities includes state appropriations (\$107.3 million) and noncapital gifts and grants (35.4 million). Cash provided by capital and related financing activities includes capital appropriations (\$3.6 million) and issuance of refunding debt (\$14.9 million). Cash used by capital and related financing activities includes the acquisition of capital assets (\$15.0 million) and principal and interest payments on debt (\$27.4 million). Investment purchases exceeded proceeds from interest and proceeds from maturities of investments (\$16.6 million).

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

Capital Assets

At June 30, 2021, the University had \$776.1 million of capital assets at cost, accumulated depreciation of \$372.8 million and net capital assets of \$403.3 million. Depreciation and amortization charges totaled \$19.4 million for fiscal year 2019, \$19.5 million for 2020 and \$19.3 million for 2021. Details of the capital assets, net of accumulated depreciation, are shown below.

University			
Schedule of Capital Assets, Net, at Year-End			
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land	\$ 5,065,654	5,065,654	4,796,374
Construction in progress	<u>21,656,268</u>	<u>22,019,582</u>	<u>6,736,896</u>
Capital assets not depreciated	<u>26,721,922</u>	<u>27,085,236</u>	<u>11,533,270</u>
Land improvements	3,892,930	4,393,066	4,917,502
Infrastructure	28,653,097	25,685,045	25,785,579
Buildings	322,062,120	325,542,176	334,947,265
Equipment	15,671,944	17,392,851	16,329,152
Intangibles-software	5,265,997	5,753,219	6,240,440
Library materials	<u>1,004,917</u>	<u>1,238,305</u>	<u>1,516,123</u>
Capital assets depreciated	<u>376,551,005</u>	<u>380,004,662</u>	<u>389,736,061</u>
Total capital assets	<u>\$403,272,927</u>	<u>407,089,898</u>	<u>401,269,331</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 Schindler Education Center and the Industrial Technology Center, institutional roads projects, fire and safety and various deferred maintenance projects. Major Residence System projects include renovation of Lawther Hall, Hillside Courts demolition and Noehren and Dancer Hall restroom and student room renovation. Renovation and repair projects include the Kamerick Art Building reroofing, 27th Street corridor site work, East Bartlett office and restroom renovations, Rod Library carpet replacement and elevator upgrades, Latham Hall roof replacement, upgrade the Nielsen Field House and parking lot improvements. Utility bonds were issued in 2020 for improvements to the Power Plant cooling tower and steam distribution system. Private gifts were also used to help renovate Schindler Education Center, football practice field synthetic turf conversion, UNI-Dome football team room. Institutional funds were used to improve various parking lots, renovate a building for the new Admissions Center, Strayer-Wood seating replacement, Messersmith Track and Tennis Complex renovations and West Campus Recreation Fields enhancements. Detailed information about the University's capital assets is presented in Note I of the Notes to Financial Statements.

DEBT ACTIVITY

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

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

In April 2020, Dormitory Revenue Refunding Bonds, Series U.N.I. 2010 and Dormitory Revenue Refunding Bonds, Series U.N.I. 2010B were defeased.

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

In March 2020, Utility System Revenue Bonds, Series U.N.I. 2020 were issued in the amount of \$16,250,000. The proceeds of the Bonds will be used to construct, equip, install, furnish and renovate the utility system of the University and currently refund a lease-purchase financing obligation.

In July 2019, Field House Revenue Refunding Bonds, Series U.N.I. 2011 were called for early redemption.

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

CREDIT RATINGS

On November 12, 2019, Moody's Investors Service affirmed its "A1" credit rating on dormitory revenue and student health facility revenue and an "A2" rating on field house revenue and student union revenue debt and continued a "Stable" outlook on all outstanding debt. On January 31, 2020, Moody's Investors Service continued its "A1" credit rating on outstanding University bond issues related to academic building revenue and maintained a "Stable" outlook. On March 23, 2020, Standard and Poor's assigned its "A" credit rating on the University's academic building revenue bonds. They also affirmed its "A" credit rating of the University's revenue bonds supported by student fees and its "BBB+" rating for dormitory revenue bonds. The outlook was revised from "Positive" to "Stable for student fee secured revenue bonds and dormitory bonds. On October 18, 2021, Moody's downgraded the student health and dormitory bonds from "A1" to "A2" in conjunction with the release of the Higher Education Methodology and the outlook remains "stable". The University's capacity to meet its financial obligations remains strong.

ECONOMIC FACTORS THAT WILL AFFECT FUTURE BUDGETS AND RATES

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.

Despite the impact of the pandemic, Iowa was able to replenish cash reserves and surplus balances during fiscal year 2021. At the Revenue Estimating Committee (REC) meeting in October 2021, the net revenue for fiscal year 2021 increased \$870 million, 11%, over fiscal year 2020, exceeding the REC's estimate by \$737.1 million, or 9%. The Council on State Governments and KPMG ranked Iowa number one for having the lowest risk of the pandemic impacting their economy and having the highest resiliency to repair their economy after the pandemic is concluded from all 50 states. Before the pandemic, Iowa's unemployment rate was at 2.5% and unemployment rate increased to a high of 11%. At June 30, 2021 Iowa's unemployment rate was 4.0% and below the national average of 5.9%. The pandemic continues to create a level of uncertainty. Iowa faces workforce shortage and supply chain disruptions. The Iowa agriculture sector remains strong and farmland prices are near record highs, but fuel costs and rising energy costs are a concern.

The Governor and General Assembly finalized the general fund budget for fiscal year 2022 in January 2021. Amounts available for appropriation in 2022 based on the 99% budget limitation for the general fund budget was \$8,367.3 million. The Governor's recommended appropriation adjustment for fiscal year 2022 was a \$15.0 million increase to the Board of Regents, State of Iowa, but the Iowa legislature's final allocation removed the increase with appropriations remaining flat. As of October 2021, fiscal year 2022 revenue estimate was increased to \$8,934.2 million, 1.5% increase from the end of 2021. Tax receipts are estimated to decrease 1.0% and lottery receipts estimated to increase 4.0%.

For fiscal year 2021, the state appropriation for the University's primary general fund totaled \$98.3 million, a \$1.4 million decrease from 2020 appropriation. The state appropriation for 2022 remained at \$98.3 million. In September 2021, the Board of Regents, State of Iowa approved an \$15.0 million appropriation increase request for 2023 of which \$4.0 million would be incremental funding for the University. The Board presents the appropriation request to the Iowa State Legislature.

The University's fall 2021 enrollment reflects a growing freshman class for the second straight year, as well as all-time high graduation rates for its most recent graduating class. The size of the new freshman class increased 5% over last year and 6% over the fall 2019 freshman class. The freshman class includes an increase in both Iowa residents and out-of-state students. Total fall 2021 enrollment is 9,231 which includes students from all 99 Iowa counties, 45 U.S. states

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

and 56 countries across the globe. The decrease in enrollment is still an impact of COVID-19 and the immigration challenges. Graduation rates are at record levels and nearly 20 percentage points higher than those of similar universities. The continued increases in three-year, four-year, and six-year graduation rates are a direct result of the university's commitment to student success. One in 14 students graduated in three years.

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.

CONTACTING THE UNIVERSITY

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



2020-2021 Financial Statements

UNIVERSITY OF NORTHERN IOWA
Statement of Net Position
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents-Note B	\$ 26,817,977	29,010,639
Investments-Note B	136,580,091	114,552,042
Accounts receivable, net-Note C	5,279,519	6,421,780
Notes receivable, net-Note E	933,124	1,179,018
Interest receivable	551,610	696,529
Due from government agencies-Note F	1,653,272	2,097,145
Prepays-Note G	3,838,558	3,923,472
Inventories-Note H	2,018,351	2,117,648
Total Current Assets	177,672,502	159,998,273
Noncurrent Assets:		
Investments-Note B	29,850,555	22,653,635
Notes receivable, net-Note E	3,732,495	4,716,071
Prepays-Note G	696,573	797,072
Capital assets, Nondepreciable-Note I	26,721,922	27,085,236
Capital assets, Depreciable, net-Note I	376,551,005	380,004,662
Total Noncurrent Assets	437,552,550	435,256,676
Total Assets	615,225,052	595,254,949
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows	5,306,758	5,453,048
Other post employment benefits related deferred outflows	957,248	1,224,368
Total Deferred Outflows of Resources	6,264,006	6,677,416
LIABILITIES		
Current Liabilities:		
Accounts payable	7,776,297	7,536,039
Salaries and wages payable-Note J	5,836,676	2,939,599
Unpaid claims and contingent liabilities-Note Q	2,317,540	2,495,998
Unearned revenue-Note G	3,388,661	3,188,095
Interest payable	1,550,203	1,637,956
Other long-term liabilities-Note K	5,876,710	6,012,132
Other post employment benefits-Note L	548,822	711,127
Long-term debt-Note M	9,563,400	9,995,339
Deposits held in custody for others	421,879	468,209
Total Current Liabilities	37,280,188	34,984,494
Noncurrent Liabilities:		
Other long-term liabilities-Note K	31,506,180	29,056,144
Other post employment benefits-Note L	11,840,741	14,482,220
Long-term debt-Note M	96,957,107	106,315,001
Total Noncurrent Liabilities	140,304,028	149,853,365
Total Liabilities	177,584,216	184,837,859
DEFERRED INFLOWS OF RESOURCES		
Pension related deferred inflows	513,246	2,615,386
Other post employment benefits related deferred inflows	12,699,899	11,421,973
Total Deferred Inflows of Resources	13,213,145	14,037,359
NET POSITION		
Net investment in capital assets	308,062,989	310,277,521
Restricted		
Nonexpendable		
Scholarships and fellowships	615,895	615,895
Expendable		
Scholarships and fellowships	311,576	258,967
Loans	3,394,975	3,158,351
Capital projects	-	137,831
Debt service	29,654,224	21,355,031
Other	984,403	809,453
Unrestricted	87,667,635	66,444,098
Total Net Position	\$ 430,691,697	403,057,147

The notes are an integral part of the financial statements.

UNIVERSITY OF NORTHERN IOWA
Fiduciary Activities
Statement of Fiduciary Net Position
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents-Note B	\$ 6,735,968	6,277,126
Prepays-Note G	13,930	16,331
Total Assets	6,749,898	6,293,457
 LIABILITIES		
Accounts payable	6,291	4,230
Total Liabilities	6,291	4,230
 NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	6,743,607	6,289,227
Total Net Position	\$ 6,743,607	6,289,227

The notes are an integral part of the financial statements.

UNIVERSITY OF NORTHERN IOWA FOUNDATION
Combined Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 12,256,484	3,536,673
Investments	18,397,688	15,262,064
Pledges receivable, net-Note D	1,100,560	3,940,255
Other receivables	195,382	173,876
Other	127,460	96,974
	32,077,574	23,009,842
Total Current Assets		
Noncurrent Assets:		
Pledges receivable, less current portion	17,217,166	9,467,492
Long-term investments	182,837,122	139,352,104
Life insurance cash value	1,498,776	1,462,377
Building, equipment and leasehold improvements, net	96,134	69,605
Other	864,853	846,992
	202,514,051	151,198,570
Total Noncurrent Assets		
Total Assets	\$ 234,591,625	174,208,412
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 1,053,192	678,858
Annuities payable	266,300	260,773
Annuity trusts payable	87,158	87,163
Unitrusts payable	43,514	58,877
	1,450,164	1,085,671
Total Current Liabilities		
Noncurrent Liabilities:		
Annuities payable, less current portion	1,403,329	1,222,609
Annuity trusts payable, less current portion	468,780	493,569
Unitrusts payable, less current portion	324,109	256,053
	2,196,218	1,972,231
Total Noncurrent Liabilities		
Total Liabilities	3,646,382	3,057,902
Net Assets:		
Without donor restrictions	15,435,898	9,754,562
With donor restrictions	215,509,345	161,395,948
	230,945,243	171,150,510
Total Net Assets		
Total Liabilities and Net Assets	\$ 234,591,625	174,208,412

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, 2021 and 2020

	2021	2020
REVENUES		
Operating Revenues:		
Tuition and fees, net of scholarship allowances of \$29,429,560 for 2021 and \$26,362,669 for 2020	\$ 52,916,570	61,577,160
Federal grants and contracts	9,835,841	10,471,492
State and local grants and contracts	1,878,879	1,536,350
Nongovernmental grants and contracts	4,639,669	4,754,428
Sales and services of educational activities	3,413,108	4,504,409
Interest on student loans	93,923	247,504
Other operating revenue	774,098	1,058,018
Auxiliary enterprises	45,063,131	52,258,082
Total Operating Revenues	118,615,219	136,407,443
EXPENSES		
Operating Expenses:		
Instruction	70,159,642	78,078,950
Research	2,655,105	2,437,009
Public service	16,417,781	19,158,773
Academic support	30,158,698	24,672,884
Student services	9,287,237	10,377,045
Institutional support	18,146,749	15,173,659
Operation and maintenance of plant	26,448,363	26,231,184
Scholarships and fellowships	5,293,125	8,232,105
Depreciation/amortization	19,309,669	19,463,291
Other operating expenses	132,652	286,480
Auxiliary enterprises	49,346,851	54,409,747
Total Operating Expenses	247,355,872	258,521,127
Operating (Loss)	(128,740,653)	(122,113,684)
NONOPERATING REVENUES (EXPENSES):		
State appropriations	107,046,544	108,523,295
Federal grants and contracts	32,443,810	17,966,861
Nonfederal gifts, grants and contracts	3,541,783	3,127,041
Investment income	9,340,307	3,090,283
Interest on indebtedness	(2,395,942)	(2,881,783)
Loss on disposal of capital assets	(366,203)	(85,720)
Other nonoperating revenue	1,428,610	1,155,725
Net Nonoperating Revenues	151,038,909	130,895,702
Income Before Other Revenues	22,298,256	8,782,018
OTHER REVENUES:		
Capital appropriations	3,773,050	3,566,940
Capital gifts, grants and contracts	1,563,244	2,269,111
Total Other Revenues	5,336,294	5,836,051
Change in Net Position	27,634,550	14,618,069
NET POSITION		
Net position, beginning of year	403,057,147	388,439,078
Net position, end of year	\$ 430,691,697	403,057,147

The notes are an integral part of the financial statements.

UNIVERSITY OF NORTHERN IOWA
Fiduciary Activities
Statement of Changes in Fiduciary Net Position
Years Ended June 30, 2021 and 2020

	2021	2020
ADDITIONS		
Contributions:		
Members	\$ 1,398,682	1,358,610
Gifts	3,423,994	3,432,192
Total contributions	4,822,676	4,790,802
Investment earnings:		
Interest, dividends and other	239,874	154,925
Net investment earnings	239,874	154,925
Miscellaneous	51,835	54,569
Total Additions	5,114,385	5,000,296
DEDUCTIONS		
Benefits paid to participants or beneficiaries	3,399,853	3,478,878
Miscellaneous	1,260,152	1,130,084
Total Deductions	4,660,005	4,608,962
Increase (Decrease) in Fiduciary Net Position	454,380	391,334
NET POSITION		
Net position, beginning of year	6,289,227	5,897,893
Net position, end of year	\$ 6,743,607	6,289,227

The notes are an integral part of the financial statements.

UNIVERSITY OF NORTHERN IOWA FOUNDATION
Combined Statements of Activities
Years Ended June 30, 2021 and 2020

	2021		Total Net Assets
	Without Donor Restrictions	With Donor Restrictions	
Revenues, support and reclassifications:			
Contribution revenue	\$ 3,466,767	29,434,895	32,901,662
Contribution received in acquisition	1,201,450	-	1,201,450
Investment return	4,561,458	37,870,953	42,432,411
Miscellaneous income	64,229	1,490	65,719
Change in donor intent	(239,138)	239,138	-
Net assets released from restrictions	13,111,788	(13,111,788)	-
Total revenues, support and reclassifications	<u>22,166,554</u>	<u>54,434,688</u>	<u>76,601,242</u>
Expenses and adjustments:			
Scholarship expenses	5,833,759	-	5,833,759
Programming expenses	5,225,912	98,819	5,324,731
Administrative expenses	2,264,071	-	2,264,071
Fundraising expenses	3,224,761	-	3,224,761
Present value liability actuarial adjustment	(63,285)	222,472	159,187
Total expenses and adjustments	<u>16,485,218</u>	<u>321,291</u>	<u>16,806,509</u>
Change in net assets	5,681,336	54,113,397	59,794,733
Net assets, beginning of year	<u>9,754,562</u>	<u>161,395,948</u>	<u>171,150,510</u>
Net assets, end of year	<u>\$ 15,435,898</u>	<u>215,509,345</u>	<u>230,945,243</u>

The notes are an integral part of the financial statements.

2020		
Without Donor Restrictions	With Donor Restrictions	Total Net Assets
3,751,763	25,658,774	29,410,537
-	-	-
158,009	10,387	168,396
41,142	1,149	42,291
49,912	(49,912)	-
<u>13,588,420</u>	<u>(13,588,420)</u>	<u>-</u>
<u>17,589,246</u>	<u>12,031,978</u>	<u>29,621,224</u>
5,357,423	-	5,357,423
6,212,060	339,363	6,551,423
2,303,841	-	2,303,841
3,549,962	-	3,549,962
<u>53,290</u>	<u>220,743</u>	<u>274,033</u>
<u>17,476,576</u>	<u>560,106</u>	<u>18,036,682</u>
112,670	11,471,872	11,584,542
<u>9,641,892</u>	<u>149,924,076</u>	<u>159,565,968</u>
<u>9,754,562</u>	<u>161,395,948</u>	<u>171,150,510</u>

UNIVERSITY OF NORTHERN IOWA
Statement of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$ 52,930,806	60,193,697
Grants and contracts receipts	17,114,077	18,943,227
Collections of loans from students	1,568,195	1,526,343
Auxiliary enterprise receipts	45,827,323	51,642,831
Payments for salaries and benefits	(139,932,112)	(147,055,679)
Payments for goods and services	(35,001,690)	(26,932,012)
Scholarships	(5,221,723)	(8,158,478)
Loans issued to students	(10,530)	(25,110)
Auxiliary enterprise payments	(48,881,019)	(54,177,973)
Interest on loans to students	159,763	174,119
Other operating receipts	4,146,877	4,760,260
Net Cash Used by Operating Activities	(107,300,033)	(99,108,775)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	107,308,499	108,825,714
William D. Ford direct lending and plus loans receipts	37,549,454	46,702,436
William D. Ford direct lending and plus loans made	(37,587,098)	(46,725,895)
Other noncapital receipts	5,587,362	5,012,223
Other noncapital payments	(1,947,311)	(4,333,080)
Noncapital gifts and grants	35,353,334	20,532,730
Net Cash Provided by Noncapital Financing Activities	146,264,240	130,014,128
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital appropriations received	3,551,046	3,566,940
Capital gifts and grants received	352,041	622,716
Acquisition of capital assets	(14,951,937)	(22,254,083)
Proceeds from sale of capital assets	408,590	232,710
Principal paid on capital debt	(9,590,000)	(15,260,797)
Payments on defeased debt	(14,800,000)	(2,785,000)
Interest paid on capital debt	(2,969,820)	(3,331,810)
Issuance of capital debt and refunding	14,857,567	17,747,482
Other capital and related financing receipts	1,658,392	2,830
Other capital and related financing payments	(3,034,366)	(337,944)
Net Cash Used by Capital and Related Financing Activities	(24,518,487)	(21,796,956)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends on investments	823,537	1,386,510
Proceeds from sale and maturities of investments	109,952,285	124,046,698
Purchase of investments	(127,414,204)	(120,599,530)
Net Cash Provided/(Used) by Investing Activities	(16,638,382)	4,833,678
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,192,662)	13,942,075
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	29,010,639	15,068,564
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 26,817,977	29,010,639

UNIVERSITY OF NORTHERN IOWA
Statement of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (128,740,653)	(122,113,684)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation/amortization	19,309,669	19,463,291
(Increase)/Decrease in accounts receivable	1,202,455	45,287
(Increase)/Decrease in notes receivable	1,229,470	1,341,138
(Increase)/Decrease in due from government agencies	700,075	1,463,814
(Increase)/Decrease in inventories	99,297	158,052
(Increase)/Decrease in prepaids	180,401	821,354
(Increase)/Decrease in other assets	84,243	129,714
(Increase)/Decrease in deferred outflows of resources	413,410	999,131
Increase/(Decrease) in accounts payable	(469,618)	163,762
Increase/(Decrease) in salaries and wages payable	(80,495)	(227,526)
Increase/(Decrease) in unearned revenue	200,566	(904,259)
Increase/(Decrease) in other liabilities	(1,227,996)	(1,305,072)
Increase/(Decrease) in pension liability	3,427,141	(779,920)
Increase/(Decrease) in other postemployment benefits liability	(2,803,784)	(8,609,794)
Increase/(Decrease) in deferred inflows of resources	(824,214)	10,245,937
	<u>(107,300,033)</u>	<u>(99,108,775)</u>
Net Cash Used By Operating Activities	\$ (107,300,033)	(99,108,775)

Noncash Capital, Financing and Investing Activities:

Equipment with an acquisition value of \$1,191,280 was donated to the University in 2021 and \$1,457,581 in 2020.

Net unrealized gain decreased the fair value of the University's investments \$9,118,774 in 2021 and \$2,777,999 in 2020.

A payable for special state appropriations of \$40,206 was reported in 2021 and \$304,385 in 2020.

A payable for capital gifts and grants of \$89,427 was reported in 2021 and \$69,414 in 2020.

A receivable for capital appropriations of \$222,004 was reported in 2021.

The notes are an integral part of the financial statements.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note A – Organization and Summary of Significant Accounting Policies

Organization

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

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

Basis of Presentation

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

Discretely Presented Component Unit

The University of Northern Iowa Foundation (Foundation) is a legally separate, tax-exempt 501(c)(3) corporation. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The University does not control the Foundation or the timing or amount of receipts from the Foundation. The majority of the Foundation's resources are restricted to the activities of the University by UNI Foundation donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. During the years ended June 30, 2021 and 2020, the Foundation provided \$7,243,330 and \$7,075,935, respectively, to the University.

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

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

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

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

Fiduciary Activities

Fiduciary activities are presented in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position in accordance with GASB Statement No. 84, Fiduciary Activities. Fiduciary classification is focused on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists.

Affiliated Organization

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

Cash and Cash Equivalents

For purposes of the Statement of Net Position and Statement of Cash Flows, cash and cash equivalents are reported in accordance with Board of Regents, State of Iowa policy, Chapter 2, section 4.C.ix: (<http://iowaregents.edu/plans-and-policies/board-policy-manual/22-business-procedures/%23Investment%20Policy>) which states in part: to appropriately reflect the Board's overall investment strategy and as outlined in the GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, (paragraph 11), that all funds held by external investment managers, as defined in section 2.2.4.C.iv of the Board's investment policy, shall be reported on the audited financial statements of the Regents institutions as investments. Investments purchased by the institutions through Board authorized brokerage firms that meet the definition of cash equivalents or investments with original purchase dates to maturity of three months or less, shall be reported on the audited financial statements of the Regent institutions as cash equivalents.

Investments

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

With the exception of funds specifically invested for bond issues and endowment funds, all other monies are pooled in an investment pool entitled "Treasurer's Temporary Investments". Investment income on the investment pool is allocated to the activities that participate in the pool. In fiscal years 2021 and 2020, the amount of income allocated from the Treasurer's Temporary Investment Pool was \$5,804,780 and \$3,349,355, respectively.

Investments (Foundation)

In August 2018, the FASB issued Accounting Standards Update (ASU) No. 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement, which removes, modifies and adds certain disclosure requirements. The standard is effective for fiscal years beginning after December 15, 2019. The Foundation adopted the standard during the year ended June 30, 2021, which resulted in the removal or modification of certain fair value measurement disclosures.

Inventories

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
 June 30, 2021

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

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 acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation 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

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 and other postemployment benefits (OPEB) expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments, 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 and unrecognized items not yet charged to pension and OPEB expense.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

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

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 liability, net pension liability and other liabilities that will not be paid within the next fiscal year.

Net Pension Liability

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.

Total OPEB Liability

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

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

Net Position

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

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

Restricted Net Position:

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

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

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

Auxiliary Enterprise Revenues

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

Operating and Nonoperating Activities

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

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

Endowment Appreciation

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

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

Fringe Benefits

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

Use of Estimates

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note B – Cash and Investments

Cash and Cash Equivalents

A summary of the book and bank balances for cash and cash equivalents at June 30, 2021 and June 30, 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Book Balance	\$33,553,945	<u>35,287,765</u>
Bank Balance	\$33,303,949	<u>37,256,403</u>
Covered by FDIC insurance or State Sinking Fund	\$15,655,143	4,625,405
Invested in money market funds as cash equivalents	\$17,648,806	32,630,998

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

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

Investments

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

For donor restricted endowments, Chapter 540A of the Code of Iowa permits the University to spend the net appreciation of realized and unrealized earnings as the University determines to be prudent. The University's spending rule is that five percent (5%) of the three year moving average of the fair value of the endowment will be calculated and distributed. The net appreciation on true endowments available for expenditure at June 30, 2021 and 2020 was \$1,014,151 and \$690,769, respectively. The net appreciation is classified in the Statement of Net Position as follows:

	<u>2021</u>	<u>2020</u>
Restricted Expendable:		
Scholarships and fellowships	\$ 232,733	166,748
Loans	192,696	147,718
Other-Chair	<u>588,722</u>	<u>376,303</u>
Total	\$ <u>1,014,151</u>	<u>690,769</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note B – Cash and Investments (continued)

Invested Assets

	2021	2020
	Total Fair Value Reported on the Statement of Net Position	Total Fair Value Reported on the Statement of Net Position
Operating Portfolio:		
Fixed Income:		
U.S. Government Securities:		
U.S. Government Treasuries	\$ 12,021,940	18,447,742
U.S. Government Agencies	29,603,075	24,408,824
Short-Term Securities:		
Commercial Paper	23,996,260	5,999,240
Fixed Income Mutual Funds	49,718,696	46,736,550
Total Fixed Income Securities	<u>115,339,971</u>	<u>95,592,356</u>
Equity & Other Securities:		
Domestic Equity Mutual Funds	6,557,882	5,592,849
International Equity Mutual Funds	10,137,341	8,175,401
Real Assets	4,351,971	4,297,547
Total Equity & Other Securities	<u>21,047,194</u>	<u>18,065,797</u>
Cash & Cash Equivalents:		
Bank Investments	1,881,426	2,543,049
Money Market Fund Shares	8,879,337	7,957,870
Total Cash & Cash Equivalents	<u>10,760,763</u>	<u>10,500,919</u>
Total Operating Portfolio	<u>147,147,928</u>	<u>124,159,072</u>
Endowment Portfolio (UNI Equity in SUI Endowment Pool):		
Fixed Income:		
Short-Term Securities:		
Fixed Income Mutual Funds	4,709,131	3,182,791
Total Fixed Income Securities	<u>4,709,131</u>	<u>3,182,791</u>
Equity & Other Securities:		
Common Stock	604,929	359,697
Domestic Equity Mutual Funds	3,332,385	3,059,966
International Equity Mutual Funds	3,903,791	1,692,345
Real Assets	1,573,797	1,657,136
Private Equity	4,901,749	3,019,880
Total Equity & Other Securities	<u>14,316,651</u>	<u>9,789,024</u>
Cash & Cash Equivalents:		
Bank Investments	-	74,790
Money Market Fund Shares	256,936	-
Total Cash & Cash Equivalents	<u>256,936</u>	<u>74,790</u>
Total Endowment Portfolio	<u>19,282,718</u>	<u>13,046,605</u>
Total Invested Assets	<u>\$166,430,646</u>	<u>137,205,677</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

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

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

As of June 30, 2021:

Investment	Fair Value	% of Total Operating Portfolio Fixed Income Assets
Federal Home Loan Bank	\$11,073,863	7%
Federal Home Loan Mortgage Corporation	9,391,911	6%

As of June 30, 2020:

Investment	Fair Value	% of Total Operating Portfolio Fixed Income Assets
Federal Farm Credit Bank	\$7,067,295	5%

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note B – Cash and Investments (continued)

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Fair Value Measurement

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

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

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

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

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note B – Cash and Investments (continued)

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

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

The following tables reflect fair value measurements of investment assets at June 30, 2021 and June 30, 2020, respectively, as categorized by level of the fair value hierarchy according to the lowest level of inputs significant to each measurement or NAV:

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note B – Cash and Investments (continued)
As of June 30, 2021:

	Quoted Market Prices For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Total
Operating Portfolio:					
Fixed Income:					
U.S. Government Securities:					
U.S. Government Treasuries	\$12,021,940	-	-	-	12,021,940
U.S. Government Agencies	-	29,603,075	-	-	29,603,075
Short-Term Securities:					
Commercial Paper	-	23,996,260	-	-	23,996,260
Fixed Income Mutual Funds	<u>27,220,177</u>	<u>-</u>	<u>-</u>	<u>22,498,519</u>	<u>49,718,696</u>
Total Fixed Income Securities	<u>39,242,117</u>	<u>53,599,335</u>	<u>-</u>	<u>22,498,519</u>	<u>115,339,971</u>
Equity & Other Securities:					
Domestic Equity Mutual Funds	6,557,882	-	-	-	6,557,882
International Equity Mutual Funds	5,968,293	-	-	4,169,048	10,137,341
Real Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,351,971</u>	<u>4,351,971</u>
Total Equity & Other Securities	<u>12,526,175</u>	<u>-</u>	<u>-</u>	<u>8,521,019</u>	<u>21,047,194</u>
Cash & Cash Equivalents:					
Bank Investments	1,881,426	-	-	-	1,881,426
Money Market Fund Shares	<u>8,879,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,879,337</u>
Total Cash & Cash Equivalents	<u>10,760,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,760,763</u>
Total Operating Portfolio	<u>62,529,055</u>	<u>53,599,335</u>	<u>-</u>	<u>31,019,538</u>	<u>147,147,928</u>
Endowment Portfolio (UNI Equity in SUI Endowment Pool):					
Fixed Income:					
Short-Term Securities:					
Fixed Income Mutual Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,709,131</u>	<u>4,709,131</u>
Total Fixed Income Securities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,709,131</u>	<u>4,709,131</u>
Equity & Other Securities:					
Common Stock	586,045	18,884	-	-	604,929
Domestic Equity Mutual Funds	3,332,385	-	-	-	3,332,385
International Equity Mutual Funds	1,134,356	-	-	2,769,435	3,903,791
Real Assets	-	-	-	1,573,797	1,573,797
Private Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,901,749</u>	<u>4,901,749</u>
Total Equity & Other Securities	<u>5,052,786</u>	<u>18,884</u>	<u>-</u>	<u>9,244,981</u>	<u>14,316,651</u>
Cash and Cash Equivalents:					
Money Market Fund Shares	<u>256,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,936</u>
Total Cash & Cash Equivalents	<u>256,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,936</u>
Total Endowment Portfolio	<u>\$ 5,309,722</u>	<u>18,884</u>	<u>-</u>	<u>13,954,112</u>	<u>19,282,718</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note B – Cash and Investments (continued)

The following table summarizes the University's investments at June 30, 2021 for which net asset value (NAV) was used as a practical expedient to estimate fair value:

Asset Class	Fair Value Determined Using NAV 2021	Unfunded Commitments at June 30, 2021	Redemption Frequency	Redemption Notice Period
Fixed Income Mutual Funds	\$27,207,650	-	daily – monthly	5-60 days
Equity Mutual Funds	6,938,483	-	daily – monthly	2-30 days
Real Assets:				
Redeemable	5,211,804	-	quarterly	60-90 days
Nonredeemable	713,964	100,991	N/A	N/A
Private Equity:				
Redeemable	-	-	N/A	N/A
Nonredeemable	<u>4,901,749</u>	<u>5,011,677</u>	N/A	N/A
	<u>\$44,973,650</u>	<u>5,112,668</u>		

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note B – Cash and Investments (continued)
As of June 30, 2020:

	Quoted Market Prices For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Total
Operating Portfolio:					
Fixed Income:					
U.S. Government Securities:					
U.S. Government Treasuries	\$18,447,742	-	-	-	18,447,742
U.S. Government Agencies	-	24,408,824	-	-	24,408,824
Short-Term Securities:					
Commercial Paper	-	5,999,240	-	-	5,999,240
Fixed Income Mutual Funds	<u>24,931,698</u>	<u>-</u>	<u>-</u>	<u>21,804,852</u>	<u>46,736,550</u>
Total Fixed Income Securities	<u>43,379,440</u>	<u>30,408,064</u>	<u>-</u>	<u>21,804,852</u>	<u>95,592,356</u>
Equity & Other Securities:					
Domestic Equity Mutual Funds	5,592,849	-	-	-	5,592,849
International Equity Mutual Funds	4,715,359	-	-	3,460,042	8,175,401
Real Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,297,547</u>	<u>4,297,547</u>
Total Equity & Other Securities	<u>10,308,208</u>	<u>-</u>	<u>-</u>	<u>7,757,589</u>	<u>18,065,797</u>
Cash & Cash Equivalents:					
Bank Investments	2,543,049	-	-	-	2,543,049
Money Market Fund Shares	<u>7,957,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,957,870</u>
Total Cash & Cash Equivalents	<u>10,500,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,500,919</u>
Total Operating Portfolio	<u>64,188,567</u>	<u>30,408,064</u>	<u>-</u>	<u>29,562,441</u>	<u>124,159,072</u>
Endowment Portfolio (UNI Equity in SUI Endowment Pool):					
Fixed Income:					
Short-Term Securities:					
Fixed Income Mutual Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,182,791</u>	<u>3,182,791</u>
Total Fixed Income Securities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,182,791</u>	<u>3,182,791</u>
Equity & Other Securities:					
Common Stock	347,712	11,985	-	-	359,697
Domestic Equity Mutual Funds	2,235,238	-	-	824,728	3,059,966
International Equity Mutual Funds	770,087	-	-	922,258	1,692,345
Real Assets	-	-	-	1,657,136	1,657,136
Private Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,019,880</u>	<u>3,019,880</u>
Total Equity & Other Securities	<u>3,353,037</u>	<u>11,985</u>	<u>-</u>	<u>6,424,002</u>	<u>9,789,024</u>
Cash and Cash Equivalents:					
Bank Investments	<u>74,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,790</u>
Total Cash & Cash Equivalents	<u>74,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,790</u>
Total Endowment Portfolio	<u>\$ 3,427,827</u>	<u>11,985</u>	<u>-</u>	<u>9,606,793</u>	<u>13,046,605</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note B – Cash and Investments (continued)

The following table summarizes the University's investments at June 30, 2020 for which net asset value (NAV) was used as a practical expedient to estimate fair value:

Asset Class	Fair Value Determined Using NAV 2020	Unfunded Commitments at June 30, 2020	Redemption Frequency	Redemption Notice Period
Fixed Income Mutual Funds	\$24,987,643	-	daily – monthly	5-60 days
Equity Mutual Funds	5,207,028	-	daily – monthly	2-30 days
Real Assets:				
Redeemable	5,109,778	-	quarterly	60-90 days
Nonredeemable	844,905	220,483	N/A	N/A
Private Equity:				
Redeemable	-	-	N/A	N/A
Nonredeemable	<u>3,019,880</u>	<u>1,429,185</u>	N/A	N/A
	<u>\$39,169,234</u>	<u>1,649,668</u>		

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note B – Cash and Investments (continued)

The University's investments are recorded at fair value. As of June 30, 2021 and June 30, 2020, respectively, the University had the following investments and quality credit ratings:

2021

Credit Risk – Quality Ratings

	<u>Treasury</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>
Fixed Income Securities:				
U.S. Government Securities:				
U.S. Government Treasuries	\$12,021,940	-	-	-
U.S. Government Agencies	-	-	29,603,075	-
Short-Term Securities:				
Commercial Paper	-	-	-	-
Fixed Income Mutual Funds	-	<u>51,463</u>	<u>16,700,910</u>	<u>22,971,143</u>
Total Fixed Income Securities	<u>\$12,021,940</u>	<u>51,463</u>	<u>46,303,985</u>	<u>22,971,143</u>

2020

Credit Risk – Quality Ratings

	<u>Treasury</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>
Fixed Income Securities:				
U.S. Government Securities:				
U.S. Government Treasuries	\$18,447,742	-	-	-
U.S. Government Agencies	-	-	24,408,824	-
Short-Term Securities:				
Commercial Paper	-	-	-	-
Fixed Income Mutual Funds	-	-	<u>31,618,382</u>	<u>3,598,778</u>
Total Fixed Income Securities	<u>\$18,447,742</u>	<u>-</u>	<u>56,027,206</u>	<u>3,598,778</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

<u>BBB</u>	<u>BB</u>	<u>B</u>	<u>A1+P1</u>	<u>Total</u>
-	-	-	-	12,021,940
-	-	-	-	29,603,075
-	-	-	23,996,260	23,996,260
<u>4,753,588</u>	<u>2,110,212</u>	<u>7,840,511</u>	<u>-</u>	<u>54,427,827</u>
<u>4,753,588</u>	<u>2,110,212</u>	<u>7,840,511</u>	<u>23,996,260</u>	<u>120,049,102</u>

<u>BBB</u>	<u>BB</u>	<u>B</u>	<u>A1+P1</u>	<u>Total</u>
-	-	-	-	18,447,742
-	-	-	-	24,408,824
-	-	-	5,999,240	5,999,240
<u>6,030,313</u>	<u>3,260,974</u>	<u>5,410,894</u>	<u>-</u>	<u>49,919,341</u>
<u>6,030,313</u>	<u>3,260,974</u>	<u>5,410,894</u>	<u>5,999,240</u>	<u>98,775,147</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note B – Cash and Investments (continued)

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

Interest Rate Sensitivity – Duration

	2021		2020	
	Fair	Duration	Fair	Duration
	Value	(in years)	Value	(in years)
Operating Portfolio:				
Fixed Income:				
U.S. Government Securities:				
U.S. Government Treasuries	\$ 12,021,940	1.49	18,447,742	1.56
U.S. Government Agencies	29,603,075	1.73	24,408,824	1.31
Short-Term Securities:				
Commercial Paper	23,996,260	0.14	5,999,240	0.09
Fixed Income Mutual Funds	<u>49,718,696</u>	4.98	<u>46,736,550</u>	5.38
Operating Portfolio-Total Fixed Income Securities	<u>115,339,971</u>		<u>95,592,356</u>	
Operating Portfolio Duration		2.78		3.27
Endowment Portfolio:				
Fixed Income:				
Short-Term Securities:				
Fixed Income Mutual Funds	<u>4,709,131</u>	4.42	<u>3,182,791</u>	5.29
Endowment Portfolio-Total Fixed Income Securities	<u>4,709,131</u>		<u>3,182,791</u>	
Endowment Portfolio Duration		4.42		5.29
Total All Portfolios	<u>\$120,049,102</u>		<u>98,775,147</u>	

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note B – Cash and Investments (continued)

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

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

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

Note C – Accounts Receivable

Accounts receivable are summarized as follows:

	<u>2021</u>	<u>2020</u>
Student accounts	\$ 3,169,043	3,788,110
University of Northern Iowa Foundation	364,170	94,088
Sponsoring agencies	453,131	298,320
Other	<u>1,293,175</u>	<u>2,241,262</u>
Total	<u>\$ 5,279,519</u>	<u>6,421,780</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>2021</u>	<u>2020</u>
In one year or less	\$ 1,100,559	3,940,255
Between one year and five years	14,930,015	8,294,781
More than five years	<u>2,976,716</u>	<u>1,840,494</u>
	19,007,290	14,075,530
Less discounts to net present value	(426,394)	(359,707)
Less allowance for uncollectible pledges	<u>(263,170)</u>	<u>(308,076)</u>
Total	<u>\$18,317,726</u>	<u>13,407,747</u>

Pledges receivable at June 30, 2021 and 2020 have the following restrictions:

	<u>2021</u>	<u>2020</u>
Net assets without donor restrictions:		
Undesignated	\$ 158,262	140,267
Net assets with donor restrictions:		
Scholarships and department programs	5,991,182	4,862,525
Building, equipment and leasehold improvements	8,957,814	6,726,640
Endowments-Scholarships and department programs	<u>3,210,468</u>	<u>1,678,315</u>
Total	<u>\$18,317,726</u>	<u>13,407,747</u>

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University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note E – Notes Receivable

Notes receivable are summarized as follows:

	<u>2021</u>	<u>2020</u>
Student loans:		
Federal loan programs	\$ 5,215,181	6,787,244
University loan funds	<u>87,472</u>	<u>89,939</u>
	5,302,653	6,877,183
Less allowance for uncollectible loans	<u>(637,034)</u>	<u>(982,094)</u>
Total	<u>\$ 4,665,619</u>	<u>5,895,089</u>

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

Note F – Due From Government Agencies

Due from Government Agencies is summarized as follows:

	<u>2021</u>	<u>2020</u>
Federal Government	\$ 272,543	433,272
State Government	1,374,345	1,663,873
Local Governments	<u>6,384</u>	<u>-</u>
Total	<u>\$ 1,653,272</u>	<u>2,097,145</u>

Note G – Prepaids/Unearned Revenue

Prepaids at June 30, 2021 and 2020 totaled \$4,549,061 and \$4,736,875, respectively, and unearned revenue at June 30, 2021 and 2020 totaled \$3,388,661 and \$3,188,095, respectively. The summer session portion for unearned tuition and fees for 2021 and 2020 was \$1,484,052 and \$1,724,300, respectively. Season ticket sales for the Gallagher-Bluedorn Performing Arts Center Artist Series and for Athletic events begin in the Spring for the following year. Unearned ticket sale revenues were \$874,542 and \$746,034 at June 30, 2021 and 2020, respectively.

Note H – Inventories

Inventories at June 30, 2021 and 2020, consisting mainly of coal, fuel oil, bookstore merchandise, foodstuffs and supplies, primarily valued at cost or lower of cost or market, had values of \$2,018,351 and \$2,117,648, respectively.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note I – Capital Assets

Capital assets activity for the year ended June 30, 2021 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Book Value</u>
Land	\$ 5,065,654	-	-	5,065,654	-	5,065,654
Construction in Progress	<u>22,019,582</u>	<u>13,591,049</u>	<u>(13,954,363)</u>	<u>21,656,268</u>	<u>-</u>	<u>21,656,268</u>
Capital Assets, Nondepreciable/ Amortizable	<u>27,085,236</u>	<u>13,591,049</u>	<u>(13,954,363)</u>	<u>26,721,922</u>	<u>-</u>	<u>26,721,922</u>
Land Improvements	17,171,309	-	-	17,171,309	(13,278,379)	3,892,930
Infrastructure	45,956,012	4,169,597	-	50,125,609	(21,472,512)	28,653,097
Buildings	569,386,242	9,784,766	(249,487)	578,921,521	(256,859,401)	322,062,120
Equipment	58,666,596	2,174,062	(1,920,101)	58,920,557	(43,248,613)	15,671,944
Intangibles	9,744,429	-	-	9,744,429	(4,478,432)	5,265,997
Library Materials	<u>34,654,167</u>	<u>93,789</u>	<u>(209,450)</u>	<u>34,538,506</u>	<u>(33,533,589)</u>	<u>1,004,917</u>
Capital Assets, Depreciable/ Amortizable	<u>735,578,755</u>	<u>16,222,214</u>	<u>(2,379,038)</u>	<u>749,421,931</u>	<u>(372,870,926)</u>	<u>376,551,005</u>
Total Capital Assets	<u>\$762,663,991</u>	<u>29,813,263</u>	<u>(16,333,401)</u>	<u>776,143,853</u>	<u>(372,870,926)</u>	<u>403,272,927</u>

Depreciation and amortization activity for the year ended June 30, 2021 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land Improvements	\$ 12,778,243	500,136	-	13,278,379
Infrastructure	20,270,967	1,201,545	-	21,472,512
Buildings	243,844,066	13,019,493	(4,158)	256,859,401
Equipment	41,273,745	3,774,096	(1,799,228)	43,248,613
Intangibles	3,991,210	487,222	-	4,478,432
Library Materials	<u>33,415,862</u>	<u>327,177</u>	<u>(209,450)</u>	<u>33,533,589</u>
Total	<u>\$355,574,093</u>	<u>19,309,669</u>	<u>(2,012,836)</u>	<u>372,870,926</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note I – Capital Assets

Capital assets activity for the year ended June 30, 2020 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	\$ 4,796,374	269,280	-	5,065,654	-	5,065,654
Construction in Progress	<u>6,736,896</u>	<u>19,947,653</u>	<u>(4,664,967)</u>	<u>22,019,582</u>	<u>-</u>	<u>22,019,582</u>
Capital Assets, Nondepreciable/ Amortizable	<u>11,533,270</u>	<u>20,216,933</u>	<u>(4,664,967)</u>	<u>27,085,236</u>	<u>-</u>	<u>27,085,236</u>
Land Improvements	17,173,220	-	(1,911)	17,171,309	(12,778,243)	4,393,066
Infrastructure	44,914,315	1,041,697	-	45,956,012	(20,270,967)	25,685,045
Buildings	565,761,061	3,625,181	-	569,386,242	(243,844,066)	325,542,176
Equipment	55,791,154	5,131,027	(2,255,585)	58,666,596	(41,273,745)	17,392,851
Intangibles	9,744,429	-	-	9,744,429	(3,991,210)	5,753,219
Library Materials	<u>34,692,628</u>	<u>110,218</u>	<u>(148,679)</u>	<u>34,654,167</u>	<u>(33,415,862)</u>	<u>1,238,305</u>
Capital Assets, Depreciable/ Amortizable	<u>728,076,807</u>	<u>9,908,123</u>	<u>(2,406,175)</u>	<u>735,578,755</u>	<u>(355,574,093)</u>	<u>380,004,662</u>
Total Capital Assets	<u>\$739,610,077</u>	<u>30,125,056</u>	<u>(7,071,142)</u>	<u>762,663,991</u>	<u>(355,574,093)</u>	<u>407,089,898</u>

Depreciation and amortization activity for the year ended June 30, 2020 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land Improvements	\$ 12,255,718	522,525	-	12,778,243
Infrastructure	19,128,736	1,142,231	-	20,270,967
Buildings	230,813,796	13,030,270	-	243,844,066
Equipment	39,462,002	3,893,008	(2,081,265)	41,273,745
Intangibles	3,503,989	487,221	-	3,991,210
Library Materials	<u>33,176,505</u>	<u>388,036</u>	<u>(148,679)</u>	<u>33,415,862</u>
Total	<u>\$338,340,746</u>	<u>19,463,291</u>	<u>(2,229,944)</u>	<u>355,574,093</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
 June 30, 2021

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, 2021 and 2020 were \$5,836,676 and \$2,939,599, respectively.

Note K – Other Long-Term Liabilities

Other long-term liabilities at June 30, 2021 and 2020 are summarized as follows:

	<u>2021</u>	<u>2020</u>
Other Long-Term Liabilities:		
Compensated absences payable	\$11,659,653	11,407,942
Net pension liability	20,399,853	16,972,712
Refundable advances on student loans	<u>5,323,384</u>	<u>6,687,622</u>
Total Other Long-Term Liabilities	<u>\$37,382,890</u>	<u>35,068,276</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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Amount of accrued compensated absences at beginning of year	\$11,407,942	10,181,019
Amount of compensated absences accrued during the fiscal year	6,865,398	8,228,748
Payments on compensated absences during the fiscal year	<u>(6,613,687)</u>	<u>(7,001,825)</u>
Amount of accrued compensated absences at end of year	<u>\$11,659,653</u>	<u>11,407,942</u>

As of June 30, 2021 and 2020, the current liabilities for compensated absences payable were \$4,404,747 and \$4,569,024, respectively.

Teachers Insurance and Annuity Association – (TIAA)

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note K – Other Long-Term Liabilities (continued)

Benefit terms, including contribution requirements, for TIAA are established and specified by the contract with TIAA in accordance with Board of Regents, State of Iowa policy. For each employee in the TIAA University-sponsored retirement plan, the University is required to contribute 6.66% of the first \$4,800 of earnings and 10% of earnings above \$4,800 through the fifth fiscal year of employment. After five fiscal years, the University is required to contribute 10% of earnings to an individual employee account. Each employee is required to contribute 3.33% of the first \$4,800 of earnings and 5% of earnings above \$4,800 through the fifth fiscal year of employment. Upon completion of fifth fiscal year of employment, each employee is required to contribute 5%. Contributions made by both employer and employee vest immediately. During fiscal years 2021 and 2020, the University's required and actual contribution totaled \$9,126,644 and \$9,189,396, respectively. During fiscal years 2021 and 2020, the employees' required and actual contribution totaled \$4,500,862 and \$5,140,611, respectively.

As of June 30, 2021, the University remitted all required employer and employee contributions to TIAA.

Iowa Public Employees' Retirement System (IPERS)

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

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

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

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

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

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

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note K – Other Long-Term Liabilities (continued)

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

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

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

Contributions – 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 2021 and 2020, pursuant to the required rate, Regular Members contributed 6.29% of pay and the University contributed 9.44% for a total rate of 15.73%. In fiscal year 2021 and 2020, pursuant to the required rate, protection occupations contributed 6.41% and 6.61% of pay and the University contributed 9.61% and 9.91% for a total rate of 16.02% and 16.52%, respectively.

The University's contributions to IPERS for the years ended June 30, 2021 and 2020 were \$2,212,287 and \$2,237,591, respectively.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021 and June 30, 2020, the University reported a liability of \$20,399,853 and \$16,972,712, respectively, for its proportionate share of the net pension liability, an increase of \$3,427,141. The net pension liability was measured as of June 30, 2020 and June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of those dates. 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, 2020, the University's proportion was 0.2904003%, which was a decrease of 0.002705% from its proportion measured as of June 30, 2019.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note K – Other Long-Term Liabilities (continued)

For the years ended June 30, 2021 and June 30, 2020, the University recognized pension expense of \$3,202,666 and \$3,324,818, respectively. The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021 Deferred Outflows of Resources	2021 Deferred Inflows of Resources	2020 Deferred Outflows of Resources	2020 Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,521	483,139	51,385	614,202
Changes of assumptions	1,068,923	1,202	1,867,841	1,740
Net difference between projected and actual earnings on IPERS investments	1,185,080	-	-	1,982,718
Changes in proportion and differences between University contributions and its proportionate share of contributions	809,947	28,905	1,296,231	16,726
University contributions subsequent to the measurement date	<u>2,212,287</u>	<u>-</u>	<u>2,237,591</u>	<u>-</u>
Total	<u>\$ 5,306,758</u>	<u>513,246</u>	<u>5,453,048</u>	<u>2,615,386</u>

Deferred outflows of resources related to pensions of \$2,212,287 and \$2,237,591 represent the amount the University contributed subsequent to the measurement date but before the end of the reporting period and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021 and June 30, 2020, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	2021 Amount	2020 Amount
2021	\$ -	857,894
2022	651,780	(60,319)
2023	658,390	(53,468)
2024	543,158	(168,726)
2025	736,113	24,690
2026	<u>(8,216)</u>	<u>-</u>
Total	<u>\$2,581,225</u>	<u>600,071</u>

There are no non-employer contributing entities to IPERS.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note K – Other Long-Term Liabilities (continued)

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study dated March 24, 2017 and a demographic assumption study dated June 28, 2018. Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The actuarial assumptions assumed from the experience study, including the long-term rate of return, was accelerated a year resulting in a full review of the economic assumptions in early 2017. These ranges are combined to develop the actuarial assumed investment return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. Prior year expected rate of return on IPERS' investments were deemed unnecessary in providing continuing significance and were not included. Best estimates of arithmetic real rates of return for each major asset class included in IPERS' target assets allocation are shown in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Plus Fixed Income	28%	(0.29)%
Domestic Equity	22%	4.43%
International Equity	17.5%	5.15%
Private Equity	11%	6.54%
Private Real Assets	7.5%	4.48%
Global Smart Beta Equity	6%	4.87%
Public Credit	4%	2.29%
Private Credit	3%	3.11%
Cash	1%	(0.78)%
Total	<u>100%</u>	

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
 June 30, 2021

Note K – Other Long-Term Liabilities (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 7.00%, 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
June 30, 2020	\$34,388,371	20,399,853	8,671,179

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

Payables to the Pension Plan – At June 30, 2021 and June 30, 2020, the University reported payables to IPERS of \$164,050 and \$159,249, respectively, for legally required employer contributions and \$109,312 and \$106,114, respectively, for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Refundable Advances on Student Loans

The United States Government terminated the Perkins Federal Loan program requiring a return of the Federal Capital Contribution when collected. The accumulated Federal Capital Contribution received by the University over the lifetime of the Perkins Loan program is \$5,323,384 and \$6,687,622 at June 30, 2021 and 2020, respectively, a decrease of \$1,364,238. As of June 30, 2021 and 2020, the current liabilities for refundable Perkins advances were \$1,471,963 and \$1,443,108, respectively.

Note L – Total OPEB Liability

Plan Description – The University operates a single-employer retiree benefit plan which provides medical, dental and life insurance benefits for retirees and their spouses. There are 1,761 active and 676 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.

Funding Policy – The contribution requirements of plan members are established and may be amended by the University. Although no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, the University established a quasi-endowment fund in fiscal year 2015 to earmark funds for retiree medical premiums. At June 30, 2021, the quasi-endowment fund balance was \$8,789,695.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note L – Total OPEB Liability (continued)

Total OPEB Liability – The University’s total OPEB liability of \$12,389,563 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date. The following table shows the components of the University’s total OPEB liability as of June 30, 2021, the estimated employer contributions to the plan and changes in the University’s total OPEB liability:

Total OPEB liability beginning of year	\$ <u>15,193,347</u>
Changes for the year:	
Service cost	1,122,560
Interest	426,752
Changes in assumptions	(3,536,956)
Differences between expected and actual experience	(267,318)
Benefit payments	<u>(548,822)</u>
Decrease in total OPEB liability	<u>(2,803,784)</u>
Total OPEB liability end of year	\$ <u>12,389,563</u>

Changes of assumptions reflect a change in the discount rate from 2.66% as of July 1, 2020 to 2.19% as of June 30, 2021.

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

Rate of inflation	2.60%
Rates of salary increase	0.50% to 7.00%, based on years of service
Discount rate	2.19%
Healthcare cost trend rate	7.50% initial rate decreasing by 0.5% annually to an ultimate rate of 4.50%

The discount rate used to measure the total OPEB liability was 2.19% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA Pub-2010 Teacher Headcount-Weighted Mortality Table, General Headcount-Weighted Mortality Table, and Continuing Survivor Headcount-Weighted Mortality Table fully generational using Scale MP-2019. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used on the IPERS actuarial valuation as of June 30, 2020.

Initial medical cost trend rates start at 7.50% in 2021, based on a combination of employer history, national trend surveys, and client market expectations, and grade down to an ultimate rate of 4.50% beginning in the year 2028. The ultimate trend rate was selected based on historical medical CPI information. Premiums for life insurance benefits are assumed to remain constant in the future.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note L – Total OPEB Liability (continued)

Sensitivity Analysis – Changes to the Discount Rate. The total OPEB liability was calculated using a discount rate of 2.19% as well as a discount rate that is 1 percentage point lower (1.19%) or 1 percentage point higher (3.19%) than the current rate. The sensitivity of the total OPEB liability to changes in the discount rate is presented below:

	1% Decrease 1.19%	Discount Rate 2.19%	1% Increase 3.19%
Total OPEB liability	\$13,641,188	12,389,563	11,266,223

Sensitivity Analysis – Changes to the Healthcare Cost Trend Rate. The total OPEB liability was calculated using a healthcare cost rate of 7.50%, as well as a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate. The sensitivity of the total OPEB liability to changes in the healthcare cost trend rate is presented below:

	1% Decrease 6.50%	Healthcare Cost Trend Rates 7.50%	1% Increase 8.50%
Total OPEB liability	\$11,107,150	12,389,563	13,912,426

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the University recognized OPEB expense of \$(709,916). At June 30, 2021, the University reported deferred outflows of resources and deferred inflows related to OPEB from the following resources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	-	(9,615,489)
Changes of assumptions	\$ <u>957,248</u>	<u>(3,084,410)</u>
Total	\$ <u>957,248</u>	<u>(12,699,899)</u>

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University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note L – Total OPEB Liability (continued)

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

Year ending June 30,	Amount
2022	\$ (2,259,228)
2023	(2,259,228)
2024	(2,259,230)
2025	(2,370,458)
2026	(2,051,035)
Thereafter	<u>(543,472)</u>
Total	<u>\$ (11,742,651)</u>

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note M – Long-Term Debt

Long-term debt at June 30, 2021, consisted of the following:

	Interest Rates %	Maturity Date	Original Value	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Academic Bldg. Revenue Bonds:								
Series 2016-Refunding	5.00 – 5.00	2027	\$ 14,015,000	10,270,000	-	1,430,000	8,840,000	1,075,000
Series 2016A-Refunding	2.00 – 3.00	2035	12,460,000	10,880,000	-	580,000	10,300,000	595,000
Series 2017-Refunding	2.00 – 3.00	2035	13,835,000	12,555,000	-	645,000	11,910,000	655,000
Residence System Bonds:								
Series 2011	2.00 – 4.00	2033	24,870,000	16,315,000	-	16,315,000	-	-
Series 2012	1.00 – 2.75	2023	13,810,000	4,445,000	-	1,070,000	3,375,000	1,095,000
Series 2016	3.00 – 3.25	2037	23,765,000	21,385,000	-	1,190,000	20,195,000	1,190,000
Series 2017-Refunding	2.00 – 2.75	2030	13,330,000	11,470,000	-	950,000	10,520,000	975,000
Series 2020-Refunding	2.00 – 2.00	2033	14,545,000	-	14,545,000	-	14,545,000	695,000
Utility System:								
Series 2020	2.00 – 5.00	2040	16,250,000	16,250,000	-	205,000	16,045,000	730,000
Field House Bonds:								
Series 2013-Refunding	2.00 – 3.00	2024	4,815,000	2,330,000	-	435,000	1,895,000	450,000
Series 2015-Refunding	2.00 – 2.13	2022	3,460,000	1,560,000	-	510,000	1,050,000	520,000
Student Union Bonds:								
Series 2011-Refunding	2.00 – 3.00	2022	8,425,000	2,510,000	-	820,000	1,690,000	845,000
Student Health System Bonds:								
Series 2013-Refunding	2.00 – 2.25	2024	2,435,000	1,175,000	-	225,000	950,000	230,000
Premiums-Reoffering:								
Residence-Series 2011			-	305,259		305,259	-	-
Field House-Series 2013			-	103,439	-	25,859	77,580	25,859
Student Health System-Series 2013			-	12,547	-	3,138	9,409	3,138
Field House-Series 2015			-	10,013	-	6,674	3,339	3,339
Residence-Series 2016			-	702,064	-	41,298	660,766	41,298
ABRB-Series 2016			-	1,680,051	-	240,006	1,440,045	240,007
ABRB-Series 2016A			-	196,179	-	13,079	183,100	13,079
ABRB-Series 2017R			-	282,505	-	18,834	263,671	18,834
Residence-Series 2017R			-	84,973	-	8,497	76,476	8,497
Utility System 2020			-	1,468,310	-	73,415	1,394,895	73,415
Residence-Series 2020R			-	-	846,550	55,324	791,226	65,934
Total Bonds Payable			<u>166,015,000</u>	<u>115,990,340</u>	<u>15,391,550</u>	<u>25,166,383</u>	<u>106,215,507</u>	<u>9,548,400</u>
Notes Payable	0.00	2027	<u>500,000</u>	<u>320,000</u>	<u>-</u>	<u>15,000</u>	<u>305,000</u>	<u>15,000</u>
Total Long-Term Debt Payable			<u>\$166,515,000</u>	<u>116,310,340</u>	<u>15,391,550</u>	<u>25,181,383</u>	<u>106,520,507</u>	<u>9,563,400</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note M – Long-Term Debt

Long-term debt at June 30, 2020, consisted of the following:

	Interest Rates %	Maturity Date	Original Value	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Academic Bldg. Revenue Bonds:								
Series 2016-Refunding	5.00 – 5.00	2027	\$ 14,015,000	11,625,000	-	1,355,000	10,270,000	1,430,000
Series 2016A-Refunding	2.00 – 3.00	2035	12,460,000	11,445,000	-	565,000	10,880,000	580,000
Series 2017-Refunding	2.00 – 3.00	2035	13,835,000	13,185,000	-	630,000	12,555,000	645,000
Residence System Bonds:								
Series 2010-Refunding	2.00 – 3.13	2020	4,255,000	940,000	-	940,000	-	-
Series 2010B-Refunding	2.50 – 4.00	2021	10,160,000	3,395,000	-	3,395,000	-	-
Series 2011	2.00 – 4.00	2033	24,870,000	17,800,000	-	1,485,000	16,315,000	1,515,000
Series 2012	1.00 – 2.75	2023	13,810,000	5,495,000	-	1,050,000	4,445,000	1,070,000
Series 2016	3.00 – 3.25	2037	23,765,000	22,575,000	-	1,190,000	21,385,000	1,190,000
Series 2017-Refunding	2.00 – 2.75	2030	13,330,000	12,400,000	-	930,000	11,470,000	950,000
Utility System:								
Series 2020	2.00 – 5.00	2040	16,250,000	-	16,250,000	-	16,250,000	205,000
Field House Bonds:								
Series 2011-Refunding	2.00 – 3.50	2022	3,610,000	1,430,000	-	1,430,000	-	-
Series 2013-Refunding	2.00 – 3.00	2024	4,815,000	2,755,000	-	425,000	2,330,000	435,000
Series 2015-Refunding	2.00 – 2.13	2022	3,460,000	2,055,000	-	495,000	1,560,000	510,000
Student Union Bonds:								
Series 2011-Refunding	2.00 – 3.00	2022	8,425,000	3,300,000	-	790,000	2,510,000	820,000
Student Health System Bonds:								
Series 2013-Refunding	2.00 – 2.25	2024	2,435,000	1,395,000	-	220,000	1,175,000	225,000
Premiums-Reoffering:								
Residence-Series 2011			-	328,740	-	23,481	305,259	23,481
Field House-Series 2013			-	129,298	-	25,859	103,439	25,859
Student Health System-Series 2013			-	15,685	-	3,138	12,547	3,138
Field House-Series 2015			-	16,687	-	6,674	10,013	6,674
Residence-Series 2016			-	743,362	-	41,298	702,064	41,298
ABRB-Series 2016			-	1,920,059	-	240,008	1,680,051	240,007
ABRB-Series 2016A			-	209,258	-	13,079	196,179	13,079
ABRB-Series 2017R			-	301,339	-	18,834	282,505	18,834
Residence-Series 2017R			-	93,470	-	8,497	84,973	8,497
Utility System 2020			-	-	1,492,782	24,472	1,468,310	24,472
Total Bonds Payable			169,495,000	113,552,898	17,742,782	15,305,340	115,990,340	9,980,339
Notes Payable:								
City of Cedar Falls	0.00	2027	500,000	335,000	-	15,000	320,000	15,000
Iowa Finance Authority	1.25	2023	1,145,175	439,107	-	439,107	-	-
Total Notes Payable			1,645,175	774,107	-	454,107	320,000	15,000
Capital Leases Payable-Wells Fargo	3.06	2024	5,000,000	2,691,689	-	2,691,689	-	-
Total Long-Term Debt Payable			\$176,140,175	117,018,694	17,742,782	18,451,136	116,310,340	9,995,339

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

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 for the construction, renovation and repair of field house system facilities.

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

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

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

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

The bonds payable at June 30, 2021 mature as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 9,548,400	2,896,263	12,444,663
2023	9,675,063	2,556,500	12,231,563
2024	9,650,063	2,287,847	11,937,910
2025	7,741,066	2,039,481	9,780,547
2026	7,186,066	1,815,475	9,001,541
2027-2031	32,611,803	5,997,200	38,609,003
2032-2036	22,973,086	2,284,975	25,258,061
2037-2041	<u>6,829,960</u>	<u>317,044</u>	<u>7,147,004</u>
Total	<u>\$106,215,507</u>	<u>20,194,785</u>	<u>126,410,292</u>

The changes in Bonds Payable for fiscal years 2021 and 2020 are detailed below:

	<u>2021</u>	<u>2020</u>
Bonds payable beginning of year	\$115,990,340	113,552,898
Bonds retired during the fiscal year	(25,166,383)	(15,305,340)
Bonds issued during the fiscal year	<u>15,391,550</u>	<u>17,742,782</u>
Bonds payable end of year	<u>\$106,215,507</u>	<u>115,990,340</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note M – Long-Term Debt (continued)

Notes Payable and Capital Leases

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.

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 Finance Authority to finance energy management improvements in six academic buildings. The note principal of \$1,217,000 was to be repaid in 24 semi-annual payments ending on June 30, 2024. In December 2019, the balance of the note was paid in full.

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. In February 28, 2020 the balance of the lease agreement was paid in full.

Advance Refundings

In August 2017, Dormitory Revenue Bonds, Series U.N.I. 2017 were issued in the amount of \$13,330,000, with interest rates ranging from 2.00% to 2.75%. The proceeds were used to advance refund \$16,790,000 of outstanding Dormitory Revenue Bonds, Series U.N.I. 2010A, with interest rates ranging between 3.25% and 5.00%, and pay the costs of issuing the Bonds.

Net bond proceeds of \$13,314,175 were placed in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Dormitory Revenue Bonds, Series U.N.I. 2010A are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The Dormitory Revenue Bonds, Series U.N.I. 2010A were called on July 1, 2020.

The advance refunding resulted in an economic gain of \$938,930, and reduced the aggregate debt service payments by \$1,029,581 over the next 12 years.

In August 2017, Academic Building Revenue Refunding Bonds, Series U.N.I. 2017 were issued in the amount of \$13,835,000, with interest rates ranging from 2.00% to 3.00%. The proceeds were used to advance refund \$13,860,000 of outstanding Academic Building Revenue Bonds, Series U.N.I. 2009, with interest rates ranging between 3.00% and 5.00%, and pay the costs of issuing the Bonds.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
 June 30, 2021

Note M – Long-Term Debt (continued)

Net bond proceeds of \$14,025,316 were placed in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Academic Building Revenue Bonds, Series U.N.I. 2009 are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The Academic Building Revenue Bonds, Series U.N.I. 2009 were called on July 1, 2019.

The advance refunding resulted in an economic gain of \$1,671,840, and reduced the aggregate debt service payments by \$2,070,958 over the next 17 years.

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

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

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

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

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

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, 2021 and 2020 is classified as follows:

	<u>2021</u>	<u>2020</u>
Restricted-Nonexpendable	\$ <u>615,895</u>	<u>615,895</u>
Restricted-Expendable:		
Scholarships	\$ 232,733	166,748
Loans	192,696	147,718
Other-Chair	<u>588,722</u>	<u>376,303</u>
Total	<u>\$1,014,151</u>	<u>690,769</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note O – Related Party Organization

The University of Northern Iowa Alumni Association (the Association) was considered a related party organization to the University for the year ended June 30, 2020, because of common management. On June 30, 2021, the Association dissolved and formed the University of Northern Iowa Alumni Association LLC as a disregarded entity under the Foundation. The Foundation recorded a contribution of \$1,201,450 from the Association based on the value of the assets received in excess of the liabilities assumed, which was recorded in the Foundation Combined Statement of Activities for the year ended June 30, 2021.

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 year ended June 30, 2020 follows:

	<u>2020</u>
Total Assets	\$ 1,001,067
Total Liabilities	11,943
Total Equity	989,124
Due from the University	610
Total Support and Revenues	373,552
Total Expenses	416,604

Note P – Restricted Net Position (Foundation)

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors during the years ended June 30, 2021 and 2020 as follows:

	<u>2021</u>	<u>2020</u>
Purpose restrictions accomplished:		
Scholarships and department programs	\$12,439,149	13,505,735
Plant	<u>672,639</u>	<u>82,685</u>
Total net assets with donor restrictions released	<u>\$13,111,788</u>	<u>13,588,420</u>

Net assets with donor restrictions as of June 30, 2021 and 2020 are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Scholarships and department programs	\$ 79,212,930	45,267,299
Plant	16,726,071	8,876,492
Charitable gift annuities	812,355	48,301
Charitable remainder trust annuities	311,695	190,084
Charitable remainder unitrusts	1,274,398	976,136
Endowment, held in perpetuity	114,526,844	103,705,293
Life insurance fund	967,457	970,999
Beneficial interest in trust	<u>1,677,595</u>	<u>1,361,344</u>
Total net assets with donor restrictions	<u>\$215,509,345</u>	<u>161,395,948</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

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 participates in the Midwestern Higher Education Compact's Master Property Program, under this program the University has elected to insure business income losses for self-supporting facilities such as athletic facilities, residence facilities, etc.

Fidelity Bond. The State of Iowa maintains an employee fidelity bond insuring losses on behalf of the University. Underneath the State's fidelity bond the University maintains an employee fidelity bond insuring losses between \$10,000 and \$250,000.

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

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

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note Q – Risk Management (continued)

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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Amount of claims and contingent liabilities accrued beginning of year	\$ 2,495,998	2,772,478
Claims incurred and contingent liabilities accrued for the previous and current year and any changes in amounts estimated for prior years	25,757,329	22,687,350
Payments on claims during the fiscal year	<u>(25,935,787)</u>	<u>(22,963,830)</u>
Amount of claims liabilities end of year	\$ <u>2,317,540</u>	<u>2,495,998</u>

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

Property. The University participates in the Midwestern Higher Education Compact's Master Property Program, this program provides all risk property coverage including earthquake, flood, and boiler/machinery. Covered property includes real property, personal property, extra expense, property in transit, etc. Deductibles vary per occurrence depending on the cause of loss and the nature of the property.

The State of Iowa self-insures, on behalf of the University, property deemed general university property, exclusive of self-supporting facilities. This contingency fund exists under Iowa Code, Section 29C.20. The Code of Iowa states that claims in excess of \$5,000 may be submitted to the Executive Council for consideration. When a loss exceeds \$500,000, it is necessary to seek an appropriation from the General Assembly.

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

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

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

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 September 30, 2021 and August 20, 2031 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, 2021:

Year ending <u>June 30,</u>	<u>Amount</u>
2022	\$ 331,165
2023	303,067
2024	251,789
2025	136,636
2026	72,421
2027-2031	362,105
2032-2036	<u>12,070</u>
Total	<u>\$1,469,253</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, 2021 and 2020, for all operating leases, except those with terms of a month or less that were not renewed, totaled \$528,916 and \$837,464, respectively.

Note S – 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 \$831,402 and \$697,037 at June 30, 2021 and 2020, respectively. The income received by the University from this trust was \$31,287 in fiscal year 2021 and \$32,120 in fiscal year 2020.

Note T – Other Commitments, Claims and Contingencies

Commitments: Changes to the University’s outstanding construction contract commitments for Plant construction for the year ended June 30, 2021 are as follows:

Construction commitments beginning of year	\$ 9,446,865
Increases in commitments	14,437,289
Payments and decreases in commitments	<u>(11,653,243)</u>
Construction commitments end of year	<u>\$ 12,230,911</u>

There were no material claims or contingencies as of June 30, 2021.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note U – Segment Reporting

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

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

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

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

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

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

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note U – Segment Reporting (continued)

Academic Buildings

Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets	\$ 2,846,270	4,331,927
Capital assets	45,500,071	47,931,135
Other noncurrent assets	<u>3,133,310</u>	<u>2,168,312</u>
Total assets	<u>51,479,651</u>	<u>54,431,374</u>
Liabilities:		
Current liabilities	3,113,053	3,491,054
Noncurrent liabilities	<u>30,339,898</u>	<u>32,936,817</u>
Total liabilities	<u>33,452,951</u>	<u>36,427,871</u>
Net position:		
Net investment in capital assets	14,888,254	14,722,398
Restricted, expendable	<u>3,138,446</u>	<u>3,281,105</u>
Total net position	<u>\$ 18,026,700</u>	<u>18,003,503</u>

Condensed Statement of Changes in Net Position

Operating revenues	\$ 58,826,742	61,627,229
Depreciation expense	<u>(2,431,064)</u>	<u>(2,431,064)</u>
Net operating income (loss)	56,395,678	59,196,165
Nonoperating revenues (expenses)	2,393,569	2,840,942
Transfers from (to) University funds	<u>(58,766,050)</u>	<u>(61,641,170)</u>
Change in net position	23,197	395,937
Net position, beginning of year	<u>18,003,503</u>	<u>17,607,566</u>
Net position, end of year	<u>\$ 18,026,700</u>	<u>18,003,503</u>

Condensed Statement of Cash Flows

Net cash provided (used) by operating activities	\$ 58,826,742	61,627,229
Net cash provided (used) by capital and related financing activities	(59,344,946)	(61,801,623)
Net cash provided (used) by investing activities	<u>153,903</u>	<u>205,216</u>
Net increase (decrease) in cash	(364,301)	30,822
Cash and cash equivalents, beginning of year	<u>3,205,963</u>	<u>3,175,141</u>
Cash and cash equivalents, end of year	<u>\$ 2,841,662</u>	<u>3,205,963</u>

Debt Service Coverage

Debt service coverage – required	1.25	1.25
Debt service coverage – actual	20.46	19.49

Proportion of Revenue Pledged

Annual debt service (principal & interest)	\$ 3,357,269	3,783,269
Net operating income *	58,826,742	61,623,929
Annual debt service/net operating income (%)	5.7%	6.1%

As of June 30, 2021, revenue pledged for future principal and interest payments was \$37,717,778.

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

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2021

Note U – Segment Reporting (continued)

Residence System

Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets	\$ 23,688,752	20,870,340
Capital assets	102,379,854	103,148,352
Other noncurrent assets	<u>9,453,041</u>	<u>7,494,916</u>
Total assets	<u>135,521,647</u>	<u>131,513,608</u>
Liabilities:		
Current liabilities	5,337,607	6,675,253
Noncurrent liabilities	<u>46,673,265</u>	<u>50,465,939</u>
Total liabilities	<u>52,010,872</u>	<u>57,141,192</u>
Net position:		
Net investment in capital assets	56,712,677	53,166,057
Restricted, expendable	23,306,417	14,878,421
Unrestricted	<u>3,491,681</u>	<u>6,327,938</u>
Total net position	<u>\$ 83,510,775</u>	<u>74,372,416</u>

Condensed Statement of Changes in Net Position

Operating revenues	\$ 26,502,030	30,345,556
Depreciation expense	(3,447,361)	(3,610,672)
Other operating expenses	<u>(22,461,301)</u>	<u>(23,373,590)</u>
Net operating income (loss)	593,368	3,361,294
Nonoperating revenues (expenses)	8,544,303	(536,849)
Transfers from (to) University funds	<u>688</u>	<u>465,440</u>
Change in net position	<u>9,138,359</u>	<u>3,289,885</u>
Net position, beginning of year	<u>74,372,416</u>	<u>71,082,531</u>
Net position, end of year	<u>\$ 83,510,775</u>	<u>74,372,416</u>

Condensed Statement of Cash Flows

Net cash provided (used) by operating activities	\$ 4,314,735	7,038,141
Net cash provided (used) by non-capital financing Activities	9,013,939	-
Net cash provided (used) by capital and related financing activities	(8,903,688)	(19,724,283)
Net cash provided (used) by investing activities	<u>(287,812)</u>	<u>5,223,623</u>
Net increase (decrease) in cash	4,137,174	(7,462,519)
Cash and cash equivalents, beginning of year	<u>17,009,867</u>	<u>24,472,386</u>
Cash and cash equivalents, end of year	<u>\$ 21,147,041</u>	<u>17,009,867</u>

Debt Service Coverage

Debt service coverage – required	1.35	1.35
Debt service coverage – actual	2.45	1.71

Proportion of Revenue Pledged

Annual debt service (principal & interest)	\$ 5,102,088	6,347,356
Net operating income *	15,224,303	10,041,523
Annual debt service/net operating income (%)	33.5%	63.2%

As of June 30, 2021, revenue pledged for future principal and interest payments was \$57,345,369.

* 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, 2021

Note U – Segment Reporting (continued)

Utility System

Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets	\$ 14,695,072	19,223,370
Capital assets	44,431,609	38,000,248
Other noncurrent assets	<u>2,258,587</u>	<u>5,095,410</u>
Total assets	<u>61,385,268</u>	<u>62,319,028</u>
Liabilities:		
Current liabilities	2,022,152	1,795,781
Noncurrent liabilities	<u>16,842,489</u>	<u>17,667,521</u>
Total liabilities	<u>18,864,641</u>	<u>19,463,302</u>
Net position:		
Net investment in capital assets	29,420,994	30,394,901
Restricted, expendable	1,295,860	1,282,006
Unrestricted	<u>11,803,773</u>	<u>11,178,819</u>
Total net position	<u>\$ 42,520,627</u>	<u>42,855,726</u>

Condensed Statement of Changes in Net Position

Operating revenues	\$ 10,283,788	10,277,612
Depreciation expense	(2,023,810)	(1,963,564)
Other operating expenses	<u>(7,892,129)</u>	<u>(8,423,105)</u>
Net operating income (loss)	367,849	(109,057)
Nonoperating revenues (expenses)	(276,836)	(279,899)
Transfers from (to) University funds	<u>(426,112)</u>	<u>558,051</u>
Change in net position	(335,099)	169,095
Net position, beginning of year	<u>42,855,726</u>	<u>42,686,631</u>
Net position, end of year	<u>\$ 42,520,627</u>	<u>42,855,726</u>

Condensed Statement of Cash Flows

Net cash provided (used) by operating activities	\$ 2,244,194	1,690,097
Net cash provided (used) by capital and related financing activities	(10,137,447)	11,195,763
Net cash provided (used) by investing activities	<u>9,374,501</u>	<u>(15,412,293)</u>
Net increase (decrease) in cash	1,481,248	(2,526,433)
Cash and cash equivalents, beginning of year	<u>8,279,590</u>	<u>10,806,023</u>
Cash and cash equivalents, end of year	<u>\$ 9,760,838</u>	<u>8,279,590</u>

Debt Service Coverage

Debt service coverage – required	1.20	1.20
Debt service coverage – actual	2.31	6.20

Proportion of Revenue Pledged

Annual debt service (principal & interest)	\$ 1,283,750	393,000
Net operating income *	2,539,870	3,040,200
Annual debt service/net operating income (%)	50.5%	12.9%

As of June 30, 2021, revenue pledged for future principal and interest payments was \$20,631,275.

* 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, 2021

Note U – Segment Reporting (continued)

Field House System

Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets	\$ 2,993,491	3,154,686
Capital assets	26,069,571	27,290,228
Other noncurrent assets	599,886	340,946
Total assets	<u>29,662,948</u>	<u>30,785,860</u>
Liabilities:		
Current liabilities	1,105,934	1,094,160
Noncurrent liabilities	2,367,970	3,391,163
Total liabilities	<u>3,473,904</u>	<u>4,485,323</u>
Net position:		
Net investment in capital assets	23,723,656	23,926,779
Restricted, expendable	827,500	827,500
Unrestricted	1,637,888	1,546,258
Total net position	<u>\$ 26,189,044</u>	<u>26,300,537</u>

Condensed Statement of Changes in Net Position

Operating revenues	\$ 2,272,304	3,454,720
Depreciation expense	(1,233,680)	(1,294,640)
Other operating expenses	(2,250,485)	(3,032,244)
Net operating income (loss)	(1,211,861)	(872,164)
Nonoperating revenues (expenses)	1,168,359	(15,694)
Other revenues (expenses)	(67,991)	356,952
Change in net position	(111,493)	(530,906)
Net position, beginning of year	<u>26,300,537</u>	<u>26,831,443</u>
Net position, end of year	<u>\$ 26,189,044</u>	<u>26,300,537</u>

Condensed Statement of Cash Flows

Net cash provided (used) by operating activities	\$ (5,003)	491,902
Net cash provided (used) by non-capital financing activities	1,188,666	-
Net cash provided (used) by capital and related financing activities	(1,131,152)	(2,128,426)
Net cash provided (used) by investing activities	(169,821)	3,041,079
Net increase (decrease) in cash	(117,310)	1,404,555
Cash and cash equivalents, beginning of year	<u>1,704,120</u>	<u>299,565</u>
Cash and cash equivalents, end of year	<u>\$ 1,586,810</u>	<u>1,704,120</u>

Debt Service Coverage

Debt service coverage – required	1.20	1.20
Debt service coverage – actual	2.95	2.68

Proportion of Revenue Pledged

Annual debt service (principal & interest)	\$ 1,063,513	1,061,763
Net operating revenue *	1,004,458	971,925
Annual debt service/net operating income (%)	105.8%	109.2%

As of June 30, 2021, revenue pledged for future principal and interest payments was \$3,188,269.

* 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, 2021

Note U – Segment Reporting (continued)

Student Union

Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets	\$ 3,404,430	2,507,887
Capital assets	10,538,834	11,010,624
Other noncurrent assets	<u>209,838</u>	<u>1,016,870</u>
Total assets	<u>14,153,102</u>	<u>14,535,381</u>
Liabilities:		
Current liabilities	903,821	896,015
Noncurrent liabilities	<u>897,888</u>	<u>1,740,922</u>
Total liabilities	<u>1,801,709</u>	<u>2,636,937</u>
Net position:		
Net investment in capital assets	9,693,834	9,320,624
Restricted, expendable	842,500	842,500
Unrestricted	<u>1,815,059</u>	<u>1,735,320</u>
Total net position	<u>\$ 12,351,393</u>	<u>11,898,444</u>

Condensed Statement of Changes in Net Position

Operating revenues	\$ 1,003,521	1,218,769
Depreciation expense	(471,790)	(474,099)
Other operating expenses	<u>(1,289,640)</u>	<u>(1,196,799)</u>
Net operating income (loss)	(757,909)	(452,129)
Nonoperating revenues (expenses)	53,165	(4,970)
Transfers from (to) University funds	<u>1,157,693</u>	<u>915,126</u>
Change in net position	452,949	458,027
Net position, beginning of year	<u>11,898,444</u>	<u>11,440,417</u>
Net position, end of year	<u>\$ 12,351,393</u>	<u>11,898,444</u>

Condensed Statement of Cash Flows

Net cash provided (used) by operating activities	\$ (284,119)	28,537
Net cash provided (used) by non-capital financing activities	68,477	-
Net cash provided (used) by capital and related financing activities	274,692	37,976
Net cash provided (used) by investing activities	<u>(324,648)</u>	<u>(465,053)</u>
Net increase (decrease) in cash	(265,598)	(398,540)
Cash and cash equivalents, beginning of year	<u>1,391,932</u>	<u>1,790,472</u>
Cash and cash equivalents, end of year	<u>\$ 1,126,334</u>	<u>1,391,932</u>

Debt Service Coverage

Debt service coverage – required	1.20	1.20
Debt service coverage – actual	3.36	3.20

Proportion of Revenue Pledged

Annual debt service (principal & interest)	\$ 895,700	895,300
Net operating revenue *	1,120,694	1,057,172
Annual debt service/net operating income (%)	79.9%	84.7%

As of June 30, 2021, revenue pledged for future principal and interest payments was \$1,740,700.

* 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, 2021

Note U – Segment Reporting (continued)

Student Health System

Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets	\$ 1,537,582	1,040,181
Capital assets	2,532,466	2,537,204
Other noncurrent assets	738,629	1,297,534
Total assets	<u>4,808,677</u>	<u>4,874,919</u>
Liabilities:		
Current liabilities	310,889	312,310
Noncurrent liabilities	822,382	1,052,075
Total liabilities	<u>1,133,271</u>	<u>1,364,385</u>
Net position:		
Net investment in capital assets	1,803,053	1,574,654
Restricted, expendable	243,500	243,500
Unrestricted	1,628,853	1,692,380
Total net position	<u>\$ 3,675,406</u>	<u>3,510,534</u>

Condensed Statement of Changes in Net Position

Operating revenues	\$ 2,817,965	2,960,161
Depreciation expense	(114,096)	(114,788)
Other operating expenses	(3,605,875)	(3,267,608)
Net operating income (loss)	(902,006)	(422,235)
Nonoperating revenues (expenses)	212,732	24,553
Transfers from (to) University funds	854,146	688,851
Change in net position	164,872	291,169
Net position, beginning of year	3,510,534	3,219,365
Net position, end of year	<u>\$ 3,675,406</u>	<u>3,510,534</u>

Condensed Statement of Cash Flows

Net cash provided (used) by operating activities	\$ (801,109)	(287,121)
Net cash provided (used) by non-capital financing Activities	206,548	-
Net cash provided (used) by capital and related financing activities	506,537	419,203
Net cash provided (used) by investing activities	(455,331)	(262,413)
Net increase (decrease) in cash	(543,355)	(130,331)
Cash and cash equivalents, beginning of year	907,427	1,037,758
Cash and cash equivalents, end of year	<u>\$ 364,072</u>	<u>907,427</u>

Debt Service Coverage

Debt service coverage – required	1.20	1.20
Debt service coverage – actual	7.78	8.93

Proportion of Revenue Pledged

Annual debt service (principal & interest)	\$ 249,913	249,413
Net operating revenue *	297,767	458,618
Annual debt service/net operating income (%)	83.9%	54.4%

As of June 30, 2021, revenue pledged for future principal and interest payments was \$991,394.

* 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, 2021

Note V – Operating Expenses by Function

Operating expenses by natural classification for the year ended June 30, 2021 are summarized as follows:

	<u>Personnel Services</u>	<u>Supplies and Services</u>	<u>Scholarships and Fellowships</u>	<u>Depreciation</u>	<u>Total Operating Expenses</u>
Operating Expenses:					
Instruction	\$ 70,380,767	(221,125)	-	-	70,159,642
Research	2,029,063	626,042	-	-	2,655,105
Public Service	7,500,659	8,917,122	-	-	16,417,781
Academic Support	20,092,204	10,066,494	-	-	30,158,698
Student Services	7,633,339	1,653,898	-	-	9,287,237
Institutional Support	16,291,419	1,855,330	-	-	18,146,749
Operation and Maintenance of Plant	16,390,104	10,058,259	-	-	26,448,363
Scholarships and Fellowships	449,026	-	4,844,099	-	5,293,125
Depreciation	-	-	-	19,309,669	19,309,669
Other Operating Expenses	-	132,652	-	-	132,652
Auxiliary Enterprises	<u>26,813,340</u>	<u>16,957,236</u>	<u>5,576,275</u>	-	<u>49,346,851</u>
Total Operating Expenses	<u>\$167,579,921</u>	<u>50,045,908</u>	<u>10,420,374</u>	<u>19,309,669</u>	<u>247,355,872</u>

Operating expenses by natural classification for the year ended June 30, 2020 are summarized as follows:

	<u>Personnel Services</u>	<u>Supplies and Services</u>	<u>Scholarships and Fellowships</u>	<u>Depreciation</u>	<u>Total Operating Expenses</u>
Operating Expenses:					
Instruction	\$ 74,873,761	3,205,189	-	-	78,078,950
Research	1,685,255	751,754	-	-	2,437,009
Public Service	9,273,758	9,885,015	-	-	19,158,773
Academic Support	19,522,356	5,150,528	-	-	24,672,884
Student Services	8,199,137	2,177,908	-	-	10,377,045
Institutional Support	18,773,743	(3,600,084)	-	-	15,173,659
Operation and Maintenance of Plant	16,699,627	9,531,557	-	-	26,231,184
Scholarships and Fellowships	512,847	-	7,719,258	-	8,232,105
Depreciation	-	-	-	19,463,291	19,463,291
Other Operating Expenses	-	286,480	-	-	286,480
Auxiliary Enterprises	<u>29,826,596</u>	<u>20,130,416</u>	<u>4,452,735</u>	-	<u>54,409,747</u>
Total Operating Expenses	<u>\$179,367,080</u>	<u>47,518,763</u>	<u>12,171,993</u>	<u>19,463,291</u>	<u>258,521,127</u>

Note W – Prospective Accounting Change

In June 2017, GASB issued Statement No. 87, Leases. This statement will be implemented for the fiscal year ending June 30, 2022. This statement requires recognition of certain lease assets and liabilities for leases previously classified as operating leases.



2020-2021 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 Six Fiscal Years*
(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 Payroll</u>	<u>University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.2379216%	\$ 9,436	\$15,521	60.8%	87.61%
2016	0.2491278%	\$12,308	\$17,165	71.7%	85.19%
2017	0.2568560%	\$16,165	\$18,427	87.7%	81.82%
2018	0.2712075%	\$18,066	\$20,802	86.8%	82.21%
2019	0.2805301%	\$17,753	\$21,774	81.5%	83.62%
2020	0.2931051%	\$16,973	\$23,091	73.5%	85.45%
2021	0.2904003%	\$20,400	\$23,743	85.9%	82.90%

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

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 Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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%
2016	1,646	(1,646)	===== -	18,427	8.93%
2017	1,864	(1,864)	===== -	20,802	8.96%
2018	1,943	(1,943)	===== -	21,774	8.93%
2019	2,168	(2,168)	===== -	23,091	9.39%
2020	2,238	(2,238)	===== -	23,743	9.43%
2021	2,212	(2,212)	===== -	23,467	9.42%

See accompanying independent auditor's report.

University of Northern Iowa
Notes to Required Supplementary Information – Pension Liability
Year Ended June 30, 2021

Changes of benefit terms:

There are no significant changes in benefit terms

Changes of assumptions:

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

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

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

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

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

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

See accompanying independent auditor's report.

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

Total OPEB Liability	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 1,123	1,769	1,767	1,690
Interest	427	885	980	807
Changes in assumptions	(3,537)	(74)	1,091	778
Differences between expected and actual experience	(267)	(10,479)	(3,327)	-
Benefit payments	<u>(548)</u>	<u>(711)</u>	<u>(533)</u>	<u>(600)</u>
Net change in total OPEB liability	(2,804)	(8,610)	(22)	2,675
Total OPEB liability-beginning	<u>15,193</u>	<u>23,803</u>	<u>23,825</u>	<u>21,150</u>
Total OPEB liability-ending	<u>\$12,389</u>	<u>15,193</u>	<u>23,803</u>	<u>23,825</u>
Covered employee payroll	162,977	171,815	172,925	173,323
Total OPEB liability as a percentage of covered employee payroll	7.6%	8.8%	13.8%	13.7%

Data prior to 2018 is unavailable

Notes:

Changes in benefit terms:

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

Changes in assumptions:

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

Years ended June 30:

2021	2.19%
2020	2.66%
2019	3.51%
2018	3.87%
2017	3.58%

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



2020-2021
Statistical Section

University of Northern Iowa Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help understand how the University's financial performance has changed over time.	87-90
Revenue Capacity These schedules provide information on the University's most significant revenue sources, tuition and fees, and state appropriations.	91-92
Debt Capacity These schedules present the University's bonded debt obligation and the revenue bond coverage.	93-95
Demographic and Economic Information These schedules offer demographic and economic indicators to help understand the environment within which the University's financial activities take place.	96-97
Operating Information These schedules contain information about the University's operations and resources to help the reader understand how the University's financial information relates to the students and services the University provides.	98-103

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

University of Northern Iowa
 Schedule 1

HIGHER EDUCATION PRICE INDEX (HEPI)/FULL YEAR FTE

For the Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Higher Education Price Index	8.561	8.392	8.257	8.043	7.857	7.537	7.442	7.285	7.074	6.964
Normalized HEPI	1.229	1.205	1.186	1.155	1.128	1.082	1.069	1.046	1.016	1.000
Full Year FTE	7,969	8,555	9,201	9,535	9,652	9,708	9,765	10,024	10,425	11,379

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

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

Source: Commonfund; HEPI Index; 2010 through 2020 Updates

University of Northern Iowa
Schedule 2

**CHANGE IN NET POSITION/
NET POSITION BY CLASSIFICATION**

For the Last Ten Years

(Expressed in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
CHANGE IN NET POSITION										
Total Revenues - Schedule 3	\$ 277,753	276,106	290,217	282,306	302,105	294,309	277,804	282,711	269,925	265,525
Total Expenses - Schedule 4	<u>250,118</u>	<u>261,488</u>	<u>280,883</u>	<u>274,447</u>	<u>276,523</u>	<u>270,216</u>	<u>276,188</u>	<u>274,183</u>	<u>269,076</u>	<u>268,615</u>
Change in Net Position	27,635	14,618	9,334	7,859	25,582	24,093	1,616	8,528	849	(3,090)
Net Position - July 1	403,057	388,439	379,105	371,246	350,874	326,781	325,165	326,922	326,073	329,163
Net Position - June 30	<u>\$ 430,692</u>	<u>403,057</u>	<u>388,439</u>	<u>379,105</u>	<u>376,456</u>	<u>350,874</u>	<u>326,781</u>	<u>335,450</u>	<u>326,922</u>	<u>326,073</u>
NET POSITION BY CLASSIFICATION										
Net investment in capital assets	\$ 308,063	310,278	296,991	291,590	289,271	260,251	258,659	254,035	251,764	225,622
Restricted										
Nonexpendable										
Scholarships and fellowships	615	615	615	615	615	615	615	615	615	615
Expendable										
Scholarships and fellowships	312	259	133	282	260	248	241	209	321	333
Loans	3,395	3,158	2,996	2,917	3,034	2,873	2,970	2,927	2,803	2,876
Capital projects	-	138	10	2,318	4,987	14,111	2,916	5,137	-	13,185
Debt service	29,654	21,355	30,438	31,218	33,701	30,479	23,790	20,787	23,735	24,351
Other	985	810	649	661	710	551	645	838	489	362
Unrestricted	87,668	66,444	56,607	49,504	43,878	41,746	36,945	50,902	47,195	58,729
Net Position - June 30	<u>\$ 430,692</u>	<u>403,057</u>	<u>388,439</u>	<u>379,105</u>	<u>376,456</u>	<u>350,874</u>	<u>326,781</u>	<u>335,450</u>	<u>326,922</u>	<u>326,073</u>

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

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
OPERATING										
Gross Tuition & Fees	\$ 82,346	87,940	94,510	97,290	94,796	91,198	89,653	89,745	90,442	91,726
Less: Scholarship Allowance	29,430	26,363	28,511	29,329	27,888	27,423	27,115	25,425	25,335	25,483
Net Tuition & Fees	52,916	61,577	65,999	67,961	66,908	63,775	62,538	64,320	65,107	66,243
Federal grants and contracts	9,836	10,472	13,309	13,481	13,494	13,990	15,783	16,663	18,481	21,158
State and local grants and contracts	1,879	1,536	1,951	2,395	2,314	3,649	2,984	2,053	2,102	2,182
Nongovernmental grants and contracts	4,640	4,754	4,610	4,781	4,435	4,047	3,944	3,320	3,614	4,675
Sales and services of educational activities	3,413	4,504	5,236	5,656	6,611	5,911	6,169	6,403	4,938	8,238
Interest on student loans	94	248	83	144	211	214	211	227	245	239
Other operating revenue	774	1,058	1,588	675	746	662	711	563	727	502
Auxiliary enterprises	45,063	52,258	65,845	60,559	62,831	61,407	60,468	57,102	56,344	58,742
Total Operating Income	118,615	136,407	158,621	155,652	157,550	153,655	152,808	150,651	151,558	161,979
NONOPERATING										
State appropriations	107,047	108,523	103,414	101,378	101,900	101,758	100,659	96,910	87,663	77,765
Federal grants and contracts	32,444	17,967	11,190	11,657	10,791	10,670	10,715	10,270	10,860	11,467
Nonfederal gifts, grants and contracts	3,542	3,127	3,857	3,956	3,270	2,537	2,011	3,827	3,102	3,701
Investment income	9,340	3,090	4,853	2,619	3,089	1,333	1,658	3,644	1,465	1,683
Gain on disposal of capital assets	-	-	-	813	-	3,959	-	-	-	-
Other nonoperating income	1,429	1,156	2,810	-	-	-	-	-	-	-
Total Nonoperating Revenue	153,802	133,863	126,124	120,423	119,050	120,257	115,043	114,651	103,090	94,616
CAPITAL AND OTHER REVENUES										
Capital appropriations	3,773	3,567	3,580	3,661	19,220	19,119	8,121	14,177	14,083	7,017
Capital gifts, grants and contracts	1,563	2,269	1,892	2,570	6,285	1,278	1,832	3,232	1,194	1,913
Total Capital and Other Revenues	5,336	5,836	5,472	6,231	25,505	20,397	9,953	17,409	15,277	8,930
Total Revenues	\$ 277,753	276,106	290,217	282,306	302,105	294,309	277,804	282,711	269,925	265,525
Constant Dollar Revenues	\$ 225,999	229,134	244,702	244,421	267,824	272,005	259,873	270,278	265,674	265,525
Revenues per FTE (Actual)	\$ 34,854	32,274	31,542	29,607	31,300	30,316	28,449	28,203	25,892	23,335
Constant Dollar Revenues per FTE (Actual)	\$ 28,360	26,783	26,595	25,634	27,748	28,018	26,613	26,963	25,484	23,335

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
OPERATING EXPENSES BY FUNCTION										
Instruction	\$ 70,159	78,079	80,499	80,902	84,158	84,063	86,537	86,506	82,765	80,292
Research	2,655	2,437	2,930	2,455	2,808	2,957	3,176	2,982	3,139	2,952
Public service	16,418	19,159	19,908	20,536	21,158	20,961	21,315	25,053	24,325	22,153
Academic support	30,159	24,673	25,598	26,147	24,454	22,514	22,866	22,490	21,731	24,856
Student services	9,287	10,377	10,235	10,106	11,501	10,035	10,431	9,636	9,005	8,210
Institutional support	18,147	15,174	21,358	19,641	27,154	29,197	27,211	26,067	26,441	29,683
Operation and maintenance of plant	26,448	26,231	30,556	27,546	21,448	20,132	22,202	21,167	21,424	20,441
Scholarships and fellowships	5,293	8,232	5,684	6,143	5,860	5,863	6,203	3,381	4,983	6,471
Depreciation	19,310	19,463	19,401	19,113	18,534	18,121	18,095	18,041	16,095	16,105
Other operating expenses	133	286	214	264	186	246	150	194	281	288
Auxiliary enterprises	49,347	54,410	61,224	55,824	53,724	51,264	51,743	50,774	50,976	50,787
Total Operating Expenses	247,356	258,521	277,607	268,677	270,985	265,353	269,929	266,291	261,165	262,238
NONOPERATING EXPENSES										
Interest on indebtedness	2,396	2,882	3,075	5,290	5,228	4,392	5,891	5,463	5,529	6,259
Loss on disposal of capital assets	366	85	201	-	13	-	-	-	-	-
Miscellaneous expense	-	-	-	480	297	471	368	2,429	2,382	118
Total Nonoperating Expenses	2,762	2,967	3,276	5,770	5,538	4,863	6,259	7,892	7,911	6,377
Total Expenses	\$ 250,118	261,488	280,883	274,447	276,523	270,216	276,188	274,183	269,076	268,615
Constant Dollar Expenses	\$ 203,513	217,002	236,832	237,616	245,145	249,738	258,361	262,125	264,839	268,615
Expenses per FTE (Actual)	\$ 31,386	30,566	30,527	28,783	28,649	27,834	28,283	27,353	25,811	23,606
Constant Dollar Expenses per FTE (Actual)	\$ 25,538	25,366	25,739	24,920	25,398	25,725	26,457	26,150	25,405	23,606

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
TUITION & FEES										
Total Tuition & Fees	\$ 82,346	87,940	94,510	97,290	94,796	91,198	89,653	89,745	90,442	91,726
Less: Other Funds Unrestricted	12,123	13,156	13,862	14,853	14,214	13,999	12,437	12,271	11,341	9,465
Unrestricted Scholarships & Fellowships	14,777	14,052	15,611	16,307	15,675	15,547	14,832	13,066	13,222	13,920
Net Tuition & Fees	\$ 55,446	60,732	65,037	66,130	64,907	61,652	62,384	64,408	65,879	68,341
Constant Dollar Net Tuition & Fees										
	\$ 45,115	50,400	54,837	57,255	57,542	56,980	58,357	61,576	64,842	68,341
Tuition & Fees per FTE Student (Actual)										
	\$ 6,958	7,099	7,068	6,936	6,725	6,351	6,389	6,425	6,319	6,006
Constant Dollar Tuition & Fees per FTE Student (Actual)										
	\$ 5,661	5,891	5,960	6,005	5,962	5,869	5,976	6,143	6,220	6,006
TUITION & FEES RATES										
Resident Undergraduate	\$ 8,938	8,938	8,939	8,699	8,309	7,917	7,749	7,685	7,635	7,350
Non-resident Undergraduate	19,480	19,480	19,480	19,241	18,851	18,005	17,647	17,181	16,721	16,106
Resident Graduate	10,432	10,432	10,432	10,193	9,803	9,219	9,013	8,793	8,743	8,418
Non-resident Graduate	20,906	20,906	20,906	20,667	20,277	19,389	19,007	18,507	18,013	17,352
FULL ROOM & BOARD RATE	\$ 9,160	9,160	8,948	8,781	8,629	8,320	8,066	7,820	7,597	7,426
TOTAL COST OF ATTENDANCE										
Resident Undergraduate	\$ 18,098	18,098	17,887	17,480	16,938	16,237	15,815	15,505	15,232	14,776
Non-resident Undergraduate	28,640	28,640	28,428	28,022	27,480	26,325	25,713	25,001	24,318	23,532
CONSTANT DOLLAR TUITION & FEE RATES										
Resident Undergraduate	\$ 7,273	7,417	7,537	7,532	7,366	7,317	7,249	7,347	7,515	7,350
Non-resident Undergraduate	15,850	16,166	16,425	16,659	16,712	16,640	16,508	16,425	16,458	16,106
Resident Graduate	8,488	8,657	8,796	8,825	8,691	8,520	8,431	8,406	8,605	8,418
Non-resident Graduate	17,011	17,349	17,627	17,894	17,976	17,920	17,780	17,693	17,729	17,352
CONSTANT DOLLAR FULL ROOM & BOARD RATE										
	\$ 7,453	7,602	7,545	7,603	7,650	7,689	7,545	7,476	7,477	7,426
CONSTANT DOLLAR COST OF ATTENDANCE										
Resident Undergraduate	\$ 14,726	15,019	15,082	15,135	15,016	15,006	14,794	14,823	14,992	14,776
Non-resident Undergraduate	23,303	23,768	23,970	24,262	24,362	24,329	24,053	23,901	23,935	23,532

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
STATE APPROPRIATIONS										
Total	\$ 107,047	108,523	103,414	101,378	101,900	101,758	100,659	96,910	87,663	77,765
Less: Non-General Funds	678	902	889	855	797	914	916	1,121	974	420
Net State Appropriations	\$ 106,369	107,621	102,525	100,523	101,103	100,844	99,743	95,789	86,689	77,345
Constant Dollar Unrestricted State Appropriations										
	\$ 86,549	89,312	86,446	87,033	89,630	93,201	93,305	91,576	85,324	77,345
State Appropriations per FTE Student (Actual)										
	\$ 13,348	12,580	11,143	10,543	10,475	10,388	10,214	9,556	8,315	6,797
Constant Dollar State Appropriations per FTE Student (Actual)										
	\$ 10,861	10,440	9,395	9,128	9,286	9,600	9,555	9,136	8,185	6,797
CAPITAL APPROPRIATIONS										
	\$ 3,773	3,567	3,580	3,661	19,220	19,119	8,121	14,177	14,083	7,017
Constant Dollar Restricted Capital Appropriations										
	\$ 3,070	2,960	3,019	3,170	17,039	17,670	7,597	13,554	13,861	7,017
Capital Appropriations per FTE Student (Actual)										
	\$ 473	417	389	384	1,991	1,969	832	1,414	1,351	617
Constant Dollar Capital Appropriations per FTE Student (Actual)										
	\$ 385	346	328	332	1,765	1,820	778	1,352	1,330	617

University of Northern Iowa
Schedule 7

OUTSTANDING DEBT PER FULL TIME EQUIVALENT (FTE) STUDENT

For the Last Ten Years

(Expressed in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Bonded Debt										
Academic Building Revenue Bonds \$	32,937	35,864	38,686	41,433	42,495	59,950	46,482	49,733	53,422	57,250
Residence System Bonds	50,163	54,707	63,770	70,429	74,377	79,431	59,717	64,561	67,495	80,443
Field House Bonds	3,026	4,003	6,386	7,649	8,906	10,134	15,058	12,689	18,914	14,855
Student Union Bonds	1,690	2,510	3,300	4,065	4,815	5,550	6,275	6,980	7,670	8,425
Student Health Center Bonds	959	1,188	1,411	1,629	1,847	2,060	2,268	2,466	5,110	2,810
Utility System Bonds	17,440	17,718	-	-	-	-	-	-	-	-
Total Bonded Debt	<u>106,215</u>	<u>115,990</u>	<u>113,553</u>	<u>125,205</u>	<u>132,440</u>	<u>157,125</u>	<u>129,800</u>	<u>136,429</u>	<u>152,611</u>	<u>163,783</u>
Notes Payable										
City of Cedar Falls	305	320	335	350	365	380	395	410	425	440
Wells Fargo	-	-	-	-	-	-	246	481	707	923
Iowa Finance Authority	-	-	439	542	644	745	844	942	1,122	1,217
Total Notes Payable	<u>305</u>	<u>320</u>	<u>774</u>	<u>892</u>	<u>1,009</u>	<u>1,125</u>	<u>1,485</u>	<u>1,833</u>	<u>2,254</u>	<u>2,580</u>
Capital Leases Payable										
Power Plant Projects	-	-	2,692	3,183	3,659	4,121	4,569	5,000	-	-
Total Capital Leases Payable	<u>-</u>	<u>-</u>	<u>2,692</u>	<u>3,183</u>	<u>3,659</u>	<u>4,121</u>	<u>4,569</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Total Debt	<u>\$ 106,520</u>	<u>116,310</u>	<u>117,019</u>	<u>129,280</u>	<u>137,108</u>	<u>162,371</u>	<u>135,854</u>	<u>143,262</u>	<u>154,865</u>	<u>166,363</u>
Constant Dollar										
Outstanding Debt	\$ 86,672	96,523	98,667	111,931	121,550	150,066	127,085	136,962	152,426	166,363
Outstanding Debt										
per FTE Student (Actual)	\$ 13,367	13,596	12,718	13,558	14,205	16,725	13,912	14,292	14,855	14,620
Constant Dollar Debt										
per FTE Student (Actual)	\$ 10,876	11,283	10,724	11,739	12,593	15,458	13,014	13,663	14,621	14,620

University of Northern Iowa

Schedule 8

REVENUE BOND COVERAGE

For the Last Ten Years

(Dollars in Thousands)

ACADEMIC BUILDING REVENUE BONDS

Legal coverage = 1.25 of Maximum Debt Service Requirements

Fiscal Year Ended June 30	Pledged General Fund Tuition	Maximum Debt Service	Actual Coverage
2021	69,247	3,384	20.46
2020	73,721	3,783	19.49
2019	79,493	3,783	21.01
2018	81,277	3,783	21.48
2017	79,419	3,904	20.34
2016	75,989	4,011	18.95
2015	75,990	6,493	11.70
2014	76,246	6,493	11.74
2013	77,792	6,493	11.98
2012	80,776	6,493	12.44

RESIDENCE SYSTEM REVENUE BONDS

Legal coverage = 1.35 of Maximum Debt Service Requirements

Fiscal Year Ended June 30	Gross Revenues	Less Operating Expenses	Net Available Revenues	Maximum Debt Service	Actual Coverage
2021	36,138	20,914	15,224	6,204	2.45
2020	32,256	21,410	10,846	6,347	1.71
2019	37,770	24,761	13,009	8,044	1.62
2018	38,506	26,066	12,440	8,559	1.45
2017	41,363	26,524	14,839	8,649	1.72
2016	40,003	25,758	14,245	8,649	1.65
2015	39,054	26,601	12,453	6,750	1.84
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

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.

UTILITY SYSTEM REVENUE BONDS

Legal coverage = 1.20 of Annual Debt Service Requirements

Fiscal Year Ended June 30	Gross Revenues	Less Operating Expenses	Net Available Revenues	Debt Service Requirements			Actual Coverage
				Principal	Interest	Total	
2021	10,501	7,538	2,963	730	554	1,284	2.31
2020	10,321	7,885	2,436	205	188	393	6.20
2019	11,278	8,460	2,818	610	83	693	4.07

Note: Actual coverage does not include system fund balance

University of Northern Iowa
Schedule 8 (continued)

REVENUE BOND COVERAGE

For the Last Ten Years

(Dollars in Thousands)

FIELD HOUSE REVENUE BONDS

Legal coverage = 1.20 of Annual Debt Service Requirements

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

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	
2021	2,265	1,144	1,121	1,890	845	51	896	3.36
2020	2,204	1,147	1,057	1,806	820	75	895	3.20
2019	2,304	1,236	1,068	1,697	790	99	889	3.11
2018	2,220	1,235	985	1,653	765	122	887	2.97
2017	2,353	1,205	1,148	1,569	750	144	894	3.04
2016	2,264	1,137	1,127	1,634	735	163	898	3.07
2015	2,168	1,070	1,098	1,850	725	177	902	3.27
2014	2,296	1,141	1,155	1,925	705	191	896	3.44
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

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	
2021	3,902	3,604	298	1,647	230	20	250	7.78
2020	3,736	3,236	500	1,724	225	24	249	8.93
2019	4,139	3,866	273	1,554	220	29	249	7.34
2018	3,998	3,725	273	1,550	215	33	248	7.35
2017	3,930	3,608	322	1,664	215	37	252	7.88
2016	3,719	3,356	363	1,792	210	42	252	8.55
2015	3,616	3,238	378	1,816	205	46	251	8.74
2014	3,751	3,205	546	1,820	195	58	253	9.35
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

University of Northern Iowa
 Schedule 9

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Personal Income (expressed in millions)	\$ 169,182	163,639	158,197	144,691	144,196	143,394	139,625	138,337	135,063	130,131
Population (expressed in thousands)	3,164	3,155	3,156	3,146	3,135	3,124	3,107	3,090	3,074	3,062
Per Capita Personal Income (expressed in dollars)	\$ 53,478	51,865	50,124	47,458	46,000	45,902	44,937	44,763	43,935	42,470
Unemployment Percentage	4.0%	8.4%	2.5%	2.5%	3.3%	4.2%	3.7%	4.5%	4.6%	5.3%
Constant Dollar										
Per Capita Personal Income	\$ 43,513	43,041	42,263	41,089	40,780	42,423	42,036	42,794	43,243	42,470
Net UNI Appropriations										
(expressed in thousands)	\$ 107,621	102,525	100,523	101,103	100,844	99,743	95,789	86,689	77,345	81,728
UNI Appropriations per Capita	\$ 34.01	32.50	31.85	32.14	32.17	31.93	30.83	28.05	25.16	26.69
Constant Dollar										
UNI Appropriations per Capita	\$ 27.68	26.97	26.86	27.82	28.52	29.51	28.84	26.82	24.76	26.69

Source: Bureau of Economic Analysis

STATE OF IOWA PRINCIPAL NON-GOVERNMENTAL EMPLOYERS

Current Year and Nine Years Prior

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

Source: Iowa Workforce Development

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Executive/Managerial										
Institutional Officials	11	11	11	11	11	13	13	13	13	13
Academic Administrators	50	47	49	46	47	46	45	44	47	46
Professional & Scientific	46	43	42	42	44	36	39	36	35	35
Faculty										
Professor	140	142	159	161	160	168	164	170	169	177
Associate Professor	159	162	162	170	184	191	201	202	200	207
Assistant Professor	100	105	111	117	117	128	134	120	114	123
Instructor	14	22	21	23	27	30	32	33	36	45
Faculty-Term/Renewable Term										
Associate Professor	1	-	-	-	-	-	-	-	-	-
Assistant Professor	1	-	-	-	1	2	1	-	2	3
Instructor	58	58	56	54	48	49	46	36	35	60
Other Professionals										
Professional/Scientific	601	648	672	658	644	630	622	609	592	603
Instructor	6	6	6	10	8	8	-	-	-	-
Secretarial/Clerical										
Merit Supervisory	5	7	9	12	15	15	16	16	17	18
Merit Confidential	13	12	13	13	14	14	17	17	16	16
Merit AFSCME	169	183	200	203	203	201	216	216	221	230
Technical-AFSCME	19	18	18	18	19	16	21	20	20	22
Skilled Crafts-AFSCME										
Merit AFSCME	48	54	55	60	58	57	59	59	56	55
Service/Maintenance										
Merit AFSCME	186	188	198	197	194	207	212	204	203	214
Merit Supervisory	22	25	24	25	22	24	23	24	25	27
Total	1,649	1,731	1,806	1,820	1,816	1,835	1,861	1,819	1,801	1,894

Note: Staff counts are as of September.

FACULTY POSITIONS (FTE)

Total Faculty	572.0	547.0	568.0	579.0	593.0	617.0	698.0	667.0	664.0	710.0
Percent Tenured	57.1%	53.5%	53.1%	53.0%	54.5%	54.4%	61.0%	56.2%	57.5%	56.0%
Students per Faculty Member	17.0	17.0	18.0	18.0	17.0	17.0	16.0	16.0	17.0	16.0

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

University of Northern Iowa
 Schedule 12

ENROLLMENT AND FRESHMAN CLASS DATA
 For the Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
ENROLLMENT (Fall Headcount)										
Undergraduate - Lower	3,177	3,472	3,884	4,276	4,497	4,342	4,235	4,149	4,329	4,713
Undergraduate - Upper	5,127	5,501	5,677	5,729	5,607	5,827	5,907	6,231	6,326	6,695
Graduate - Masters	1,020	1,058	1,199	1,226	1,193	1,247	1,232	1,283	1,161	1,236
Graduate - Advanced	198	466	452	676	608	565	554	496	457	524
Total	9,522	10,497	11,212	11,907	11,905	11,981	11,928	12,159	12,273	13,168
Residents	8,455	9,394	9,976	10,545	10,528	10,549	10,491	10,842	11,095	11,915
Nonresidents	1,067	1,103	1,236	1,362	1,377	1,432	1,437	1,317	1,178	1,253
ENROLLMENT (FTE)										
Full Year FTE	7,969	8,555	9,201	9,535	9,652	9,708	9,765	10,024	10,425	11,379
Fall FTE	8,637	9,250	9,903	10,284	10,305	10,345	10,311	10,616	10,873	11,393
ADMISSIONS (Freshmen)										
Applications	5,034	4,701	5,129	5,494	5,195	5,304	5,524	4,109	4,322	4,666
Accepted	3,984	3,716	4,167	4,441	4,290	4,278	2,962	3,392	3,350	3,607
Acceptance Ratio	79.1%	79.0%	81.2%	80.8%	82.6%	80.7%	53.6%	82.6%	77.5%	77.3%
Enrolled	1,482	1,465	1,661	1,834	2,000	1,916	1,797	1,722	1,704	1,942
Enrollment Ratio	37.2%	39.4%	39.9%	41.3%	46.6%	44.8%	60.7%	50.8%	50.9%	53.8%
Average ACT Score	22.6	22.6	22.8	23.0	22.9	22.7	22.8	22.8	23.1	23.3
Percent in Upper 30% of High School Class	60.8%	53.9%	59.3%	54.5%	54.0%	57.2%	54.4%	55.2%	57.2%	56.2%
Percent in Upper 10% of High School Class	21.4%	20.4%	20.4%	16.9%	17.3%	18.0%	17.0%	18.1%	20.0%	18.5%

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DEGREES GRANTED (Summary)										
Baccalaureate	2,227	2,235	2,178	2,184	2,126	2,166	2,303	2,357	2,349	2,440
Masters	429	437	534	508	431	503	446	512	483	572
Specialists	11	7	8	7	8	9	5	8	13	10
Doctorates	8	11	19	23	14	14	14	20	30	13
Total	2,675	2,690	2,739	2,722	2,579	2,692	2,768	2,897	2,875	3,035
DEGREES GRANTED (Detail)										
Doctor of Industrial Technology	3	2	1	1	1	-	1	1	2	1
Doctor of Technology	-	-	-	-	1	-	1	5	2	1
Doctor of Education	5	9	18	22	12	14	12	14	26	11
Specialist in Education	11	7	8	7	8	9	5	8	13	10
Professional Science Master's	-	-	-	3	3	3	-	12	21	17
Master of Arts in Education	67	61	91	57	80	104	112	118	104	121
Master of Arts	232	261	240	304	233	285	190	242	235	284
Master of Athletic Training	3	1	-	-	-	-	-	-	-	-
Master of Business Administration	55	32	107	36	18	30	38	36	28	27
Master of Music	6	19	13	25	17	17	13	15	11	26
Master of Public Policy	1	9	-	10	-	-	12	11	9	11
Master of Science	11	15	13	17	23	17	26	23	22	21
Master of Accounting	19	8	20	18	20	13	23	18	20	25
Master of Social Work	35	31	50	38	37	34	32	37	33	40
Bachelor of Applied Science	5	2	-	-	-	-	-	-	-	-
Bachelor of Arts	2,028	2,018	1,998	1,991	1,949	2,025	2,142	2,209	2,227	2,293
Bachelor of Fine Arts	5	11	6	7	6	7	8	11	11	11
Bachelor of Music	31	27	20	25	33	21	25	34	18	22
Bachelor of Science	115	131	114	96	92	76	91	86	79	98
Bachelor of Liberal Studies	43	46	40	65	46	37	37	17	14	16
Total	2,675	2,690	2,739	2,722	2,579	2,692	2,768	2,897	2,875	3,035

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Educational Fund Expenditures	\$ 172,254	167,515	168,809	166,675	168,300	164,815	166,474	165,628	157,323	149,953
Less Separately Budgeted Expenditures:										
Research	445	488	676	580	674	627	633	657	564	651
Public Service	8,264	8,361	7,165	7,048	7,093	6,688	6,900	6,851	5,899	2,632
Scholarships/Fellowships	14,559	13,275	14,301	14,635	14,056	13,468	12,853	13,066	13,222	13,920
General Educational Fund Instructional Expenditures	\$ 148,986	145,391	146,667	144,412	146,477	144,032	146,088	145,054	137,638	132,750
Cost per FTE Student (Actual)	\$ 18,696	16,995	15,940	15,145	15,176	14,836	14,960	14,471	13,203	11,666
Constant Dollar Cost per FTE Student (Actual)	\$ 15,212	14,104	13,440	13,113	13,454	13,712	13,995	13,834	12,995	11,666

University of Northern Iowa

Schedule 15

SCHOLARSHIPS & FELLOWSHIPS PER FULL TIME EQUIVALENT (FTE) STUDENT

For the Last Ten Years

(Expressed in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
SCHOLARSHIPS & FELLOWSHIPS										
Unrestricted	\$ 14,777	14,052	15,611	16,307	15,675	15,547	14,832	13,066	13,222	13,920
Restricted	<u>19,945</u>	<u>20,543</u>	<u>18,584</u>	<u>19,165</u>	<u>18,073</u>	<u>17,739</u>	<u>18,486</u>	<u>15,740</u>	<u>17,096</u>	<u>18,034</u>
Total	<u>\$ 34,722</u>	<u>34,595</u>	<u>34,195</u>	<u>35,472</u>	<u>33,748</u>	<u>33,286</u>	<u>33,318</u>	<u>28,806</u>	<u>30,318</u>	<u>31,954</u>

CONSTANT DOLLAR SCHOLARSHIPS & FELLOWSHIPS										
Unrestricted	\$ 12,024	11,661	13,163	14,119	13,896	14,369	13,875	12,491	13,014	13,920
Restricted	<u>16,229</u>	<u>17,048</u>	<u>15,669</u>	<u>16,593</u>	<u>16,022</u>	<u>16,395</u>	<u>17,293</u>	<u>15,048</u>	<u>16,827</u>	<u>18,034</u>
Total	<u>\$ 28,253</u>	<u>28,709</u>	<u>28,832</u>	<u>30,712</u>	<u>29,918</u>	<u>30,764</u>	<u>31,168</u>	<u>27,539</u>	<u>29,841</u>	<u>31,954</u>

SCHOLARSHIPS & FELLOWSHIPS PER FTE STUDENT (Actual)										
Unrestricted	\$ 1,854	1,643	1,697	1,710	1,624	1,601	1,519	1,303	1,268	1,223
Restricted	<u>2,503</u>	<u>2,401</u>	<u>2,020</u>	<u>2,010</u>	<u>1,872</u>	<u>1,827</u>	<u>1,893</u>	<u>1,570</u>	<u>1,640</u>	<u>1,585</u>
Total	<u>\$ 4,357</u>	<u>4,044</u>	<u>3,717</u>	<u>3,720</u>	<u>3,496</u>	<u>3,428</u>	<u>3,412</u>	<u>2,873</u>	<u>2,908</u>	<u>2,808</u>

CONSTANT DOLLAR SCHOLARSHIPS & FELLOWSHIPS PER FTE STUDENT (Actual)										
Unrestricted	\$ 1,509	1,363	1,431	1,481	1,440	1,480	1,421	1,246	1,248	1,223
Restricted	<u>2,037</u>	<u>1,993</u>	<u>1,703</u>	<u>1,740</u>	<u>1,660</u>	<u>1,689</u>	<u>1,771</u>	<u>1,501</u>	<u>1,614</u>	<u>1,585</u>
Total	<u>\$ 3,546</u>	<u>3,356</u>	<u>3,134</u>	<u>3,221</u>	<u>3,100</u>	<u>3,169</u>	<u>3,192</u>	<u>2,747</u>	<u>2,862</u>	<u>2,808</u>

University of Northern Iowa
Schedule 16

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

For the Last Ten Years
(Expressed in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Land	\$ 5,066	5,066	4,796	4,695	4,584	4,584	4,905	4,905	4,905	4,917
Construction in Progress	21,656	22,019	6,737	5,160	23,345	32,222	4,841	4,242	45,977	39,059
Capital Assets Not Depreciated	<u>26,722</u>	<u>27,085</u>	<u>11,533</u>	<u>9,855</u>	<u>27,929</u>	<u>36,806</u>	<u>9,746</u>	<u>9,147</u>	<u>50,882</u>	<u>43,976</u>
Land Improvements	17,172	17,172	17,173	17,189	16,760	16,315	16,057	14,426	14,159	13,691
Infrastructure	50,126	45,956	44,915	43,392	42,555	41,595	40,786	40,068	38,832	38,098
Buildings	578,921	569,386	565,761	563,063	538,819	495,498	492,721	488,101	439,069	418,008
Equipment	58,921	58,667	55,791	52,263	53,750	55,800	53,349	51,354	50,668	55,340
Intangibles	9,744	9,744	9,744	9,744	8,606	8,606	8,606	8,606	8,606	8,606
Library Materials	34,538	34,654	34,693	34,749	34,787	34,552	34,268	34,173	34,612	35,253
Capital Assets Depreciated	<u>749,422</u>	<u>735,579</u>	<u>728,077</u>	<u>720,400</u>	<u>695,277</u>	<u>652,366</u>	<u>645,787</u>	<u>636,728</u>	<u>585,946</u>	<u>568,996</u>
Total Capital Assets	<u>776,144</u>	<u>762,664</u>	<u>739,610</u>	<u>730,255</u>	<u>723,206</u>	<u>689,172</u>	<u>655,533</u>	<u>645,875</u>	<u>636,828</u>	<u>612,972</u>
Less: Accumulated Depreciation/ Amortization	<u>372,871</u>	<u>355,574</u>	<u>338,341</u>	<u>321,266</u>	<u>306,661</u>	<u>292,693</u>	<u>275,729</u>	<u>259,439</u>	<u>246,666</u>	<u>240,593</u>
Net Book Value	<u>\$ 403,273</u>	<u>407,090</u>	<u>401,269</u>	<u>408,989</u>	<u>416,545</u>	<u>396,479</u>	<u>379,804</u>	<u>386,436</u>	<u>390,162</u>	<u>372,379</u>

ACCUMULATED DEPRECIATION/AMORTIZATION

Land Improvements	\$ 13,278	12,778	12,256	11,717	11,133	10,563	10,008	9,482	9,014	8,554
Infrastructure	21,473	20,271	19,129	18,060	17,017	15,994	14,977	13,937	12,786	11,822
Buildings	256,859	243,844	230,814	217,918	205,370	193,480	182,125	170,824	161,212	153,872
Equipment	43,249	41,274	39,462	37,663	38,034	38,552	35,626	33,284	32,315	35,153
Intangibles	4,478	3,991	3,504	3,017	2,582	2,152	1,721	1,291	861	430
Library Materials	33,534	33,416	33,176	32,891	32,525	31,952	31,272	30,621	30,478	30,762
Total Accumulated Depreciation/ Amortization	<u>\$ 372,871</u>	<u>355,574</u>	<u>338,341</u>	<u>321,266</u>	<u>306,661</u>	<u>292,693</u>	<u>275,729</u>	<u>259,439</u>	<u>246,666</u>	<u>240,593</u>

Acknowledgements

Report Prepared by The University of Northern Iowa

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

Additional Assistance Provided by

Office of University Relations

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

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

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



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