The information contained in this Preliminary Official Statement is deemed by the Board to be final as of the date hereof; however, the pricing and underwriting information is subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 22, 2020

REFUNDING ISSUE
NOT BANK QUALIFIED

Moody's Rating: Aa1
S&P Rating: AA

Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Board of Regents, State of Iowa and The State University of Iowa comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Board of Regents, State of Iowa and The State University of Iowa have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Interest on the Bonds is exempt from Iowa State personal and corporate (but not franchise) income taxes except to the extent such interest must be taken into account in computing the Iowa State alternative minimum tax for certain corporations. See "TAX EXEMPTION" herein.

$17,910,000*
Board of Regents, State of Iowa
Telecommunications Facilities Revenue Refunding Bonds, Series S.U.I. 2020
(The State University of Iowa)

Dated Date: May 1, 2020

Interest Due: Each January 1 and July 1, commencing January 1, 2021

The Bonds (as defined herein) will mature each July 1 in the years and amounts* as follows:

2023	$ 565,000	2026	$1,130,000	2029	$1,290,000	2032	$1,435,000	2035	$1,580,000
2024	$1,030,000	2027	$1,180,000	2030	$1,350,000	2033	$1,480,000	2036	$1,640,000
2025	$1,075,000	2028	$1,235,000	2031	$1,390,000	2034	$1,530,000		

The right is reserved by the Board of Regents, State of Iowa (the "Board of Regents", the "Board" or the "Issuer") to call and redeem the Bonds maturing on and after July 1, 2030 prior to maturity on any date on or after July 1, 2029, in whole or from time to time in part, and if in part, in any maturity or maturities as the Board shall direct, and within a maturity by random selection. Redemption of the Bonds shall be at a price of par plus accrued interest.

The Bonds are special obligations of the Board payable solely from the Net Revenues of the Telecommunications System and any Telecommunications System Student Fees pledged to the payment of the Bonds, as described herein, received by The State University of Iowa (the "University"). The Bonds are not general obligations of or a charge against the State of Iowa (the "State") or payable in any manner by taxation. The proceeds of the Bonds, along with available University funds, will be used to refund, as a current refunding, the outstanding principal of the July 1, 2021 through July 1, 2036 maturities of the Board's $25,000,000 Telecommunications Facilities Revenue Bonds, Series S.U.I. 2009, dated December 1, 2009 (the "Series 2009 Bonds"); and pay the costs of issuing the Bonds. The July 1, 2020 principal and interest payments due on the Series 2009 Bonds will be paid with University funds and irrevocably deposited with the Paying Agent on the closing date of May 28, 2020.

Bids must be for not less than $17,910,000 (Par) plus accrued interest on the total principal amount of the Bonds. Bidders shall specify rates in multiples of 1/8th or 1/20th of 1%, provided that only one rate shall be specified for a single maturity. The initial price to the public for each maturity as stated on the bid must be 98.0% or greater. Bids for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the bid must specify "Years of Term Maturities" in the spaces provided on the Bid Form. Following receipt of bids, a good faith deposit will be required to be delivered to the University by the Purchaser as described in the "Official Terms of Offering" herein. (See "Bidding Parameters" and "Good Faith Deposit" in the Official Terms of Offering herein). Award will be made on the basis of True Interest Cost (TIC).

The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book entry form only and investors will not receive physical certificates representing their interest in the Bonds purchased. See "THE BONDS – Book Entry System" herein. The Treasurer of the University will serve as registrar and paying agent (the "Registrar" or the "Paying Agent") for the Bonds. Delivery of the Bonds is subject to receipt of the legal opinion of Ahlers & Cooney, P.C., Bond Counsel. Bonds will be available for delivery at DTC on or about May 28, 2020.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

BID OPENING: Thursday, April 30, 2020 at 10:00 A.M., Central Time
CONSIDERATION OF AWARD: Thursday, April 30, 2020 Subsequent to Bid Opening

Further information may be obtained from Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887 (651) 223-3000.

* *Preliminary; subject to change.*

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the Board from time to time, may be treated as a Preliminary Official Statement with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the Board.

By awarding the Bonds to any underwriter or underwriting syndicate submitting a bid therefor, the Board agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded copies of the Final Official Statement in the amount specified in the Official Terms of Offering.

No dealer, broker, salesman or other person has been authorized by the Board to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Board.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the Board and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE PRELIMINARY OFFICIAL STATEMENT NOR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE BOARD SINCE THE RESPECTIVE DATE THEREOF.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

Any CUSIP numbers for the Bonds included in the Final Official Statement are provided for convenience of the owners and prospective investors. The CUSIP numbers for the Bonds are assigned by an organization unaffiliated with the Board. The Board is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Bonds or as set forth in the Final Official Statement. No assurance can be given by the Board that the CUSIP numbers for the Bonds will remain the same after the delivery of the Final Official Statement or the date of issuance and delivery of the Bonds.

BOARD OF REGENTS, STATE OF IOWA

BOND COUNSEL

Ahlers & Cooney, P.C.
Des Moines, Iowa

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota

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OFFICIAL TERMS OF OFFERING

$17,910,000*

BOARD OF REGENTS, STATE OF IOWA TELECOMMUNICATIONS FACILITIES REVENUE REFUNDING BONDS, SERIES S.U.I. 2020 (THE STATE UNIVERSITY OF IOWA)

Sealed bids or electronic proposals will be received by the Board of Regents, State of Iowa (the "Board of Regents", the "Board" or the "Issuer"), until 10:00 A.M., Central Time, on Thursday, the 30th day of April, 2020, at the Board of Regents, State of Iowa Office, 11260 Aurora Avenue, Urbandale, Iowa, 50322, for the purchase of $17,910,000* Telecommunications Facilities Revenue Refunding Bonds, Series S.U.I. 2020 (The State University of Iowa) (the "Bonds"), of the Board, at which time such bids will be publicly opened by the Executive Director of the Board of Regents or his duly authorized representative. The Bonds will be sold to the best bidder (the "Purchaser"), unless all bids are rejected, by the Board at its meeting to be held later on the same day.

All bidders are advised that each bid shall be deemed to constitute a contract between the bidder and the Board to purchase the Bonds.

Form of Bids: Bids must be submitted on the Official Bid Form or through the Internet Bid System.

No bid will be received after the time specified in the Official Terms of Offering. The time as maintained by the Internet Bid System shall constitute the official time with respect to all Bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Sealed Bidding: Sealed bids may be submitted and will be received at the Board of Regents, State of Iowa Office, 11260 Aurora Avenue, Urbandale, Iowa, 50322.

Internet Bidding: Bids may be submitted through PARITY® (the "Internet Bid System"). Information about the Internet Bid System may be obtained by calling (212) 849-5000.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purposes of submitting its internet bid in a timely manner and in compliance with the requirements of the Official Terms of Offering. The Board is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the internet bidding and the Internet Bid System is not an agent of the Board. Provisions of the Official Terms of Offering shall control in the event of conflict with information provided by the Internet Bid System. The Board shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the Internet Bid System. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

Electronic Facsimile Bidding: Bids may be submitted via facsimile to Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), as agent for the Board, at: (651) 223-3046. Electronic facsimile bids will be sealed and treated as sealed bids. Transmissions received after the deadline shall be rejected. It is the responsibility of the bidder to ensure that the bid is legible, that the bid is received prior to 10:00 A.M., Central Time, and that the bid is sent to the telecopier number set forth above. Baker Tilly MA, will, in no instance, correct, alter, or in any way change bids submitted through facsimile transmission. Neither the Board nor its agents will be responsible for bids submitted by facsimile transmission not received in accordance with the provisions of this Official Terms of Offering. Bidders electing to submit bids via facsimile transmission will bear full and complete responsibility for the transmission of such bid. Neither

* *Preliminary; subject to change.*

the Board nor its agents will assume liability for the inability of the bidder to reach the above named fax number prior to the time of sale specified above. Time of receipt shall be the time recorded by the facsimile operator.

DETAILS OF THE BONDS

The Bonds will be in fully registered form without coupons in the denominations of $5,000 and any integral multiple thereof, will be dated as of May 1, 2020, will bear interest payable on January 1 and July 1 in each year, commencing January 1, 2021. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Bonds will mature on July 1 of each of the respective years and amounts* as follows:

2023	$ 565,000	2026	$1,130,000	2029	$1,290,000	2032	$1,435,000	2035	$1,580,000
2024	$1,030,000	2027	$1,180,000	2030	$1,350,000	2033	$1,480,000	2036	$1,640,000
2025	$1,075,000	2028	$1,235,000	2031	$1,390,000	2034	$1,530,000		

* *ADJUSTMENTS TO PRINCIPAL AMOUNTS AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or decrease by the Board or its designee after the determination of the successful bidder. The Board may increase or decrease each maturity in increments of $5,000. Such adjustments, if necessary, shall be in the sole discretion of the Board or its designee to size the issue in order to provide sufficient funds to call and redeem the Series 2009 Bonds and to pay costs of issuance.*

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of Bond principal. The calculation will be made by dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the Board (not including accrued interest), less any bond insurance premium and related credit rating fee to be paid by the successful bidder, by (ii) the principal amount of the Bonds. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the successful bidder.

BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

OPTIONAL REDEMPTION

The right is reserved by the Board to call and redeem the Bonds maturing on or after July 1, 2030 prior to maturity from any funds regardless of source on any date on or after July 1, 2029. If less than all Bonds of a maturity are called for redemption, the Board will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed, and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Redemption of Bonds shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Bonds are not general obligations of or a charge against the State of Iowa (the "State") or payable in any manner by taxation, but the Bonds, together with any additional bonds as may be hereafter issued and outstanding from time to time under prescribed conditions and restrictions ranking on a parity therewith, will be payable only from Net Revenues of the Telecommunications System and any Telecommunications System Student Fees, all as defined in the Bond Resolution, received by The State University of Iowa (the "University").

The proceeds of the Bonds, along with available University funds, will be used to refund, as a current refunding, the outstanding principal of the July 1, 2021 through July 1, 2036 maturities of the Board's $25,000,000 Telecommunications Facilities Revenue Bonds, Series S.U.I. 2009, dated December 1, 2009 (the "Series 2009 Bonds"); and pay the costs of issuing the Bonds.

BIDDING PARAMETERS

Each bid must be submitted on the Official Bid Form or through the Internet Bid System for all of the Bonds upon terms of not less than $17,910,000 (Par) plus accrued interest and shall specify the interest rate or rates in multiples of one-eighth or one-twentieth of one percent (1/8th or 1/20th of 1%), provided that only one rate shall be specified for a single maturity. The initial price to the public for each maturity as stated on the bid must be 98.0% or greater.

Bids for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption and must conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the Bid Form.

ESTABLISHMENT OF ISSUE PRICE

In order to provide the Board with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the Board in establishing the issue price of the Bonds and shall complete, execute, and deliver to the Board prior to the closing date, a written certification in a form acceptable to the Purchaser, the Board, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any action to be taken or documentation to be received by the Board pursuant hereto may be taken or received on behalf of the Board by Baker Tilly MA.

The Board intends that the sale of the Bonds pursuant to this Official Terms of Offering shall constitute a "competitive sale" as defined in the Regulation based on the following:

- (i) the Board shall cause this Official Terms of Offering to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the Board reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
- (iv) the Board anticipates awarding the sale of the Bonds to the bidder who provides a bid with the lowest true interest cost (TIC), as set forth in this Official Terms of Offering (See "AWARD" herein).

Any bid submitted pursuant to this Official Terms of Offering shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its bid, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Bonds.

If all of the requirements of a "competitive sale" are not satisfied, the Board shall advise the Purchaser of such fact prior to the time of award of the sale of the Bonds to the Purchaser. **In such event, any bid submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Purchaser shall advise the Board and Baker Tilly MA if a "substantial amount" (as defined in the Regulation) of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which such substantial amount was sold. The Board will treat such sale price as the "issue price" for such maturity, applied on a maturity-by-maturity basis. The Board will not require the Purchaser to comply with that portion of the Regulation commonly described as the "hold-the-offering-price" requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the Purchaser shall notify Baker Tilly MA, and the Board will apply the initial offering price to the public provided in the Purchaser's bid as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the Board and Baker Tilly MA the prices at which a substantial amount of such maturities are sold to the public; provided such determination shall be made and the Board and Baker Tilly MA notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Bonds or until all of the Bonds of a maturity have been sold.

GOOD FAITH DEPOSIT

To have its bid considered for award, the Purchaser is required to submit a good faith deposit to the University in the amount of $358,200 (the "Deposit") no later than 1:00 P.M., Central Time on the day of sale. The Deposit may be delivered as described herein in the form of either (i) a certified or cashier's check payable to the University; or (ii) a wire transfer. The Purchaser shall be solely responsible for the timely delivery of their Deposit whether by check or wire transfer. Neither the Board nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the Board may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

Certified or Cashier's Check. A Deposit made by certified or cashier's check will be considered timely delivered to the University if it is made payable to the University and delivered to Baker Tilly MA, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101 by the specified time.

Wire Transfer. A Deposit made by wire will be considered timely delivered to the University upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

When the Bonds are ready for delivery, the Board will give the Purchaser five (5) days' notice of the delivery date, and the Board will expect payment in full (net of the good faith deposit) in immediately available Federal Funds by 11:30 A.M., Central Time, on that date, otherwise reserving the right, at its option, to determine that the Purchaser has failed to comply with the offer of purchase. The University will deposit the check or wire transfer of the Purchaser, the amount of which will be deducted at settlement, and no interest will accrue to the Purchaser.

AWARD

The Bonds will be awarded to the bidder offering the lowest dollar interest cost to be determined on a true interest cost (TIC) basis. The Board's computation of the total dollar interest cost of each bid, in accordance with customary practice, will be controlling. The Board of Regents will reserve the right to waive informalities in any bid and to reject any or all bids.

CUSIP NUMBERS

If the Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Bonds; however, neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

The Bonds are expected to be delivered on or about May 28, 2020, with delivery to be made against full payment (net of good faith deposit) in immediately available Federal Funds through DTC in New York, New York without expense to the Purchaser (except the CUSIP charge noted above). Should delivery be delayed beyond sixty (60) days from the date of sale for any reason except failure of performance by the Purchaser and without the fault of the Board of Regents, the Board may cancel the award or the Purchaser may request return of the good faith deposit; and thereafter the Purchaser's interest in the liability for the Bonds will cease.

The Board will furnish the Bonds and the opinion of Ahlers & Cooney, P.C. attorneys of Des Moines, Iowa, Bond Counsel, in substantially the form attached to this Official Statement as Appendix I, together with the transcript and usual closing papers, including non-litigation certificate, and all bids may be so conditioned.

CONTINUING DISCLOSURE

The Board and the University will enter into a Continuing Disclosure Certificate to provide, or cause to be provided, annual financial information, including audited financial statements of the University and notices of certain material events as required by SEC Rule 15c2-12.

OFFICIAL STATEMENT

The Board has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds, and said Preliminary Official Statement has been deemed final by the Board as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Preliminary Official Statement and the Official Bid Form or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the Board, Baker Tilly MA, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887, telephone (651) 223-3000, or the Board of Regents, 11260 Aurora Avenue, Urbandale, Iowa 50322, telephone (515) 281-3934.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the Board. By awarding the Bonds to any underwriter or underwriting syndicate submitting an Official Bid Form therefor, the Board agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded up to 25 copies of the Final Official Statement. The Board shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Board (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

Dated this 22nd day of April, 2020

BOARD OF REGENTS,
STATE OF IOWA

/s/ Mark Braun
Executive Director

OFFICIAL STATEMENT

$17,910,000*

BOARD OF REGENTS, STATE OF IOWA
TELECOMMUNICATIONS FACILITIES REVENUE REFUNDING BONDS, SERIES S.U.I. 2020 (THE STATE UNIVERSITY OF IOWA)

INTRODUCTORY STATEMENT

This Official Statement contains information concerning the Board of Regents, State of Iowa (the "Board of Regents", the "Board" or the "Issuer"), the Board's issuance of $17,910,000* Telecommunications Facilities Revenue Refunding Bonds, Series S.U.I. 2020 (The State University of Iowa) (the "Bonds") and The State University of Iowa (the "University" or the "University of Iowa") on whose behalf the Bonds are being issued.

The Bonds are issued pursuant to Iowa Code, Chapter 262, as amended, and pursuant to an authorizing resolution to be adopted by the Board on April 30, 2020 (the "Bond Resolution").

The proceeds of the Bonds, along with available University funds, will be used to refund, as a current refunding, the outstanding principal of the July 1, 2021 through July 1, 2036 maturities of the Board's $25,000,000 Telecommunications Facilities Revenue Bonds, Series S.U.I. 2009, dated December 1, 2009 (the "Series 2009 Bonds"); and pay the costs of issuing the Bonds.

The Bonds are being issued on a parity with the Board's $11,830,000 Telecommunications Facilities Revenue Bonds, Series S.U.I. 2011, dated April 1, 2011 (the "Outstanding Bonds") which are currently outstanding in the aggregate principal amount of $8,595,000. See "PURPOSE OF THE ISSUE" and "THE STATE UNIVERSITY OF IOWA - Outstanding Debt of the University" herein.

The Bonds, the Outstanding Bonds, and any future Additional Bonds (collectively, the "Parity Bonds") are secured by and payable solely from Net Revenues of the Telecommunications System and any Telecommunications System Student Fees received by the University, all as defined in Iowa Code, Chapter 262 and the Bond Resolution as described herein.

The Bonds do not constitute a debt of nor a charge against the State of Iowa (the "State") within the meaning or application of any constitutional or statutory limitation or provision and are not payable in any manner by taxation.

The foregoing Introductory Statement is a summary only. For more specific explanations, reference should be made to the following pages and appendices of this Official Statement. The Official Statement speaks only as of its date and the information contained herein is subject to change. Additional information regarding the Board or the University may be obtained from Mark Braun, Executive Director of the Board (515-281-3934) or Terry Johnson, University Chief Financial Officer and Treasurer, The State University of Iowa (319-335-2791).

CONCURRENT FINANCING

As of the date of this Official Statement, the Board, by means of separate Official Statements dated April 22, 2020, is offering for sale its $14,695,000* Athletic Facilities Revenue Refunding Bonds, Series S.U.I. 2020 (The State University of Iowa) (the "S.U.I. 2020 Athletics Bonds") and its $18,425,000* Dormitory Revenue Refunding Bonds, Series I.S.U. 2020 (Iowa State University of Science and Technology) on the same date as the sale of the Bonds. Settlement of the above-referenced bond issues is expected to take place concurrently with the settlement of the Bonds.

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* *Preliminary; subject to change.*

The proceeds of the S.U.I. 2020 Athletics Bonds, along with available University funds, will be used to refund, as a current refunding, the outstanding principal of the July 1, 2021 through July 1, 2036 maturities of the Board's $19,775,000 Athletic Facilities Revenue Bonds, Series S.U.I. 2010, date October 1, 2010 (the "S.U.I. 2010 Athletics Bonds"); and pay the costs of issuing the Bonds.

ANTICIPATED BOND ISSUANCE

The Board may issue hospital revenue bonds, hospital revenue refunding bonds, academic building revenue refunding bonds, and additional refunding bonds on behalf of the University in the next six months. The University of Iowa Facilities Corporation, while not the issuer of the Bonds herein, may issue refunding bonds in the next six months.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with SEC Rule 15c2-12 (the "Rule"), pursuant to the Bond Resolution, the Board (as Issuer) and the University (as an "obligated person" under the Rule) will enter into an undertaking (the "Undertaking") for the benefit of holders of the Bonds to provide to the Municipal Securities Rulemaking Board (i) certain annual financial information or operating data, and (ii) notices of the occurrence of certain events enumerated in the Rule. (See Appendix II.) No person, other than the University, has or will undertake to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events as to which notice is to be given, if material, and a summary of other provisions, including termination, amendment and remedies, are set forth in the Continuing Disclosure Certificate included in Appendix II to this Official Statement.

During the last five years prior to the date of this Official Statement the University believes it has not failed to comply in any material respect with previous undertakings pursuant to the Rule. Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule. A failure by the University to comply with the Undertaking will not constitute an event of default on the Bonds (although holders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

THE BONDS

The Bonds are dated as of May 1, 2020 and will mature annually on July 1 as set forth on the cover of this Official Statement. Interest is payable on January 1 and July 1 of each year, commencing January 1, 2021. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar on the fifteenth day of the calendar month next preceding such interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Principal of and interest on the Bonds will be paid as described in the section herein entitled "Book Entry System." The Treasurer of the University will serve as registrar and paying agent (the "Registrar" or the "Paying Agent") for the Bonds.

Redemption Provisions

Thirty days' written notice of redemption shall be given to the registered owner(s) of the Bonds. Failure to give such written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

Optional Redemption

The right is reserved by the Board to call and redeem the Bonds maturing on or after July 1, 2030 prior to maturity from any funds regardless of source on any date on or after July 1, 2029. If less than all Bonds of a maturity are called for redemption, the Board will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed, and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Redemption of Bonds shall be at a price of par plus accrued interest.

Book Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, its agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Board or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

PURPOSE OF THE ISSUE

The proceeds of the Bonds, along with available University funds, will be used to refund, as a current refunding, the outstanding principal of the July 1, 2021 through July 1, 2036 maturities of the Board's $25,000,000 Telecommunications Facilities Revenue Bonds, Series S.U.I. 2009, dated December 1, 2009 (the "Series 2009 Bonds"); and pay the costs of issuing the Bonds.

The Bonds constitute a "current" refunding since the Series 2009 Bonds will be called within 90 days of settlement of the Bonds. The Series 2009 Bonds will be called for payment on July 1, 2020 at a price of par plus accrued interest. The July 1, 2020 principal and interest payments due on the Series 2009 Bonds will be paid with University funds and irrevocably deposited with the Paying Agent on the closing date of May 28, 2020.

SOURCES AND USES OF FUNDS

The composition of the Bonds is as follows:

Sources of Funds:	
Principal Amount	$_________
Transfers from Prior Issue Debt Service Fund	_________
Transfers from Prior Issue Debt Service Reserve Fund	_________
Reoffering Premium	_________
Original Issue Discount	_________
Accrued Interest	_________
Total Sources of Funds	$_________
Uses of Funds:	
Deposit to Escrow Fund	$_________
Deposit to Reserve Fund	_________
Deposit to Debt Service Fund	_________
Underwriter's Compensation	_________
Costs of Issuance	_________
Total Uses of Funds	$________

The aggregate principal amount of the Bonds may be adjusted depending on the actual amount of premium or discount received (see Official Terms of Offering herein).

SECURITY

The Bonds together with the Parity Bonds are special obligations of the Board payable from pledged net revenues derived from the operation of the University's Telecommunications System ("Net Revenues") and any Telecommunications System Student Fees at the University. Net Revenues are defined in the Bond Resolution as Gross Revenues, including all rents, profit and income derived directly from the Telecommunications System, less Operating Expenses, which are costs of maintenance and operation, including insurance and all other items normally included under the University's customary accounting principles directly related to the operation and maintenance of the Telecommunications System. Capital expenditures, depreciation, payments of debt service and payments to the various funds established by the Bond Resolution are not Operating Expenses.

In the Bond Resolution, the Board covenants that it will act to assure that Net Revenues and any Telecommunications System Student Fees shall at all times be adequate to produce amounts, taking into account the amounts deposited in the Sinking Fund, sufficient to pay the principal of and interest on the Bonds and bonds ranking on a parity therewith when due. The Board has not instituted any Telecommunications System Student Fees to date and does not expect to do so in the future. The Board has further covenanted and agreed that the rates and charges for the use of the Telecommunications System and any Telecommunications System Student Fees shall be adjusted and revised from time to time and maintained at levels determined to be sufficient so that the amount of money produced by the Net Revenues of the Telecommunications System and any Telecommunications System Student Fees for each Fiscal Year, together with the net earnings derived from the investment of moneys on deposit in the several funds established by the Bond Resolution during any such Fiscal Year is at least equal to the sum of (a) 110% of the principal and interest coming due in such Fiscal Year on all Bonds and Parity Bonds then outstanding plus (b) 100% of the amount required to remedy any deficiencies (including deficiencies caused by transfers of funds) in the Debt Service Reserve Fund within one year.

The Board further covenants that it will cause the University to prepare and submit a budget for the next ensuing Fiscal Year. Each such budget must indicate that Net Revenues and any Telecommunications System Student Fees during such Fiscal Year, together with the net earnings derived from the investment of moneys on deposit in the several funds established by the Bond Resolution during such Fiscal Year will be equal to at least the sum of: (a) 110% of the principal and interest coming due in such Fiscal Year on all Bonds and Parity Bonds then outstanding and proposed to be issued during such fiscal year, plus (b) 100% of the amount required to remedy any deficiencies (including deficiencies caused by transfers of funds) in the Debt Service Reserve Fund within one year, or the Board shall promptly adjust and revise the Net Revenues and the Telecommunications System Student Fees so that, in the opinion of the Board entered in its official records, the amount of money to be produced by Net Revenues and any Telecommunications Student Fees during such next ensuing Fiscal Year, taking into account such adjustments and revisions and the available net earnings of any such investments will equal at least the sum of: (a) 110% of such annual debt service requirements plus (b) 100% of the amount required to remedy any deficiencies (including deficiencies caused by transfers of funds) in the Debt Service Reserve Fund within one year. The Board shall mail a copy of each such budget, and any required adjustments and revisions and the Board's opinion thereon, to any original purchaser of Bonds who may so request.

If, in any Fiscal Year, Net Revenues and the Telecommunications System Student Fees are insufficient to meet debt service on the Bonds, the Board will employ a qualified consultant to prepare a report on the Net Revenues and the Telecommunications System Student Fees and recommend any changes and revisions which are necessary to meet the requirements of the Bond Resolution or any subsequent resolution.

The Bond Resolution also establishes a Debt Service Reserve Fund as additional security for the Bonds. The Debt Service Reserve Fund will be funded in an amount equal to the lesser of (i) ten percent of the stated principal amount of the Bonds in any year for which Bonds are outstanding, (ii) the maximum annual payments of principal of and interest on the Bonds, or (iii) 125% of the average annual principal and interest requirements on the Bonds (the “Reserve Requirement”). The Debt Service Reserve Fund will be funded at Bond closing in an amount sufficient to meet the Reserve Requirement.

The Board further covenants: (i) to operate and maintain the University as an institution of higher learning; (ii) to maintain proper records and books and to require regular quarterly reports and annual financial reports from the University concerning the funds established in the Bond Resolution; (iii) and to maintain, preserve and keep the Project in good repair, working order and operating condition.

The foregoing is a summary of certain covenants in the Bond Resolution. See “Appendix III - Excerpts of the Bond Resolution.”

FLOW OF FUNDS

The Bond Resolution will provide for the establishment of the following funds.

Sinking Fund

During each Fiscal Year, as the Net Revenues of the Telecommunications System and any Telecommunications System Student Fees are received and collected, they shall be segregated and deposited in the Sinking Fund, until there has been accumulated therein an amount equal to the full amount of principal and interest which will become due and payable on and prior to the next succeeding January 1 or July 1 on all Bonds then outstanding. Fifteen days prior to each January 1 and July 1, the University shall determine if the amounts on deposit in the Sinking Fund are sufficient to pay the full amount of principal and interest due on the next succeeding January 1 or July 1. The Sinking Fund shall be used solely and only and is pledged for the purpose of paying the principal of and interest on the Bonds. If at any time there is a failure to pay into the Sinking Fund the full amount and not remedied by transfers from the Debt Service Reserve Fund or the Unassigned Earnings Fund, then an amount equivalent to the deficiency shall be set apart and paid into the Sinking Fund from the Net Revenues and any Telecommunications System Student Fees as soon as available and shall be in addition to the amounts otherwise required to be paid into the Sinking Fund. If at any time the amount on deposit in the Sinking Fund is in excess of the amount required to pay all principal and interest which will become due and payable on or prior to the next succeeding January 1 or July 1, then any such excess amount shall be transferred to the Debt Service Reserve Fund or to the Unassigned Earnings Fund if the amount on deposit in the Debt Service Reserve Fund is equal to or greater than the Reserve Requirement.

Reserve Fund

There shall be initially deposited an amount equal to the Reserve Requirement in the Debt Service Reserve Fund, which, except upon the Outstanding Bonds being paid in full, defeased, or otherwise discharged, shall be maintained as long as the Bonds or Parity Bonds remain outstanding. All moneys credited to the Debt Service Reserve Fund shall be transferred to the Sinking Fund and used for the payment of the principal of and interest on the Bonds whenever for any reason the funds on deposit in the Sinking Fund are insufficient to pay such principal and interest when due. All amounts in excess of the Reserve Requirement shall be transferred to the Revenue Fund, unless the Board is furnished with an opinion of nationally recognized municipal bond counsel to the effect that such transfer is not necessary in order to preserve the exemption from federal income taxation of interest on the Bonds. If at any time there is a failure to pay into the Debt Service Reserve Fund the full amount above stipulated, or if funds on deposit in the Debt Service Reserve Fund are transferred to the Sinking Fund as above stipulated, which deficiencies are not remedied or funds replaced by transfers from the Revenue Fund, deposits shall be made into the Debt Service Reserve Fund from Net Revenues and any Telecommunications System Student Fees as soon as the same are available, but only after first making the required deposits into the Sinking Fund, until such time as the amount on deposit in the Debt Service Reserve Fund is again equal to the Reserve Requirement, except upon the Outstanding Bonds being paid in full, defeased, or otherwise discharged.

Variable Rate Bonds

Subsequent to the Outstanding Bonds being paid in full, defeased, or otherwise discharged, bonds may be issued and sold by the Board in multiple series, at such times and from time to time over a period of years, in such amounts, to such purchasers and for such purposes, by either public or private sale, at variable rates of interest as shall be prevailing at the time of issuance, but which shall not exceed an interest rate of 20% in any event, with such covenants and terms and in such form and manner as the Board shall determine to be appropriate, in its sole discretion, and in accordance with the authorizing resolution of such bonds. For purposes of this paragraph, "variable rate" means a rate of interest applicable to bonds, other than a fixed rate of interest which applies to a particular maturity of bonds, so long as that maturity of bonds remains outstanding. Such bonds will be issued in fully registered form in the denominations approved by the Board as set forth in said authorizing resolution.

Reserve Fund

Subsequent to the Outstanding Bonds being paid in full, defeased, or otherwise discharged, bonds may be issued and sold by the Board in multiple series, at such times and from time to time over a period of years, in such amounts, to such purchasers and for such purposes, by either public or private sale, without the need to fund the Reserve Fund and maintain the Reserve Fund Requirement as the Board shall determine to be appropriate, in its sole discretion, and in accordance with the authorizing resolution of such bonds. Such bonds will be issued in fully registered form in the denominations approved by the Board as set forth in said authorizing resolution. Upon the payment full, defeasance or discharge of the Outstanding Bonds, the amount then on deposit in the Reserve Fund shall be released to the University and applied in accordance with the Code

See "Appendix III - Excerpts of the Bond Resolution."

ADDITIONAL PARITY BONDS

Additional bonds on a parity with the Bonds may be issued by the Board provided, among other requirements, that an opinion by a certified public accountant not in the regular employ of the Board or the University states that the aggregate Net Revenues and any Telecommunications System Student Fees collected by the University during the last Fiscal Year for which audited financial statements are available (with adjustments as provided in the Bond Resolution) were equal to at least 120% of the maximum debt service that will come due in any Fiscal Year during the life of any of the Bonds and the Parity Bonds then outstanding. (See Appendix III for excerpts from the Bond Resolution.)

THE TELECOMMUNICATIONS SYSTEM

The Telecommunications System (the "System") for the University, including the University of Iowa Hospitals and Clinics, is operated as a separate enterprise and is self-supported from rates and charges generated from services provided to students, faculty and staff. The Information Technology Services coordinates and manages the System. The System provides integrated communications services and IT infrastructure to support all voice, video, data and compute services to meet the University's instruction, research, administration, healthcare provision and outreach needs, including the University of Iowa Hospitals and Clinics. Telecommunications facilities are provided to over 250 buildings and consists of all campus inter- and intra-building copper and fiber cable which carry all communications signals and data center spaces. The System funds its operations with fees from internal customers to cover expenses of the center.

The System includes all projected costs and demand to determine the rates and charges necessary for each service being delivered to recover these costs. University departments and colleges and the University of Iowa Hospitals and Clinics are also charged set fees and rates for usage of the System, including voice services, faxes, data links and audio-visual equipment and usage.

Financial Operations of the Telecommunications System

The System's budget is established on a fiscal year basis covering July 1 through June 30. Budget development begins approximately one year prior to the beginning of each fiscal year. During budget development, estimates are made of various input costs including: labor, materials/supplies, insurance, facility renewal and replacement items and debt service requirements. Projections of anticipated usage are made and rates are then set for each individual System component as necessary to cover operational and debt service requirements.

In accordance with prior bond resolutions, the debt service and coverage requirements are further secured by a provision which requires charging Telecommunications System Student Fees in the event that income sources fall short of producing the required amount. It is not anticipated that this source of revenue will be needed.

The financial operations of the University's Telecommunications System have historically been accounted for within the Auxiliary Funds. In accordance with the Bond Resolution, the Board is required to cause audited financial statements of the Bond funds to be prepared. The System's financial statements for the year ended June 30, 2019 are included in Note 15 – Segment Information of the University's Financial Statements, and have been audited by the State of Iowa Office of Auditor of State. The Office of Auditor of State has not been asked to make any additional review and has not consented to the use of its report in this Official Statement.

Annual summaries of the Telecommunications System Revenue Bond Funds Condensed Statements of Revenues, Expenses, and Changes in Net Assets for the years ended June 30, 2015 through June 30, 2019 are presented below. This information has been extracted from the audited financial reports of the Athletic Facilities System Revenue Bond Funds and the University.

Condensed Statements of Revenues, Expenses and Changes in Net Assets (in thousands)

	2015	2016	2017	2018	2019
Operating revenues	$27,080	$25,957	$24,378	$23,483	$23,677
Depreciation expense	(987)	(888)	(874)	(871)	(847)
Other operating expenses	(21,667)	(19,537)	(18,913)	(17,255)	(18,217)
Net operating income (loss)	4,426	5,532	4,591	5,357	4,613
Nonoperating Revenues (Expenses):	(1,202)	(1,138)	(841)	(796)	(810)
Transfers from /(to) University funds	(4,363)	(2,572)	(1,945)	(2,199)	(1,727)
Change in net position	(1,139)	1,822	1,805	2,362	2,076
Net position, beginning of year	11,052	9,913	11,735	13,540	15,902
Net position, end of year	$ 9,913	$11,735	$13,540	$15,902	$17,978

Source: Audited Financial Reports of the University.

Debt Service and Coverage

Fiscal Year Ending June 30	THE BONDS *(a)* Principal	THE BONDS *(a)* Principal & Interest *(b)*	Debt Service Outstanding Parity Bonds *(c)*		Total Debt Service	Coverage to F.Y. 2019 Net Revenues *(e)*
2020	$ -	$ -	$ 2,413,093	*(d)*	$ 2,413,093	2.40
2021	-	665,910	853,919		1,519,829	3.81
2022	-	570,780	858,019		1,428,799	4.05
2023	565,000	1,135,780	865,144		2,000,924	2.89
2024	1,030,000	1,578,180	857,144		2,435,324	2.38
2025	1,075,000	1,581,980	868,544		2,450,524	2.36
2026	1,130,000	1,593,980	868,544		2,462,524	2.35
2027	1,180,000	1,598,780	867,544		2,466,324	2.35
2028	1,235,000	1,606,580	880,544		2,487,124	2.33
2029	1,290,000	1,612,180	871,944		2,484,124	2.33
2030	1,350,000	1,620,580	881,625		2,502,205	2.31
2031	1,390,000	1,631,555	883,688		2,515,243	2.30
2032	1,435,000	1,643,890	888,250		2,532,140	2.28
2033	1,480,000	1,653,015	-		1,653,015	3.50
2034	1,530,000	1,663,055	-		1,663,055	3.48
2035	1,580,000	1,670,980	-		1,670,980	3.46
2036	1,640,000	1,686,740	-		1,686,740	3.43
Totals	$ 17,910,000	$ 23,513,965	$ 12,857,999		$ 36,371,964	

(a) Preliminary; subject to change.

(b) Projected debt service for the Bonds.

(c) As of April 21, 2020, principal on the Outstanding Parity Bonds is outstanding in the aggregate amount of $8,595,000 (excludes the Bonds and the Series 2009 Bonds.)

(d) Includes debt service due on July 1, 2020 on the Series 2009 Bonds.

(e) Fiscal Year 2019 Net Revenues of the Telecommunications System Available for Debt Service:

Operating Income	*$ 4,612,511*
Add Back: Depreciation Expense	*847,076*
Add: Investment Income	*324,685*
Net Revenues Available for Debt Service	*$ 5,784,272*

THE BOARD OF REGENTS

The Board of Regents, State of Iowa, was established as the State Board of Education in 1909. The Board was created by the General Assembly in 1955 as successor to the State Board of Education. The Board, an agency of the State of Iowa, is the governing body of The State University of Iowa at Iowa City, Iowa State University of Science and Technology at Ames, and the University of Northern Iowa at Cedar Falls. Fall 2019 records show enrollment at the three universities totaling 75,128. The Board also governs the Iowa Braille and Sight Saving School in Vinton and the Iowa School for the Deaf in Council Bluffs.

The Governor appoints members to the Board every two years subject to approval by two-thirds of the Senate of the General Assembly of the State of Iowa. The nine Board members serve six-year overlapping terms. Members can be reappointed and are selected on the basis of their qualifications to perform the duties required by the Board. Not more than five of the nine members may be of the same political party at any one time. The Board Office, under the direction of the Executive Director, is responsible for administrative functions of the Board as well as policy analysis and staff services.

Under Iowa Code Chapter 262, it is the duty of the Board to elect its own president, and appoint the president, treasurer and secretary of each institution; and employ professors, instructors, officers, and others, and fix their compensation. The Board is also empowered to make rules for admission, fix fees, direct expenditures of appropriations and other income, and adopt such rules and regulations regarding the various institutions as may be necessary.

President

Dr. Michael Richards serves as the President of the Board. Dr. Richards was elected President on May 1, 2017 and was re-elected on April 12, 2018 for a term beginning May 1, 2018 through April 30, 2020. Dr. Richards was appointed to the Board on May 6, 2016 and his term on the Board expires April 30, 2021.

Until its sale, Dr. Richards served as vice chairman and managing partner of Quatro Composites in Orange City, Iowa, which specializes in manufacturing carbon composite equipment for the aerospace and medical industries. Prior to that, Dr. Richards was Chairman of MEDTEC, a medical services and equipment company.

Dr. Richards earned his undergraduate degree from The State University of Iowa in 1970 before earning his M.D. from the University of Iowa College of Medicine in 1974. After graduation, he was in practice for more than 20 years, and during that time was president of Healthcare Preferred and the Iowa Health Physicians Medical Foundation. In addition, Dr. Richards served as chief medical officer at Iowa Health System (now UnityPoint Health).

Dr. Richards is also an active philanthropist, having served as president of the Dowling Foundation, and more recently on the Board and Executive Committee of the Minnesota Children's Hospital in Minneapolis, Minnesota.

President Pro Tem

Ms. Patricia Cownie serves as President Pro Tem of the Board. Ms. Cownie was elected President Pro Tem effective May 1, 2017 and was re-elected on April 12, 2018 for a term beginning May 1, 2018 through April 30, 2020. She was appointed to the Board on March 2, 2015 and her term on the Board expires April 30, 2021.

Ms. Cownie has been an active public servant in a large variety of central Iowa community initiatives for many years. She has served on the Board of Directors for a number of community organizations including the Des Moines Opera, St. Augustin Foundation, Mercy Hospital Foundation, Des Moines Arts Festival and Des Moines Civic Center, and is a former Drake University Board of Trustees member.

In 2011, Ms. Cownie was appointed by Governor Branstad to the Dr. Norman E. Borlaug Statue Committee for the funding, creation, and installation of a statue of Dr. Borlaug, a native Iowan, in Statuary Hall at the U.S. Capitol Building. This statue, which recognizes Dr. Borlaug's achievements in plant breeding and his significant impact on world hunger, was installed in the U.S. Capitol in March 2014.

Ms. Cownie is a 1966 graduate of The State University of Iowa where she earned a degree in sociology.

Executive Director

Mr. Mark Braun has served as the Executive Director of the Board since November 1, 2017 and has served in the Board system since October 1998. From 1998 through 2008, Mr. Braun advocated for the Board on behalf of The State University of Iowa as its State Relations Officer. Subsequently, he served as Chief of Staff and Vice President of External Relations for The State University of Iowa President Ms. Sally Mason. Mr. Braun was designated by the Board to lead its efficiency efforts as the Transformation Project Manager and Vice President for Operational Efficiency and Regulatory Analysis in 2014 and 2015. He was then appointed as the Board's Chief Operating Officer in December 2015. Mr. Braun holds a bachelor's degree in political science and a Master of Business Administration degree, with distinction, from The State University of Iowa. Additionally, he also holds a bachelor's degree in public administration.

THE STATE UNIVERSITY OF IOWA

The State University of Iowa, in Iowa City, Iowa (the "University") was established as the State's first public institution of higher education in 1847 by the First General Assembly of the State of Iowa. Together with Iowa State University of Science and Technology and the University of Northern Iowa, the Board of Regents, State of Iowa, governs The State University of Iowa.

The University was the first public university in the nation to admit men and women on an equal basis and the first to accept creative work in theater, writing, music and art as theses for advanced degrees. The University is internationally known for, among other things, its Writers' Workshop and its pioneering outer space research, with University-designed research instruments used in major missions since the 1950s. The University operates one of the nation's largest university-owned teaching hospitals. Approximately 939,000 visits are made to The State University of Iowa Hospitals and Clinics every year.

The University is guided by the precept that in no aspect of its programs shall there be differences in the treatment of persons because of race, creed, color, national origin, age, sex, and any other classifications that deprive the person of consideration as an individual, and that equal opportunity and access to facilities shall be available to all.

The University has been accredited by the North Central Association of Colleges and Secondary Schools since the association's organization in 1913. The University is a member of the Association of American Universities. Various colleges and schools of the University are members of accrediting associations in their respective fields.

President

Mr. Bruce Harreld took office as the University's 21st President on November 2, 2015. Mr. Harreld came to the University from Harvard Business School, where he served as a faculty member from 2008 to 2014. Mr. Harreld previously held a variety of positions with Kraft Foods, IBM, and Boston Market restaurants before joining Harvard's entrepreneurial and strategy units, where his work focused on innovation, corporate cultures, and management. He has a Master of Business Administration degree from Harvard University and a Bachelor of Engineering degree from Purdue University.

Senior Vice President for Finance and Operations

Mr. Rod Lehnertz was appointed Senior Vice President for Finance and Operations effective January 17, 2015. Mr. Lehnertz has been at the University since 1994. He has degrees in architecture and master's degree in Business Administration. He is a LEED certified registered architect.

Previously, Mr. Lehnertz served as the University's Director of Planning Design & Construction since 2004 where he led the development of the campus academic, student services, healthcare and athletics facilities. He was responsible for the campus master plan and space planning and is involved in Oakdale Research Park planning and development. Mr. Lehnertz has been instrumental with the flood recovery projects and assuring federal support continues for these projects.

University Chief Financial Officer and Treasurer

Mr. Terry Johnson was appointed University Chief Financial Officer and Treasurer effective January 17, 2015. Mr. Johnson has been at the University since 1993. He has served as the Associate Vice President and University Controller since 1997. Mr. Johnson has degrees in accounting and Master's degree in Business Administration.

Mr. Johnson is a registered CPA and served as an international consultant based in Omaha, Nebraska before joining the University in 1993 to help lead the development of the University's financial management systems. He has been active in Treasurer functions during most of that time.

Campus and Facilities

The Iowa City campus is located on 1,900 acres of rolling land along the Iowa River. Approximately 90 major buildings comprise the campus. In addition to the Iowa City campus, there are University research and field study facilities at nearby Oakdale and at the Macbride Nature Recreation Area north of Iowa City.

In Spring 2017, the University of Iowa opened its new Stead Family Children's Hospital dedicated to providing state-of-the-art care for Iowa's sickest pediatric patients. This fourteen-story facility cost $360 million to construct and houses inpatient rooms, operating rooms, outpatient services and support functions. Much notoriety was garnered during the 2017 football season for "The Wave" in which patrons attending home football games turn and wave to pediatric patients, family members, friends and health care providers watching the football game from the fourteenth floor observation deck in the Stead Family Children's Hospital.

Other recently completed projects include construction of:

- an addition to the Seamans Center for the Engineering Arts and Sciences Building providing additional teaching and research labs, an engineering design studio, student study and support areas, two additional classrooms, meeting and faculty areas and dry laboratories opened in 2017;
- fit out of the space in the basement of the new John and Mary Pappajohn Biomedical Discovery Building for the vivarium was completed in 2017;
- a new consolidated Heart and Vascular center was completed in the John Pappajohn Pavilion for UIHC in 2017;
- a reconfiguration of study rooms, common space, tutoring areas and computer labs to better meet student athlete needs was completed in the Russell and Ann Gerdin Athletic Learning Center in 2018;
- conversion of Riverside Recital Hall for the University of Iowa Center for Advancement Services was completed in 2018;
- the construction of the new 12 story Elizabeth Catlett Residence Hall adding resident space for over 1,000 students, dining, laundry and study rooms was completed in 2017; and

- the John E. Eckstein Medical Research Building renovation to provide updated flexible laboratory space and support collaboration between researchers within Carver College of Medicine was completed in 2018.

The University holds $2 billion in commercial property insurance coverage, including $250 million in flood insurance coverage.

Academic Information

During the 2018-2019 academic year, 7,988 degrees were awarded by the University: 5,782 bachelor's degrees; 465 professional degrees; 1,323 master's degrees; and 418 doctorates.

Applicants for undergraduate admission must submit their secondary school official transcript, certificate of graduation and ACT or SAT scores.

For students entering in fall 2009 or later, the Board has established a Regent Admission Index (RAI) based on a statistical formula that combines four factors:

- High school rank;
- High school grade point average;
- Performance on standardized tests (ACT or SAT); and
- Number of high school courses completed in the core subject areas.

Students with an RAI of 245 or higher will automatically be admitted. Students with an RAI of less than 245 may be admitted based on the individual review process of each Regent university. Details of the calculation of the RAI are available at the Board's website, (www.iowaregents.edu). Non-residents must meet at least the same requirements as resident applicants and may be held to higher academic standards. At its February 2015 meeting, the Board approved an alternative formula for the RAI to be used for Iowa high school students without a high school rank.

Prior to adoption of the index, graduates of approved Iowa high schools who ranked in the upper one half of their graduating class and met the subject matter requirements were admitted. Graduates who did not rank in the upper one half of their class or graduated from non-approved high schools were also admitted upon certain conditions.

Instruction is offered throughout the year. The academic year is divided into two semesters of approximately 16 weeks each. The University also conducts a summer session with terms of three, six, and eight weeks; an Independent Study Unit from one to three additional weeks for students in the Graduate College, and the College of Law; and a three week winter session from late December into January.

Tuition and Mandatory Fees

Tuition and mandatory fees per academic year charged to full-time students at the University:

	2016-17		2017-18		2018-19		2019-20	
	Res.	Non-Res.	Res.	Non-Res.	Res.	Non-Res.	Res.	Non-Res.
Undergraduate	$ 8,575	$28,813	$ 8,965	$30,609	$ 9,267	$31,233	$ 9,606	$31,569
Graduate	10,357	27,961	10,960	29,696	11,336	30,277	11,666	30,613
Law	24,930	43,214	26,457	45,917	27,344	46,824	28,151	47,766
Dentistry	42,813*(a)*	66,933*(a)*	45,509*(b)*	71,181*(b)*	46,408*(c)*	72,594*(c)*	50,792*(d)*	75,930*(d)*
Medicine	35,571	53,503	37,645	57,299	37,659	58,434	37,769	58,544

(a) For students entering fall 2016.

(b) For students entering fall 2017.

(c) For students entering fall 2018.

(d) For students entering fall 2019.

Tuition and fees are set annually by the Board and include mandatory technology, health, health facility, student activities, student services, and building fees. Other fees for which a student will be charged include parking permits, laboratory fees, and fees pertaining to the student's course of study.

Tuition and Mandatory Fee Comparison

Following is a comparison of 2019-20 tuition and mandatory student fees at the thirteen public Big Ten institutions.

Undergraduate

	Rank	Resident	Rank	Non Resident
Pennsylvania State University	1	$ 18,450	6	$ 35,514
University of Illinois	2	$ 16,210	7	$ 33,352
University of Michigan	3	$ 15,558	1	$ 51,200
Rutgers University	4	$ 15,407	9	$ 32,189
University of Minnesota	5	$ 15,027	8	$ 33,325
Michigan State University	6	$ 14,460	2	$ 39,766
The Ohio State University	7	$ 11,084	10	$ 32,061
Indiana University	8	$ 10,948	5	$ 36,512
University of Maryland	9	$ 10,779	4	$ 36,891
University of Wisconsin	10	$ 10,725	3	$ 37,785
Purdue University	11	$ 9,992	12	$ 28,797
University of Iowa	**12**	**$ 9,606**	**11**	**$ 31,569**
University of Nebraska	13	$ 9,365	13	$ 25,806

Graduate

	Rank	Resident	Rank	Non Resident
University of Michigan	1	$ 24,218	1	$ 48,532
Pennsylvania State University	2	$ 22,994	3	$ 38,728
Rutgers University	3	$ 19,983	8	$ 32,391
University of Minnesota	4	$ 19,221	10	$ 28,845
University of Maryland	5	$ 19,180	2	$ 40,636
Michigan State University	6	$ 18,858	4	$ 37,056
University of Illinois	7	$ 17,420	7	$ 32,438
The Ohio State University	8	$ 12,425	5	$ 36,009
University of Wisconsin	9	$ 12,179	12	$ 25,506
University of Iowa	**10**	**$ 11,666**	**9**	**$ 30,613**
Indiana University	11	$ 10,873	6	$ 33,304
Purdue University	12	$ 9,992	11	$ 28,797
University of Nebraska	13	$ 9,670	13	$ 24,742

Dentistry

	Rank	Resident	Rank	Non Resident
University of Minnesota	1	$ 56,913	1	$ 98,502
University of Iowa	**2**	**$ 50,792**	**4**	**$ 75,930**
University of Nebraska	3	$ 44,217	2	$ 86,916
University of Michigan	4	$ 42,880	5	$ 66,760
The Ohio State University	5	$ 37,205	3	$ 79,625

Law

	Rank	Resident	Rank	Non Resident
University of Michigan	1	$ 61,854	1	$ 64,854
Pennsylvania State University	2	$ 50,980	4	$ 50,980
University of Minnesota	3	$ 45,808	3	$ 54,664
University of Illinois	4	$ 39,563	5	$ 49,563
Indiana University	5	$ 35,622	2	$ 55,372
The Ohio State University	6	$ 31,449	7	$ 46,401
Rutgers University	7	$ 28,910	9	$ 42,220
University of Iowa	**8**	**$ 28,151**	**6**	**$ 47,766**
University of Wisconsin	9	$ 25,687	8	$ 44,384
University of Nebraska	10	$ 15,238	10	$ 35,008

Medicine

	Rank	Resident	Rank	Non Resident
Pennsylvania State University	1	$ 51,032	9	$ 51,032
Michigan State University	2	$ 46,968	1	$ 87,099
Rutgers University	3	$ 45,293	2	$ 67,709
University of Minnesota	4	$ 41,476	4	$ 58,621
University of Illinois	5	$ 40,260	10	$ 49,624
University of Michigan	6	$ 39,744	3	$ 59,062
University of Iowa	**7**	**$ 37,769**	**5**	**$ 58,544**
University of Wisconsin	8	$ 37,718	8	$ 51,653
University of Nebraska	9	$ 35,323	6	$ 56,661
The Ohio State University	10	$ 30,637	7	$ 54,415

Notes: *Rates shown are for new, entering students. All of the public Big Ten universities assess additional fees, beyond those shown above, for undergraduates enrolled in specific academic programs, such as engineering and business. Sources: AAUDE Survey of Academic Year Tuition & Required Fees at AAU Public Universities and the University of Virginia Survey of Academic Year Tuition and Required Fees. The undergraduate tuition rates for the University of Michigan and Michigan State University are averages of multiple tuition structures.*

Student Enrollment - Fall Head Count, Historic

Historic:	2015	2016	2017	2018	2019
Undergraduate:					
Lower Division*	12,476	13,543	12,822	11,304	11,079
Upper Division	10,881	10,933	11,681	12,685	12,403
Total Undergraduate	23,357	24,476	24,503	23,939	23,482
Professional, Graduate and Postdoctoral	8,793	8,858	9,061	8,959	9,053
Total Enrollment	32,150	33,334	33,564	32,948	32,535

* *Includes unclassified students.*

Student Enrollment - Fall Head Count, Projected

Projected:	2020	2021
Undergraduate:		
Lower Division*	11,210	11,386
Upper Division	11,822	11,280
Total Undergraduate	23,032	22,666
Professional, Graduate and Postdoctoral	8,961	8,951
Total Enrollment	31,993	31,617

* *Includes unclassified students.*

Student Enrollment - Fall Full-Time Equivalents (FTE's)

	2015	2016	2017	2018	2019
Undergraduate:					
Lower Division*	11,179	12,082	11,713	10,843	10,677
Upper Division	9,973	10,014	10,765	11,750	11,449
Total Undergraduate	21,152	22,096	22,478	22,593	22,126
Professional, Graduate	6,997	7,192	7,389	7,608	7,151
Total Enrollment	28,149	29,288	29,867	30,201	29,277

* *Includes unclassified students.*

Geographic Distribution of Fall 2019 Student Body

Place of Origin	Freshman Class	All Students
Iowa	2,776	19,712
Illinois	1,362	5,595
Minnesota	151	715
Wisconsin	138	580
Missouri	59	259
California	52	440
Colorado	38	160
Texas	33	216
Nebraska	24	141
Indiana	18	123
Other States	215	1,998
Foreign Countries	120	2,567
U.S. Territories	2	29
Total	4,988	32,535

Freshman Applications, Admissions and Enrollments

	Enrolled 2015/16	Enrolled 2016/17	Enrolled 2017/18	Enrolled 2018/19	Enrolled 2019/20
Applications	26,222	28,525	27,736	26,649	25,928
Acceptance	21,171	23,996	23,864	22,020	21,404
% Accepted	80.7%	84.1%	86.0%	82.6%	82.6%
Enrolled	5,241	5,643	5,029	4,805	4,988
% Enrolled to Accepted	24.8%	23.5%	21.1%	21.8%	23.3%
Mean ACT Score	25.4	25.6	25.6	25.6	25.5

Faculty and Staff

As of February 1, 2020, the University employed 18,305 regular employees, 3,384 temporary employees, and 3,260 student employees. The numbers represent full-time equivalents (FTEs) and not head-counts.

Faculty by rank for the 2019-20 academic year, projected as of August 12, 2019:

Rank	Total	Number Tenured	Percent Tenured
Professor(a)	725	723	99.72%
Associate Professor(a)	462	437	94.59%
Assistant Professor(a)	274	0	--
Instructor(a)	42	0	--
Lecturer(b)	548	0	--
Associate(b)	244	0	--
Assistant in Instruction(b)	19	0	--
Total	2,314	1,160	50.13%

(a) *Tenured and tenure track faculty only.*

(b) *Non-tenure track faculty.*

Labor Contracts

The University of Iowa merit employees are covered by four American Federation of State, County and Municipal Employees ("AFSCME") state-wide bargaining units:

Unit	Number of Employees As of February 1, 2020
Blue Collar	1,538
Clerical	1,041
Security	84
Technical	1,873
Total	4,536

Bargaining unit employees at the University and other Board of Regents institutions are covered, along with similar employees of other state agencies, under a single state-wide collective bargaining agreement between AFSCME and the State of Iowa.

The contract for fiscal years 2020 (begins July 1, 2019) and 2021 provide for an increase of two and one-tenth percent (2.1%) on July 1, 2019 (FY 2020) and two and one-tenth percent (2.1%) on July 1, 2020 (FY 2021).

The Service Employees International Union ("SEIU") represents the University of Iowa's tertiary health care professional and scientific employees bargaining unit:

Unit	Number of Employees As of February 1, 2020
Tertiary Health Care	3,901

The tertiary health care unit employees at the University also negotiate with the Board of Regents, State of Iowa. The bargaining unit was first organized and went into effect July 1, 1999. The contract for fiscal years 2020 (began July 1, 2019) and 2021 provide for an increase of two and one-tenth percent (2.1%) on July 1, 2019 (FY 2020) and two and one-tenth percent (2.1%) on July 1, 2020 (FY 2021). The UIHC-employee component of this agreement is essentially funded by UIHC generated revenues.

The University of Iowa graduate assistant bargaining unit is represented by UE/COGS:

Unit	Number of Employees As of February 1, 2020
Graduate Assistants	1,956

Graduate Assistant bargaining unit employees at the University are covered under a single collective bargaining agreement between UE/COGS and the Board of Regents, State of Iowa. The contract for fiscal years 2020 (begins July 1, 2019) and 2021 provides for a minimum stipend paid under the terms of the contract increases by two and one-tenth percent (2.1%) in the first year and by two and one-tenth percent (2.1%) in the second year. The university also provides for one hundred percent (100%) tuition scholarship based upon resident tuition in the College of Liberal Arts & Sciences and the College of Education, with a 50% contribution of mandatory fees.

Employee Pensions

Teachers Insurance and Annuity Association

Substantially all permanent employees of the University participate in Teachers Insurance and Annuity Association (TIAA), a national organization used to fund pension benefits for educational institutions. Under this defined contribution plan, the University and plan participants make annual contributions to TIAA to purchase individual annuities equivalent to retirement benefits earned. The University's required and actual contribution to TIAA was $122,265,000 for the year ended June 30, 2019.

Iowa Public Employees' Retirement System

The University also contributes to the Iowa Public Employees' Retirement System (IPERS), a state-wide multiple-employer cost sharing, defined benefit public employee retirement system administered by the State of Iowa. The University recognizes a liability equal to its proportionate share of the IPERS net pension liability. As of June 30, 2019, the University recognized a net pension liability of $103,114,000 for its 1.6294245% proportionate share of the IPERS net pension liability. The University's contribution requirement to IPERS for the fiscal year ended June 30, 2019 was $12,399,000.

Other Postemployment Benefits

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

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

The contribution requirements of plan members are established and may be amended by the University. Benefits are financed centrally by the University on a pay-as-you-go basis. Health insurance total expenditures for fiscal year 2019 was $5,716,000 with 1,765 eligible participants as of June 30, 2019. Life insurance total expenditures for fiscal year 2019 was $35,000, with 2,568 eligible participants as of June 30, 2019.

The University's total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date. The University recognized a net OPEB liability of $146.2 million for fiscal year 2019.

Outstanding Debt of the University

The University has the following long-term debt outstanding as of April 22, 2020, adjusted to include the Bonds and the S.U.I. 2020 Athletics Bonds and exclude the Series 2009 Bonds and the S.U.I. 2010 Athletics Bonds.

Academic Building Revenue Bonds:	Outstanding
$15,200,000 Refunding Series S.U.I. 2005; dated April 1, 2005; final maturity July 1, 2020	$ 640,000
$9,945,000 Series S.U.I. 2010; dated April 1, 2010; final maturity July 1, 2033	8,185,000
$26,830,000 Series S.U.I. 2012; dated November 1, 2012; final maturity July 1, 2033	23,530,000
$18,780,000 Refunding Series S.U.I. 2013; dated September 1, 2013, final maturity July 1, 2024	9,575,000
$30,100,000 Series S.U.I. 2013A; dated October 1, 2013, final maturity July 1, 2036	26,690,000
$27,500,000 Series S.U.I. 2014; dated June 1, 2014, final maturity July 1, 2035	22,930,000
$24,560,000 Series S.U.I. 2014A; dated November 1, 2014, final maturity July 1, 2035	20,755,000
$14,055,000 Series S.U.I. 2015; dated November 1, 2015, final maturity July 1, 2036	12,430,000
$19,785,000 Refunding Series S.U.I. 2016; dated June 1, 2016; final maturity July 1, 2028	15,530,000
$23,640,000 Refunding Series S.U.I. 2016A; dated August 1, 2016; final maturity July 1, 2030	19,395,000
Total	$159,660,000

The Academic Building Revenue Bonds are secured by and payable solely from gross student fees and charges collected by the University and institutional income received by the University.

Athletic Facilities Revenue Bonds[a]:	Outstanding
$20,885,000 Refunding Series S.U.I. 2015; dated April 1, 2015; final maturity July 1, 2031	$ 16,900,000
$19,315,000 Refunding Series S.U.I. 2015A; dated June 1, 2015; final maturity July 1, 2030	15,785,000
$12,130,000 Refunding Series S.U.I. 2015B (Taxable) dated September 1, 2015; final maturity July 1, 2031	9,525,000
$21,135,000 Refunding Series S.U.I. 2015C (Taxable); dated November 1, 2015; final maturity July 1, 2031	16,505,000
$19,755,000 Refunding Series S.U.I. 2015D (Taxable); dated November 1, 2015; final maturity July 1, 2031	15,385,000
$31,685,000 Series S.U.I. 2017; dated November 1, 2017; final maturity July 1, 2037	29,345,000
$22,075,000 Refunding Series S.U.I. 2017A; dated November 1, 2017; final maturity July 1, 2035	19,980,000
$32,905,000 Series S.U.I. 2018; dated May 1, 2018; final maturity July 1, 2038	31,750,000
$28,965,000 Series S.U.I. 2018A; dated December 1, 2018; final maturity July 1, 2038	27,580,000
The Concurrent Financing: $14,695,000[b] Refunding Series S.U.I. 2020; dated May 1, 2020; final maturity July 1, 2036	**14,695,000**[b]
Total	$197,450,000

(a) Excludes the S.U.I. 2010 Athletics Bonds.

(b) Preliminary; subject to change.

The Athletic Facilities Revenue Bonds are payable from net revenues of the system of Athletic Facilities and from student fees.

Dormitory Revenue Bonds:	Outstanding
$20,015,000 Refunding Series S.U.I. 2010; dated March 1, 2010; final maturity July 1, 2021	$ 4,165,000
$5,120,000 Refunding Series S.U.I. 2011; dated April 1, 2011; final maturity July 1, 2020	665,000
$16,340,000 Refunding, Series S.U.I. 2012; dated June 28, 2012; final maturity July 1, 2024	7,705,000
$29,000,000 Series S.U.I. 2012A; dated August 1, 2012; final maturity July 1, 2033	21,875,000
$27,935,000 Series S.U.I. 2014; dated February 1, 2014; final maturity July 1, 2034	22,225,000
$34,680,000 Series S.U.I. 2015; dated September 1, 2015; final maturity July 1, 2040	34,280,000
$34,450,000 Series S.U.I. 2016; dated October 1, 2016; final maturity July 1, 2041	34,450,000
$28,485,000 Series S.U.I. 2017; dated March 1, 2017; final maturity July 1, 2042	28,285,000
Total	$153,650,000

The Dormitory Revenue Bonds are secured by and payable solely from the net rents, profits and income from the operation of the Dormitory and Dining System of the University.

Hospital Revenue Bonds:	Outstanding
$30,000,000 Series S.U.I. 2010; dated November 1, 2010; final maturity September 1, 2036	$ 23,300,000
$26,800,000 Series S.U.I. 2011; dated October 1, 2011; final maturity September 1, 2032	19,575,000
$20,355,000 Refunding Series S.U.I. 2011A; dated November 1, 2011; final maturity September 1, 2028	12,045,000
$190,000,000 Series S.U.I. 2012; dated October 1, 2012; final maturity September 1, 2038	157,900,000
$29,000,000 Refunding Series S.U.I. 2016; dated May 1, 2016; final maturity September 1, 2027	22,180,000
$23,860,000 Refunding Series S.U.I. 2016A; dated June 1, 2016; final maturity September 1, 2028	18,590,000
$32,665,000 Series S.U.I. 2018; dated June 1, 2018; final maturity September 1, 2043	32,340,000
$42,475,000 Series S.U.I. 2019; dated March 1, 2019; final maturity September 1, 2039	42,475,000
Total	$328,405,000

The Hospital Revenue Bonds are payable solely from gross income and funds received by the University's Hospital System, excluding State of Iowa appropriations to the University or the Hospital System.

Iowa Memorial Union Revenue Bonds:	Outstanding
$6,420,000 Refunding Series S.U.I. 2014; dated May 1, 2014; final maturity July 1, 2025	$3,840,000

The Iowa Memorial Union Revenue Bonds are payable from net revenues of the Iowa Memorial Union System, including student fees.

Parking System Revenue Bonds:	Outstanding
$12,010,000 Refunding Series S.U.I. 2013; dated January 1, 2013; final maturity July 1, 2025	$ 6,440,000
$25,000,000 Series S.U.I. 2013A; dated March 1, 2013; final maturity July 1, 2040	22,200,000
$20,000,000 Series S.U.I. 2014; dated April 1, 2014; final maturity July 1, 2040	17,695,000
Total	$46,335,000

The Parking System Revenue Bonds are payable from net rents, profits and income derived from the operation of the Parking System of The State University of Iowa.

Recreational Facilities Revenue Bonds:	Outstanding
$18,650,000 Refunding Series S.U.I. 2017; dated January 1, 2017; final maturity July 1, 2034	$16,490,000
$20,625,000 Refunding Series S.U.I. 2017A; dated March 1, 2017; final maturity July 1, 2034	18,435,000
$20,685,000 Refunding Series S.U.I. 2017B; dated July 1, 2017; final maturity July 1, 2034	19,370,000
Total	$54,295,000

The Recreational Facilities Revenue Bonds are payable solely from revenue from Recreational Student Fees and net revenues of the Recreational Facilities System.

Telecommunications Facilities Revenue Bonds[(a)]:	Outstanding
$11,830,000 Series S.U.I. 2011; dated April 1, 2011; final maturity July 1, 2032	$ 8,595,000
The Current Financing: $17,910,000[(b)] Refunding Series S.U.I. 2020; dated May 1, 2020; final maturity July 1, 2036	**17,910,000**[(b)]
Total	$26,505,000

(a) Excludes the Series 2009 Bonds.

(b) Preliminary; subject to change.

The Telecommunications Facilities Revenue Bonds are payable solely from net revenues of the Telecommunications System and any Telecommunications System Student Fees that may be charged.

Utility System Revenue Bonds:

The University has entered into a public-private partnership with the consortium of ENGIE/Meridiam to operate and manage the University's utility system for 50 years. In connection with said partnership, the University's outstanding utility system revenue bonds were defeased concurrent with completion of the financial close which occurred on March 10, 2020.

Bond-Financed Lease Obligations

The University is obligated under leases between the Board and the Corporation, an Iowa nonprofit corporation, to make lease payments sufficient to pay debt service on the following Corporation Bonds outstanding as of April 22, 2020:

College of Public Health Revenue Bonds:	Outstanding
$20,925,000 Series 2010; dated March 1, 2010; final maturity June 1, 2030	$13,365,000

The bonds were issued to finance a portion of the costs of constructing and equipping the College of Public Health Academic Building. The lease is payable from general operating revenues of the University.

John and Mary Pappajohn Biomedical Discovery Building Project Revenue Bonds:	Outstanding
$28,000,000 Series 2011; dated August 1, 2011; final maturity June 1, 2037	$22,405,000
$27,000,000 Series 2012; dated August 1, 2012; final maturity June 1, 2038	22,175,000
Total	$44,580,000

The bonds were issued to finance a portion of the cost of constructing and equipping of the John and Mary Pappajohn Biomedical Discovery Building. The lease is payable from general operating revenues of the University.

Medical Education and Biomedical Research Facility Project Revenue Bonds:	Outstanding
$15,315,000 Refunding Series 2008; dated June 1, 2008; final maturity June 1, 2020	$1,390,000
$14,820,000 Refunding Series 2009; dated May 1, 2009; final maturity June 1, 2020	1,395,000
$4,075,000 Refunding Series 2009A; dated November 1, 2009; final maturity June 1, 2020	420,000
$5,555,000 Refunding Series 2011; dated October 1, 2011; final maturity June 1, 2023	2,075,000
Total	$5,280,000

The bonds were issued to finance a portion of the cost of a new College of Medicine Medical Education and Biomedical Research Facility. The lease is payable from general operating revenues of the University.

Museum of Art Project Revenue Bonds:	Outstanding
$30,150,000 Series 2019; dated October 1, 2019; final maturity June 1, 2050	$30,150,000

The bonds were issued to finance a portion of the costs of constructing and equipping a new museum of art on the University campus. The lease is payable from general operating revenues of the University.

Old Capitol Town Center Revenue Bonds:	Outstanding
$7,970,000 Refunding Series 2014; dated May 1, 2014; final maturity June 1, 2025	$ 4,535,000
$18,675,000 Refunding Series 2015; dated April 1, 2015; final maturity June 1, 2031	14,820,000
Total	$19,355,000

The bonds were issued to finance the construction and equipping of office space and classrooms in the Old Capitol Town Center building. The lease is payable from general operating revenues of the University.

Roy J. and Lucille A. Carver Biomedical Research Building Project Revenue Bonds:	Outstanding
$7,350,000 Refunding Series 2010; dated June 1, 2010; final maturity June 1, 2028	$ 4,280,000
$12,555,000 Refunding Series 2012; dated March 1, 2012; final maturity June 1, 2028	7,935,000
$22,795,000 Refunding Series 2012A; dated May 1, 2012; final maturity June 1, 2030	15,480,000
Total	$27,695,000

The bonds were issued to finance the construction and equipping of the Roy J. and Lucille A. Carver Biomedical Research Building. The lease is payable from general operating revenues of the University.

Lease and Loan Agreements

Master Lease Agreement

The Board of Regents, on behalf of the University, has entered into a Master Lease Agreement whereby the University, Iowa State University of Science and Technology, and the University of Northern Iowa may from time to time finance real and personal property over a three to ten-year term on an annual appropriation lease basis. As of February 1, 2020, the University has $15,453,000 outstanding under the Master Lease Agreement and similar note financing agreements.

Capital Lease Obligations

The following is a schedule by year of future minimum payments required for capital lease obligations of the University.

Year(s) ending June 30	Total (in 000s)
2020	$ 1,604
2021	1,605
2022	1,606
2023	1,854
2024	1,831
2025-2029	8,783
2030-2034	3,559
2035	81
Total	$20,923*

* *This total includes $19,800 of future minimum payments required for capital lease obligations of the University of Iowa Hospitals and Clinics for the Parking structure – Iowa River Landing.*

Investment of University Funds

The cash of the University as of June 30, 2019 was FDIC insured or covered by the State Sinking Fund in accordance with the Code of Iowa. The bank and book balances were $267,968,000 and $234,894,000, respectively.

In accordance with Iowa Code 262.14(3), University of Iowa balances are invested to preserve principal, ensure liquidity sufficient for anticipated needs, and maintain purchasing power of investable assets while obtaining a reasonable return for a prudent level of risk. It is the intention that all investment pools be broadly diversified among asset classes as much as possible. Diversification by the number of individual securities, industry, economic sector, and within governmental issues is viewed as desirable. Iowa Code Section 12B.10 provides a framework of permitted investments including investments authorized for the Iowa Public Employee Retirement System, further defined in Iowa Code Section 97B.7A, that provides for investments in assets of every kind of property and investment which persons of prudence, discretion, and intelligence acquire or retain for their own account. However, short-term operating funds consisting of cash which is needed to meet underlying cash requirements of the institutions have investment restrictions that limit effective maturities (weighted average life) to 63 months. As of June 30, 2019, the total fair value of University of Iowa investments was $2,254,744,000.

Financial Statements

The University's Fiscal Year ends on June 30. The University's financial statements are presented on the accrual basis of accounting. The Statements of Revenues, Expenses and Changes in Net Position for the Fiscal Years ending June 30, 2014 through 2019 are presented on the following page. These statements have been audited by the State of Iowa Office of Auditor of State. The Office of Auditor of State has not been asked to make any additional review and has not consented to the use of its report in this Official Statement.

Statement of Revenues, Expenses, and Changes in Net Position
For Fiscal Years Ended June 30, 2015 through 2019
(in thousands)

	2015	2016	2017	2018	2019
OPERATING REVENUES					
Student tuition and fees, net of scholarship allowance	$ 377,837	$ 379,141	$ 399,094	$ 430,515	$ 431,273
Federal grants and contracts	276,235	275,047	279,120	281,944	291,726
State and other governmental grants and contracts	15,491	15,498	15,103	13,655	12,698
Nongovernmental grants and contracts	42,219	53,150	50,775	50,142	49,633
Patient services, net of adjustments	1,611,592	1,789,411	1,846,448	2,040,227	2,237,228
Sales and services of educational departments	98,938	108,375	108,532	104,866	111,322
Interest on student loans	714	709	691	693	732
Auxiliary enterprises, net of scholarship allowance	180,636	197,017	216,339	222,021	232,042
Other operating revenues	31,688	41,240	34,246	32,710	37,721
Total Operating Revenues	2,635,350	2,859,588	2,950,348	3,176,773	3,404,375
OPERATING EXPENSES					
Instruction	352,679	337,258	341,804	349,683	358,207
Research	294,655	332,210	330,330	334,689	334,256
Public service	87,622	93,171	91,620	90,402	91,934
Academic support	164,642	181,398	226,382	152,985	150,416
Patient services	1,343,804	1,508,948	1,621,651	1,848,906	1,967,510
Student services	36,504	35,708	40,924	36,867	42,421
Institutional support	75,059	54,484	63,792	56,313	59,237
Operation and maintenance of plant	75,431	78,174	85,224	84,244	81,420
Scholarships and fellowships	30,516	30,234	31,235	32,078	33,526
Depreciation and amortization	182,762	196,888	226,653	247,336	250,635
Auxiliary enterprises	172,792	182,133	203,168	203,316	209,885
Other operating expenses	42,286	44,563	42,098	48,806	49,987
Total Operating Expenses	2,858,752	3,075,169	3,304,881	3,485,625	3,629,434
Operating Income (Loss)	(223,402)	(215,581)	(354,533)	(308,852)	(225,059)
NONOPERATING REVENUES (EXPENSES)					
State appropriations	247,258	247,258	239,325	227,289	231,134
Federal grants and contracts	17,081	17,310	18,183	20,240	20,476
Investment income, net of investment expenses	18,567	43,730	113,405	65,192	120,589
Gifts	82,034	88,939	109,179	97,209	101,565
Interest expense	(33,319)	(31,378)	(32,540)	(37,849)	(41,618)
Gain (loss) on disposal of capital assets	(2,141)	(5,573)	(5,328)	(5,204)	(13,616)
Net Nonoperating Revenues (Expenses)	329,480	360,286	442,224	366,877	418,530
Income Before Other Revenues	106,078	144,705	87,691	58,025	193,471
OTHER REVENUES					
Capital appropriations, State	18,282	19,383	20,611	52,994	32,295
Capital contributions and grants	4,951	15,694	33,582	10,496	28,430
FEMA reimbursement for capital costs, net of expenses	140,106	74,162	2,149	1,843	-
Other - OPEB benefit change	-	-	-	465,008	-
Net Other Revenues	163,339 -	109,239 -	56,342 -	530,341	60,725
Increase in Net Position	269,417	253,944	144,033	588,366	254,196
NET POSITION					
Net position, beginning of year	3,526,178 *	3,798,693 *	4,052,637	3,740,710 *	4,329,076
Net position, end of year	$ 3,795,595	$ 4,052,637	$ 4,196,670	$ 4,329,076	$ 4,583,272

** As restated.*

Source: Audited Financial Statements of the University.

RISK FACTORS

Potential Impacts Resulting from Coronavirus (COVID-19)

On March 11, 2020, the World Health Organization proclaimed the Coronavirus (COVID-19) to be a pandemic. In an effort to lessen the risk of transmission of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19, affecting business activities and impacting global, state and local commerce and financial markets.

In an effort to mitigate the impact of COIVD-19, the University has taken the following steps: (i) suspended in-person classes for the remainder of the Spring semester with all instruction being delivered virtually, (ii) students residing in residence halls have been asked to return to their permanent residences or make alternative housing arrangements, (iii) cancelled its Spring 2020 commencement ceremonies, and (iv) nearly all campus events for the current academic year have been or will be cancelled or postponed. The University remains open with minimal staff on site to ensure safety and continuity for essential services.

The continued impact of COVID-19 on social interaction, travel, economies and financial markets may adversely affect University finances and operations. It may materially adversely affect (i) the ability of the University to conduct its operations and/or may materially adversely affect the cost of operations and the revenues generated thereby, and (ii) the returns on and value of the University's investment portfolio. The full impact of COVID-19 and the scope of any adverse impact on University finances and operations cannot be fully determined at this time.

The University continues to carefully monitor developments and the directives of federal, state, and local officials to determine what additional precautions and procedures may need to be implemented by the University in response to the pandemic.

The University is not refunding students' tuition for the Spring 2020 semester, but it will refund, on a prorated basis, several fees including:

- Room and Board: Refund prorated March 19 to May 16
- Recreation Fee: Refund prorated from March 23 to May 16
- Arts & Cultural Events Fee: Refund prorated from March 23 to May 1

The University has not charged a student fee to support the Bonds; however, a back-up student fee is pledged in the event the Net Revenues of the System are inadequate to maintain compliance with the various covenants set forth in the Bond Resolution. In light of the unknown risks associated with COVID-19, it is impossible to predict the economic effects upon the University or the System as a result of COVID-19.

The Board has requested the University prepare several different financial impact scenarios that could result from the COVID-19 crisis. Certain worse case scenarios, if materialized, would have a material adverse impact on the University and the System. See "APPENDIX V - COVID-19 Impact Scenarios" herein for additional information.

Factors Affecting the Financial Performance of the System

Re-payment of the Bonds is subject to a variety of risks. The Bonds are payable solely from the Net Revenues of the System. No representation or assurance can be given that the System will realize Net Revenues in amounts sufficient to make payments with respect to the Bonds. One or more of the following factors or events, or the occurrence of other unanticipated factors or events, could adversely affect the System's operations and financial performance to an extent that cannot be determined at this time.

Cybersecurity

The University relies on its information systems to provide security for processing, transmission and storage of confidential and other sensitive information. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the University and the services it provides, or the unauthorized access to or disclosure of personally identifiable information and other confidential or sensitive information. Despite security measures, the University may remain vulnerable to attacks by outside or internal hackers, or breaches caused by employee error, negligence or malfeasance. Any failure to maintain proper functionality and security of the University's information systems could interrupt the University's operations, damage its reputation, subject it to significant costs, liability claims or regulatory penalties, and could have a material adverse effect on the operations and financial condition of the University and the System. The University does not purchase cybersecurity insurance.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, secondary marketing practices trading of the Bonds may be suspended or terminated. Additionally, prices of bonds or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

Ratings Loss

Moody's Investors Services, Inc. ("Moody's") and S&P Global Ratings ("S&P) have assigned ratings of "Aa1" and "AA", respectively, to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that a rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Moody's or S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

DTC-Beneficial Owners

Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through Indirect Participants. Neither the Board nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, Indirect participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See "THE BONDS - Book Entry System."

Other Factors

An investment in the Bonds involves an element of risk. To identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

LITIGATION

The Board and the University are not aware of any threatened or pending litigation affecting the validity of the Bonds, or of any threatened or pending litigation that is expected to materially impact the University's ability to meet their respective financial obligations with respect to the System.

RATINGS

Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York and S&P Global Ratings ("S&P"), 55 Water Street, New York, New York have assigned ratings of "Aa1" and "AA", respectively, to the Bonds. The ratings reflect only the opinion of Moody's or S&P. Any explanation of the significance of the ratings may be obtained only from Moody's or S&P.

There is no assurance that a rating will continue for any given period of time, or that such rating will not be revised or withdrawn if, in the judgment of Moody's or S&P, circumstances so warrant. A revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

The Board has retained Baker Tilly Municipal Advisors, LLC, of Saint Paul, Minnesota as municipal advisor in connection with certain aspects of the issuance of the Bonds. In preparing this Official Statement, Baker Tilly Municipal Advisors, LLC has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for this Official Statement. Baker Tilly Municipal Advisors, LLC has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. Baker Tilly Municipal Advisors, LLC is an independent advisory firm, registered as a municipal advisor, and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LEGALITY

The Bonds are subject to approval as to certain matters by Ahlers & Cooney, P.C., as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

TAX EXEMPTION

In the opinion of Ahlers & Cooney, P.C., Bond Counsel, subject to continuing compliance by the Board and the University with certain tax covenants, under existing statutes, regulations, rulings, and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain restrictions on the use and investment of proceeds of the Bonds and causes certain federal income tax consequences to owners of the Bonds. A brief summary of certain provisions of the Code follows. A prospective purchaser of the Bonds should consult his or her tax advisor with respect to applicability of various adverse federal tax consequences that result from ownership of tax-exempt bonds by certain classes of taxpayers.

In order to maintain the exemption from federal income taxes of interest on the Bonds and for no other purpose, the Board covenants in the Bond Resolution to comply with the provisions of the Code. Until and unless, and except to the extent in the opinion of Bond Counsel, the following are not necessary to maintain the tax-exempt status of the Bonds, the Board covenants, represents and warrants with respect to the Bonds to submit in a timely manner all reports, accounting and information to the Internal Revenue Service, to take whatever action is necessary within its power to assure the continued tax exemption on the Bonds, and to take whatever action is necessary within its power to comply with the applicable law and regulations in order to maintain tax exemption with respect to the Bonds.

The Bond Resolution may be amended without the consent of any owner of the Bonds for the sole purpose of taking action necessary to maintain tax exemption with respect to the Bonds under applicable federal law or regulations.

Bond Counsel is further of the opinion that, under existing laws of the State of Iowa and the current rules of the Iowa Department of Revenue and Finance, the interest on the Bonds will not be subject to the taxes imposed by Division II, "Personal Net Income Tax" and Division III, "Business Tax on Corporations" of Chapter 422 of the Iowa Code, as amended, but the interest thereon will be subject to the franchise tax imposed by Division V, "Financial Institutions" of Chapter 422 of the Iowa Code. Interest on the Bonds will be required to be included in "adjusted current earnings" to be used in computing "state alternative minimum taxable income" of corporations for purposes of Sections 422.33 of the Iowa Code, as amended.

From time to time, legislative proposals are pending in Congress that would, if enacted, alter or amend one or more of the tax matters described herein in certain respects or would adversely affect the market value of the Bonds, or possibly affect the ability of bondholders to treat interest on the Bonds as exempt from federal income taxation. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds.

There are many events which could affect the value and liquidity or marketability of the Bonds after their issuance, including but not limited to public knowledge of an audit of the Bonds by the Internal Revenue Service, a general change in interest rates for comparable securities, a change in federal or state income tax rates, legislative or regulatory proposals affecting state and local government securities, and changes in judicial interpretation of existing law.

Section 103 of the Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Board has covenanted to comply with certain restrictions designed to assure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in federal gross income, possibly from the date of issuance of the Bonds. The opinions of Bond Counsel assume compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondowner's federal, state or local tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Bondowner or the Bondowner's other items of income or deduction. Bond Counsel expresses no opinion regarding any other tax consequences.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Board described above. No ruling has been sought from the Internal Revenue Service (the "Service") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service. The Service has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the Service is likely to treat the Board as the "taxpayer," and the Bondowners would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the Board may have different or conflicting interests from the Bondowners. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign boards doing business in the United States, S Corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds will not be “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

CERTIFICATION

The Board has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The Purchaser will be furnished with a certificate signed by the Executive Director of the Board and the University Chief Financial Officer and Treasurer of the University stating they have examined each document and that, as of the respective date of each and the date of such certificate, each document did not and does not contain any untrue statement of material fact or omit to state a material fact necessary, in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

I have reviewed the information contained within this Official Statement, prepared on behalf of the University by Baker Tilly Municipal Advisors, LLC. This Official Statement does not contain any untrue statement of material fact or omit to state a material fact necessary, in order to make the statements herein, in light of the facts and circumstances under which they are made, not misleading.

The State University of Iowa

By, /s/ Mr. Terry Johnson
University Chief Financial Officer and Treasurer

Board of Regents, State of Iowa

By, /s/ Mr. Mark Braun
Executive Director

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PROPOSED FORM OF LEGAL OPINION

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We have acted as bond counsel in connection with the issuance by the Board of Regents, State of Iowa (the "Issuer") of $________ Telecommunications Facilities Revenue Refunding Bonds, Series S.U.I. 2020, dated as of May 1, 2020, in the denomination of $5,000 or integral multiples thereof (the "Bonds").

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the resolution of the Issuer adopted on April 30, 2020 authorizing issuance of the Bonds (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the forgoing, we are of the opinion, under existing law as of the date hereof, as follows:

1. The Issuer has the corporate power to adopt and perform the Resolution and issue the Bonds.

2. The Resolution has been duly authorized and executed by the Issuer and the Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer. The Resolution creates a valid lien on the Net Revenues of the Telecommunications System received by The State University of Iowa (the "University"), pledged by the Resolution for the security of the Bonds, as such terms are defined in the Resolution.

The lien on the Bonds ranks on a parity as to the pledge of revenues with respect to the Issuer's Outstanding Bonds and any Additional Bonds, of which the right to issue is reserved upon conditions set forth in the Resolution, as such terms are defined in the Resolution. The Bonds will not constitute an indebtedness of the State of Iowa (the "State") within the meaning of any constitutional or statutory limitation and shall not constitute or give rise to a charge against the general credit or taxing power of the State.

3. The Bonds have been duly authorized, issued and delivered by the Issuer and are valid and binding special obligations of the Issuer, payable solely from the sources provided therefor in the Resolution.

4. Under existing law, regulations, published rulings and judicial decisions interest on the Bonds is (i) not includable in gross income for federal income tax purposes, and (ii) not an item of tax preference for purposes of the alternative minimum tax for purposes of Sections 55 and 59A of the Internal Revenue Code of 1986, as amended (the "Code"). The opinion set forth in clause (i) above is subject to the condition that the Issuer comply with the requirements of the Code which must be complied with subsequent to the issuance of the Bonds in order for the interest on the Bonds to be, and continue to be, excluded from gross income for federal income tax purposes. Interest on the Bonds may become includable in gross income for federal income tax purposes in the event the Issuer fails to comply with certain covenants in the Resolution relating to the use and investment of proceeds of the Bonds and compliance with the applicable provisions of the Code.

5. Under existing laws, regulations, published rulings and judicial decisions interest on the Bonds is (i) exempt from the taxes imposed by Division II (Personal Net Income Tax) and Division III (Business Tax on Corporations) of Iowa Code Chapter 422, as amended and (ii) subject to the taxes imposed by Division V (Taxation of Financial Institutions) of Iowa Code Chapter 422, as amended. Interest on the Bonds is required to be included in determining "adjusted current earnings" to be used in computing the "state alternative minimum taxable income" of corporations for purposes of Iowa Code Section 422.33, as amended.

We have not been engaged to or undertaken to review the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds and we express no opinion relating thereto. Further, we express no opinion regarding state or federal tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the holders of the Bonds and the enforceability of the Bonds and the Resolution are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

The opinions expressed herein are given as of the date hereof and are based on an analysis of existing laws as of the date hereof. We assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

AHLERS & COONEY, P.C.

APPENDIX II

CONTINUING DISCLOSURE CERTIFICATE

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This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Board of Regents, State of Iowa (the "Issuer") and The State University of Iowa (the "University" or "Obligated Person"), in connection with the issuance of $_______ Telecommunications Facilities Revenue Refunding Bonds, Series S.U.I. 2020 (the "Bonds") dated May 1, 2020. The Bonds are being issued pursuant to a Resolution of the Issuer approved on April 30, 2020 (the "Resolution"). The Issuer and the University covenant and agree as follows:

Section 1. Purpose of the Disclosure Certificate; Interpretation. This Disclosure Certificate is being executed and delivered by the Issuer and the University for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5). This Disclosure Certificate shall be governed by, construed and interpreted in accordance with the Rule, and, to the extent not in conflict with the Rule, the laws of the State. Nothing herein shall be interpreted to require more than required by the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" shall mean financial information or operating data of the type included in the final Official Statement, provided at least annually by the University pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close.

"Dissemination Agent" shall mean the University or any Dissemination Agent designated in writing by the University and which has filed with the University a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with S.E.C. Rule 15c2-12.

"Holders" shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Municipal Securities Rulemaking Board" or "MSRB" shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

"National Repository" shall mean the MSRB's Electronic Municipal Market Access website, a/k/a "EMMA" (emma.msrb.org).

"Official Statement" shall mean the Final Official Statement for the Bonds, dated May ____, 2020.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission (S.E.C.) under the Securities Exchange Act of 1934, and any guidance and procedures thereunder published by the S.E.C., as the same may be amended from time to time.

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Financial Information.

a) The University shall, or shall cause the Dissemination Agent to, not later than two hundred seventy (270) days after the end of the University's fiscal year (presently June 30th), commencing with information for the **2019/2020** fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the University may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the University's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

b) If the University is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the University shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.

c) The Dissemination Agent shall:

i. each year file Annual Financial Information with the National Repository; and

ii. (if the Dissemination Agent is other than the University), file a report with the University certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

Section 4. Content of Annual Financial Information. The University's Annual Financial Information filing shall contain or incorporate by reference the following:

a) The last available audited financial statements of the University for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the University's audited financial statements for the preceding years are not available by the time Annual Financial Information is required to be filed pursuant to Section 3(a), the Annual Financial Information filing shall contain unaudited financial statements of the type included in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Financial Information when they become available.

b) A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the captions:

THE STATE UNIVERSITY OF IOWA

- Tuition and Mandatory Fees
- Tuition and Mandatory Fees Comparison
- Student Enrollment – Fall Head Count (Historic, Projected and Full-Time Equivalents)
- Geographic Distribution of Fall Student Body
- Freshman Applications, Admissions and Enrollments
- Outstanding Debt of the University
- Bond-Financed Lease Obligations
- Statement of Revenues, Expenses, and Changes in Net Position

ATHLETIC FACILITIES SYSTEM

- Condensed Statement of Revenues, Expenses and Changes in Net Assets
- Debt Service and Coverage

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer on behalf of the University or related public entities, which have been filed with the National Repository. The University shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

a) Pursuant to the provisions of this Section, the University shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than 10 Business Days after the day of the occurrence of the event:

i. Principal and interest payment delinquencies;

ii. Non-payment related defaults, if material;

iii. Unscheduled draws on debt service reserves reflecting financial difficulties;

iv. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;

v. Substitution of credit or liquidity providers, or their failure to perform;

vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or material events affecting the tax-exempt status of the Bonds;

vii. Modifications to rights of Holders of the Bonds, if material;

viii. Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;

ix. Defeasances of the Bonds;

x. Release, substitution, or sale of property securing repayment of the Bonds, if material;

xi. Rating changes on the Bonds;

xii. Bankruptcy, insolvency, receivership or similar event of the University;

xiii. The consummation of a merger, consolidation, or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

xv. Incurrence of a Financial Obligation of the University, if material, or agreement to covenants, events of default, remedies, priority rights, or other terms of a Financial Obligation of the University, any of which affect security holders, if material; and

xvi. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the University, any of which reflect financial difficulties.

Whenever the University obtains the knowledge of the occurrence of a Listed Event, the University shall determine if the occurrence is subject to notice only if material, and if so shall as soon as possible determine if such event would be material under applicable federal securities laws.

If the University determines that knowledge of the occurrence of a Listed Event is not subject to materiality, or determines such occurrence is subject to materiality and would be material under applicable federal securities laws, the University shall promptly, but not later than 10 Business Days after the occurrence of the event, file a notice of such occurrence with the Municipal Securities Rulemaking Board through the filing with the National Repository.

Section 6. Termination of Reporting Obligation. The University's obligations under this Disclosure Certificate with respect to each Series of Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds of that Series or upon the University's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the University to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the University pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Baker Tilly Municipal Advisors, LLC.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the University and the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the University shall describe such amendment in the next Annual Financial Information filing, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the University. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Financial Information filing for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information filing or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the University chooses to include any information in any Annual Financial Information filing or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the University shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information filing or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer or the University to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the University and the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the University to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the University agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the University under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the University, the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Rescission Rights. The University and the Issuer hereby reserve the right to rescind this Disclosure Certificate without the consent of the Holders in the event the Rule is repealed by the S.E.C. or is ruled invalid by a federal court and the time to appeal from such decision has expired. In the event of a partial repeal or invalidation of the Rule, the University and the Issuer hereby reserve the right to rescind those provisions of this Disclosure Certificate that were required by those parts of the Rule that are so repealed or invalidated.

Date: __________ day of May, 2020.

ISSUER:

BOARD OF REGENTS, STATE OF IOWA

By: ___________________________________
Executive Director

OBLIGATED PERSON:

THE STATE UNIVERSITY OF IOWA

By: ______________________________________
Chief Financial Officer and Treasurer

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer:	Board of Regents, State of Iowa
Name of Obligated Person:	The State University of Iowa
Name of Bond Issue:	$_______ Telecommunications Facilities Revenue Refunding Bonds, Series S.U.I. 2020
Dated Date of Issue:	May 1, 2020

NOTICE IS HEREBY GIVEN that the University has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the University in connection with the Bonds. The University anticipates that the Annual Financial Information will be filed by ____________________.

Dated: __________ day of _______________, 20___.

THE STATE UNIVERSITY OF IOWA

By: ____________________________________
Its: ____________________________________

EXCERPTS FROM THE BOND RESOLUTION

A RESOLUTION PROVIDING FOR THE SALE AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF $________ TELECOMMUNICATIONS FACILITIES REVENUE REFUNDING BONDS, SERIES S.U.I. 2020, FOR THE PURPOSE OF CURRENTLY REFUNDING THE $25,000,000 TELECOMMUNICATIONS FACILITIES REVENUE BONDS, SERIES S.U.I. 2009 AND PAYING THE COSTS OF ISSUANCE

ARTICLE ONE

DEFINITIONS

That as used herein the following terms shall have the following meanings unless the context otherwise clearly requires:

"Additional Bonds" shall mean any bonds, notes, or obligations issued on a parity with the Bonds in accordance with the provisions of this Resolution.

"Annual Debt Service Requirement" means the amount of principal of the Bonds and Parity Bonds coming due at maturity or upon mandatory sinking fund redemption and the amount of interest payable on the Bonds and Parity Bonds during a Fiscal Year, provided that the principal and interest on Bonds coming due on July 1 shall be considered as a requirement of the Fiscal Year ending on June 30 immediately preceding each July 1.

"Authorized Denominations" shall mean $5,000 or any integral multiple thereof.

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant or such person's subrogee.

"Board" or "Issuer" shall mean the Board of Regents, State of Iowa.

"Bond" or "Bonds," unless otherwise indicated, shall mean the Telecommunications Facilities Revenue Refunding Bonds, Series S.U.I. 2020, of the Board issued pursuant to this Resolution.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"Chapter 262" shall mean Iowa Code Chapter 262.

"Code" means the Internal Revenue Code of 1986 and the Regulations thereunder, as amended.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the Issuer and the University and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof and authorized and approved by the provisions set forth in this Resolution as if fully set forth herein.

"Debt Service Reserve Fund" shall mean the fund established by this Resolution to be maintained at the Reserve Requirement.

"Depository Bonds" shall mean the Bonds as issued in the form of one global certificate for each maturity, registered in the Registration Books maintained by the Registrar in the name of DTC or its nominee.

"DTC" means the Depository Trust Company, New York, New York, a limited purpose trust company, or any successor book-entry securities depository appointed for the Bonds.

"Escrow Fund" means the fund by that name created by the Issuer under Section 4.01 herein.

"Executive Director" shall mean the Executive Director, Deputy Executive Director, or Interim Executive Director of the Board, as the case may be.

"Financial Officer" shall mean the Chief Financial Officer and Treasurer of the University, or such officer as may hereafter assume the duties of such office.

"Fiscal Year" shall mean the twelve months period beginning on July 1 of each year and ending on June 30 of the next succeeding year, but all principal or interest maturing on July first of any year on bonds issued or permitted to be issued under the terms of this Resolution shall be considered to be obligations of the then immediately preceding fiscal year.

"Gross Revenues" or "System Income" shall mean, with respect to the Telecommunications System, all Telecommunications System User Charges and all other rents, profits and income derived directly from the operation of the Telecommunications System (but not including any Telecommunications System Student Fees), all as determined in accordance with generally accepted applicable accounting principles and the provisions of this Resolution.

"Holder" or "Owner" of Bonds or "Bondholder" shall mean the registered owner of any Bond issued pursuant to this Resolution.

"Independent Auditor" shall mean an independent firm of Certified Public Accountants or the Auditor of State.

"Iowa Code" shall mean the Code of Iowa, as amended.

"Net Revenues" shall mean, with respect to the Telecommunications System, Gross Revenues less Operating Expenses.

"Notice of Sale" shall mean the official Notice of Sale as published on April ____, 2020.

"Operating Expenses" shall mean, with respect to the Telecommunications System, all costs of maintenance and operation, including insurance and all other items normally included under generally accepted applicable accounting principles, directly related to the operation and maintenance of the Telecommunications System. However, capital expenditures, depreciation, payments of principal or interest on the Bonds, Parity Bonds or other obligations and payments to the various funds established by this Resolution are not included in the definition of Operating Expenses.

"Original Purchaser" shall mean the purchaser of the Bonds from Issuer at the time of their original issuance.

"Outstanding Bonds" shall mean the Telecommunications Facilities Revenue Bonds, Series S.U.I. 2011, dated April 1, 2011 (the "Series 2011 Bonds"), issued in the amount of $11,830,000, of which $8,595,000 remain outstanding.

"Parity Bonds" shall mean any bonds or notes payable solely from the Net Revenues of the System on an equal basis with the Bonds herein authorized to be issued, and shall include Additional Bonds as authorized to be issued under the terms of this Resolution and the Outstanding Bonds.

"Participants" shall mean those broker-dealers, banks and other financial institutions for which DTC holds Bonds as securities depository.

"Paying Agent" shall mean Treasurer of the University, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein as Issuer's agent to provide for the payment of principal of and interest on the Bonds as the same shall become due.

"Prior Bond Resolution" shall mean the Resolution authorizing the issuance and providing for the means of payment thereof with respect to the presently Outstanding Telecommunications Facilities Revenue Bonds, Series S.U.I. 2011, adopted on March 23, 2011, authorizing the Series 2011 Bonds.

"Project" shall mean the current refunding of the Refunded Bonds.

"Rebate Fund," if any, shall mean the fund so defined in and established pursuant to the Tax Exemption Certificate.

"Refunded Bonds" means the 2021 through 2036 maturities of the $25,000,000 Telecommunications Facilities Revenue Bonds, Series S.U.I. 2009, dated December 1, 2009.

"Registrar" or "Bond Registrar" shall mean Treasurer of the University serving as Bond Registrar, transfer agent and paying agent for the Bonds hereby authorized pursuant to this Resolution, and any successor designated pursuant to a supplemental resolution of the Board in accordance with the provisions of this Resolution to serve in such capacities.

"Representation Letter" shall mean the Representation Letter from the Issuer and the Paying Agent and Registrar to DTC, with respect to the Bonds.

"Reserve Requirement" means with respect to each Series of Bonds, an amount equal to the lesser of (a) the maximum Annual Debt Service Requirement on the applicable Series of

Bonds; (b) 10% of the stated principal amount of the applicable Series of Bonds; or (c) 125% of the average annual principal and interest coming due on the applicable Series of Bonds. For purposes of this definition: (1) "issue price" shall be substituted for "stated principal amount" for issues with original issue discount or original issue premium of more than a de minimus amount and (2) stated principal amount shall not include any portion of an issue refunded or advance refunded by a subsequent issue

"Sinking Fund" shall mean the fund described in Section 3.01 of this Resolution.

"Tax Exemption Certificate" shall mean the Tax Exemption Certificate executed by the Executive Director of the Board and the Financial Officer of the University and delivered at the time of issuance and delivery of the Bonds authorized hereby the provisions of which are incorporated herein if fully set forth in this Resolution.

"Telecommunications Facilities" means all equipment, wiring, installations, switches, controls, licenses and tangible or intangible property used in the Telecommunications System, together with facilities acquired to replace any of the foregoing or acquired with revenues of the Telecommunications System.

"Telecommunications System" or "System" shall mean the system of the University for the delivery of telecommunications services, including voice, video and data transmission, through the Telecommunications Facilities.

"Telecommunications System Student Fees" shall mean that portion of all tuitions, fees and charges for general or special purposes levied against and collected from students attending the University and segregated on the books of the University for the purpose of providing the Project.

"Telecommunications System User Charges" shall mean all fees and charges established and collected for the use of the Telecommunications System or any part thereof except Telecommunications System Student Fees.

"Treasurer" shall mean the Treasurer of the University or such other officer as shall succeed to the same duties and responsibilities with respect to the recording and payment of the Bonds issued hereunder.

"University" shall mean The State University of Iowa.

ARTICLE THREE

PROVISIONS RELATING TO NET REVENUES AND TELECOMMUNICATIONS SYSTEM STUDENT FEES AND APPLICATION THEREOF

Section 3.01. Revenue Fund. The Gross Revenues of the System and any Telecommunications System Student Fees shall be held and administered by the University, as Registrar and Paying Agent, and shall be deposited as collected into the fund known as the Revenue Fund (the "Revenue Fund") and shall be disbursed only as follows:

(i) Operating Expenses. Money in the Revenue Fund shall first be disbursed to pay Operating Expenses of the System.

(ii) Sinking Fund. Money in the Revenue Fund shall next be deposited into a separate fund to pay the principal and interest requirements of the Fiscal Year on the Bonds and Parity Bonds. The fund shall be known as the Revenue Bond and Interest Sinking Fund (the "Sinking Fund"). There shall be deposited in the Sinking Fund on or before the fifteenth day of the month prior to an interest payment date the amount necessary to pay in full the installment of interest coming due on the next interest payment date on the then Outstanding Bonds and Parity Bonds and the amount necessary to pay in full the installment of principal coming due on such bonds on the next succeeding principal payment date.

If such amounts are not sufficient, the University shall transfer Net Revenues to the Sinking Fund in an amount equivalent to the deficiency. If at any time there is a failure to pay into the Sinking Fund the full amount above stipulated, which deficiencies are not remedied by transfers from the Debt Service Reserve Fund or the System Fund, then an amount equivalent to the deficiency shall be set apart and paid into the Sinking Fund from Net Revenues as soon as available which shall be in addition to the amounts otherwise required to be so set apart and paid into the Sinking Fund.

If for any reason the amount on hand in the Sinking Fund exceeds the required amount, the excess shall forthwith be withdrawn and paid into the Revenue Fund. Money in the Sinking Fund shall be used solely for the purpose of paying principal of and interest on the Bonds and Parity Bonds as the same shall become due and payable.

(iii) Debt Service Reserve Fund. Money in the Revenue Fund shall next be disbursed to maintain a debt service reserve in an amount equal to the Reserve Requirement. Such fund shall be known as the Debt Service Reserve Fund (the "Debt Service Reserve Fund"), which, except as otherwise provided for in Section 10.05 of the Resolution, shall be maintained as long as the Bonds herein authorized or Parity Bonds remain outstanding. Except as otherwise provided for in Section 10.05 of the Resolution, upon the issuance of any Parity Bonds there shall be deposited in the Debt Service Reserve Fund an amount which, together with the amount then on deposit in the Debt Service Reserve Fund, is equal to the Reserve Requirement; provided, however, that when the amount on deposit in the Debt Service Reserve Fund is equal to the Reserve Requirement, no further deposits shall be made into the Debt Service Reserve Fund except to maintain such level, and when the amount on deposit in the Debt Service Reserve Fund is greater than the balance required above, such additional amounts shall be withdrawn and paid into the Revenue Fund. Money in the Revenue Fund shall be used solely for the purpose of paying principal at maturity of or interest on the Bonds and Parity Bonds.

(iv) Telecommunications System Fund. There is hereby created the Telecommunications System Fund (the "System Fund") which shall be maintained as long as the Bonds and Parity Bonds remain outstanding. The Board shall deposit all Net Revenues and any Telecommunications System Student Fees not required to be deposited into the Sinking Fund or the Debt Service Reserve Fund into the System Fund. All moneys deposited in the System Fund shall be (a) transferred and credited to the Sinking Fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Bonds and Parity Bonds, or (b) transferred and credited to the Debt Service Reserve Fund whenever any deficiency may exist in the Debt Service Reserve Fund or whenever necessary to replace funds transferred from the Debt Service Reserve Fund to the Sinking Fund. Until so used, moneys credited to the System Fund may be used:

(1) to pay principal of and interest (including reasonable reserves therefor) on any other obligations which by their terms shall be payable from the Net Revenues, but subordinate to the Bonds and Parity Bonds, and which have been issued for the purposes of constructing, improving, equipping, installing, furnishing, replacing, or renovating the System or to retire the Bonds and Parity Bonds in advance of maturity, or to pay for extraordinary repairs or replacements to the System; or

(2) for any lawful System purpose.

Section 3.02. Equality of Lien. The timely payment of principal of and interest on the Bonds and Parity Bonds shall be secured equally and ratably by the Net Revenues of the Telecommunications System and any Telecommunications System Student Fees without priority by reason of number or time of sale or delivery; and the Net Revenues of the System are hereby irrevocably pledged to the timely payment of both principal and interest as the same become due.

Section 3.03. Investment of Funds. All moneys held in the Sinking Fund, the Debt Service Reserve Fund and the System Fund shall constitute trust funds and shall be deposited in a general banking account of the University in a bank or banks which are members of the Federal Deposit Insurance Corporation, and all such deposits exceeding the maximum amount guaranteed by the Federal Deposit Insurance Corporation in any one bank shall be continuously secured in accordance with the laws of the State of Iowa. Moneys on deposit in the Sinking Fund and the Debt Service Reserve Fund, if invested, shall be kept invested in direct obligations of the United States Government (or obligations of United States Government agencies) maturing at a date on or before the time when the Board estimates the proceeds thereof will be needed for the purpose for which accumulated, which date in the case of the Debt Service Reserve Fund shall be considered to be not more than five years from the date of investment. In any event, such securities shall be sold whenever the proceeds thereof are needed for the purposes of the Funds for the account of which the investment was made. All investments made for the Sinking Fund and the Debt Service Reserve Fund shall be identified on the books of the University as being held in trust for these respective Funds. Interest, income and revenues derived from any such investments shall be credited to the Revenue Fund. Except as heretofore restricted, all investments and deposits of proceeds of investments shall be made in accordance with and subject to Iowa Code Sections 12B.10 and 12C.9, or successor laws, and the provisions of the Tax Exemption Certificate, including transfers to and from the Rebate Fund, if required. The Board further covenants and agrees to keep such accounting and other records as may be necessary to enable it to comply with the requirements of the Tax Exemption Certificate. Any other provisions of this Resolution to the contrary notwithstanding, funds on deposit in any fund or account in connection with the Bonds which are required by the Tax Exemption Certificate to be invested at a restricted yield shall be invested and accounted for separately from all other funds. The provisions of this Section shall not be construed to require the Issuer to maintain separate accounts for the funds created by this Section.

ARTICLE FOUR

APPLICATION OF PROCEEDS OF SALE OF BONDS

Section 4.01. Custody and Application of Bond Proceeds.

(a) Upon the delivery of the Bonds authorized to be issued under the terms of this Resolution, the proceeds shall be applied as follows:

(i) An amount equal to accrued interest shall be deposited in the Sinking Fund for application to the first payment of interest on the Bonds.

(ii) An amount sufficient to pay costs of issuance shall be used to cover all costs of issuance for the Bonds.

(iii) An amount sufficient to meet the Reserve Requirement shall be deposited in the Debt Service Reserve Fund.

(iv) The balance of the proceeds shall be deposited into an escrow fund hereby created (the "Escrow Fund") to be held in trust and expended therefrom for the purposes of accomplishing the current refunding of the Refunded Bonds.

The Treasurer shall invest proceeds deposited in the Escrow Fund only in cash or direct obligations of the United States, and apply proceeds and earnings only in accordance with the terms and conditions of the Resolution.

(b) Escrow Proceeds. The proceeds to be credited to the Escrow Fund, which is hereby ordered, created, and held as a trust fund, shall be disbursed, together with such other funds as may be lawfully available to pay the cost of currently refunding the Refunded Bonds. The Treasurer shall invest such proceeds deposited in the Escrow Fund only in cash or direct obligations of the United States, and apply such proceeds and earnings thereon in such manner that the amounts deposited will be sufficient, without the need for any further investment or reinvestment, to retire all of the Refunded Bonds on or prior to maturity and to pay interest thereon as it comes due. The Treasurer is directed to call the necessary Refunded Bonds for payment prior to maturity on July 1, 2020, pursuant to the terms of the resolution authorizing the Refunded Bonds. The Treasurer shall give notice of such redemption in the form of Exhibit B.

Section 4.02. Disposition of Balance of Funds. When the Refunded Bonds have been redeemed, the Treasurer shall certify to the Board that all said Refunded Bonds have been redeemed and that costs have been paid and thereafter if any funds remain in the Escrow Fund, they shall be transferred to the Sinking Fund and the Escrow Fund shall be closed.

ARTICLE FIVE

ADDITIONAL COVENANTS OF THE BOARD

The Board hereby covenants and agrees as follows:

Section 5.01. Right to Use and Occupancy and Agreement not to Encumber. That it hereby warrants that it has a valid and existing right to operate, maintain, control and manage the University; that the State of Iowa has indefeasible title in fee simple to the sites of all buildings and facilities constituting a part of the University. Except as otherwise provided in this Resolution, it will not sell, lease, mortgage, abandon or in any manner dispose of any buildings or facilities constructed or equipped from the proceeds of the Bonds, including any and all extensions, improvements and additions that may be made thereto, until all the Bonds herein authorized shall have been paid in full, both principal and interest, or unless and until provisions shall have been made for the payment of the Bonds and interest thereon in full; that so long as any of the Bonds remain outstanding it will operate and maintain the University as an institution of higher learning; and that it will within three months after the same shall accrue pay and discharge, or cause to be paid and discharged, all lawful claims and demands of mechanics, laborers and others which if unpaid might by law become liens upon buildings and facilities or the sites thereof, according to the intent of this Resolution.

Section 5.02. Payment of Principal and Interest. That it will duly and punctually pay or cause to be paid the principal sum and the interest accruing on said principal on each and every one of the Bonds issued hereunder and Parity Bonds ranking on a parity therewith, at the dates and places and in the manner provided in the Bonds or Parity Bonds, according to the terms thereof and as provided in this Resolution.

Section 5.03. Taxes. That it will pay and discharge all taxes, assessments and governmental charges which shall be lawfully imposed upon the buildings and facilities of said University relating to the System; provided, however, that the Board shall not be required to pay any such tax, assessment, charge or claim so long as the Board in good faith and by appropriate legal proceedings shall contest the validity thereof or its enforceability as a lien, and provided further that any such delay occasioned thereby shall not subject the buildings and facilities or any part thereof to forfeiture or sale.

Section 5.04. Maintenance of Facilities. That subject to the right of abandonment as permitted and provided in Article Six of this Resolution it will at all times from income made available for such purpose maintain, preserve and keep the buildings and facilities at said University and all additions and betterments thereto and every part and parcel thereof in good repair, working order and operating condition; that it will continuously operate the University as an institution of higher learning; and that it will use and apply the Net Revenues of the Telecommunications System and any Telecommunications System Student Fees received by the University only as provided in Article Three of this Resolution.

Section 5.05. Maintenance of Rates, Fees and Charges. The Board hereby represents, certifies and covenants that so long as any of the Bonds herein authorized to be issued or bonds ranking on a parity therewith shall remain outstanding it will charge and collect from the students of the University, Telecommunications System Student Fees, to the extent the same shall be required to enable it to comply with the provisions of this Resolution. The rates and charges for use of the Telecommunications System and any Telecommunications System Student Fees shall be promptly revised and adjusted by the Board from time to time as may be required by this section.

The Board further covenants and agrees that it will act to assure that the Net Revenues of the Telecommunications System and any Telecommunications System Student Fees shall at all times be adequate to produce amounts, taking into account the accrued interest deposited in the Sinking Fund pursuant to Section 3.01 hereof, sufficient to pay the principal of and interest on the Bonds and bonds ranking on a parity therewith when due, and that because of possible errors in any attempt to forecast accurately the number of students who will attend the University in future years, some margin of safety must be provided to assure prompt payment of the principal of and interest on the Bonds and bonds ranking on a parity therewith. It is, therefore covenanted and agreed by the Board that the rates and charges for the use of the Telecommunications System and any Telecommunications System Student Fees shall be adjusted and revised from time to time and maintained at levels determined to be sufficient so that the amount of money produced by the Net Revenues of the Telecommunications System and any Telecommunications System Student Fees for each Fiscal Year, together with the net earnings derived from the investment of moneys on deposit in the several funds established by this Resolution during any such Fiscal Year is at least equal to the sum of (a) 110% of the principal and interest coming due in such Fiscal Year on all Bonds and Parity Bonds then outstanding plus (b) 100% of the amount required to remedy any deficiencies (including deficiencies caused by transfers of funds) in the Debt Service Reserve Fund within one year.

The Board covenants that, so long as any of the Bonds remain outstanding, it will cause the University to prepare and submit to the Board for its approval on or prior to June 30 of each year, a budget for the next ensuing Fiscal Year. Each such budget, as finally approved by the Board, must indicate that the Net Revenues of the Telecommunications System and any Telecommunications System Student Fees during such Fiscal Year, together with the net earnings derived from the investment of moneys on deposit in the several funds established by this Resolution during such Fiscal Year will be equal to at least the sum of (a) 110% of the principal and interest coming due in such Fiscal Year on all Bonds and Parity Bonds then outstanding and proposed to be issued during such Fiscal Year, plus (b) 100% of the amount required to remedy any deficiencies (including deficiencies caused by transfers of funds) in the Debt Service Reserve Fund within one year, or the Board shall promptly adjust and revise the Net Revenues of the Telecommunications System and any Telecommunications System Student Fees so that, in the opinion of the Board entered in its official records, the amount of money to be produced by the sum of the total of the Net Revenues of the Telecommunications System plus any Telecommunications System Student Fees during such next ensuing Fiscal Year, taking into account such adjustments and revisions and the available net earnings of any such investments will equal at least the sum of (a) 110% of such Annual Debt Service Requirements plus (b) 100% of the amount required to remedy any deficiencies (including deficiencies caused by transfers of funds) in the Debt Service Reserve Fund within one year.

If, in any Fiscal Year, the Net Revenues of the Telecommunications System and any Telecommunications System Student Fees, shall have been insufficient to meet the requirements of this Resolution or of any resolution providing for the issuance of Parity Bonds, then the Board shall forthwith employ a qualified consultant to prepare a report on the Net Revenues of the Telecommunications System and any Telecommunications System Student Fees and to recommend such changes and revisions therein as may be necessary to meet the requirements of this or any such subsequent resolution.

Section 5.06. Records and Audit Reports. That so long as any of the Bonds authorized to be issued under the terms of this Resolution or bonds ranking on a parity therewith remain outstanding and unpaid the Board will keep proper and separate books of accounts and records in which full, true and correct entries will be made of all dealings and transactions relating to the properties, business and financial affairs relating to the System and, within ninety days following the close of each fiscal year will cause the same to be audited by an independent firm of certified public accountants or by the Office of the Auditor of State.

Section 5.07. Bondholders Remedies. Under no circumstances shall any Bonds issued under the terms of this Resolution be or become or be construed to constitute a debt of or a charge against the State of Iowa within the purview of any constitutional or statutory limitation or provision. No taxes, appropriations or other funds of the State of Iowa appropriated to the University may be pledged for or used to pay such Bonds or the interest thereon, but any such Bonds shall be payable from and secured by a pledge of, as to both principal and interest, the Net Revenues of the Telecommunications System and any Telecommunications System Student Fees received by the University as hereinbefore defined and provided. Any owner or owners of any Bonds issued pursuant to this Resolution or of any bonds ranking on a parity therewith may enforce the terms and covenants of any of such bonds and this Resolution by a proceeding either in law or in equity by suit, action or mandamus to enforce and compel the performance of the duties required by the law pursuant to which said Bonds are being issued and the terms of this Resolution, and the Board hereby consents to be made a party in any such suit or action.

Section 5.08. Tax Exemption; Arbitrage. The Board certifies, covenants and agrees with the purchasers and holders of the Bonds hereby authorized that it will comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code"), which, in each case, if not complied with by the Board, would cause the interest on the Bonds hereby authorized to become includable in the gross income of the owners thereof for federal income tax purposes. Without limiting the generality of the foregoing, the Board certifies, covenants and agrees that moneys on deposit in any fund or account in connection with said Bonds, whether or not such moneys were derived from the proceeds of the sale of said Bonds or from any other sources, will not be used in a manner which will cause such Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and any lawful regulations promulgated or proposed thereunder, as the same presently exist or may from time to time hereafter be promulgated, proposed, amended, supplemented or revised. The President or President Pro Tem and the Executive Director of the Board be and each is hereby authorized and directed to execute and deliver, for and on behalf of the Board, in connection with the delivery of the Bonds herein authorized to the purchaser thereof, such certificate or certificates in furtherance of the covenants set forth in Sections 3.02 hereof as shall be appropriate, including without limitation the Tax Exemption Certificate. The Tax Exemption Certificate shall constitute a part of the contract between the Board and the owners of the Bonds hereby authorized, and the Board certifies, covenants and agrees to comply with all of the provisions of the Tax Exemption Certificate.

ARTICLE SIX

ABANDONMENT OF FACILITIES

Section 6.01. Conditions Under Which Facilities May Be Abandoned. Anything in this Resolution to the contrary notwithstanding, the Board may at any time and from time to time permanently abandon the use of any of the facilities constituting the System, if the Board determines that the facility proposed to be abandoned is no longer needed or necessary in connection with the operation of the University, provided that such abandonment or disposal will not reduce the revenues required to be paid into the various Funds provided to be maintained by this Resolution.

Section 6.02. Evidence of Right of Abandonment. All findings and determinations required to be made under this Article Six shall be evidenced by a resolution adopted by the Board.

ARTICLE EIGHT

MODIFICATION AND AMENDMENT OF THE RESOLUTION

Section 8.01. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Board and the owners of the Bonds herein authorized to be issued and any Parity Bonds as may from time to time be outstanding and after the issuance of any of said Bonds, no change, variation or alteration of any kind of the provisions of this Resolution may be made in any manner except as provided in this Article until such time as all of said Bonds issued hereunder and interest thereon shall have been paid in full.

Section 8.02. Amendment With and Without Consent of Bondholders.

(A) Without notice to or the consent of any owners or holders of the Bonds or Parity Bonds, this Resolution may be amended to make such changes as are necessary in the opinion of nationally recognized municipal bond counsel to maintain the tax exempt status of the interest on the Bonds or Parity Bonds then outstanding. An amendment for the purpose specified in this paragraph shall not be considered the modification of the terms of payment of principal of or interest on the Bonds, or any of them, or the imposition of any conditions with respect to such payment, within the meaning of subparagraph (d) of the next succeeding paragraph.

(B) The owners of two-thirds in principal amount of the Bonds and Parity Bonds at any time outstanding (not including in any case any Bonds which may then be held or owned by or for the account of the Board, but including such refunding bonds as may be issued for the purpose of refunding any of the Bonds herein authorized if such refunding bonds shall not then be owned by the Board) shall have the right from time to time to consent to and approve the adoption by the Board of a Resolution or resolutions modifying or amending any of the terms or provisions contained in this Resolution; provided, however, that this Resolution may not be so modified or amended in such manner as to:

(a) Make any change in the maturity or redemption terms of the Bonds.

(b) Make any change in the rate of interest borne by any of the Bonds.

(c) Reduce the amount of the principal payable on any Bond.

(d) Modify the terms of payment of principal of or interest on the Bonds, or any of them, or impose any conditions with respect to such payment.

(e) Affect the rights of the owners of less than all of the Bonds then outstanding.

(f) Reduce the percentage of the principal amount of Bonds the consent of the owners of which shall be required to effect a further modification.

Section 8.03. Notice of Proposed Amendment. Whenever the Board shall propose to amend or modify this Resolution under the provisions of this Article and the consent of the owners of at least two-thirds in aggregate principal amount of the Bonds and Parity Bonds then outstanding is required, it shall (1) prior to the publication of the notice hereinafter provided in (2), cause notice of the proposed amendment to be mailed to each of the owners of Bonds issued hereunder, and to the owners of Parity Bonds registered as to principal, at the address appearing on the registration books of the Board and also to the Original Purchaser or purchasers of the Bonds and Parity Bonds, and (2) cause notice of the proposed amendment to be published one time in a financial newspaper or journal published in the City of New York, New York. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the Executive Director of the Board for public inspection.

Section 8.04. Evidence of Consent or Approval. Whenever at any time within one year from the date of the publication of said notice there shall be filed with the Executive Director of the Board an instrument or instruments executed by the owners of at least two-thirds in aggregate principal amount of the Bonds and Parity Bonds then outstanding as in this Article defined, which instrument or instruments shall refer to the proposed amendatory resolution described in said notice, and shall specifically consent to and approve the adoption thereof, thereupon but not otherwise, the Board may adopt such amendatory resolution and such resolution shall become effective.

If the owners of at least two-thirds in aggregate principal amount of the Bonds at the time of the adoption of such amendatory resolution, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as herein provided, no owner of any Bonds whether or not such owner shall have consented to or shall have revoked any consent as in this section provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Board from taking any action pursuant to the provisions thereof.

Any consent given by the owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of such consent and shall be conclusive and binding upon all future owners of the same bond during such period. Such consent may be revoked at any time after six months from the date of such consent by the owner who gave such consent or by a successor in title by filing notice of such revocation with the Executive Director of the Board, but such revocation shall not be effective if the owners of two-thirds in aggregate principal amount of the Bonds outstanding as in this Section defined shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The amount and numbers of the Bonds held by any person executing such instrument and the date of his owning the same may be proved by the registration books of the Board or in the case of Bonds or Parity Bonds in coupon form may be proved by the affidavit of such person or by a certificate executed by any responsible bank or trust company showing that on the date therein mentioned such person had on deposit with such bank or trust company the Bonds or Parity Bonds described in such certificate.

ARTICLE NINE

DISCLOSURE OF INFORMATION

Section 9.01 Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply or cause the University to comply with and carry out all of the provisions of the Continuing Disclosure Certificate, and the provisions of the Continuing Disclosure Certificate are hereby approved and incorporated by reference as part of this Resolution and made a part hereof and the Executive Director of the Board is hereby authorized to execute and deliver and to cause the Financial Officer of the University to execute and deliver, the same at issuance of the Bonds. Notwithstanding any other provision of this Resolution, failure of the Issuer or the University to comply with the Continuing Disclosure Certificate shall not be considered an event of default under this Resolution; however, any holder of the Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer or the University to comply with its obligations under the Continuing Disclosure Certificate. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

ARTICLE TEN

MISCELLANEOUS

Section 10.01. Headings. Any headings preceding the texts of the several Articles or Sections hereof shall be solely for the convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 10.02. Severability. If any section, paragraph, clause or provision of this Resolution be held invalid, such invalidity shall not affect any of the remaining provisions hereof, and this Resolution shall become effective immediately upon its passage and approval.

Section 10.03. Discharge and Satisfaction of Bonds. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Bonds, or any of them, in any one or more of the following ways:

(a) By paying the Bonds when the same shall become due and payable; and

(b) By depositing in trust with the Bond Registrar, or with a corporate trustee designated by the Board for the payment of said obligations and irrevocably appropriated exclusively to that purpose an amount in cash or direct obligations of the United States the maturities and income of which shall be sufficient to retire at maturity, or by redemption prior to maturity on a designated date upon which said obligations may be redeemed, such obligations together with the interest thereon to maturity or to the designated redemption date, premiums thereon, if any that may be payable on the redemption of the same; provided that proper notice of redemption of all such obligations to be redeemed shall have been previously published or provisions shall have been made for such publication.

Upon such payment or deposit of money or securities, or both, in the amount and manner provided by this Section, all liability of the Issuer with respect to such Bonds shall cease, determine and be completely discharged, and the holders thereof shall be entitled only to payment out of the money or securities so deposited.

Section 10.04. Variable Rate Bonds. Subsequent to the Outstanding Bonds being paid in full, defeased, or otherwise discharged, bonds may be issued and sold by the Board in multiple series, at such times and from time to time over a period of years, in such amounts, to such purchasers and for such purposes, by either public or private sale, at variable rates of interest as shall be prevailing at the time of issuance, but which shall not exceed an interest rate of 20% in any event, with such covenants and terms and in such form and manner as the Board shall determine to be appropriate, in its sole discretion, and in accordance with the authorizing resolution of such bonds. For purposes of this paragraph, "variable rate" means a rate of interest applicable to bonds, other than a fixed rate of interest which applies to a particular maturity of bonds, so long as that maturity of bonds remains outstanding. Such bonds will be issued in fully registered form in the denominations approved by the Board as set forth in said authorizing resolution.

Section 10.05. Reserve Fund. Subsequent to the Outstanding Bonds being paid in full, defeased, or otherwise discharged, bonds may be issued and sold by the Board in multiple series, at such times and from time to time over a period of years, in such amounts, to such purchasers and for such purposes, by either public or private sale, without the need to fund the Reserve Fund and maintain the Reserve Requirement as the Board shall determine to be appropriate, in its sole discretion, and in accordance with the authorizing resolution of such bonds. Such bonds will be issued in fully registered form in the denominations approved by the Board as set forth in said authorizing resolution. Upon the payment full, defeasance or discharge of the Outstanding Bonds, the amount then on deposit in the Reserve Fund shall be released to the University and applied in accordance with the Code.

Section 10.06. Conflicting Resolutions or Orders. All resolutions or orders or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

THE STATE UNIVERSITY OF IOWA

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED

JUNE 30, 2019

The audited financial statements of the University as of June 30, 2019 are included in this Appendix. These statements have been audited by the State of Iowa Office of Auditor of State. The Office of Auditor of State has not been asked to make any additional review and has not consented to the use of its report in this Official Statement.

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying Statement of Net Position, and the related Statements of Revenues, Expenses and Changes in Net Position and Cash Flows, of the State University of Iowa, Iowa City, Iowa, (University of Iowa) and its aggregate discretely presented component units as of and for the years ended June 30, 2019 and 2018, and the related Notes to Financial Statements, which collectively comprise the University of Iowa's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the University of Iowa Center for Advancement and Affiliate and the University of Iowa Health System discussed in Note 1, which represent 97% and 2%, respectively, of the assets and 84% and 14%, respectively, of the revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to those financial statements, is based solely on the reports of the other auditors. 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 University of Iowa Center for Advancement and Affiliate 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 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 Iowa's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University of Iowa and its aggregate discretely presented component units as of June 30, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years ended June 30, 2019 and 2018 in accordance with U.S. generally accepted accounting principles.

Emphasis of Matters

As discussed in Note 1, the financial statements of the University of Iowa are intended to present the financial position, and the changes in financial position and cash flows, of only that portion of the financial reporting entity of the State of Iowa that is attributable to the transactions of the University of Iowa. They do not purport to, and do not, present fairly the financial position of the State of Iowa as of June 30, 2019 and 2018 and the changes in its financial position and its cash flows for the years ended June 30, 2019 and 2018 in conformity with U.S. generally accepted accounting principles.

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 Net Pension Liability, Schedule of University Contributions and the Schedule of Changes in the University's Total OPEB Liability, Related Ratios and Notes on pages 6 through 17 and 80 through 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the 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.

The Introduction and Highlights Section has 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 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 Gaston

Marlys K. Gaston, CPA
Deputy Auditor of State

December 17, 2019

Management's Discussion and Analysis

A rendering of the new Stanley Museum of Art, which is set to open in 2022. The ceremonial groundbreaking was held on June 7, 2019 in Gibson Square Park.

INTRODUCTION

The following discussion and analysis of the University of Iowa's financial statements presents an overview of the University's financial activities for the years ended June 30, 2019 and 2018. This discussion has been prepared by management and should be read in conjunction with the financial statements and related footnotes that follow.

FINANCIAL HIGHLIGHTS

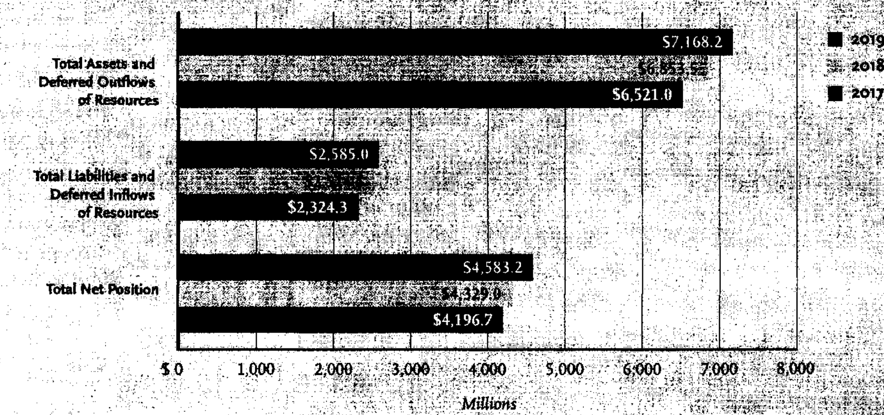
The University's financial position remained strong at June 30, 2019, with assets of $7,055 million and liabilities of $2,487 million as compared to June 30, 2018 assets of $6,732 million and liabilities of $2,434 million. Net position, the difference between total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources, increased by $254.2 million (5.9%) from July 1, 2018 to June 30, 2019. The increase from June 30, 2017 to June 30, 2018 was $132.3 million (3.2%).

The change in net position reports the financial results during the fiscal year by measuring the relationship between revenues and expenses. It is important to note that public universities such as the University of Iowa generally report an operating loss, as the financial reporting model classifies state appropriations, investment income and gifts as nonoperating revenues. Operating revenues are received for providing goods and services to the various students, customers and constituencies of the University. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the University. Nonoperating revenues are revenues received for which goods and services are not provided.

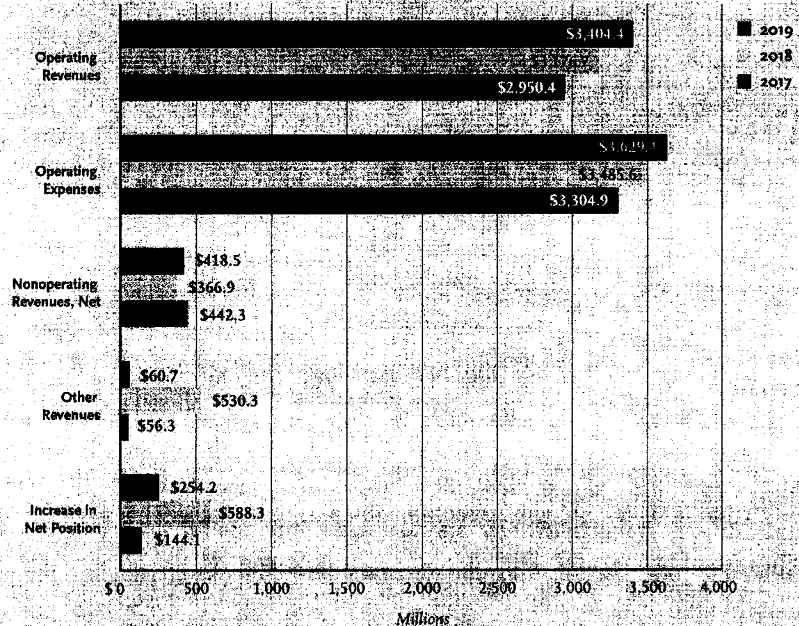
GASB Statement No. 83 Certain Asset Retirement Obligations and GASB Statement No. 88 Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements were implemented during fiscal year 2019. The University reported no Asset Retirement Obligations as of June 30, 2019.

The following charts compare Total Assets and Deferred Outflows of Resources, Total Liabilities and Deferred Inflows of Resources, and Total Net Position at June 30, 2019, 2018, and 2017 and the components of changes in Net Position at June 30, 2019, 2018 and 2017.

STATEMENT OF NET POSITION



STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION



USING THIS ANNUAL REPORT

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

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

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

The following table summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for the years ended June 30, 2019, 2018, and 2017.

NET POSITION, END OF YEAR (in millions)

	2019	2018	Not Restated 2017
Assets			
Current assets	$877.5	$863.9	$857.3
Capital assets, net	3,986.8	3,943.8	3,854.0
Other noncurrent assets	2,190.7	1,924.2	1,752.4
Total Assets	7,055.0	6,731.9	6,463.7
Deferred Outflows of Resources	113.2	121.6	57.3
Liabilities			
Current liabilities	865.1	802.6	743.6
Noncurrent liabilities	1,622.3	1,630.9	1,575.8
Total Liabilities	2,487.4	2,433.5	2,319.4
Deferred Inflows of Resources	97.6	91.0	4.9
Net Position			
Net investment in capital assets	2,694.8	2,653.7	2,569.0
Restricted	456.6	426.1	452.3
Unrestricted	1,431.8	1,249.2	1,175.4
Total Net Position	$4,583.2	$4,329.0	$4,196.7

The following table summarizes the University's revenues, expenses and changes in net position for the years ended June 30, 2019, 2018 and 2017.

REVENUES, EXPENSES AND CHANGES IN NET POSITION
(in millions)

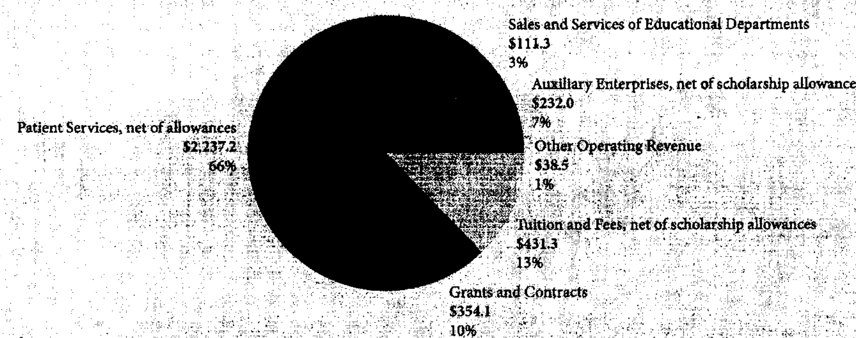
	2019	2018	Not Restated 2017
Operating Revenues:			
Tuition and fees, net of scholarship allowances	$431.3	$430.5	$399.1
Grants and contracts	354.1	345.7	345.0
Patient services, net of allowances	2,237.2	2,040.2	1,846.5
Sales and services of educational departments	111.3	104.9	108.5
Auxiliary enterprises, net of scholarship allowances	232.0	222.0	216.3
Other operating revenue	38.5	33.4	35.0
Total Operating Revenues	3,404.4	3,176.7	2,950.4
Operating Expenses:			
Instruction	358.2	349.7	341.8
Research	334.3	334.7	330.3
Academic support	150.4	153.0	226.4
Patient services	1,967.5	1,848.9	1,621.7
Depreciation and amortization	250.6	247.3	226.7
Auxiliary enterprises	209.9	203.3	203.2
Other operating expenses	358.5	348.7	354.8
Total Operating Expenses	3,629.4	3,485.6	3,304.9
Operating (Loss)	(225.0)	(308.9)	(354.5)
Nonoperating Revenues (Expenses):			
State appropriations	231.1	227.3	239.3
Grants and contracts	20.5	20.2	18.2
Investment income	120.6	65.2	113.4
Gifts	101.5	97.2	109.2
Interest expense	(41.6)	(37.8)	(32.5)
Loss on disposal of capital assets	(13.6)	(5.2)	(5.3)
Net Nonoperating Revenues (Expenses)	418.5	366.9	442.3
Income Before Other Revenues	193.5	58.0	87.8
Other Revenues:			
Capital appropriations, State	32.3	53.0	20.6
Capital contributions and grants	28.4	10.5	33.6
FEMA reimbursement for capital costs, net of expenses	-	1.8	2.1
Other—OPEB benefit change	-	465.0	
Net Other Revenues	60.7	530.3	56.3
Increase in Net Position	254.2	588.3	144.1
Net position, beginning of year	4,329.0	3,740.7	4,052.6
Net position, end of year	$4,583.2	$4,329.0	$4,196.7

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year with an increase in net position for the fiscal year ended June 30, 2019 of $254.2 million (5.9%). During the fiscal year ended June 30, 2019, the University increased operating revenues and operating expenses by 7.2% and 4.1%, respectively. The net result from operating revenues and expenses is an operating loss of 6.6% compared to 9.7% last year. However, after factoring in state appropriations, investment income, gifts and other net non-operating revenues (expenses), the University increased net position by $193.5 million for the year ended June 30, 2019. During the fiscal year ended June 30, 2019, net nonoperating revenues (expenses) increased by 14.1%. Other revenues of state appropriations for capital projects, contributions and grants for capital projects, and FEMA reimbursement for capital costs, net of expenses decreased $4.6 million (7.0%). This calculation does not include the restatement of net position as of July 1, 2017 required by the implementation of GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions during fiscal year 2018. The beginning net position was restated by $456.0 million to retroactively report the increase in the OPEB liability as of July 1, 2017. Net position increased $465.0 million during fiscal year 2018 due to the University's implementation of a change in OPEB benefit terms during fiscal year 2018. When these items are included, net position increased $588.3 million for the fiscal year ended June 30, 2018.

OPERATING REVENUES

For the fiscal years (FY) ended June 30, 2019, 2018 and 2017, operating revenues totaled $3,404.4 million, $3,176.7 million and $2,950.4 million, respectively. Operating revenues increased $227.7 million (7.2%) over FY 2018 revenues. The increase is primarily from patient services. The following is a graphic illustration of revenues by source which are used to fund the University's operating activities for the year ended June 30, 2019.

FY 2019 OPERATING REVENUES $3,404.4 million

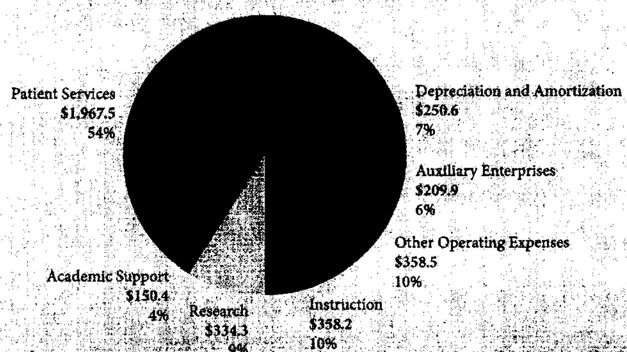


In the most recent National Science Foundation, Higher Education Research and Development survey (2017), the University of Iowa ranked 49th among public and private universities combined in terms of federally financed expenditures for research and development. Grants, contracts and other sponsored agreements operating revenue exceeded $354 million in FY 2019, $345 million in FY 2018 and $344 million in FY 2017.

OPERATING EXPENSES

For the fiscal years ended June 30, 2019, 2018 and 2017, operating expenses totaled $3,629.4 million, $3,485.6 million and $3,304.9 million, respectively. Operating expenses increased $143.8 million (4.1%) over FY 2018 expenses. The increase is primarily from patient services, instruction, and auxiliary enterprises. The following is a graphic illustration of the University's operating expenses for the year ended June 30, 2019

FY 2019 OPERATING EXPENSES $3,629.4 million



Other operating expenses include Public Service (2019, $92 million; 2018, $90 million), Student Services (2019, $42 million; 2018, $37 million), Institutional Support (2019, $59 million; 2018, $56 million), Operation and Maintenance of Plant (2019, $81 million; 2018, $84 million), Scholarships and Fellowships (2019, $34 million; 2018, $32 million), and Other (2019, $50 million; 2018, $49 million).

NONOPERATING REVENUES AND EXPENSES

Nonoperating revenues and expenses netted a positive $418.5 million for the fiscal year ended June 30, 2019 and $366.9 million for the fiscal year ended June 30, 2018.

The following table summarizes the University's nonoperating revenues and expenses for the years ended June 30, 2019, 2018 and 2017.

NONOPERATING REVENUES (EXPENSES) (in millions)

	2019	2018	2017
Nonoperating Revenues (Expenses)			
State appropriations	$231.1	$227.3	$239.3
Grants and contracts	20.5	20.2	18.2
Investment income	120.6	65.2	113.4
Gifts	101.5	97.2	109.2
Interest expense	(41.6)	(37.8)	(32.5)
Loss on disposal of capital assets	(13.6)	(5.2)	(5.3)
Net Nonoperating Revenues (Expenses)	$418.5	$366.9	$442.3

State appropriations increased by $3.8 million (1.7%) in the fiscal year ended June 30, 2019. Grants and contracts revenue increased by $0.3 million (1.5%), investment income, net of investment expenses increased by $55.4 million (85.0%) and gifts increased by $4.3 million (4.4%) in the fiscal year ended June 30, 2019.

OTHER REVENUES AND EXPENSES

Not included, by definition, as nonoperating revenues and expenses are state appropriations for capital projects, contributions and grants for capital projects and reimbursement from FEMA for capital costs, net of expenses. Other revenues decreased from $530.3 million for the fiscal year ended June 30, 2018 to $60.7 million for the fiscal year ended June 30, 2019, a decrease of $469.6 million, or 88.6%. Other revenues included a decrease of $465.0 million during fiscal year 2019 after the University's implementation of a change in OPEB benefit terms during fiscal year 2018. Capital appropriations, contributions, and grants decreased from $63.5 million for the fiscal year ended June 30, 2018 to $60.7 million for the fiscal year ended June 30, 2019, a decrease of $2.8 million, or 4.4%. No FEMA reimbursement for capital costs, net of expenses was received in fiscal year 2019. The final $1.8 million funding for expenses related to the 2008 flood was received in fiscal 2018, resulting in a 100% decrease in FEMA reimbursement for capital costs, net of expenses in fiscal 2019.

STATEMENT OF CASH FLOWS

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

The following table summarizes the University's cash flow for the fiscal years ended June 30, 2019, 2018 and 2017.

CASH FLOWS FOR THE YEAR (in millions)

	2019	2018	2017
Cash provided (used) by:			
Operating activities	$60.6	$9.9	$(123.7)
Noncapital financing activities	368.2	367.7	390.7
Capital and related financing activities	(290.3)	(264.3)	(420.9)
Investing activities	(174.7)	(49.5)	143.8
Net change in cash and cash equivalents	(36.2)	63.8	(10.1)
Cash and cash equivalents, beginning of year	271.1	207.3	217.4
Cash and cash equivalents, end of year	$234.9	$271.1	$207.3

The University's overall liquidity decreased during the year, with a net decrease in cash and cash equivalents of $36.2 million. The net decrease is primarily due to disbursements for investing activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following table summarizes the University's capital assets, net of depreciation and amortization, as of June 30, 2019, 2018 and 2017.

CAPITAL ASSETS, NET OF DEPRECIATION AND AMORTIZATION (in millions)

	2019	2018	2017
Nondepreciable/nonamortizable			
Land	$73.5	$68.7	$66.6
Construction in progress	294.6	261.1	293.5
Intangibles in development	0.2	0.3	1.8
Art & historical collections	28.9	28.8	28.2
Library materials	374.8	358.2	345.8
Depreciable/amortizable			
Land improvements, net	$8.5	$10.0	$7.4
Infrastructure, net	322.8	296.3	285.1
Buildings, net	2,584.1	2,602.1	2,490.9
Equipment, net	262.6	274.9	284.8
Intangibles, net	36.8	43.4	49.9
Total Capital Assets, Net	$3,986.8	$3,943.8	$3,854.0

Many important projects for the University of Iowa wrapped up construction this year, including the Relocation of Acute Leukemia and Bone Marrow Transplant Unit on Level 3 of John W. Colloton Pavilion ($15.3 million), the Modernization of Building Systems in Bowen Science Building ($18.5 million), the renovation of Lab Floors 1–5 within the John W. Eckstein Medical Research Building ($9.1 million), Modifications to the College of Nursing Building ($11.8 million), and the completion of the campus Water Plant Reverse Osmosis System installation ($5.9 million).

Other important milestones were reached with the substantial completion of several building and utility infrastructure projects including: the replacement of the LL-L3 Air Handling Units serving John W. Colloton Pavilion ($6.2 million), the final phase of the Riverside Drive/Grand Avenue Steam Distribution System replacement ($17.9 million), the installation of a MRI Linear Accelerator in Pomerantz Family Pavilion ($10.5 million), and increasing the Cooling Tower Capacity at the Chilled Water Plant 2 (West)—($5.2 million). Substantial completion was also reached for a project to expand the UIHC Pediatric Specialty Clinic and create a Conference Center ($39 million).

Construction efforts continued with a few of our largest projects: Kinnick Stadium North End Zone ($89.9 million), a three-year project heading towards completion later this year, two College of Pharmacy projects (the new College of Pharmacy Building ($96.3 million) and the UIP Fit Out and Manufacturing Equipment ($28.4 million) projects, the Psychological Brain Sciences Building—Construct Facility ($33.5 million) which will allow for the razing of Seashore Hall, updating the Student Living Spaces in Burge Residence Hall which is in year two of a four year long project ($8.4 million) and the Power Plant—Capacity Expansion ($49.5 million) which adds a new boiler and replaces turbine generators at the main plant.

A project moratorium initiated in April 2018 impacted the capital project workload by postponing projects in design at the time. The moratorium ran for five months ending mid-September 2018. Projects that bid and were awarded following the moratorium include construction of a new Finkbine Golf Club House and Support Facility and razing of the existing facility ($9.95 million), construction of the UIHC Central Sterilization Services facility that will consolidate sterilization services for the hospital into one facility and will be located on the Oakdale Campus ($31.5 million), Renovation of Pathology Core Lab at Roy Carver Pavilion ($20 million), the Roy J. Carver Pavilion – Inpatient Psychiatry Expansion and Renovation project ($8.3 million), Renovation of the John Pappajohn Pavilion—Interventional Radiology Support Space ($6.9 million), construction of a replacement of L3 Air Handling Units serving John W. Colloton Pavilion ($6.2 million), the expansion and renovation of an MRI and Pet/MRI Suite in John W. Colloton Pavilion ($5.4 million) and finally installation of a MRI Linear Accelerator in Pomerantz Family Pavilion ($10.5 million).

Additionally, projects currently under design include the Renovation of 1st and 2nd Floors to the Lindquist Center ($8.9 million), Utilities Distribution System—Replace Old Capital Tunnel ($11.5 million) and Renovate Student Living Space in Hillcrest Residence Hall ($8.5 million). The Stanley Museum of Art project design is complete and will bid next fiscal year, marking the last of the replacement projects from the flood of 2008 ($50 million).

Debt

As of June 30, 2019, the University had $1,361.3 million in outstanding bonds, notes and capital leases, a decrease of $4.4 million from the prior year. Debt principal payments of $74.1 million and interest payments of $44.4 million were made during the fiscal year ended June 30, 2019.

The following table summarizes outstanding debt by type as of June 30, 2019, 2018 and 2017.

BONDS, NOTES AND CAPITAL LEASES
(in millions)

	2019	2018	2017
Revenue bonds	$1,324.9	$1,321.0	$1,259.7
Notes	20.1	27.3	36.3
Capital leases	16.3	17.4	18.4
Total Debt Outstanding	$1,361.3	$1,365.7	$1,314.4

During the fiscal year ended June 30, 2019, $71.4 million of new revenue bonds were issued. The revenue bond proceeds were $28.9 million for Athletic Facilities and $42.5 million for Hospital. The University carries an Aa1 institutional bond rating from Moody's and an AA rating from Standard & Poor's. UIHC carries a rating of Aa2 and AA. Additional information related to the University's noncurrent liabilities is presented in Note 5 to the financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The University of Iowa maintains a strong credit rating with Moody's (Aa1) and S&P Global (AA). Achieving and maintaining this credit rating provides the University with significant flexibility in securing capital funds, on highly competitive terms, to finance capital projects necessary to advance the University's mission.

The University of Iowa continues to have significant appeal to prospective students. This is attributable, in large part, to the University's high academic standards and its national reputation as a best buy in undergraduate education. The University continues to draw a high percentage of students from outside the state of Iowa, most notably from the state of Illinois. The Class of 2023 is comprised of 4,986 students, making it the fourth largest, and one of the most academically gifted class in the University's 172-year history. Total enrollment for fall 2019 is 32,535, the fourth highest enrollment in the University's history. It is forecasted these trends will continue with strong enrollment demand at the University of Iowa, despite overall high school graduation demographics remaining flat within the state of Iowa.

The state increased its general fund appropriation to the University by $3.2 million since the end of fiscal year 2018. This state support enables the University to maintain one of the lowest resident undergraduate tuition rates among its highly selective peer group. The state economy continues to report revenue growth over the prior year. In fact, the October 2019 projection from the state's revenue estimating committee estimates fiscal year 2020 General Fund will end with a $414.0 million surplus and estimates that FY 2021 will end with a surplus of $458.5 million.

The University continues to be one of the nation's top research-intensive universities with grant and contract research awards to the University exceeding $400 million per year for the past eleven years. The continuation of hiring highly productive faculty within focused clusters, and infrastructure improvements will enable the University's researchers to be more productive and better positioned to compete for external grants and contracts as new sponsored research opportunities emerge. Federally sponsored research increased 8% in FY 2019 while the University realized a decrease in industry research support. As a result, an area of emphasis in the upcoming years is on developing stronger partnerships with industry leading to improved marketability of intellectual capital generated by UI faculty and staff. Federal research continues to perform well in FY 2020 with the University receiving its single, largest federal award in its history valued at $115 million from NASA.

Despite the increasing volatility in the investment markets over the last several years, investment income continues to be an important component of UI's ongoing revenue diversification with the University generating a 9.1% 10-year return on its endowment, placing it in the upper quartile of educational endowment returns across the U.S. The University achieved benchmark or better returns in its operating investment pool over the 3-year and 5-year return periods. The University will continue to employ its long-term investment strategy to maximize total returns, at an appropriate level of risk. The Board of Regents investment advisor, Marquette Associates is a partner in this process to ensure prudently managed and well diversified investment portfolios.

The University of Iowa Hospitals & Clinics (UIHC) continues to be recognized as one of the nation's best and has achieved successful operating results for fiscal year 2019 with an operating margin of 5.4% (unaudited) versus a budget of 3.2%. According to US News & World Report, UIHC has been included again as one of the top hospitals in the United States in its annual "best hospitals" rankings. Twelve programs are ranked in the top 50 in the country. Of the twelve programs, six are in adult specialties and six are in pediatric specialty areas. The University of Iowa Health Care is rated by US News & World Report as the #1 hospital in the state of Iowa and it continues to report robust patient census data with over 1 million clinic visits in fiscal year 2019. Iowa's future doctors and other health care professional students are in a great learning environment attributable to outstanding faculty and exposure to a high complexity case mix at 2.22 overall in FY 2019.

THE UNIVERSITY OF IOWA

Statement of Net Position

June 30, 2019 (in thousands)

With comparative statement as of June 30, 2018

ASSETS	2019	2018
Current Assets:		
Cash and cash equivalents	$132,121	$145,976
Deposits with trustees	1	1
Investments	222,909	217,992
Accounts receivable, net	381,190	364,630
Notes receivable, net	2,307	2,234
Interest receivable	1,360	1,308
Due from government agencies	67,065	65,028
Inventories	47,128	45,212
Prepaid expenses and other current assets	21,407	21,492
Total current assets	877,479	863,873
Noncurrent Assets:		
Cash and cash equivalents	102,773	125,109
Deposits with trustees	15,041	14,725
Investments	2,031,844	1,741,971
Notes receivable, net	25,035	26,922
Investment in wholly owned subsidiary	16,023	15,500
Capital assets, net	3,986,828	3,943,809
Total noncurrent assets	6,177,544	5,868,036
Total Assets	7,055,023	6,731,909
DEFERRED OUTFLOWS OF RESOURCES		
OPEB related deferred outflows	50,612	54,448
Pension related deferred outflows	47,223	49,227
Debt refunding loss	14,729	17,089
Other deferred outflows	642	879
Total Deferred Outflows of Resources	113,206	121,643
Total Assets and Deferred Outflows of Resources	$7,168,229	$6,853,552

LIABILITIES	2019	2018
Current Liabilities:		
Accounts payable	$119,666	$99,826
Salaries and wages payable	203,257	198,306
Unpaid claims	54,789	37,658
Unearned revenue	43,301	44,989
Interest payable	17,057	16,293
Long-term debt, current portion	78,276	74,204
Other long-term liabilities, current portion	124,353	122,246
Deposits held in custody for others	224,380	209,122
Total current liabilities	865,079	802,644
Noncurrent Liabilities:		
Accounts payable	18,349	35,074
Long-term debt, noncurrent portion	1,283,056	1,291,443
Other long-term liabilities, noncurrent portion	320,879	304,359
Total noncurrent liabilities	1,622,284	1,630,876
Total Liabilities	2,487,363	2,433,520
DEFERRED INFLOWS OF RESOURCES		
OPEB related deferred inflows	90,145	85,859
Debt refunding gain	2,102	2,803
Pension related deferred inflows	5,210	1,923
Contract and grant deferred inflows	137	371
Total Deferred Inflows of Resources	97,594	90,956
NET POSITION		
Net investment in capital assets	2,694,830	2,653,746
Restricted:		
Nonexpendable:		
Permanent endowment	47,953	47,798
Expendable:		
Research and gifts	66,065	65,408
Student loans	16,960	15,901
Quasi endowments	83,814	82,245
Debt service and capital projects	241,802	214,729
Unrestricted	1,431,848	1,249,249
Total Net Position	4,583,272	4,329,076
Total Liabilities, Deferred Inflows of Resources and Net Position	$7,168,229	$6,853,552

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

THE UNIVERSITY OF IOWA

Statement of Revenues, Expenses and Changes in Net Position
For the year ended June 30, 2019 (in thousands)

With comparative statement for the year ended June 30, 2018

	2019	2018
Operating Revenues		
Student tuition and fees, net of scholarship allowances of $121,099 and $121,815 for the years ended June 30, 2019 and 2018, respectively (pledged as payment on revenue bonds)	$431,273	$430,515
Federal grants and contracts	291,726	281,944
State and other governmental grants and contracts	12,698	13,655
Nongovernmental grants and contracts	49,633	50,142
Patient services, net of write-offs, contractual adjustments and indigent care of $4,502,753 and $3,938,026 for the years ended June 30, 2019 and 2018, respectively (pledged as payment on revenue bonds)	2,237,228	2,040,227
Sales and services of educational departments	111,322	104,866
Interest on student loans	732	693
Auxiliary enterprises, net of scholarship allowances of $10,280 and $10,202 for the years ended June 30, 2019 and 2018, respectively (pledged as payment on revenue bonds)	232,042	222,021
Other operating revenue	37,721	32,710
Total Operating Revenues	3,404,375	3,176,773
Operating Expenses		
Instruction	358,207	349,683
Research	334,256	334,689
Public service	91,934	90,402
Academic support	150,416	152,985
Patient services	1,967,510	1,848,906
Student services	42,421	36,867
Institutional support	59,237	56,313
Operation and maintenance of plant	81,420	84,244
Scholarships and fellowships	33,526	32,078
Depreciation and amortization	250,635	247,336
Auxiliary enterprises	209,885	203,316
Other operating expenses	49,987	48,806
Total Operating Expenses	3,629,434	3,485,625
Operating (Loss)	(225,059)	(308,852)
Nonoperating Revenues (Expenses)		
State appropriations	231,134	227,289
Federal grants and contracts	20,476	20,240
Investment income	120,589	65,192
Gifts	101,565	97,209
Interest expense	(41,618)	(37,849)
Loss on disposal of capital assets	(13,616)	(5,204)
Net Nonoperating Revenues (Expenses)	418,530	366,877
Income Before Other Revenues	193,471	58,025
Other Revenues		
Capital appropriations, State	32,295	52,994
Capital contributions and grants	28,430	10,496
FEMA reimbursement for capital costs, net of expenses	-	1,843
Other—OPEB benefit change	-	465,008
Net Other Revenues	60,725	530,341
Increase in Net Position	254,196	588,366
Net Position		
Net position, beginning of year	4,329,076	3,740,710
Net position, end of year	$4,583,272	$4,329,076

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

THE UNIVERSITY OF IOWA

Statement of Cash Flows

For the Year ended June 30, 2019 (in thousands)

With comparative statement for the year ended June 30, 2018

	2019	2018
Cash Flows From Operating Activities		
Tuition and fees	$432,859	$425,784
Patient receipts	2,216,282	2,038,262
Grants and contracts	350,279	354,793
Payments for salaries and benefits	(1,896,980)	(1,868,422)
Payments for goods and services	(1,189,433)	(1,068,122)
Scholarships	(33,526)	(32,078)
Loans issued to students	(2,824)	(6,545)
Collections of loans from students	5,293	6,413
Sales of educational activities	114,305	101,285
Other receipts	42,523	41,383
Auxiliary enterprise receipts	231,712	220,496
Auxiliary enterprise payments	(209,885)	(203,316)
Net Cash Provided by Operating Activities	60,605	9,933
Cash Flows From Noncapital Financing Activities		
State appropriations	231,134	227,289
Grants and contracts	20,476	20,240
Proceeds from noncapital gifts	101,565	97,209
Funds held for others receipts	297,623	235,441
Funds held for others payments	(282,617)	(212,488)
William D. Ford Direct Lending & Plus Loans receipts	175,517	173,396
William D. Ford Direct Lending & Plus Loans made	(174,048)	(173,487)
Other noncapital activities	(1,469)	91
Net Cash Provided by Noncapital Financing Activities	368,181	367,691
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(303,952)	(340,128)
Interest paid on capital debt and leases	(44,380)	(41,646)
Proceeds from sale of capital assets	1,276	915
Capital appropriations	33,084	52,963
Capital gifts and grants received	23,122	8,374
Deposits with trustee	(316)	(74)
Principal paid on capital debt and leases	(74,138)	(69,301)
Proceeds from capital debt and leases	75,007	125,253
Defeased debt payments	-	(44,400)
Other capital and related financing receipts	-	43,725
Net Cash (Used) by Capital and Related Financing Activities	(290,297)	(264,319)
Cash Flows From Investing Activities		
Interest and dividends on investments	36,040	25,986
Proceeds from sale and maturities of investments	525,915	1,171,280
Purchase of investments	(736,635)	(1,246,787)
Net Cash (Used) by Investing Activities	(174,680)	(49,521)
Net (Decrease) Increase in Cash and Cash Equivalents	(36,191)	63,784
Cash and Cash Equivalents, beginning of year	271,085	207,301
Cash and Cash Equivalents, end of year	$234,894	$271,085

THE UNIVERSITY OF IOWA

Statement of Cash Flows

For the year ended June 30, 2019 (in thousands)

With comparative statement for the year ended June 30, 2018

	2019	2018
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and cash equivalents in current assets	$132,121	$145,976
Noncurrent cash and cash equivalents	102,773	125,109
Total Cash and Cash Equivalents	$234,894	$271,085
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities:		
Operating (loss)	$(225,059)	$(308,852)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	250,635	247,336
Changes in operating assets and liabilities:		
Accounts receivable, net	(15,963)	(11,974)
Interest receivable	(86)	56
Inventories	(1,916)	(2,862)
Prepaid expenses and other current assets	(1,914)	2,688
Due from government agencies, net of receivable from State for capital appropriations	(2,826)	10,903
Notes receivable, net	1,814	(947)
Accounts payable	3,677	14,587
Salaries and wages payable	4,950	7,205
Unpaid claims liability	17,131	11,657
Other long-term liabilities	4,801	(375)
Unearned revenue	(1,705)	(487)
Contract and grant deferred inflows	(233)	(14)
Pension liability	4,356	18,390
Pension related deferred outflows	2,004	(10,102)
Pension related deferred inflows	3,286	964
Other postemployment benefits other than pension liability	6,322	(11,883)
OPEB related deferred outflows	3,836	(54,448)
OPEB related deferred inflows	4,286	85,859
Other expenses—OPEB change benefit	-	9,048
Compensated absences	4,544	5,179
Early retirement benefits	(1,335)	(1,995)
Net Cash Provided by Operating Activities	$60,605	$9,933
Significant Noncash Transactions:		
Receivable from State for capital appropriations	$1,076	$1,865
Assets acquired by gift	$5,308	$2,121
Net unrealized gain (loss) on investment	$70,246	$(30,890)

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

THE UNIVERSITY OF IOWA CENTER FOR ADVANCEMENT AND AFFILIATE

Consolidated Statement of Financial Position
June 30, 2019 (in thousands)

With comparative information as of June 30, 2018

ASSETS	2019	2018
Cash and cash equivalents	$90,768	$66,865
Receivables:		
Pledges, at net present value, less allowance for losses	164,500	156,141
Other receivables and prepaids	211	268
	164,711	156,409
Investments:		
Carried at fair value		
U.S. Government securities	3,961	3,736
Corporation stocks, primarily common stocks	13,900	8,735
Managed separate investment accounts	1,208,348	1,210,930
Assets in living trusts and gift annuities	58,731	56,931
Beneficial interest in perpetual and remainder trusts	17,197	17,076
	1,302,137	1,297,408
Other:		
Real estate	5,204	4,548
Cash value of life insurance	7,457	6,741
Other	-	864
	12,661	12,153
Property leasehold interest and equipment, net	17,304	17,096
Total Assets	$1,587,581	$1,549,931
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and other accrued expenses	$2,601	$2,046
Annuity and life income obligations	22,218	22,618
Capital lease obligation	-	825
Amounts held on behalf of others	86,025	92,507
	110,844	117,996
Net Assets:		
Without donor restrictions	34,933	33,651
With donor restrictions	1,441,804	1,398,284
	1,476,737	1,431,935
Total Liabilities and Net Assets	$1,587,581	$1,549,931

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

THE UNIVERSITY OF IOWA CENTER FOR ADVANCEMENT AND AFFILIATE

Consolidated Statement of Activites

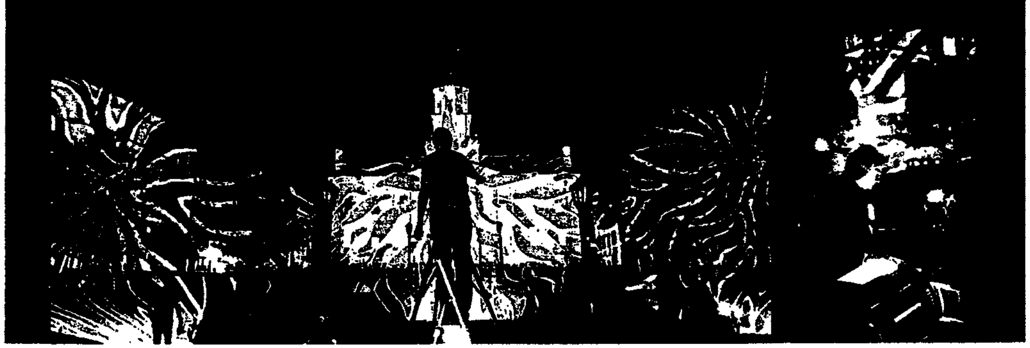
For the year ended June 30, 2019 (in thousands)

With summarized comparative information for the year ended June 30, 2018

	Net Assets Without Donor Restrictions	Restricted Net Assets With Donor Restrictions	2019 Total	2018 Total
Support and revenue:				
Total contributions raised	$467	139,021	$139,488	$134,267
Change in value of life income gifts	-	1,507	1,507	4,618
Subtotal	467	140,528	140,995	138,885
Less amounts attributed to others	-	(2,054)	(2,054)	(1,762)
Total contributions and change in value of life income gifts	467	138,474	138,941	137,123
Investment income (expense):				
Interest and dividends	4,347	1,005	5,352	5,119
Asset based service fees	12,520	(12,327)	193	207
Change in fair value of investments, net of investment fees	4,335	40,547	44,882	93,518
Subtotal	21,202	29,225	50,427	98,844
Less amounts attributed to others	-	(2,084)	(2,084)	(6,892)
Total investment income	21,202	27,141	48,343	91,952
Other revenue:				
Other, primarily fundraising service revenue	12,848	3,916	16,764	14,456
Less amounts attributed to others	-	(118)	(118)	(193)
Total other revenue	12,848	3,798	16,646	14,263
Net assets released from restrictions and changes in donor restrictions	132,187	(132,187)	-	-
Total support and revenue	166,704	37,226	203,930	243,338
Transfers to and Expenses of The State University of Iowa				
Student support	27,636	-	27,636	28,640
Faculty support	17,782	-	17,782	19,394
Research	21,853	-	21,853	26,564
Facilities and equipment	39,876	-	39,876	23,204
Program support	17,192	-	17,192	16,322
Fundraising	8,687	-	8,687	7,633
Management and service fees	3,596	-	3,596	3,637
Subtotal	136,622	-	136,622	125,394
Less amounts attributed to others	(4,443)	-	(4,443)	(7,818)
Total program and expense disbursements	132,179	-	132,179	117,576
Expenses of The University of Iowa Center for Advancement and Affiliate				
Operating Expenses	33,243	-	33,243	29,819
Total expenses	165,422	-	165,422	147,395
Change in net assets, prior to contribution	1,282	37,226	38,508	95,943
Contribution of ISF (2019) and UIAA (2018)	-	6,294	6,294	6,802
Change in net assets	1,282	43,520	44,802	102,745
Net assets, beginning	33,651	1,398,284	1,431,935	1,329,190
Net assets, ending	$34,933	1,441,804	$1,476,737	$1,431,935

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

Notes to Financial Statements



The Light Art Grand Tour USA, presented by world-renowned Swiss Light Artist Gerry Hofstetter and daughter Celine Hofstetter, displayed a spectacular sight on the Pentacrest buildings in October 2018. Iowa City was one of 50 stops along the tour.

Note 1—Organization and Summary of Significant Accounting Policies

ORGANIZATION

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

The University is classified as a state instrumentality under Internal Revenue Code Section 115 and its income 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 accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). These statements present the University as a whole. These GASB Statements establish standards for external financial reporting for public colleges and universities and require that resources be classified for accounting and reporting purposes into four net position categories:

- **Net investment in capital assets**—Capital assets, net of accumulated depreciation and amortization and reduced by outstanding debt attributable to the acquisition, construction, or improvement of those assets.
- **Restricted, nonexpendable**—Net position subject to externally imposed constraints in which the donors or other outside sources have stipulated as a condition that the principal is to be retained in perpetuity. Such assets include the University's permanent endowments.
- **Restricted, expendable**—Net position whose use by the University is subject to externally imposed constraints that can be fulfilled by actions of the University pursuant to those constraints or that expire by the passage of time.
- **Unrestricted**—Net position not subject to externally imposed constraints which may be used by the governing board to meet current obligations for any purpose. Unrestricted net position is derived from student tuition and fees, state appropriations, and sales and services of auxiliary enterprises and are generally designated for academic, research and capital programs or to meet contractual obligations of the University.

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

FINANCIAL REPORTING ENTITY

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

Blended Component Units

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

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

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

The University of Iowa Research Park Corporation (Corporation) is a not-for-profit corporation and a component unit of the University of Iowa (University). The Corporation leases from the State of Iowa approximately 185 acres of land located in the University of Iowa Research Park. The land subject to this lease is designated as the University of Iowa Research Park and is platted as a subdivision of Coralville, Iowa. Under terms of its master lease with the State of Iowa, the Corporation subleases parcels of the University of Iowa Research Park to businesses (or to private developers working on behalf of businesses) wishing to locate close to the University and its research assets.

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

Discretely Presented Component Units

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

The purpose of The University of Iowa Center for Advancement (UICA), formerly known as The State University of Iowa Foundation (UIF), is to solicit, receive and manage gifts for the benefit of research and education at The State University of Iowa (University of Iowa). The UICA is legally a not-for-profit corporation that is organizationally and operationally independent of the University of Iowa, but is generally subject to restrictions imposed by donors and holds investments primarily for restricted uses of the University of Iowa.

During the year ending June 30, 2019, the Iowa Scholarship Fund (ISF) merged into the UICA. This transaction was treated as an acquisition in accordance with accounting principles generally accepted in the United States of America. The effective date of the transaction was end of day June 30, 2019 with UICA acquiring all assets and assuming all liabilities of ISF on this date, which has been reflected in the financial statements as of and for the year ending June 30, 2019 as follows (in thousands):

	2019
Due from the UICA	$80
Pledges, at net present value	2
Investments	6,212
Contribution of ISF (A)	$6,294

(A) Prior to June 30, 2019, ISF's investments were recorded by UICA with a corresponding liability, amounts held on behalf of others. Upon merger, the amounts held on behalf of others is included in the contribution of ISF in the consolidated statement of activities.

During the years ended June 30, 2019 and 2018 the UICA distributed to the University or expended on behalf of the University $136,622,000 and $125,394,000, respectively, for both restricted and unrestricted purposes.

The UICA is a nonprofit organization that reports under FASB standards, including FASB Statement No. 117, Financial Statements for Not-for-Profit Organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the UICA's financial information in the University's financial reporting entity for these differences.

The UICA acts as a financial agent for other organizations benefiting the University of Iowa. Since the UICA is not considered to be financially interrelated to these organizations, the total amount of funds held on behalf of these organizations has been reflected as a liability on the consolidated statement of financial position. The UICA does not have variance power to re-direct the assets held for others and the funds are generally payable quarterly with a 15 day notification period. On the consolidated statement of activities, the UICA reports the gross amounts of support, revenue and expenses with the amount raised and expended on behalf of these organizations shown as a reduction in the gross amounts of support, revenue and expenses.

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

Amounts Held on Behalf of Others (in thousands)	2019	2018
Iowa Law School Foundation	$85,239	$85,210
Iowa Scholarship Fund	-	6,396
Student Publications Incorporated	786	901
Total	$86,025	$92,507

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

The University of Iowa Research Foundation (UIRF)—a 501(c)(3) corporation—commercializes University of Iowa (University) developed technologies and inventions through licensing and new venture formation, and manages the subsequent revenue stream. UIRF's primary functions are:

- Licensing: finding suitable partners for commercialization of University technologies and inventions;
- New Ventures: identifying and helping develop new high growth companies based on University technologies that may be suitable for venture capital financing;
- Intellectual Property (IP) Management: protecting University inventions through patents and copyrights, advising on IP terms for Clinical Trials and Sponsored Research, and executing out-going material transfer agreements.

The UIRF is a private nonprofit corporation tied to the University and was created in 1975 as the designated manager for these inventions and selected University intellectual properties. UIRF aspires to maximize the public benefit of University research through commercial use of University technologies. The intention of the UIRF is to effectively manage University intellectual property to successful outcomes including: champion the commercialization of selected University inventions for public benefit, catalyze economic development and an entrepreneurial culture in Iowa, build the vitality and sustainability of the University and the community through technology commercialization, and serve the research mission for continued innovation.

The University owns inventions made by faculty, staff, or students during the course of the inventor's employment by or in association with the University, or if the invention was enabled by significant use of University resources, and as a consequence of federal law, the Bayh-Dole Act. The UIRF may take an ownership stake in any intellectual property or materials owned by the University. All inventions arising from federal research support must be disclosed to the UIRF and must be reported to the associated funding agencies.

The UIRF takes ownership of selected inventions through assignment from the inventor(s) based on University Intellectual Property Policy. For these inventions, the UIRF exercises the right and the obligation to manage the intellectual property, with activities and authorities that include: performing market and intellectual property opportunity analysis; filing patent applications and managing the patent portfolio; seeking licensees for technologies; receiving and distributing earnings derived from the license(s); monitoring licensee performance; and enforcing intellectual property rights. Note that the UIRF retains ownership of intellectual property (i.e., patents are not "sold"), and instead licenses the use there-of.

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

UIHS does not have members with voting rights. Upon dissolution, any remaining assets will be transferred to the University of Iowa, or its successor, if in existence. Otherwise the assets may be transferred by the board of directors to various entities exclusively for public purposes in accordance with the articles of incorporation for UIHS.

UIHS has considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with UIHS are such that exclusion would cause UIHS' financial statements to be misleading or incomplete. Government Accounting Standards Board (GASB) has set forth the criteria to be considered in determining financial accountability. The GASB classification of these entities for UIHS financial reporting purposes does not affect their respective legal or organizational relationship with UIHS.

These financial statements present UIHS and its component units. These component units are included in the UIHS reporting entity because of the significance of their operational or financial relationship with UIHS. These component units are separate legal entities from UIHS, but are so intertwined with UIHS, they are, in substance, the same as UIHS. Below are the blended component units of UIHS:

- University of Iowa Community Medical Services, LLC (UICMS) is a for-profit wholly owned subsidiary, which was formed in 1995 and began operations in 1996. During 2018, several UICMS operational units either ceased operations or the operational oversight was transitioned to UIHC. Operating divisions impacted were the UIHC owned offsite clinic network, Community Connect and ehealth. As of December 31, 2018, the UICMS business unit within UIHS consists of two services lines, Homecare and Occupational Health.
- Pediatric Associates of the University of Iowa Children's Hospital, LLC (PAUICH) is a wholly owned subsidiary, which was purchased and formed in 2014. PAUICH has been organized as a physician specialty practice providing pediatric services to communities served by UIHS.
- Iowa City Cancer Treatment Center, LLC (ICCTC) is a wholly owned subsidiary, which was purchased and formed in 2015. ICCTC is organized as a physician specialty practice providing radiation oncology services in the Iowa City area.

BASIS OF ACCOUNTING

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

CASH AND CASH EQUIVALENTS

For purposes of the Statement of Net Position and Statement of Cash Flows, cash and cash equivalents are reported in accordance with Board of Regents, State of Iowa policy Chapter 2.2, section 4.C.ix (http://www.iowaregents.edu/plans-and-policies/board-policy-manual/22-business-procedures/%23Investment%20Policy), which states in part: to appropriately reflect the Board's overall investment strategy and as outlined in the GASB Statement No. 9 Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, paragraph 11 that all funds held by external investment managers, as defined in section 2.2.4.C.iv of the Board's investment policy, shall be reported on the audited financial statements of the Regent institutions as investments. Investments purchased by the institutions through Board authorized brokerage firms that meet the definition of cash equivalents, investments with original purchase dates to maturity of three months or less shall be reported on the audited financial statements of the Regent institutions as cash equivalents.

INVESTMENTS (UNIVERSITY)

Investments are reported at fair value in accordance with GASB Statement No. 31 Accounting and Financial Reporting for Certain Investments and for External Investment Pools, GASB Statement No. 34 Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, and GASB Statement No. 72 Fair Value Measurement and Application. Changes in unrealized gain (loss) on the carrying value of the investments are reported as a component of investment income in the Statement of Revenues, Expenses and Changes in Net Position. Please see Note 2 for further discussion.

INVESTMENTS (UI CENTER FOR ADVANCEMENT (UICA))

Investments are carried at fair value. Fair value is 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. The UICA elected to report the fair value of alternative investments, comprised of hedge funds and private capital funds, included in managed separate investment accounts using the practical expedient. The practical expedient allows for the use of net asset value (NAV), either as reported by the investee fund or as adjusted by the UICA management based on various factors including consideration of contributions and withdrawals to the fund and monitoring unaudited interim reporting provided by the fund related to investment returns to calculate NAV as of June 30. Realized and unrealized gains and losses on investments are included in the change in fair value of investments in the consolidated statements of activities and absent donor restrictions, are reported in net assets without donor restrictions. This amount is also reported net of fees on the statement of activities.

PLEDGES RECEIVABLE (UI CENTER FOR ADVANCEMENT (UICA))

Pledges receivable are recorded at the net present value of estimated cash flows based on appropriate rates commensurate with the risks involved, 5 percent for pledges held at June 30, 2019, less an allowance for doubtful pledges. Conditional promises to give are not included as support until the conditions are substantially met. The provision for losses on doubtful pledges is an adjustment to contributions at quarter-end equal to 2.5 percent of gross pledges. The loss netted in contribution revenue on the statement of activities totaled $7,287,000 and $2,975,000 for the years ended June 30, 2019 and 2018, respectively.

INVENTORIES

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

CAPITAL ASSETS

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

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

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

Interest costs. Interest costs are capitalized on University construction projects when the interest cost during the construction period exceeds the interest earned on the investment of debt proceeds.

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

Capitalization thresholds.

- Purchased equipment $5,000
- Leased capital equipment $50,000
- Intangible assets, non-UIHC $500,000
- Intangible assets, UIHC $5,000
- Art assets $5,000

WHOLLY OWNED SUBSIDIARY (UNIVERSITY)

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

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

The Company owns land in Louisiana subject to a number of agreements that produce royalties from oil production and timber rights. The Company owns a total of 14,499 acres of land.

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

	As of December 31	
	2018	2017
Assets (primarily investments)	$18,023	$17,900
Liabilities	-	-
Net Assets	$18,023	$17,900

	As of June 30	
	2019	2018
Distributions to Carver College of Medicine	(2,000)	(2,400)
Assets (primarily investments)	16,023	15,500
Liabilities	-	-
Net Assets	$16,023	$15,500

INVESTMENT IN SUBSIDIARY (UICA)

The University of Iowa Facilities Corporation (Corporation) is an affiliate of the UICA because the UICA elects the Corporation's Board of Directors. The Corporation is organized to assist the UICA in its programs which support the University. The Corporation accomplishes this objective by acquiring and holding property for the benefit and use of the University. The Corporation may incur debt obligations, either through the issuance of bonds or incurring commercial mortgages, for the purchase of properties. Simultaneously, the Corporation leases these buildings to the University. The lease agreements provide for the University to service the debt and pay for expenses related to the facilities. The leases also provide for the Corporation to convey title of the facilities to the University at the end of each lease term when the debt agreements are fully amortized.

Since the Corporation has not and will not have an economic interest in the outstanding bonds, the asset and the related debt and revenue and expenses related to the asset are not recorded on the financial statements of the Corporation. The asset and the related debt and revenue and expenses related to the asset are recorded as a segment of the University and included within the University's financial statements.

The Corporation also acquires and holds real estate, which will ultimately be deeded to the University after a period of time. These assets are recorded on the Corporation's books.

The assets and net income (loss) of the subsidiary described above is not material to the financial statements and the UICA uses the equity method of accounting for its investment in the controlled corporation.

BOND ISSUANCE COSTS, DISCOUNTS, AND PREMIUMS

Bond issuance costs are expensed in the year the bonds are sold. Bond discounts and premiums are deferred and amortized over the life of the bonds using the effective interest rate method.

UNEARNED REVENUE

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

COMPENSATED ABSENCES PAYABLE

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

REFUNDABLE ALLOWANCES ON STUDENT LOANS

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

NONCURRENT DEBT AND OTHER NONCURRENT LIABILITIES

Noncurrent debt includes principal amounts of revenue bonds, notes and capital leases payable with contractual maturities greater than one year. Noncurrent debt also includes unamortized discounts and premiums, resulting from bond issuances. Other noncurrent liabilities include estimated amounts for accrued early retirement, other postemployment and pension benefits, compensated absences payable, refundable allowances on student loans, and unearned revenue that will not be earned within the next fiscal year. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees'

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

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

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

- Unamortized bond refunding gains.
- Pension or OPEB related amounts derived from differences in experience, assumptions, investment earnings and University contributions.
- Qualifying receipts for sponsored programs (resources received before time requirements are met, but after all other eligibility requirements have been met).

FRINGE BENEFITS

The University utilizes the fringe benefits pool method to account for fringe benefits. Under this method, fringe benefits are expensed as a percentage of actual salary or wage costs. The use of standard fringe benefits rates rather than charging actual fringe benefits costs is accepted by the Federal Government and widely used by universities. Rates are reviewed annually prior to the beginning of the fiscal year and adjusted to reflect differences between the rates charged and actual benefits costs as well as future benefits projections. The Federal Government must approve the annual rates for fringe pools that are specifically negotiated.

DEFINITION OF OPERATING ACTIVITIES

Operating activities reported on the Statement of Revenues, Expenses and Changes in Net Position are those that generally result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nearly all of the University's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement No. 35, including state appropriations, gifts and investment income.

NON-VESTED EQUIPMENT

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

USE OF ESTIMATES

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

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

CASH AND CASH EQUIVALENTS

A summary of the book and bank balances for cash and cash equivalents at June 30, 2019 and 2018 is as follows (in thousands):

	2019	2018
Book Balance	$234,894	$271,085
Bank Balance	267,968	294,986
Covered by FDIC insurance or State Sinking Fund	121,217	33,043
Invested in money market funds as cash equivalents	146,751	261,943

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

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

DEPOSITS WITH TRUSTEES

Investments on deposit with trustees, paying and copaying agents for the purpose(s) of paying current obligations of bond principal and interest, for holding Bond Reserve Funds or for holding Construction Funds as specified by bond resolutions at June 30, 2019 and 2018, totaled $15,042,000 and $14,726,000, respectively. At June 30, 2019, $8,957,000 of the $15,042,000 was invested in U.S. Government Agency securities with a credit quality rating of AAA and an effective duration of 0.81 years.

INVESTMENTS

Investments are made in accordance with Chapter 12B.10, of the Code of Iowa, and Board of Regents, State of Iowa policy. (http://www.iowaregents.edu/plans-and-policies/board-policy-manual/22-business-procedures/#Investment Policy). In order to achieve economies of scale, the University of Northern Iowa's endowments and a portion of its operating portfolio are pooled with the University's investments. The University's endowment portfolio included $13,405,000 and $10,462,000 at June 30, 2019 and 2018, respectively, held for the University of Northern Iowa. The University's operating portfolio included $49,348,000 and $46,639,000 at June 30, 2019 and 2018, respectively, as well as $23,141,000 and $21,830,000 invested in the University's intermediate term portfolio at June 30, 2019 and 2018, respectively, held for the University of Northern Iowa. The University of Northern Iowa investments are recorded as Deposits Held in Custody for Others.

For donor restricted endowments, Chapter 540A of the Code of Iowa permits the University to spend the net appreciation of realized and unrealized earnings as the University determines to be prudent. The University's spending policy adjusts dollar payouts by the trailing calendar year Consumer Price Index (inflation rate). Total payout is banded at no less than 4% and no greater than 5% of calendar year end market values.

Net appreciation of permanent endowment funds, which totaled $14,048,000 and $13,893,000 at June 30, 2019 and 2018, respectively, is available to meet spending rate distributions and is recorded in restricted nonexpendable net position.

INTEREST RATE RISK

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

CREDIT RISK

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligation to the University. Each fixed income portfolio is managed to an appropriate benchmark.

CONCENTRATION OF CREDIT RISK

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

The University's investments are recorded at fair value. As of June 30, 2019 and 2018, the University had the following investments and quality credit ratings (in thousands):

INVESTMENT TYPE	Effective Duration (Years)	TSY/AGY/ AAA	AA	A	BBB	BB	B	Total Fair Value
Fixed Income:								
Corporate Notes and Bonds	0.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -
U.S. Government Agencies	0.45	-	86,575	-	-	-	-	86,575
U.S. Government Treasuries	0.89	-	36,468	-	-	-	-	36,468
Mutual Funds	4.52	-	715,415	161,738	60,150	127,248	79,919	1,144,470
Total		$ -	$838,458	$161,738	$60,150	$127,248	$79,919	1,267,513
Equity and Other:								
Common Stock								13,253
Mutual Funds								475,249
Real Assets								160,850
Private Equity								92,224
Bank Investments								66,593
Money Market/Cash Equivalents								179,062
Total Investments June 30, 2019								$2,254,744

INVESTMENT TYPE	Effective Duration (Years)	TSY/AGY/ AAA	AA	A	BBB	BB	B	Total Fair Value
Fixed Income:								
Corporate Notes and Bonds	0.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -
U.S. Government Agencies	1.33	-	68,848	-	-	-	-	68,848
U.S. Government Treasuries	1.29	-	43,109	-	-	-	-	43,109
Mutual Funds	4.53	-	599,513	151,141	51,200	97,211	85,381	984,446
Total		$ -	$711,470	$151,141	$51,200	$97,211	$85,381	1,096,403
Equity and Other:								
Common Stock								14,465
Mutual Funds								436,155
Real Assets								155,144
Private Equity								71,379
Bank Investments								64,892
Money Market/Cash Equivalents								121,525
Total Investments June 30, 2018								$1,959,963

FAIR VALUE MEASUREMENTS

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

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability that are used to measure fair value when observable inputs are not available. These inputs are developed based upon the best information available in such circumstances.

The categorization of fair value measurements by level of the hierarchy is based upon the lowest level input that is significant to the overall fair value measurement for a given asset or liability.

In the event that changes in the inputs used in the fair value measurement of an asset or liability result in a transfer into a different level, such transfers are recognized at the end of the reporting period.

University investments that do not have a readily determinable fair value, such as ownership interest in partners' capital, are reported using Net Asset Value per share (NAV). Used as a practical expedient for the estimated fair value, NAV per share or its equivalent is provided by the fund manager and reviewed by the University. Investment holdings using the NAV as a practical expedient consist of University interests in funds investing in nonmarketable private equity 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 consolidated financial statements. The University attempts to manage these risks through diversification, ongoing due diligence of fund managers, maintaining adequate liquidity, and continuously monitoring economic and market conditions.

The following tables reflect fair value measurements of investment assets at June 30, 2019 and 2018, respectively, as categorized by level of the fair value hierarchy according to the lowest level of inputs significant to each measurement or NAV (in thousands):

INVESTMENT TYPE	Level 1	Level 2	Level 3	NAV	Total Fair Value
Fixed Income:					
Corporate Notes and Bonds	$ -	$ -	$ -	$ -	$ -
U.S. Government Agencies	-	86,575	-	-	86,575
U.S. Government Treasuries	36,468	-	-	-	36,468
Mutual Funds	576,919	-	-	567,551	1,144,470
Equity and Other:					
Common Stock	12,549	704	-	-	13,253
Mutual Funds	329,758	-	-	145,491	475,249
Real Assets	-	-	-	160,850	160,850
Private Equity	-	-	-	92,224	92,224
Subtotal	955,694	87,279	-	966,116	2,009,089
Bank Investments					66,593
Money Market/Cash Equivalents					179,062
Total Investments June 30, 2019					$2,254,744

INVESTMENT TYPE	Level 1	Level 2	Level 3	NAV	Total Fair Value
Fixed Income:					
Corporate Notes and Bonds	$ -	$ -	$ -	$ -	$ -
U.S. Government Agencies	-	68,848	-	-	68,848
U.S. Government Treasuries	43,109	-	-	-	43,109
Mutual Funds	490,103	-	-	494,343	984,446
Equity and Other:					
Common Stock	13,860	605	-	-	14,465
Mutual Funds	224,890	-	-	211,265	436,155
Real Assets	-	-	-	155,144	155,144
Private Equity	-	-	-	71,379	71,379
Subtotal	771,962	69,453	-	932,131	1,773,546
Bank Investments					64,892
Money Market/Cash Equivalents					121,525
Total Investments June 30, 2018					$1,959,963

The following tables summarize the University's investments at June 30, 2019 and 2018, respectively, for which NAV was used as a practical expedient to estimate fair value (in thousands):

INVESTMENT TYPE	Fair Value determined using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income Mutual Funds	$567,551	$ -	daily–monthly	5–60 days
Equity Mutual Funds	145,491	-	daily–monthly	2–30 days
Real Assets:				
Redeemable	124,377	-	quarterly	60–90 days
Nonredeemable	36,473	56,602	N/A	N/A
Private Equity:				
Redeemable	-	-		
Nonredeemable	92,224	9,896	N/A	N/A
Investments measured at NAV at June 30, 2019	$966,116	$66,498		

INVESTMENT TYPE	Fair Value determined using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income Mutual Funds	$494,343	$ -	daily–monthly	5–60 days
Equity Mutual Funds	211,265	-	daily–thrice-monthly	2–30 days
Real Assets:				
Redeemable	116,825	-	quarterly	60–90 days
Nonredeemable	38,319	58,693	N/A	N/A
Private Equity:				
Redeemable	-	-	N/A	N/A
Nonredeemable	71,379	26,343	N/A	N/A
Investments measured at NAV at June 30, 2018	$932,131	$85,036		

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

- **Fixed Income Mutual Funds**—This category includes investments in mutual funds holding assets that provide stability, generate income, and diversify market risk.
- **Equity Mutual Funds**—This category includes investments in global equities including both developed and emerging markets.
- **Real Assets**—This category includes investments in private real estate and natural resource equities funds. Capital is committed during the course of the investment period, typically four years, of each fund, after which point capital commitments stop. The University's interest in the nonredeemable funds is considered to be illiquid in that distributions from liquidation of the underlying asset of the fund are at the discretion of the general partner per the terms of the limited partnership agreement. Funds are typically liquidated over a period of five to ten years, and include a mechanism to extend the length of the partnership with approval from the limited partners.
- **Private Equity**—This category includes funds that invest in strategies such as venture capital, leveraged buyouts and mezzanine debt. Capital is committed during the course of the investment period, typically four years, of each fund, after which point capital commitments stop. The University's interest in the nonredeemable funds is considered to be illiquid in that distributions from liquidation of the underlying asset of the fund are at the discretion of the general partner per the terms of the limited partnership agreement. Funds are typically liquidated over a period of five to ten years, and include a mechanism to extend the length of the partnership with approval from the limited partners.

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

ACCOUNTS RECEIVABLE

A summary of the accounts receivable at June 30, 2019 and 2018 is as follows (in thousands):

	University and Blended Component Units	UIHC, Affiliates and UI Physicians	Total
Accounts Receivable	$102,291	$1,015,529	$1,117,820
Allowance for Uncollectible Accounts, Indigent Patients and Contractual Adjustments	(7,420)	(729,210)	(736,630)
Accounts Receivable, Net, June 30, 2019	$94,871	$286,319	$381,190
Accounts Receivable	$95,293	$942,184	$1,037,477
Allowance for Uncollectible Accounts, Indigent Patients and Contractual Adjustments	(6,886)	(665,961)	(672,847)
Accounts Receivable, Net, June 30, 2018	$88,407	$276,223	$364,630

PLEDGES RECEIVABLE (UICA)

A summary of the pledges receivable (unconditional promises to give) at June 30, 2019 and 2018 is as follows (in thousands):

	2019	2018
Gross pledges receivable	$196,716	$191,057
Less present value discount of $27,298 for 2019 and $30,140 for 2018 and allowance for doubtful pledges of $4,918 for 2019 and $4,776 for 2018	(32,216)	(34,916)
Total	$164,500	$156,141

Gross pledges receivable at June 30, 2019 and 2018, respectively, are expected to be collected as follows (in thousands):

	2019	2018
In one year or less	$54,309	$47,012
Between one year and five years	112,760	101,172
More than five years	29,647	42,873
Total	$196,716	$191,057

DUE FROM GOVERNMENT AGENCIES

Due from government agencies at June 30, 2019 and 2018 are comprised of $14,183,000 and $11,434,000, respectively, due from the State of Iowa and $52,882,000 and $53,594,000, respectively, due from United States government agencies.

NOTES RECEIVABLE

Current notes receivable at June 30, 2019 and 2018 are $2,307,000, net of an allowance of $139,000, and $2,234,000, net of an allowance of $148,000, respectively. Noncurrent notes receivable at June 30, 2019 and 2018 are $25,035,000, net of an allowance of $1,505,000, and $26,922,000, net of an allowance of $1,787,000, respectively.

Note 4—Capital Assets

A summary of capital assets activity for the year ended June 30, 2019 is as follows (in thousands):

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Nondepreciable/Nonamortizable					
Land	$68,729	4,741	-	-	$73,470
Construction in Progress	261,085	221,032	(177,238)	(10,220)	294,659
Intangibles in Development	267	575	(647)	-	195
Art and Historical Collections	28,794	121	-	-	28,915
Library Materials	358,194	19,345	-	(2,771)	374,768
Capital Assets, Nondepreciable/ Nonamortizable	717,069	245,814	(177,885)	(12,991)	772,007
Depreciable/Amortizable					
Land Improvements	31,537	-	-	-	31,537
Infrastructure	689,198	-	47,125	(332)	735,991
Buildings	4,398,924	-	130,113	(2,974)	4,526,063
Equipment	830,277	61,628	-	(44,706)	847,199
Intangibles	115,614	1,396	647	(3,393)	114,264
Capital Assets, Depreciable/ Amortizable	6,065,550	63,024	177,885	(51,405)	6,255,054
Less Accumulated Depreciation/Amortization	(2,838,810)	(250,635)	-	49,212	(3,040,233)
Depreciable/Amortizable Capital Assets, Net	3,226,740	(187,611)	177,885	(2,193)	3,214,821
Capital Assets, Net June 30, 2019	$3,943,809	58,203	-	(15,184)	$3,986,828

A summary of capital assets activity for the year ended June 30, 2018 is as follows (in thousands):

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Nondepreciable/Nonamortizable					
Land	$66,646	2,083	-	-	$68,729
Construction in Progress	293,545	260,940	(292,470)	(930)	261,085
Intangibles in Development	1,814	133	(1,680)	-	267
Art and Historical Collections	28,182	777	-	(165)	28,794
Library Materials	345,784	13,896	-	(1,486)	358,194
Capital Assets, Nondepreciable/ Nonamortizable	735,971	277,829	(294,150)	(2,581)	717,069
Depreciable/Amortizable					
Land Improvements	27,599	-	3,938	-	31,537
Infrastructure	656,485	-	32,713	-	689,198
Buildings	4,148,878	-	255,819	(5,773)	4,398,924
Equipment	819,791	64,926	-	(54,440)	830,277
Intangibles	114,296	1,171	1,680	(1,533)	115,614
Capital Assets, Depreciable/ Amortizable	5,767,049	66,097	294,150	(61,746)	6,065,550
Less Accumulated Depreciation/Amortization	(2,648,971)	(247,336)	-	57,497	(2,838,810)
Depreciable/Amortizable Capital Assets, Net	3,118,078	(181,239)	294,150	(4,249)	3,226,740
Capital Assets, Net June 30, 2018	$3,854,049	96,590	-	(6,830)	$3,943,809

Note 5— Noncurrent Liabilities

A summary of the changes in noncurrent liabilities for the year ended June 30, 2019 and 2018 is as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Noncurrent debt:					
Bonds payable	$1,320,990	75,007	(71,050)	1,324,947	$70,920
Notes payable	27,270	-	(7,178)	20,092	6,232
Capital leases payable	17,387	-	(1,094)	16,293	1,124
Total noncurrent debt	1,365,647	75,007	(79,322)	1,361,332	78,276
Other noncurrent liabilities:					
Early retirement benefits	2,655	-	(1,335)	1,320	1,320
Other postemployment benefits other than pensions	139,835	30,684	(24,362)	146,157	10,498
Pension	98,758	4,356	-	103,114	-
Compensated absences	160,386	114,763	(110,219)	164,930	112,535
Refundable allowances on student loans	22,787	4,911	(110)	27,588	-
Unearned revenue and other	2,184	-	(61)	2,123	-
Total other noncurrent liabilities	426,605	154,714	(136,087)	445,232	124,353
Total noncurrent liabilities June 30, 2019	$1,792,252	229,721	(215,409)	1,806,564	$202,629

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Noncurrent debt:					
Bonds payable	$1,259,703	170,417	(109,130)	1,320,990	$65,865
Notes payable	36,280	-	(9,010)	27,270	7,245
Capital leases payable	18,449	-	(1,062)	17,387	1,094
Total noncurrent debt	1,314,432	170,417	(119,202)	1,365,647	74,204
Other noncurrent liabilities:					
Early retirement benefits	4,650	-	(1,995)	2,655	1,335
Other postemployment benefits other than pensions	607,679	37	(467,881)	139,835	10,692
Pension	80,367	18,391	-	98,758	-
Compensated absences	155,207	110,584	(105,405)	160,386	110,219
Refundable allowances on student loans	22,706	428	(347)	22,787	-
Unearned revenue and other	2,701	-	(517)	2,184	-
Total other noncurrent liabilities	873,310	129,440	(576,145)	426,605	122,246
Total noncurrent liabilities June 30, 2018	$2,187,742	299,857	(695,347)	1,792,252	$196,450

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

BONDS PAYABLE

Bonds have been sold to finance certain capital projects and are outstanding at June 30, 2019, as follows (in thousands):

	Interest Rates (Percent)	Fiscal Year Maturity Date Range	Amount
Bond Issues			
Academic Buildings	2.00–5.00	2020–2037	169,915
Add: Unamortized Premium			5,503
Athletic Facilities	2.00–5.00	2020–2039	208,935
Add: Unamortized Premium			3,733
Hospital	1.25–5.00	2020–2044	341,845
Add: Unamortized Premium			15,602
Iowa Memorial Union	3.00 - 5.00	2020–2026	4,385
Add: Unamortized Premium			374
Parking System	2.00–4.00	2020–2041	49,320
Add: Unamortized Premium			468
Recreational Facilities	2.00–5.00	2020–2035	57,010
Add: Unamortized Premium			4,624
Residence Services	2.00–4.00	2020–2043	160,460
Less: Unamortized Discount			(91)
Add: Unamortized Premium			1,422
Telecommunications	3.00–4.50	2020–2037	29,255
Add: Unamortized Premium			118
University of Iowa Center for Advancement	4.75	2020	825
University of Iowa Facility Corporation	2.00–5.00	2020–2038	110,275
Add: Unamortized Premium			1,254
Utility System	2.00–5.00	2020–2043	154,650
Add: Unamortized Premium			5,065
Total			$1,324,947

As of June 30, 2019, unspent bond proceeds totaled $56,705,000. Unspent bond proceeds by segment are: Athletic Facilities Revenue Bonds $21,284,000; Hospital Revenue Bonds $28,489,000; Utility Systems Revenue Bonds $6,932,000.

The bonds will mature as follows (in thousands):

	Principal	Interest	Total
Year Ending June 30			
2020	$70,920	44,038	$114,958
2021	69,290	41,662	110,952
2022	70,960	39,410	110,370
2023	73,390	37,011	110,401
2024	74,325	34,449	108,774
2025-2029	370,630	132,743	503,373
2030-2034	301,255	72,826	374,081
2035-2039	211,805	25,231	237,036
2040-2044	44,300	2,561	46,861
Less: Unamortized Discount	(91)	-	(91)
Add: Unamortized Premium	38,163	-	38,163
Total	$1,324,947	429,931	$1,754,878

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

NOTES PAYABLE

The University has the following notes payable outstanding at June 30, 2019 (in thousands):

	Interest Rates (Percent)	Maturity Dates	Amount
Purpose			
Athletic Facility	2.48	2020–2024	$13,182
Fleet Services 3	2.00	2020	449
Market Street Property	2.50	2020–2025	1,748
Oakdale Research Park	2.42	2020–2021	1,277
Athletics Recreation Building Banked Track	2.55	2020–2022	1,384
Athletics Carver Audio and Video System	3.60	2020–2022	2,052
Total			$20,092

Assets acquired under these notes had a net book value of $39,688,000 as of June 30, 2019.

The outstanding Market Street Property note transfers possession on July 31, 2020. The seller may accelerate the transfer to any date prior to July 31, 2020, and demand a balloon payment of the remaining contract balance by providing 90 days advance written notice of its intent to close on the transaction.

The notes will mature as follows (in thousands):

	Principal	Interest	Total
Year Ending June 30			
2020	$6,232	440	$6,672
2021	5,458	281	5,739
2022	3,722	157	3,879
2023	3,590	69	3,659
2024	533	11	544
2025	557	4	561
Total	$20,092	962	$21,054

CAPITAL LEASES PAYABLE

Capital leases outstanding at June 30, 2019, are as follows (in thousands):

	Interest Rates (Percent)	Lease Period	Amount
Purpose			
Parking structure - Iowa River Landing	2.95–5.00	2020–2031	$15,407
Burlington Street Properties	3.00	2020–2035	886
Total			$16,293

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

	Principal	Interest	Total
Year Ending June 30			
2020	$1,124	480	$1,604
2021	1,158	447	1,605
2022	1,193	413	1,606
2023	1,230	624	1,854
2024	1,267	564	1,831
2025–2029	6,941	1,842	8,783
2030–2034	3,300	259	3,559
2035	80	1	81
Total	$16,293	4,630	$20,923

Assets acquired under these capital leases had a net book value of $16,940,000 as of June 30, 2019.

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

Note 6—Operating Leases

The University has leased various buildings to house several departments of the University. These leases have been classified as operating leases. Accordingly, all rents are charged to expense as incurred. These leases expire from fiscal year 2020 to fiscal year 2039, and require various minimum annual rentals. Certain leases are renewable for additional periods. Some of the leases require the payment of normal maintenance and insurance on the properties. In most cases, management expects that the leases will be renewed or replaced by other leases.

The following is an annual schedule of future minimum rental payments required under operating leases which have initial or remaining non-cancellable lease terms in excess of one year as of June 30, 2019 (in thousands).

	Amount
Year Ending June 30	
2020	$16,090
2021	14,889
2022	10,572
2023	9,906
2024	9,557
2025–2029	41,827
2030–2034	19,367
2035–2039	5,551
Total	$127,759

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

Rental expense for the year ended June 30, 2019, for all operating leases, except those with terms of a month or less that were not renewed, totaled $16,371,000.

Note 7—Retirement Programs

TEACHERS INSURANCE AND ANNUITY ASSOCIATION

The University contributes to the University Funded Retirement Plan through the Teachers Insurance and Annuity Association (TIAA), 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. The Board of Regents establishes and amends the plan's provisions and contribution requirements. As required by the Board of Regents policy and the Code of Iowa, all eligible University employees must participate in a retirement plan from the date they are employed.

Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA, each employee through the fifth year of employment contributes 3 1/3% of the first $4,800 of earnings and 5% on the balance of earnings. The University, through the fifth year of employment, is required to contribute 6 2/3% of the first $4,800 of earnings and 10% on earnings above the $4,800. Upon completion of five years of service, the participant contributes 5% and the University 10% on all earnings. During fiscal years 2019 and 2018, the University's required and actual contribution amounted to $122,265,000 and $121,054,000, respectively. During fiscal years 2019 and 2018, the employees' required and actual contribution amounted to $61,133,000 and $60,527,000, respectively.

At June 30, 2019 and 2018, the University reported payables to the defined contribution pension plan of $10,770,000 and $10,622,000, respectively, for legally required employer contributions and $5,312,000 and $5,236,000, respectively, for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA.

IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

Plan Description—IPERS membership is mandatory for employees of the University except for those covered by 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 e-mail at info@ipers.org, by phone at 515-281-0020 or 1-800-622-3849, by mail at Iowa Public Employees' Retirement System, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

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

Protection occupation members may retire at normal retirement age, which is generally age 55 and may retire any time after reaching age 50 with 22 or more years of covered employment. The formula used to calculate a protection occupation member's monthly IPERS benefit includes:

- 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.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, a reduction of 3 percent a year is applied for each year the benefit is paid before normal retirement age. For service earned after July 1, 2012, the reduction is 6 percent for each year of retirement before age 65.

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

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

Contributions—Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment 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 years 2019 and 2018, regular plan members contributed 6.29% and 5.95%, respectively, of their annual covered salary and the University contributed 9.44% and 8.93%, respectively, of annual covered payroll, for a total rate of 15.73% and 14.88%, respectively. Protection Occupation members contributed 6.81% and 6.56%, respectively, of their annual covered salary and the University contributed 10.21% and 9.84%, respectively, of annual covered payroll, for a total rate of 17.02% and 16.40%, respectively. Protection Occupation members are the group of public safety positions defined in Iowa Code 97B.49B.

The University's contributions to IPERS for the years ended June 30, 2019 and 2018 were $12,399,000 and $10,993,000, respectively.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At June 30, 2019 and 2018, the University reported a liability of $103,114,000 and $98,758,000, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation 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, 2018 and 2017, the University's proportion was 1.6294245% and 1.4825633%, respectively.

For the year ended June 30, 2019 and 2018, the University recognized pension expense of $22,045,000 and $20,246,000, respectively.

At June 30, 2019 and 2018, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources (2019)	Deferred Inflows of Resources (2019)	Deferred Outflows of Resources (2018)	Deferred Inflows of Resources (2018)
Differences between expected and actual experience	$566	$(2,335)	$908	$(862)
Changes of assumptions	14,769	(2)	17,224	-
Difference between projected and actual earnings on pension plan investments	-	(2,851)	-	(1,037)
Change in proportion and differences between University contributions and proportionate share of contributions	19,489	(22)	20,102	(24)
University contributions subsequent to the measurement date	12,399	-	10,993	-
Total	$47,223	$(5,210)	$49,227	$(1,923)

The $12,399,000 reported as deferred outflows of resources related to pensions resulting from the University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

	Amount
Year Ending June 30	
2020	$14,206
2021	9,540
2022	3,454
2023	2,077
2024	337
Total	$29,614

There are no non-employer contributing entities to IPERS.

Actuarial Assumptions—The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2017)	2.60%	per annum
Salary increase (effective June 30, 2017)	3.25 to 16.25%	average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00%	per annum, compounded annually, net of pension plan investment expense, including inflation
Wage growth (effective June 30, 2017)	3.25%	per annum, based on 2.60% inflation and 0.65% real wage inflation

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2018 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with Mp-2017 generational adjustments.

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

	Asset Allocation (Percent)	Long-Term Expected Real Rate of Return (Percent)
Asset Class		
Domestic equity	22.0	6.01
International equity	15.0	6.48
Global smart beta equity	3.0	6.23
Core-plus fixed income	27.0	1.97
Public credit	3.5	3.93
Public real assets	7.0	2.91
Cash	1.0	(0.25)
Private equity	11.0	10.81
Private real assets	7.5	4.14
Private credit	3.0	3.11
Total	100.0	

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

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following presents the University's proportionate share of the 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 (in thousands).

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
University's proportionate share of the net pension liability	$175,357	$103,114	$42,513

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, 2019 and 2018, the University reported payables to IPERS of $2,120,000 and $1,848,000, respectively, for legally required employer contributions and $1,413,000 and $1,232,000, respectively, for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 8—Post-Employment Benefits

EARLY RETIREMENT

The early retirement program was approved by the Board of Regents in February, 2015. Eligible for participation in the 2015 program were non-UI Health Care faculty, P&S, and merit employees and institutional officials, who had attained age 57 and at least 10 years of continuous benefit eligible employment by January 31, 2015. The employee's department head and the appropriate administrative officers approved the employee's participation. The following benefits are applicable during participation in the Early Retirement Program:

1. **Health and Dental Insurance**—The University will pay the full cost of the single employee premium for health and dental insurance or its standard share of any coverage other than single for a period of five years. This contribution shall be equal to the amount contributed for an active employee in the same plan.
2. **TIAA Contributions**—During the first three years, the University will pay both the employer and employee retirement contributions. During the next two years in the program, the university will pay only the employer contribution.

The University has recognized an early retirement benefit liability of $1,320,000 and $2,655,000 as of June 30, 2019 and 2018, respectively. The early retirement liability for health and dental insurance has been rolled into GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). During fiscal year 2019, retirement expenditures for the one hundred eighty-three (183) participants in the early retirement incentive program totaled $1,335,000.

PHASED RETIREMENT

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

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

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

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

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

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

Duration of Program. Subject to annual review, the program will expire on June 30, 2022, unless renewed by the Board prior to expiration.

REGULAR RETIREMENT

GASB Statement No. 75, which amended GASB Statement No. 45, requires the University to record and disclose an actuarially determined liability for the present value of projected future benefits for retired and active employees.

FUNDING POLICY

The contribution requirements of plan members are established and may be amended by the University. Benefits are financed centrally by the University on a pay-as-you-go basis. Health insurance total expenditures for fiscal year 2019 and 2018 were $5,716,000 and $5,987,000, respectively, with 1,765 and 1,865 eligible participants as of June 30, 2019 and 2018, respectively. Life insurance total expenditures for fiscal year 2019 and 2018 were $35,000 and $46,000, respectively, with 2,568 and 2,666 eligible participants as of June 30, 2019 and 2018, respectively.

FUNDED STATUS AND FUNDING PROGRESS

The University of Iowa evaluated options to minimize its liability and has made the decision to cap the University's contribution for retiree health at the current $288 per month for both current and future retirees. This decision passed through the appropriate approval channels and communication process (Staff Council Leadership, Funded Retirement and Insurance Committee Co-chairs, Faculty Senate leadership, Retiree Association Leadership). The University sent letters to retirees by the June 30, 2017 measurement date in order to be incorporated into the FY18 GASB 75 valuation.

TERMINATION

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

Four hundred thirty-nine (439) terminated employees continued their benefits by assuming total financial responsibility. No University costs are associated with the premiums, but claims are the responsibility of the University since the insurance plans are self-insured.

OTHER POSTEMPLOYMENT BENEFITS

The University recognized a net OPEB liability of $146.2 and $139.8 million, respectively, for fiscal year 2019 and 2018.

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2019, the following employees were covered by the benefit terms:

	FY19	FY18
Inactive employees or beneficiaries currently receiving benefit payments	3,495	3,495
Active employees	17,143	17,143
Total	20,638	20,638

Actuarial assumptions—The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurements. With the exception of the termination and retirement assumptions, the Merit calculations were based on all actuarial assumptions and methods used in the development of the University's fiscal 2019 PSF GASB 75 calculations (including a 3.87% discount rate at the June 30, 2018 measurement date). These calculations reflect the IPERS termination and retirement assumptions for state employees in effect at the June 30, 2018 measurement date.

Rate of inflation (effective June 30, 2017)	2.50%	
Rates of salary increase (effective June 30, 2017)	3.00%	
Discount rate (effective June 30, 2017)	3.87%	
Healthcare cost trend rate Pre-65 (effective June 30, 2017)	7.29%	initial rate decreasing to an ultimate rate of 4.50%
Healthcare cost trend rate Post-65 (effective June 30, 2017)	8.88%	initial rate decreasing to an ultimate rate of 4.50%

Discount rate —The discount rate used to measure the total OPEB liability was 3.87% which reflects the index rate for S&P Municipal Bond 20-Year High Grade index as of the measurement date.

Mortality rates are from the RP-2014 aggregate mortality table projected using Scale MP-2016. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used for IPERS.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

CHANGES IN THE TOTAL OPEB LIABILITY (in thousands)

	FY19	FY18
Total OPEB liability beginning of year	$139,835	$607,679
Changes for the year:		
Service cost	4,193	33,733
Interest	4,971	18,168
Changes in benefit terms	21,519	(465,008)
Differences between expected and actual experiences	1	48,567
Changes of assumptions	(13,968)	(95,303)
Benefit payments	(10,394)	(6,952)
Contributions from the employer	-	(1,049)
Net changes	6,322	(467,844)
Total OPEB liability end of year	$146,157	$139,835

The financial accounting valuation reflects the following assumption changes:

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

Sensitivity of the total OPEB liability to changes in the discount rate —The following presents the total OPEB liability of the University, as well as what the University's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.87%) or 1% higher (4.87%) than the current discount rate.

	1% Decrease	Discount Rate	1% Increase
FY19	2.87%	3.87%	4.87%
FY18	2.58%	3.58%	4.58%
FY19 Total OPEB Liability	$158,487	$146,157	$135,080
FY18 Total OPEB Liability	$147,481	$139,835	$125,883

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates —The following presents the total OPEB liability of the University, as well as what the University's total OPEB liability would be if it were calculated using a healthcare cost trend that is 1% lower (6.29%) or 1% higher (8.29%) than the current healthcare cost trend rate for pre-65 participants, and 1% lower (7.88%) or 1% higher (9.88%) higher than the current healthcare cost trend rate for post-65 participants.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
FY19 Pre-65 participants	6.29%	7.29%	8.29%
FY19 Post-65 participants	7.88%	8.88%	9.88%
FY18 Pre-65 participants	6.55%	7.55%	8.55%
FY18 Post-65 participants	8.17%	9.17%	10.17%
FY19 OPEB liability	$130,047	$146,157	$164,433
FY18 OPEB liability	$135,815	$139,835	$141,540

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB—For the year ended June 30, 2019, the University recognized OPEB expense of $24,646,000 for its retiree benefit plan. At June 30, 2019 the University reported deferred outflows and inflows of resources related to OPEB from the following sources:

	FY19		FY18	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$39,207	$(262)	$43,756	$ -
Assumption changes	907	(89,883)	-	(85,859)
Contributions made in fiscal year ending June 30, 2019 after measurement date	10,498	-	10,692	-
Total	$50,612	$(90,145)	$54,448	$(85,859)

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

Year ending June 30	Amount
2020	$(6,036)
2021	(6,036)
2022	(6,036)
2023	(6,036)
2024	(6,036)
Total Thereafter	(19,851)
Total	$(50,031)

COMMITMENTS

At June 30, 2019 and 2018, the University had outstanding construction contract commitments of $165,222,000 and $249,707,000, respectively.

RISK MANAGEMENT

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

Property Loss—The University purchases catastrophic property insurance for academic/general fund facilities with a single incident deductible of $2 million for all facilities with the exception of a $5 million deductible for the Power Plant, Bowen Science Building and the Main Library. The University may seek reimbursement for property losses in excess of $5,000 from the State of Iowa pursuant to Iowa Code Chapter 29C.20. Money from the state contingent fund may be requested for repairing, rebuilding, or restoring state property injured, destroyed, or lost by fire, storm, theft, or unavoidable causes. The University maintains conventional property insurance on self-supporting, revenue-producing, and auxiliary facilities which are an integral part of the operations of the University. Insured facilities include the Residence Halls, the Utility System, Telecommunications, Iowa Memorial Union, Athletic Facilities, University of Iowa Hospitals and Clinics, and other auxiliary operations. The University's annual limit is $2 billion, the maximum available on the November 1, 2018 renewal.

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

	2019	2018
Utility System specific coverage is as follows:		
Utility System Operations Building & Contents	$835,996	$820,976
Power Plant Building & Contents	$246,066	$226,976
Telecommunications Facilities premium is based on the following values:		
Building	$32,406	$31,771
Contents	$8,830	$9,580
Income	$5,878	$5,878

Tort Liability—The University of Iowa is an agency of the State of Iowa and is covered by the State's self-insurance for tort liability. Tort claims against the State are handled as provided in the Iowa Tort Claims Act (Iowa Code, Chapter 669) which also sets forth the procedures by which tort claims may be brought. Claims under Chapter 669 may be filed against the State on account of wrongful death, personal injury or property damage incurred by reason of the negligence of the University or its employees while acting within the scope of employment. By inter-agency agreement, tort liability claims under $5,000 may be administered by the University subject to a maximum expenditure of $100,000 per year. All other tort claims may be paid from the State's general fund.

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

Fidelity/Crime Coverage—The State maintains an employee fidelity bond where the first $250,000 in losses is the responsibility of the University. Under the State coverage, losses in excess of the $250,000 deductible are insured up to $2,000,000. The University maintains separate fidelity and crime coverage, which extends to all employees, and includes coverage for robbery and theft. The University's crime policy provides an additional $8,000,000 in coverage over the state bond.

Insurance Settlements—For those risks that the University has purchased commercial insurance, only the property insurance has claims in excess of the commercial coverage due to the 2008 flood. All other settled claims have not exceeded commercial coverage in the past three years.

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

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

Employee Medical and Dental Claims—The University purchases life, health, dental and disability insurance for eligible permanent employees. Based on actuarial analysis of employee medical and dental claims, the University has incurred but not reported claims of $24,248,000 and $18,419,000 as of June 30, 2019 and 2018, respectively.

College of Medicine Faculty Malpractice Claims—Iowa Medical Mutual Insurance Company (the Company) was incorporated on May 19, 2004, and was established to provide medical malpractice coverage on a claims-made basis to physicians at the University of Iowa Carver School of Medicine. The Company is owned 100% by the University of Iowa Carver College of Medicine University of Iowa Physicians (UIP).

Pursuant to a 28E Agreement with the State of Iowa, the UIP self-funds the professional medical liability exposures of its members with a self-insurance pool for all claims up to $3 million per claim. On any claim exceeding $3 million, the Company provides coverage on a claims-made basis limited to $2 million per claim and subject to a $2 million annual aggregate per named insured. All claims which exceed $5 million per claim or a $9 million aggregate limit per fiscal year are covered by the State of Iowa. Based on actuarial analysis, the College of Medicine has incurred an unpaid loss and allocated loss adjustment expense estimate of $28,876,000 and $19,239,000 as of 12/31/18 and 12/31/17, respectively.

Reconciliation of Loss Contingencies (in thousands):

	2019	2018
Claims and contingent liabilities accrued at July 1	$37,658	$26,001
Claims incurred and contingent liabilities accrued for the current year	325,038	266,683
Payments on claims during the fiscal year	(307,907)	(255,026)
Claims and contingent liabilities at June 30	$54,789	$37,658

Note 10—Debt Defeasance

The amount of defeased debt outstanding but removed from the Statement of Net Position at June 30, 2019 and 2018, is as follows (in thousands):

	2019	2018
Academic	$ -	$22,375
Athletics	20,250	21,075
Hospital	-	22,250
Recreational Facilities	40,225	61,450
Utility	-	17,375
Total	$60,475	$144,525

Note 11—Operating Expenses By Function

A summary of operating expenses by functional classification for the year ended June 30, 2019 and 2018 follows (in thousands):

	Compensation & Benefits	Supplies	Other	Depreciation & Amortization	Total
Instruction	$311,218	10,985	36,004	-	$358,207
Research	231,257	40,400	62,599	-	334,256
Public service	56,220	9,868	25,846	-	91,934
Academic support	114,025	12,702	23,689	-	150,416
Patient services	1,125,331	514,233	327,946	-	1,967,510
Student services	26,496	2,299	13,626	-	42,421
Institutional support	59,367	5,369	(5,499)	-	59,237
Operations and maintenance of plant	422	2,332	78,666	-	81,420
Scholarships and fellowships	14,063	-	19,463	-	33,526
Depreciation and amortization	-	-	-	250,635	250,635
Auxiliary enterprises	103,682	16,625	89,578	-	209,885
Other operating expenses	12,388	(656)	38,255	-	49,987
Total June 30, 2019	$2,054,469	614,157	710,173	250,635	$3,629,434

	Compensation & Benefits	Supplies	Other	Depreciation & Amortization	Total
Instruction	$305,147	10,794	33,742	-	$349,683
Research	230,100	41,136	63,453	-	334,689
Public service	57,359	10,687	22,356	-	90,402
Academic support	113,171	13,428	26,386	-	152,985
Patient services	1,091,881	434,828	322,197	-	1,848,906
Student services	25,905	2,449	8,513	-	36,867
Institutional support	60,003	5,556	(9,246)	-	56,313
Operations and maintenance of plant	-	4,017	80,227	-	84,244
Scholarships and fellowships	13,116	-	18,962	-	32,078
Depreciation and amortization	-	-	-	247,336	247,336
Auxiliary enterprises	102,665	17,062	83,589	-	203,316
Other operating expenses	29,602	2,150	17,054	-	48,806
Total June 30, 2018	$2,028,949	542,107	667,233	247,336	$3,485,625

Note 12—Restricted Net Assets

The UI Center for Advancement's net assets with donor restrictions at June 30, 2019 and 2018 were restricted for the following (in thousands):

	2019	2018
Undesignated	$7,795	$7,762
Program support	338,989	331,791
Student support	346,323	332,581
Faculty support	394,274	376,138
Facilities and equipment	91,487	100,864
Research	219,234	207,511
Perpetual trusts	8,160	8,268
Remainder interests in trusts, mainly for program, student, and faculty support	35,542	33,369
Total	$1,441,804	$1,398,284

Note 13— Component Units

Discretely Presented Component Units

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

A—The University of Iowa Research Foundation

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

Significant financial data for UIRF for the years ended June 30, 2019 and 2018 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2019	2018
Assets		
Cash, investments and other assets	$13,359	$14,498
Capital assets, net	5	6
Total Assets	$13,364	$14,504
Liabilities		
Accounts payable and other current liabilities	$881	$990
Noncurrent liabilities (current and noncurrent portions)	189	189
Total Liabilities	1,070	1,179
Net Position		
Net investment in capital assets	5	6
Unrestricted	12,289	13,319
Total Net Position	12,294	13,325
Total Liabilities and Net Position	$13,364	$14,504

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2019	2018
Program Expenses		
Intellectual properties expense	$4,723	$5,575
Other	327	235
Total Program Expenses	5,050	$5,810
Program Revenues		
Intellectual properties income	3,439	3,411
Investment income	480	784
Payment from primary government	100	-
Total Program Revenues	4,019	4,195
Change in Net Position	(1,031)	(1,615)
Net Position, Beginning of Year	13,325	14,940
Net Position, End of Year	$12,294	$13,325

B—University of Iowa Health System

University of Iowa Health System (UIHS or the System) was incorporated under the provisions of the Iowa Nonprofit Corporations Act on December 2, 1994. UIHS was formed to support the clinical, academic, and research programs of the University of Iowa Carver College of Medicine and the University of Iowa Hospitals and Clinics. See Note 1 for additional information. UIHS reports on a fiscal year ended December 31. Requests for the separately issued financial statements should be directed to the Controller, University of Iowa, 4M Jessup Hall, Iowa City, IA 52242.

Significant financial data for UIHS for the years ended December 31, 2018 and 2017 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2018	2017
Assets		
Cash, investments and other assets	$26,633	$34,994
Capital assets, net	403	635
Total Assets	27,036	35,629
Deferred Outflows of Resources		
Acquisition deferred outflow	3,667	4,260
Total Assets and Deferred Outflows of Resources	$30,703	$39,889
Liabilities		
Accounts payable and other current liabilities	$1,967	$6,255
Accounts held for other component units	6,878	13,474
Total Liabilities	8,845	19,729
Net Position		
Net investment in capital assets	403	635
Unrestricted	21,455	19,525
Total Net Position	21,858	20,160
Total Liabilities and Net Position	$30,703	$39,889

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2018	2017
Program Expenses		
Patient and Management Services	$29,911	$52,973
Depreciation	845	966
Total Program Expenses	30,756	53,939
Program Revenues		
Patient Services	19,866	18,862
Management services	8,254	24,795
Investment income	284	443
Other	4,050	2,943
Total Program Revenues	32,454	47,043
Change in Net Position	1,698	(6,896)
Net Position, Beginning of Year	20,160	27,056
Net Position, End of Year	$21,858	$20,160

Blended Component Units

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

C—Iowa Measurement Research Foundation

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

Significant financial data for IMRF for the years ended June 30, 2019 and 2018 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2019	2018
Assets		
Cash and investments	$24,884	$24,623
Total Assets	$24,884	$24,623
Liabilities		
Current and noncurrent liabilities	$ -	$ -
Total Liabilities	-	-
Net Position		
Restricted expendable	24,335	24,088
Unrestricted	549	535
Total Liabilities and Net Position	$24,884	$24,623

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

	2019	2018
Program Expenses		
Distributions	$1,156	$1,032
Total Program Expenses	1,156	1,032
Program Revenues		
Investment Income	1,417	2,023
Total Program Revenues	1,417	2,023
Change in net position	261	991
Net Position, Beginning of Year	24,623	23,632
Net Position, End of Year	$24,884	$24,623

D—Miller Endowment, Incorporated

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

Significant financial data for Miller Endowment, Incorporated for the years ended June 30, 2019 and 2018 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2019	2018
Assets		
Cash and other assets	$15,569	$15,624
Total Assets	$15,569	$15,624
Liabilities		
Accounts payable	$43	$45
Accrued distributions	757	735
Total Liabilities	800	780
Net Position		
Restricted net position	12,784	12,785
Unrestricted net position	1,985	2,059
Total Net Position	14,769	14,844
Total Liabilities and Net Position	$15,569	$15,624

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2019	2018
Deductions		
Investment fees and administrative expenses	$187	$201
Distributions	757	735
Total Deductions	944	936
Additions		
Investment income:		
Interest and dividend income	121	135
Net increase in the fair value of investments	748	1,230
Net Investment Income	869	1,365
Change in net position	(75)	429
Net Position, Beginning of Year	14,844	14,415
Net Position, End of Year	$14,769	$14,844

E—University of Iowa Research Park Corporation

The University of Iowa Research Park Corporation (Corporation) is a not-for-profit corporation and a component unit of the University of Iowa (University). The Corporation leases from the State of Iowa approximately 185 acres of land located in the University of Iowa Research Park. The land subject to this lease is designated as the University of Iowa Research Park and is platted as a subdivision of Coralville, Iowa. Under terms of its master lease with the State of Iowa, the Corporation subleases parcels of the University of Iowa Research Park to businesses (or to private developers working on behalf of businesses) wishing to locate close to the University and its research assets.

Significant financial data for UIRPC for the years ended June 30, 2019 and 2018 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2019	2018
Assets		
Cash and other assets	$2,041	$1,897
Capital assets, net	2,445	2,521
Total Assets	$4,486	$4,418
Liabilities		
Accounts payable and other current liabilities	$69	$86
Noncurrent liabilities	2,122	2,184
Total Liabilities	2,191	2,270
Net Position		
Net investment in capital assets	2,445	2,521
Unrestricted	(150)	(373)
Total Net Position	2,295	2,148
Total Liabilities and Net Position	$4,486	$4,418

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2019	2018
Program Expenses		
Maintenance and other expenses	$117	$117
Depreciation	75	77
Total Program Expenses	192	194
Program Revenues		
Land leases	212	212
State appropriation	79	79
Other income	48	46
Total Program Revenues	339	337
Change in net position	147	143
Net Position, Beginning of Year	2,148	2,005
Net Position, End of Year	$2,295	$2,148

Note 14—Subsequent Events

In September 2019, the University received approval from the State Board of Regents to issue University of Iowa Facilities Corporation Revenue Bonds, (Museum of Art Project), Series 2019 in the amount of $30,150,000 for the purpose of financing a portion of the costs of constructing and equipping a museum of art on the University campus and pay the costs of issuing the Bonds. In June 2017, the Board had approved the project description and budget to construct a new 45,000 square foot facility to consolidate and display the University's art collection. These bonds will bear interest at varying rates between 3.00% and 5.00% and will mature in varying amounts from June 1, 2021 through June 1, 2050. The University of Iowa Facilities Corporation was incorporated in 1967 as a not-for-profit supporting organization of the University of Iowa Foundation to assist in maintaining, developing, increasing, and extending the facilities and services of the University of Iowa. Although the bonds would be issued by the Facilities Corporation, they are deemed by Internal Revenue Service rulings to be issued "on behalf" of the Board of Regents and the State of Iowa. The Board must, therefore, approve the sale and terms of the bonds. The Corporation's interest in the facility will be leased to the Board during the term of the bonds. Upon retirement of the bonds, the portion of the facility financed by the Facilities Corporation will be conveyed to the University, subject to approval of the Board of Regents.

In December 2019, the University received approval from the State Board of Regents to enter into a 50-year lease agreement with University of Iowa Energy Collaborative LLC (Concessionaire) for the Utility System Land and Utility Facilities in consideration of the up-front payment of $1,165,000,000. The University will lease the utility system, including all utility facilities and land, to the Concessionaire for a term of 50 years. All personal property (e.g., trucks, computers, etc.) associated with the utility system will be sold to the Concessionaire. The Concessionaire will have an exclusive concession to provide utility services to the University campus over the life of the Concession Agreement. The Concessionaire will make a one-time upfront payment to the University as a prepayment of the lease for 50 years, purchase of the personal property and acquiring the exclusive right to be the University's operator for the term of the Concession Agreement, which includes making capital improvements to the utility system. In return, the University will pay an annual fee to the Concessionaire comprised of fixed, operating, and variable components. The University received approval from the State Board of Regents to form the University of Iowa Strategic Initiative Fund (UISIF) as an Iowa Non-profit Corporation. The corporation shall be organized exclusively for educational and scientific purposes for the benefit of the University of Iowa. The general objects of the corporation shall be to (i) hold, invest, and manage the funds received from payments under the Long-Term Lease and Concession Agreement for the University of Iowa Utility System (Concession Agreement); (ii) to select and supervise independent investment manager(s) for the funds; (iii) to grant funds to the University necessary to support payments required under the terms of the Concession Agreement; (iv) to determine the annual payout from the endowment for the purposes of granting gifts of money to the University for use in scientific research and educational activities; and (v) to review all grant requests to ensure that each advances the University's strategic plans and the cause of education and research. The University will be the sole corporate member of UISIF and the Board of Directors will be comprised of three members – an appointee from the Board of Regents, State of Iowa, the Senior Vice President for Finance and Operations at the University of Iowa, and a member of the University faculty to be appointed by the University Faculty Senate.

In December 2019, the University received approval from the State Board of Regents to redeem the outstanding $10,195,000 Utility System Revenue Refunding Bonds, Series S.U.I. 2011. This is a full call of the outstanding bonds which are callable on or after November 1, 2019. The Board also approved the defeasance and redemption of the following outstanding Utility System bond issues for the University of Iowa.

- $25,000,000 Utility System Revenue Bonds, Series S.U.I. 2010
- $25,000,000 Utility System Revenue Bonds, Series S.U.I. 2012
- $13,620,000 Utility System Revenue Refunding Bonds, Series S.U.I. 2013
- $17,905,000 Utility System Revenue Refunding Bonds, Series S.U.I. 2014
- $25,000,000 Utility System Revenue Bonds, Series S.U.I. 2015
- $14,830,000 Utility System Revenue Refunding Bonds, Series S.U.I. 2015A
- $19,285,000 Utility System Revenue Refunding Bonds, Series S.U.I. 2016
- $17,015,000 Utility System Revenue Refunding Bonds, Series S.U.I. 2016A
- $25,000,000 Utility System Revenue Bonds, Series S.U.I. 2018

The bonds are to be defeased/redeemed in order for the Board and University to enter into the public-private agreement described in the previous subsequent event note.

Note 15—Segment Information

A segment represents identifiable activities for which one or more revenue bonds or other revenue-backed debt is outstanding. Investors in Academic Building Revenue Bonds rely on pledged tuition and fees revenues generated by the University for repayment. Investors in bonds of all other bond enterprises rely solely on the revenue generated by the individual activities for repayment. The University's segments are described as follows:

ACADEMIC BUILDING REVENUE BONDS

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

ATHLETIC FACILITIES REVENUE BONDS

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

HOSPITAL REVENUE BONDS

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

IOWA MEMORIAL UNION (IMU) REVENUE BONDS

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

PARKING SYSTEM REVENUE BONDS

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

RECREATIONAL FACILITIES REVENUE BONDS

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

RESIDENCE SERVICES REVENUE BONDS

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

TELECOMMUNICATIONS FACILITIES REVENUE BONDS

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

UNIVERSITY OF IOWA CENTER FOR ADVANCEMENT REVENUE BONDS

The University of Iowa Center for Advancement Revenue Bond Funds were created to defray the costs of constructing, furnishing, and equipping a building to be used as the Center for University Advancement at the University. The revenues pledged to these bonds are rental payments received from the University of Iowa Center for Advancement for the use of the building.

UNIVERSITY OF IOWA FACILITIES CORPORATION REVENUE BONDS

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

UTILITY SYSTEM REVENUE BONDS

The Utility System Revenue Bond Funds were created to defray additional costs to construct, equip and furnish the utility system of the University. The revenues pledged to these bonds come from charges assessed to the users of the utility system.

FUND ACCOUNTING

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

TRANSFERS IN (OUT)

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

Segment Reporting

	Academic Building Revenue Bonds	Athletic Facilities Revenue Bonds	Hospital Revenue Bonds	IMU Revenue Bonds
CONDENSED STATEMENT OF NET POSITION				
Assets:				
Current assets	$22,231	$32,435	$388,476	$3,757
Capital assets	895,897	190,042	1,103,635	41,855
Other noncurrent assets	15,273	38,661	922,338	642
Total assets	933,401	261,138	2,414,449	46,254
Deferred outflows of resources	1,684	2,923	44,851	-
Liabilities:				
Current liabilities	21,906	29,537	283,668	3,513
Noncurrent liabilities	165,163	202,388	490,381	4,214
Total liabilities	187,069	231,925	774,049	7,727
Deferred inflows of resources	452	-	35,365	303
Net Position:				
Net investment in capital assets	721,711	1,581	743,043	36,793
Restricted - expendable	25,853	27,657	6,825	1,187
Unrestricted	-	2,898	900,018	244
Total net position	$747,564	$32,136	$1,649,886	$38,224
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION				
Operating revenues	$417,206	$101,337	$1,834,929	$15,880
Depreciation expense	(41,898)	(7,792)	(101,856)	(2,378)
Other operating expenses	-	(17,235)	(1,633,577)	(20,060)
Net operating income (loss)	375,308	76,310	99,496	(6,558)
Nonoperating revenues (expenses)	(4,570)	(2,333)	32,085	610
Transfers from/(to) University funds	(327,294)	(69,702)	(20,357)	3,610
Change in net position	43,444	4,275	111,224	(2,338)
Net position, beginning of year	704,120	27,861	1,538,662	40,562
Net position, end of year	$747,564	$32,136	$1,649,886	$38,224
CONDENSED STATEMENT OF CASH FLOWS				
Net cash provided (used) by operating activities	$414,379	$84,260	$241,691	$(3,471)
Net cash provided (used) by noncapital financing activities	(401,755)	(70,213)	(20,355)	2
Net cash provided (used) by capital and related financing activities	(15,926)	(17,595)	(86,126)	3,488
Net cash provided (used) by investing activities	1,176	(1,916)	(139,045)	75
Net increase (decrease) in cash	(2,126)	(5,464)	(3,835)	94
Cash and cash equivalents, beginning of year	17,854	59,814	20,624	691
Cash and cash equivalents, end of year	$15,728	$54,350	$16,789	$785

Parking System Revenue Bonds	Recreational Facilities Revenue Bonds	Residence Services Revenue Bonds	Telecomm. Facilities Revenue Bonds	UI Center for Advancement Revenue Bonds	UI Facility Corporation Bonds	Utility System Revenue Bonds
$4,802	$4,381	$11,063	$5,525	$845	$38	$15,617
107,158	86,453	233,225	27,877	2,134	190,877	310,873
28,638	11,714	36,303	17,359	17	15,041	26,555
140,598	102,548	280,591	50,761	2,996	205,956	353,045
-	3,289	10	-	-	1,203	2,419
4,584	4,382	12,362	4,665	845	10,800	14,705
47,491	58,919	156,014	28,118	-	101,039	148,394
52,075	63,301	168,376	32,783	845	111,839	163,099
185	-	332	-	-	147	683
57,184	28,107	71,113	(1,496)	1,309	80,404	159,827
6,288	9,711	32,660	3,893	842	14,769	18,796
24,866	4,718	8,120	15,581	-	-	13,059
$88,338	$42,536	$111,893	$17,978	$2,151	$95,173	$191,682
$22,969	$5,646	$76,404	$23,677	$ -	$ -	$95,766
(6,498)	(3,537)	(13,152)	(847)	(893)	(10,379)	(16,360)
(14,379)	(8,111)	(59,630)	(18,217)	-	-	(60,088)
2,092	(6,002)	3,622	4,613	(893)	(10,379)	19,318
(567)	(1,693)	(3,144)	(810)	(23)	(3,529)	(2,129)
4,607	8,590	(1,859)	(1,727)	(1)	19,184	(11,519)
6,132	895	(1,381)	2,076	(917)	5,276	5,670
82,206	41,641	113,274	15,902	3,068	89,897	186,012
$88,338	$42,536	$111,893	$17,978	$2,151	$95,173	$191,682
$4,560	$(2,242)	$15,792	$7,929	$ -	$ -	$33,222
(409)	(1,697)	(1,463)	(1,726)	(1)	14,531	(18,887)
(3,549)	5,373	(23,358)	(2,380)	(838)	(14,634)	(24,314)
1,462	(724)	2,658	(1,529)	278	103	1,173
2,064	710	(6,371)	2,294	(561)	-	(8,806)
13,755	10,032	39,260	14,736	1,422	-	38,312
$15,819	$10,742	$32,889	$17,030	$861	$ -	$29,506

Segment Reporting

	Academic Building Revenue Bonds	Athletic Facilities Revenue Bonds	Hospital Revenue Bonds	IMU Revenue Bonds
DEBT SERVICE COVERAGE				
Debt service coverage % - Required	N/A	125%	130%	120%
Debt service coverage % - Actual	N/A	524%	829%	120%
PORTION OF REVENUE PLEDGED				
Annual debt service (principal & interest)	$16,055	$16,680	$24,284	$742
Net pledged revenue	402,196	87,341	201,351	890
Annual debt service/Net operating revenues (%)	4%	19%	12%	83%
REVENUE BONDS PAYABLE				
Beginning Balance	$186,317	$190,741	$326,806	$5,391
Additions	-	29,970	45,037	-
Reductions	(10,899)	(8,043)	(14,396)	(632)
Ending Balance	$175,418	$212,668	$357,447	$4,759

DEBT SERVICE REQUIREMENTS

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

Semi-annual maturity	Jan & Jul 1st	Jan & Jul 1st	Mar & Sep 1st	Jan & Jul 1st
2020	$15,888	$16,943	$26,439	$734
2021	16,034	16,620	28,212	742
2022	15,797	16,641	28,128	739
2023	15,795	16,803	28,014	739
2024	15,778	16,792	27,936	737
2025–2029	69,892	84,099	135,583	1,481
2030–2034	51,747	67,283	100,943	-
2035–2039	16,376	36,668	90,572	-
2040–2044	-	-	12,892	-
Unamortized Discount and Premium	5,503	3,733	15,602	374
Total	$222,810	$275,582	$494,321	$5,546

COMMITMENTS

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

Contract Commitments	$43,174	$15,533	$78,407	$61

	Parking System Revenue Bonds	Recreational Facilities Revenue Bonds	Residence Services Revenue Bonds	Telecomm. Facilities Revenue Bonds	UI Center for Advancement Revenue Bonds	UI Facilities Corporation Revenue Bonds	Utility System Revenue Bonds
	120%	125%	135%	110%	100%	N/A	120%
	215%	293%	183%	241%	100%	N/A	229%
	$4,508	$4,929	$11,795	$2,402	$864	$14,634	$16,457
	9,708	14,449	21,543	5,784	864	N/A	37,690
	46%	34%	55%	42%	100%	N/A	44%
	$52,853	$64,419	$168,324	$30,600	$1,605	$122,361	$171,573
	-	-	-	-	-	-	-
	(3,065)	(2,785)	(6,533)	(1,227)	(780)	(10,832)	(11,858)
	$49,788	$61,634	$161,791	$29,373	$825	$111,529	$159,715
	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Dec & Jun 1st	May & Nov 1st
	$4,466	$4,883	$11,689	$2,382	$845	$14,207	$16,482
	3,748	4,978	11,870	2,392	-	10,912	15,444
	3,750	5,079	11,481	2,395	-	10,927	15,433
	3,760	5,095	11,385	2,399	-	10,961	15,450
	3,805	5,123	11,377	2,408	-	10,442	14,376
	15,485	24,001	52,742	12,149	-	47,715	60,226
	13,195	22,822	51,851	11,500	-	23,229	31,511
	13,321	4,556	34,885	4,932	-	11,892	23,834
	5,368	-	19,514	-	-	-	9,087
	468	4,624	1,331	118	-	1,254	5,065
	$67,366	$81,161	$218,125	$40,675	$845	$141,539	$206,908
	$1,602	$163	$7,670	$7	$ -	$526	$7,560

Required Supplementary Information

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

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

For the Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	University's Covered-Employee Payroll	Net Pension Liability as a Percentage of Covered-Employee Payroll	IPERS' Net Position as a Percentage of the Total Pension Liability
6/30/19	1.6294245%	$103,114	$124,673	82.71%	83.62%
6/30/18	1.4825633%	98,758	111,914	88.24%	82.21%
6/30/17	1.2770236%	80,367	92,356	87.02%	81.82%
6/30/16	1.0820964%	53,461	74,409	71.85%	85.19%
6/30/15	0.9747910%	38,659	63,967	60.44%	87.61%

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

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

SCHEDULE OF UNIVERSITY CONTRIBUTIONS

Iowa Public Employees' Retirement System Last 10 Fiscal Years (in thousands):

For the Year Ended	Statutorily Required Contributions	Actual Employer Contribution	Contribution/ Deficiency (Excess)	University's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
6/30/19	$12,399	$(12,399)	$ -	$131,740	9.41%
6/30/18	10,993	(10,993)	-	124,673	8.80%
6/30/17	9,931	(9,931)	-	111,914	8.90%
6/30/16	8,184	(8,184)	-	92,356	8.90%
6/30/15	6,620	(6,620)	-	74,409	8.90%
6/30/14	5,696	(5,696)	-	63,967	8.90%
6/30/13	4,718	(4,718)	-	54,658	8.60%
6/30/12	3,802	(3,802)	-	46,653	8.10%
6/30/11	2,428	(2,428)	-	33,646	7.20%
6/30/10	1,654	(1,654)	-	24,521	6.70%

See accompanying independent auditor's report.

Notes to Required Supplementary Information–

PENSION LIABILITY

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

Changes of assumptions:
The 2018 valuation, which is used to determine the contribution rates effective July 1, 2019, incorporated the following refinements after a demographic assumption study:

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

The 2017 valuation implemented the following refinements as a result of a quadrennial experience study:

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

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

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

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

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

SCHEDULE OF CHANGES IN THE UNIVERSITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

For the year ended June 30, 2019 (in thousands)

	FY19	FY18
Service cost	$4,193	$33,733
Interest	4,971	18,168
Changes of benefit terms	21,519	(465,008)
Differences between expected and actual experiences	1	48,567
Changes of assumptions	(13,968)	(95,303)
Benefit payments	(10,394)	(6,952)
Contributions from the employer	-	(1,049)
Net change in total OPEB liability	$6,322	$(467,844)
Total OPEB liability beginning of year	139,835	607,679
Net OPEB liability end of year	146,157	139,835
Covered-employee payroll	$1,308,289	$1,291,758
Total OPEB Liability as a percentage of covered-employee payroll	11.17%	10.83%

Notes to Required Supplementary Information–

OPEB LIABILITY

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

The 2018 valuation implemented the following refinements:

The financial accounting valuation reflects the following method changes:

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

The financial accounting valuation reflects the following assumption changes:

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

The 2017 valuation implemented the following refinements:

The financial accounting valuation reflects the following method changes:

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

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate to 3.58% as of June 30, 2017. The discount rate was 6.75% as of June 30, 2016.
- A change in the withdrawal rates for staff to better anticipate future experience.
- A change in the mortality assumption from the RP-2014 Aggregate Mortality Table projected using Scale MP-2014 to the RP-2014 Aggregate Mortality Table projected using Scale MP-2016.
- The health care trend rate assumption was updated to a schedule of rates beginning at 7.55% in 2017, grading down to 4.50% in 2026 and beyond for pre-65 participants and 9.17% in 2017 grading down to 4.50% in 2026 and beyond for post-65 participants.
- The marginal cost adjustment factors were changed from 59.4% to 60.1% for pre-65 participants and from 86.8% to 87.6% for post-65 participants.
- The impact of the Excise Tax on high cost plans due to healthcare reform was updated, based on current claims and medical trend assumptions.
- A change in demographic assumptions for the Merit employees from the State assumptions to the University staff assumptions.

See accompanying independent auditor's report.

THE UNIVERSITY OF IOWA

THE UNIVERSITY OF IOWA

COVID-19 IMPACT SCENARIOS

Nothing contained herein is, or should be construed as, a representation by the Issuer or the University that the information included constitutes all of the information that maybe material to a current decision to invest in, hold or dispose of any of the Bonds. Moreover, there is not a duty created to update the information included in this Appendix V.

COVID-19 IMPACT SCENARIOS

University of Iowa

Givens: Does not include cost reductions or potential changes in state support; Tuition & fee rates are constant for each scenario

ASSUMPTIONS	Scenario (1)	Scenario (2)	Scenario (3)
Students Return to Campus	Summer 2020 (online partial)	Fall 2020 (online thru summer)	Spring 2021 Semester (online thru Fall)
Domestic Enrollment Levels 20/21	Decline of 1%-5%	Decline of 6%-10%	Decline of 11%-15%
International Enrollment	Decline of 1%-10%	Decline of 11%-20%	Decline of 21%-50%
Fed NonFed Grants	Decline of 5%-10%	Decline of 11%-15%	Decline of 16%-20%
Clinic/Other Activities	Activity resumes in fall	Activity resumes in fall	Activity resumes in Jan. 2021
Athletics	Fall sports as scheduled with fans (12 game football season)	Fall sports as scheduled with fans (9 game football season)	Fall sports as scheduled with no fans (9 game football season)

COVID-19 REVENUE IMPACT SCENARIOS			
Tuition & Fees	$6.3M - $27.6M	$32.4M - $53.7M	$60.2M - $89.5M
Dental Clinics	$11.5M	$11.5M	$23.0M
Residence System	$24.5M	$27.9M	$65.5M
Athletics	$6.0M - $7.0M	$25.0M - $30.0M	$65.0M - $70.0M
Other Auxilliaries/Units	$26.1M	$27.4M	$48.8M
Fed NonFed Grants	$20.4M - $40.9M	$45.0M - $61.3M	$65.4M - $81.8M
Other Revenues	$11.6M	$11.6M	$23.2M
COVID Response Costs*	$23.8M	$23.8M	$52.3M
Total	$130.2M - $173.0M	$204.6M - $247.2M	$403.4M - $454.1M

*includes the State Hygienic Laboratory

OFFICIAL BID FORM **SALE DATE:** April 30, 2020

Board of Regents, State of Iowa
$17,910,000* Telecommunications Facilities Revenue Refunding Bonds, Series S.U.I. 2020
(The State University of Iowa)

For the Bonds of this issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of $__________________ (which may not be less than $17,910,000 (Par)) plus accrued interest, if any, to the date of delivery.

Year	Interest Rate (%)	Yield (%)	Dollar Price	Year	Interest Rate (%)	Yield (%)	Dollar Price
2023	_______%	_______%	_______%	2030	_______%	_______%	_______%
2024	_______%	_______%	_______%	2031	_______%	_______%	_______%
2025	_______%	_______%	_______%	2032	_______%	_______%	_______%
2026	_______%	_______%	_______%	2033	_______%	_______%	_______%
2027	_______%	_______%	_______%	2034	_______%	_______%	_______%
2028	_______%	_______%	_______%	2035	_______%	_______%	_______%
2029	_______%	_______%	_______%	2036	_______%	_______%	_______%

Designation of Term Maturities

Years of Term Maturities ______________ ______________
______________ ______________

In making this offer on the sale date of April 30, 2020 we accept all of the terms and conditions of the Official Terms of Offering published in the Preliminary Official Statement dated April 22, 2020, including the Board's right to modify the principal amount of the Bonds. (See "Official Terms of Offering" herein.) In the event of failure to deliver these Bonds in accordance with said Official Terms of Offering, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this bid, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $____________________________

TRUE INTEREST RATE:______________ %

Account Members

____
Account Manager

By: ____

Phone: _______________________________________

The foregoing bid has been accepted by the Board.

Attest: ______________________________ Date: ______________________________

* *Preliminary; subject to change.*

Phone: 651-223-3000
Fax: 651-223-3046
Email: bond_services@bakertilly.com