PRELIMINARY OFFICIAL STATEMENT DATED MARCH 1, 2024

REFUNDING ISSUE **MOODY'S RATING: Aa2**

BOOK ENTRY ONLY

Under existing law, regulations, published rulings and judicial decisions 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 imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The opinion set forth in the preceding sentence is subject to the condition that the Board of Regents, State of Iowa and Iowa State University of Science and Technology 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 Iowa State University of Science and Technology 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. See "TAX EXEMPTION" herein.

BOARD OF REGENTS, STATE OF IOWA
$14,070,000* Utility System Revenue Refunding Bonds, Series I.S.U. 2024
(Iowa State University of Science and Technology)
(the "Bonds")

Dated Date	April 1, 2024
Delivery Date	April 10, 2024 (the "Closing Date")
Sale Date	Wednesday, March 13, 2024 until 10:00 A.M., Central Time
Consideration of Award	Subsequent to Bid Opening
Security	The Bonds are special obligations of the Board of Regents, State of Iowa (the "Board") and payable solely from Net Revenues of the Utility System and any Utility System Student Fees, as described herein, received by Iowa State University of Science and Technology (the "University"), and do not constitute a debt of or a charge against the State of Iowa within the meaning or application of any constitutional or statutory limitation or provision and are not payable in any manner by taxation.
Authorization	The Bonds are issued pursuant to Iowa Code, Chapter 262, as amended, a parameters resolution adopted by the Board on February 28, 2024 (the "Bond Resolution"), and the Bond Purchase Agreement (as defined herein).
Purpose	The proceeds of the Bonds, along with available University funds, will be used to (i) currently refund the November 1, 2024 through November 1, 2033 maturities of the University's $27,475,000 Utility System Revenue Bonds, Series I.S.U. 2013A, dated November 1, 2013 (the "Refunded Bonds"), (ii) provide a deposit in the Debt Service Reserve Fund, and (iii) pay the costs of issuing the Bonds. The May 1, 2024 interest payment due on the Refunded Bonds will be paid with University funds irrevocably deposited with the Escrow Agent (as defined herein) on the Closing Date.
Principal and Interest Payments	Principal will be paid annually on November 1, beginning November 1, 2024. Interest will be payable semiannually on May 1 and November 1, beginning November 1, 2024.
Redemption Provisions	The Bonds will NOT be subject to redemption in advance of their respective stated maturity dates. The Bonds may be issued as term bonds at the discretion of the Underwriter (as hereinafter defined) and, in such case, will be subject to mandatory sinking fund redemption.
Book Entry	The Bonds will be issued only as fully registered obligations, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See "Appendix A - Book Entry".
Denominations	The Bonds are being issued in the denomination of $5,000 or integral multiples thereof.
Trustee	The Treasurer of the University will serve as Trustee for the Bonds.
Escrow Agent, Registrar, Paying Agent	U.S. Bank Trust Company, National Association located in Saint Paul, Minnesota will serve as Escrow Agent, Registrar and Paying Agent for the Bonds.
Bidding Information	Interested bidders should review the Official Terms of Offering for additional instructions. See Appendix F herein.

*Preliminary, subject to change.

MATURITY SCHEDULE
(Base CUSIP(1) _________)

Maturity (November 1)	Principal(2)	Interest Rate	Yield	Price	CUSIP(1)
2024	$1,050,000	_.__%	_.__%	_.__%	____
2025	$1,160,000	_.__%	_.__%	_.__%	____
2026	$1,220,000	_.__%	_.__%	_.__%	____
2027	$1,280,000	_.__%	_.__%	_.__%	____
2028	$1,355,000	_.__%	_.__%	_.__%	____
2029	$1,430,000	_.__%	_.__%	_.__%	____
2030	$1,510,000	_.__%	_.__%	_.__%	____
2031	$1,595,000	_.__%	_.__%	_.__%	____
2032	$1,685,000	_.__%	_.__%	_.__%	____
2033	$1,785,000	_.__%	_.__%	_.__%	____

(1) CUSIP® is a registered trademark of the American Bankers Association ("ABA"). CUSIP data (including CUSIP identifiers and related descriptive data) contained herein is provided by CUSIP Global Services ("CGS"), which is operated on behalf of the ABA by FactSet Research Systems Inc. CUSIP data is the valuable intellectual property of the ABA and the inclusion of CUSIP data herein is not intended to create a database and does not serve in any way as a substitute for any CUSIP Service provided by CGS. CUSIP data herein is provided for convenience of reference only. Neither the Board, the Municipal Advisor, the Underwriter nor their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

(2) Preliminary subject to change. The Board reserves the right to adjust individual maturity amounts to achieve its financial objectives.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Ahlers & Cooney, P.C., attorneys of Des Moines, Iowa, Bond Counsel. The Bonds are expected to be available for delivery to DTC, in New York, New York on or about April 10, 2024.

In connection with this offering the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds offered hereby at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, salesperson, 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. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

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. However, upon delivery of the securities, the Board will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

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.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Bonds, the Board and the merits and risks of the investment opportunity.

FORWARD-LOOKING STATEMENTS

This Official Statement, including its appendices, contains statements which should be considered “forward-looking statements,” meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as “plan,” “expect,” “estimate,” “budget,” “may,” or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The Board does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

BOARD AND UNIVERSITY CONTACT INFORMATION

Additional information regarding the Board may be obtained by contacting Mark Braun, Executive Director of the Board, phone (515-281-3934) or Heather Paris, Interim Senior Vice President for Operations and Finance, Iowa State University of Science and Technology, phone (515-294-0016).

BOARD OF REGENTS, STATE OF IOWA

Sherry Bates, President, Scranton
Mark Braun, Executive Director

Members

Greta Rouse, President Pro Tem, Emmetsburg
David Barker, Iowa City
Robert Cramer, Adel
Abby Crow, Tiffin
Nancy Dunkel, Dyersville
Jim Lindenmayer, Ottumwa
Dr. Michael Richards, West Des Moines*
JC Risewick, Johnston

Note: Ms. Sherry Bates was elected President of the Board on February 28, 2024, after previously serving as President Pro Tem and Interim President. Ms. Bates became Interim Board President on January 16, 2024, when Dr. Michael Richards announced he was stepping down as President of the Board. Dr. Richards will remain a Board member until April 30, 2024, at which time he will resign his seat.

BOND COUNSEL

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

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota

TRUSTEE

Treasurer of the University
Ames, Iowa

REGISTRAR, PAYING AGENT, AND ESCROW AGENT

U.S. Bank Trust Company, National Association
Saint Paul, Minnesota

UNDERWRITER

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Appendices:

OFFICIAL STATEMENT

BOARD OF REGENTS, STATE OF IOWA
$14,070,000* UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES I.S.U. 2024
(IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY)

INTRODUCTORY STATEMENT

This Official Statement contains information concerning the Board of Regents, State of Iowa (the “Board” or the “Board of Regents”), the Board’s issuance of $14,070,000* Utility System Revenue Refunding Bonds, Series I.S.U. 2024 (Iowa State University of Science and Technology) (referred to as the “Series 2024 Bonds” or the “Bonds”), and Iowa State University of Science and Technology (the “University” or “Iowa State University”) on whose behalf the Bonds are being issued.

In connection with this Issue, a Tenth Supplemental Indenture between the Board and the Treasurer of the University, as Trustee, dated as of April 1, 2024, will be entered into. The Bonds are issued as Additional Bonds ranking on a parity with the following bonds which have an aggregate outstanding principal amount of $26,525,000 as of April 10, 2024 (the “Closing Date”):

- $7,405,000 Utility System Revenue Refunding Bonds, Series I.S.U. 2013, issued pursuant to the Sixth Supplemental Indenture, dated June 1, 2013 (the “Series 2013 Bonds”);
- $16,500,000 Utility System Revenue Bonds, Series I.S.U. 2015, issued pursuant to the Eighth Supplemental Indenture dated January 1, 2015 (the “Series 2015 Bonds”); and
- $24,480,000 Utility System Revenue and Refunding Bonds, Series I.S.U. 2016 issued pursuant to the Ninth Supplemental Indenture, dated November 1, 2016 (the “Series 2016 Bonds”).

The Series 2013 Bonds, Series 2015 Bonds, and Series 2016 Bonds are herein referred to together as the “Outstanding Bonds”. The Series 2024 Bonds are issued as Additional Bonds under the Indenture pursuant to Iowa Code Chapter 262, as amended, and the Tenth Supplemental Indenture authorized by the parameters resolution adopted by the Board on February 28, 2024 (the “Bond Resolution”). See “FLOW OF FUNDS,” “ADDITIONAL BONDS” and “Appendix D: SUMMARY AND EXCERPTS OF INDENTURE AND SUPPLEMENTAL INDENTURES”.

The proceeds of the Bonds, along with available University funds, will be used to (i) currently refund the November 1, 2024 through November 1, 2033 maturities of the University’s $27,475,000 Utility System Revenue Bonds, Series I.S.U. 2013A, dated November 1, 2013 (the “Refunded Bonds”), (ii) provide a deposit in the Debt Service Reserve Fund, and (iii) pay the costs of issuing the Bonds.

The Bonds are special obligations of the Board and are payable, together with the Outstanding Bonds, solely from Net Revenues of the Utility System and any Utility System Student Fees, as described herein, received by the University. The Bonds and the Outstanding Bonds are further secured by a Debt Service Reserve Fund.

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. Capitalized terms not otherwise defined herein shall have the meaning given to them within the documents. The Official Statement speaks only as of its date and the information contained herein is subject to change.

CONCURRENT FINANCING

The ISU Facilities Corporation, while not the issuer of the Bonds described herein, by means of a separate Official Statement, sold its $12,280,000 Revenue Bonds (Scheman Building Project), Series 2024 (Taxable) (the Concurrent Financing”) on February 28, 2024. Settlement of the Concurrent Financing is expected to take place March 28, 2024.

*Preliminary; subject to change.

ANTICIPATED BOND ISSUANCE

The Board may issue additional refunding bonds on behalf of the University in the next six months.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with SEC Rule 15c2-12 (the "Rule"), pursuant to the Indenture, the Board 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 C.) No person, other than the Board, 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 C to this Official Statement.

The University believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule, except as follows:

- The University's audited Financial Report for the fiscal year ended June 30, 2020 (the "2020 Financial Report") was not filed within the time period required by prior Continuing Disclosure Undertakings and a failure to timely file notice related to the unavailability of University's audited Financial Report was filed with the MSRB through EMMA on March 26, 2021. The 2020 Financial Report was published on September 10, 2021 and filed with the MSRB through EMMA on September 24, 2021. The University's required operating data, select unaudited financial statements, and unaudited bond segment information were timely filed with the MSRB through EMMA on March 26, 2021.

- The University's audited Financial Report for the fiscal year ended June 30, 2021 (the "2021 Financial Report") was not filed within the time period required by prior Continuing Disclosure Undertakings and a failure to timely file notice related to the unavailability of University's audited Financial Report was filed with the MSRB through EMMA on March 23, 2022. The 2021 Financial Report was published on May 6, 2022 and filed with the MSRB through EMMA on May 31, 2022. The University's required operating data, select unaudited financial statements, and unaudited bond segment information were timely filed with the MSRB through EMMA on March 23, 2022.

- The University's audited Financial Report for the fiscal year ended June 30, 2022 (the "2022 Financial Report") was not filed within the time period required by prior Continuing Disclosure Undertakings and a failure to timely file notice related to the unavailability of University's audited Financial Report was filed with the MSRB through EMMA on March 27, 2023. The 2022 Financial Report was published on April 10, 2023 and filed with the MSRB through EMMA on April 18, 2023. The University's required operating data, select unaudited financial statements, and unaudited bond segment information were timely filed with the MSRB through EMMA on March 27, 2023.

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 Board or 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

GENERAL

The Bonds will be dated as of April 1, 2024 and will mature annually on November 1 as set forth on the inside front cover page of this Official Statement. Interest is payable on May 1 and November 1 of each year, commencing November 1, 2024. 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.” The Treasurer of the University will serve as Trustee for the Bonds. U.S. Bank Trust Company, National Association, located in Saint Paul, Minnesota, will serve as Registrar and Paying Agent for the Bonds.

Optional Redemption

The Bonds will NOT be subject to redemption in advance of their respective stated maturity dates.

Book Entry

When issued, the Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests in the Bonds will be made in book entry only form. See “Appendix A - Book Entry”.

PURPOSE OF THE BONDS

The proceeds of the Bonds, along with available University funds, will be used to (i) currently refund the November 1, 2024 through November 1, 2033 maturities of the University’s $27,475,000 Utility System Revenue Bonds, Series I.S.U. 2013A, dated November 1, 2013 (the “Refunded Bonds”), (ii) provide a deposit in the Debt Service Reserve Fund, and (iii) pay the costs of issuing the Bonds.

The issuance of the Bonds is being undertaken to achieve debt service savings and constitutes a “current” refunding since the Refunded Bonds will be called within 90 days of the Closing Date. The Refunded Bonds will be called for payment on July 8, 2024 (the “Call Date”) at a price of par plus accrued interest. The May 1, 2024 interest payment due on the Refunded Bonds will be paid with University funds irrevocably deposited with U.S. Bank Trust Company, National Association (the “Escrow Agent”) on the Closing Date.

The proceeds of the Bonds will be placed in an escrow account with the Escrow Agent. The amounts on deposit with the Escrow Agent will be invested in special obligations of the United States Treasury or other obligations of the United States or of its agencies, which shall mature in such amounts and at such times as to redeem the Refunded Bonds at a price of par plus accrued interest on the Call Date.

SOURCES AND USES OF FUNDS

The composition of the Bonds is as follows:

Sources of Funds:	
Principal Amount	$_________
[Net] Reoffering [Premium][Discount]	_________
Transfer from Prior Issue Reserve Fund	_________
Transfer from Prior Issue Debt Service Fund	_________
Accrued Interest	_________
Total Sources of Funds	$_________
Uses of Funds:	
Deposit to Escrow Fund	$_________
Deposit to Debt Service Reserve Fund	_________
Deposit to Debt Service Fund (Accrued Interest)	_________
Underwriter’s Compensation	_________
Costs of Issuance*	_________
Total Uses of Funds	$________

* Includes fees for bond counsel, municipal advisor, rating, Escrow Agent, Registrar, Paying Agent, and other miscellaneous expenses.

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

SECURITY

The Bonds are special obligations of the Board payable from pledged net revenues derived from the operation of the University's Utility System (the "Net Revenues") and the proceeds of any Utility System Student Fees at the University (and income from the investment thereof). Net Revenues are defined as gross revenues, including all rents, profit and income derived directly from the Utility System, less operating expenses, being all costs of maintenance and operation, including insurance and all other items normally included under the University's customary accounting principles, but excluding depreciation, directly related to the operation and maintenance of the Utility System.

By the terms of the Indenture, the Board has covenanted that user charges for the Utility System will be maintained and adjusted, if necessary, so that the Net Revenues of the Utility System and the amount produced by any Utility System Student Fees for each Fiscal Year, together with the net earnings derived from the investment of moneys on deposit in the funds established by the Indenture during any such Fiscal Year, is at least equal to the sum of (a) 120% of the annual debt service on the Bonds, the Outstanding Bonds, and any Additional Bonds which may be issued plus (b) 100% of the amount required to remedy any deficiency in the Debt Service Reserve Fund within two years (or within five years if the deficiency is associated with the issuance of Additional Bonds) plus (c) 100% of any other obligations under the Indenture. The Board has further covenanted that, as long as any of the Bonds or Outstanding Bonds remain outstanding, it will cause the University to prepare and submit for its approval prior to commencement of each Fiscal Year a budget which indicates that the above-listed requirements will be complied with, or the Board shall promptly adjust Utility System User Charges and/or Utility System Student Fees to ensure such compliance. No Utility System Student Fees have been charged or are currently planned to be instituted by the Board.

The Board further covenants in the Indenture: (a) to administer the Utility System as a single system and as a revenue-producing undertaking, setting aside Net Revenues derived from the operation thereof, to the extent necessary, to comply with the requirements of the Indenture; (b) to keep the Utility System in good repair and operating condition; (c) not to construct, acquire or operate any competing utility facility or service at the University unless such facility or service is included as part of the Utility System; (d) not to cease to use, abandon, sell or in any manner dispose of any portion of the Utility System while any of the Bonds are outstanding unless such disposition is of property no longer useful or profitable to the Utility System and such disposition will not cause the Net Revenues of the Utility System to fall below the levels required by the Indenture; and (e) to maintain adequate books and records for the Utility System separate from other records and accounts, require regular reports to be submitted annually by the Treasurer of the University, and cause a report on examination of such books and records to be prepared annually by a certified public accountant, in accordance with generally accepted accounting principles.

Under the Indenture, the Board has covenanted to maintain a Debt Service Reserve Fund in the amount of the Debt Service Reserve Fund Requirement.

FLOW OF FUNDS

The Gross Revenues of the System and any Utility System Student Fees shall be deposited and collected in a fund to be known as the Bond Fund (the "Bond Fund"), and shall be disbursed only as follows:

(i) Current Expenses. Moneys in the Bond Fund shall first be disbursed to pay Current Expenses of the Utility System.

(ii) Sinking Fund. Moneys in the Bond 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 Bond 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 Bond Fund shall next be disbursed to maintain a debt service reserve in an amount equal to the Debt Service Reserve Fund Requirement. Such fund shall be known as the Debt Service Reserve Fund, which shall be maintained as long as the Bonds or Parity Bonds remain outstanding. 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 Debt Service Reserve Requirement; provided, however, that when the amount on deposit in the Reserve Fund is equal to the Debt Service Reserve Fund 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 Bond Fund. Moneys in the Debt Service Reserve Fund shall be used solely for the purpose of paying principal at maturity of or interest on the Bonds and Parity Bonds.

(iv) Utility System Fund. There is hereby created the Utility 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 Utility 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 of the System, but are 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 including transfer to the general operating fund of the University. (See "Appendix D: SUMMARY AND EXCERPTS OF INDENTURE AND SUPPLEMENTAL INDENTURES".)

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.

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.

ADDITIONAL BONDS

One or more series of additional bonds ranking on a parity with the Bonds and the Outstanding Bonds (the “Additional Bonds”) may be issued for the purpose of paying additional costs of the Utility System, but only if the following provisions are met.

The Bonds and Parity Bonds from time to time outstanding shall not be entitled to priority or preference, one over the other, in the application of the Net Revenues and Utility System Student Fees regardless of the time or times of the issuance of such Bonds and Parity Bonds, it being the intention that there shall be no priority among the Bonds and Parity Bonds issued under the terms of the Fourth Supplemental Indenture regardless of the fact that they may have been actually issued and delivered at different times. The Board covenants and agrees that so long as any of the Bonds and Parity Bonds issued pursuant to the Fourth Supplemental Indenture are outstanding and unpaid, no other bonds, notes or obligations payable from the Net Revenues and Utility System Student Fees will be issued except upon the basis of such obligations being subject to the priority and security for payment of the Bonds and Parity Bonds then outstanding under the terms of the Fourth Supplemental Indenture. The Board reserves the right and privilege of issuing Additional Bonds from time to time payable from Net Revenues and Utility System Student Fees received by the University and ranking on a parity with the Outstanding Bonds in order (1) to refund any bonds issued by the Board for the System at the University, or (2) to pay the costs of constructing, equipping, installing, furnishing, replacing, and/or renovating certain facilities and improvements to the System. Such issuance may be by resolution of the Board.

Before any such Additional Bonds ranking on a parity may be so issued there must be procured and filed with the Executive Director or Deputy Executive Director of the Board a statement by a certified public accountant not in the regular employ of the Board or the University on a monthly salary basis (but who may be the accountant who last audited or who regularly audits the accounts of the University) reciting the opinion based upon necessary investigations that the aggregate of the Net Revenues and Utility System Student Fees plus the net earnings derived from moneys on deposit in the Sinking Fund, Debt Service Reserve Fund, and System Fund collected by the University during the last completed Fiscal Year for which audited financial reports are available (with adjustments as hereinafter provided) were equal to at least 120% of the maximum amount that will become due in any Fiscal Year during the life of any of the then Outstanding Bonds and Parity Bonds for both principal of and interest on the Bonds and Parity Bonds then outstanding and the bonds then proposed to be issued. For purposes of the computations, the annual debt service in the final maturity year of any Outstanding Bonds and Parity Bonds shall be reduced by the amount of the deposit to the Debt Service Reserve Fund for such issue. The amount of Net Revenues and Utility System Student Fees collected during the preceding Fiscal Year shall be adjusted for the purpose of the foregoing computations so as to give effect to any changes then in effect enacted by the Board as though such changes were already in effect.

Bonds issued to refund any of the Bonds or Parity Bonds shall not be subject to the restrictions hereinbefore set forth provided the bonds being refunded mature within six months of the date of such refunding and no other funds are available to pay such maturing bonds, but otherwise any refunding bonds ranking on a parity shall only be issued subject to said restrictions, and in computing the maximum principal and interest due in any fiscal year, principal and interest on the bonds being refunded shall be excluded and principal and interest on the refunding bonds shall be utilized.

No Additional Bonds may be issued at any time while payments required by the Indenture to be made into the Sinking Fund or Debt Service Reserve Fund are in arrears. The interest payment dates for all such Additional Bonds shall be semiannually on May 1 and November 1 of each year and the principal maturities of such Additional Bonds shall be on November 1 of the year in which any such principal is scheduled to become due. Additional Bonds shall be understood to mean bonds secured and payable on a parity with the Bonds and Parity Bonds and shall not be deemed to include other obligations, the security and source of payment of which is subordinate and subject to the priority of the requirements in favor of the Bonds and Parity Bonds.

BONDHOLDERS REMEDIES

REMEDIES UNDER THE INDENTURE

Under no circumstances shall any Bonds issued under the terms of the Indenture 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 and Utility System Student Fees and shall be payable as hereinbefore defined and provided. Any owner or owners of any Bonds or Parity Bonds issued pursuant to the Indenture may enforce the terms and covenants of any of such bonds and the Indenture 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 the Bonds and Parity are being issued and the terms of the Fourth Supplemental Indenture, and the Board hereby consents to be made a party in any such suit or action. There is no contractual right to acceleration of principal and interest in the Indenture upon a default of the Series 2013 Bonds, the Series 2015 Bonds, the Series 2016 Bonds, the Series 2024 Bonds, or any Additional Bonds.

THE UTILITY SYSTEM

The Utility System of Iowa State University of Science and Technology (the "University") is operated as a University enterprise. The Utility System has production equipment for steam, electricity, chilled water, and compressed air as well as distribution systems throughout the campus for those utilities. Additionally, the Utility System maintains and operates distribution or collection systems for natural gas, sanitary sewer, storm sewer, and potable water. Contractual agreements with the City of Ames, Iowa exist for sewage treatment, water treatment, storm drainage, and electrical transmission requirements of the University. Approximately 40-50% of the electricity used on campus is purchased from the wholesale electricity market.

Mark Kruse, Director of Utilities Services retired on January 3, 2024. The director duties will be shared by the following individuals: Matt Shiver will serve as Interim Director of Power Plant Services and Mike Olson will serve as Interim Director of Utilities Distribution Services.

FINANCIAL REPORTING

The budget process for the Utility System is on a July 1 through June 30 fiscal year basis, and begins approximately one year in advance. Consumption of the various utilities is projected. Input costs (labor, services and materials, purchased utilities and fuel, and renewal and replacement) are estimated. Billing rates per utility are established, based upon the projected consumption, at a level sufficient to cover operational, debt service and coverage requirements. In accordance with the Bond Resolution and the Indenture, the debt service and coverage requirements are further backed by a provision requiring the University to initiate Utility System Student Fees in the event that all other income sources are less than required. Implementation of this provision has not been necessary and is not anticipated for the future.

The financial operations of the University's Utility System are accounted for within a separate Enterprise Fund Group. In accordance with the Indenture, the Board is required to cause audited financial statements of the Utility System Revenue Bond Funds to be prepared. The financial statements for the year ended June 30, 2023 are included in Note 11 titled 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 Utility System Revenue Bond Funds Condensed Statements of Revenues, Expenses, and Changes in Net Assets for the years ended June 30, 2019 through June 30, 2023 are presented on the following page. This information has been extracted from the audited financial reports of the Utility System Revenue Bond Funds and the University.

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2019	2020	2021	2022	2023
Operating Revenues	$ 43,646,446	$ 38,979,925	$ 38,551,160	$ 40,744,563	$ 42,675,311
Operating Expenses	(31,660,636)	(29,917,131)	(27,511,892)	(32,522,659)	(35,665,835)
Depreciation Expense	(6,179,991)	(6,306,070)	(5,725,442)	(5,776,626)	(5,813,829)
Net Operating Income/(Loss)	5,805,819	2,756,724	5,313,826	2,445,278	1,195,647
Nonoperating Revenues/(Expenses):	(1,248,592)	(1,214,493)	(1,582,230)	(1,588,077)	(750,221)
Other Revenues/(Expenses) and Transfers:	(42,312)	(133,634)	3,210,695	(3,865,271)	3,882,757
Change in Net Position	4,514,915	1,408,597	6,942,291	(3,008,070)	4,328,183
Beginning Net Position	82,099,615	86,146,144 *	87,554,741	94,497,032	91,488,962
Ending Net Position	$ 86,614,530	$ 87,554,741	$ 94,497,032	$ 91,488,962	$ 95,817,145

** As restated.*
Source: Audited Financial Statements of the University.

DEBT SERVICE AND COVERAGE

Fiscal Year Ending June 30	THE BONDS(1) Principal	Principal & Interest(2)	Existing Debt Service(3)	Total Debt Service	Coverage to F.Y. 2022-23 Net Revenues(4)
2024	$ 1,050,000	$ 1,785,875	$ 3,721,325	$ 5,507,200	1.36
2025	1,160,000	1,782,000	3,724,400	5,506,400	1.36
2026	1,220,000	1,782,500	2,861,200	4,643,700	1.61
2027	1,280,000	1,780,000	2,862,775	4,642,775	1.61
2028	1,355,000	1,789,125	2,397,700	4,186,825	1.78
2029	1,430,000	1,794,500	2,394,794	4,189,294	1.78
2030	1,510,000	1,801,000	2,388,125	4,189,125	1.78
2031	1,595,000	1,808,375	2,386,113	4,194,488	1.78
2032	1,685,000	1,816,375	2,389,688	4,206,063	1.77
2033	1,785,000	1,829,625	2,386,388	4,216,013	1.77
2034	-	-	2,390,488	2,390,488	3.12
2035	-	-	2,391,144	2,391,144	3.12
2036	-	-	1,297,000	1,297,000	5.75
2037	-	-	1,299,200	1,299,200	5.74
Total	$ 14,070,000	$ 17,969,375	$ 34,890,340	$ 52,859,715	

(1) Preliminary; subject to change.

(2) Estimated debt service for the Bonds.

(3) As of April 10, 2024 (the settlement date of the Bonds), principal on the Outstanding Bonds is outstanding in the aggregate amount of $26,525,000. Excludes the Bonds and the Series 2013A Bonds.

(4) Utility System Net Revenues based on the Fiscal Year ended June 30, 2023: $7,463,535.

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 2023 records show enrollment at the three universities totaling 69,240.

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

Ms. Sherry Bates was elected President of the Board on February 28, 2024 after previously serving as President Pro Tem and Interim President. Ms. Bates became Interim Board President on January 16, 2024, when Dr. Michael Richards announced he was stepping down as President of the Board. Dr. Richards will remain a Board member until April 30, 2024, at which time he will resign his seat.

Ms. Bates was elected President Pro Tem on June 1, 2021 for a term ending on April 30, 2023. She was first appointed to the Board on December 22, 2014 and was reappointed on March 1, 2017 to second term that expired April 30, 2023. Ms. Bates was recently reappointed for a third six-year term that expires April 30, 2029.

Ms. Bates spent her career as a social worker in Greene County, Iowa, including more than 20 years with the Greene County Medical Center in Jefferson and several years with the Iowa Department of Human Services.

Ms. Bates is actively involved in her community through her service on the Greene County Board of Health, the Scranton Telephone Board, and the Greene County Foundation Board. She is also a past member of the Scranton Library Board.

Ms. Bates is a 1974 graduate of Iowa State University of Science and Technology where she earned a degree in child development.

PRESIDENT PRO TEM

Ms. Greta Rouse was elected President Pro Tem of the Board on February 28, 2024. She has a unique history among current Board of Regents members, having had two separate stints on the Board separated by nearly a decade.

Ms. Rouse first served on the Board as the student representative from 2008-12, during her time as an undergraduate and graduate student. Almost 10 years after her time as a student Regent ended, she was appointed on April 16, 2021, by Governor Reynolds for another six-year term to the Board, with her term beginning May 1.

In addition to her Board of Regents work, Rouse prioritizes her family and their young children. She continues to be active in her community, as she has volunteered her time with numerous organizations over the years.

Rouse received a bachelor's degree in political science from Iowa State University of Science and Technology in 2010. At ISU, she worked on campus, was active with numerous student organizations, and received several awards in recognition of her contributions and leadership qualities. She later earned her master's degree in leisure, youth and human services in 2012 from the University of Northern Iowa. While at UNI she worked with Camp Adventure, which included field experiences with children on military bases in Germany, Japan, Hawaii, and the Marshall Islands.

After graduation, Ms. Rouse served as deputy communications director, scheduler and an advisor for the office of Governor Branstad and Lt. Governor Reynolds. She also later served as the executive manager of Great Lakes Communications Corp and the IGL family of companies.

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's 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 doctorate in education from the University of New England, 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.

IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

Iowa State University of Science and Technology (the "University"), located in Ames, Iowa, was originally chartered by the State General Assembly in 1858. Iowa was the first state to accept the terms of the Morrill Land Grant Act of 1862, and in March of 1864 the General Assembly awarded Iowa's grant to the University, known then as the Iowa Agricultural College. The first class of 26 graduated in 1872. Since 1959, the University has been known as Iowa State University of Science and Technology.

The University pioneered the establishment of agricultural curricula and was the first state institution to establish a veterinary school. Experimentation and research have been integral parts of the University from its beginning, first in agriculture, and later in home economics, engineering, science, and veterinary medicine.

Coeducational from its beginning, the University took leadership in domestic economy (later to become home economics). The modern Cooperative Extension Service system grew out of early Farmers Institutes organized by the University in the late 1800s. Iowa State developed nationally recognized programs in the physical sciences and engineering and has emerged as an international leader in the field of materials science, due in large part to the establishment at the University of the Ames National Laboratory of the U.S. Department of Energy.

Today, the University is building on its land-grant foundation by helping more students than ever achieve success through education and by finding new ways to put knowledge to work to benefit people in Iowa and the world. The University offers a high-quality, student-centered education to more than 30,000 students, including more than 25,000 undergraduates. There are students on campus from all 99 counties, all 50 states, and more than 110 other countries.

The University delivered a $5 billion impact to the State of Iowa in fiscal year 2022, with its total economic impact supporting more than 57,000 jobs – one out of every 36 jobs in Iowa. The University supports economic growth and prosperity through its research, teaching and extension and outreach. The value of the University's economic impact is measured by cutting-edge research, economic development support for business and industry, student and visitor spending, alumni earnings, campus operations and construction, and Extension and Outreach. These activities support stronger, more resilient communities. The University maximizes the return on investment for its students and all Iowans by continually adjusting programs to align with the State's workforce demands and the needs of business and industry.

The University is committed to assuring that its programs are free from prohibited discrimination and harassment based upon race, ethnicity, sex, pregnancy, color, religion, national origin, physical or mental disability, age (40 and over), marital status, sexual orientation, gender identity, genetic information, status as a U.S. veteran (disabled, Vietnam, or other), or any other status protected by university policy or local, state, or federal law.

The University has been continuously accredited by the Higher Learning Commission (HLC) since 1916; specific academic programs are additionally accredited by their respective professional organizations. The University is designated as a Research 1: Doctoral University — Very High Research Activity by the Carnegie Classification of Institutions of Higher Education and is a member of the Association of Public and Land-grant Universities, American Council on Education, Association of American Colleges and Universities, University Innovation Alliance and other scientific and research societies.

PRESIDENT

Dr. Wendy Wintersteen was appointed unanimously by the Board of Regents as the University's 16th President, effective November 20, 2017. The first woman to hold the University's highest office, Dr. Wintersteen has served the University for more than 40 years in several capacities.

Under her leadership, Iowa State University has established international prominence in innovation and entrepreneurship in higher education – named the 2023 Entrepreneurial University of the Year for the Americas and ranked #12 out of 300 public and private universities by the prestigious *Princeton Review.* Iowa State University also received the 2022 Nasdaq Center for Entrepreneurial Excellence Award, the highest honor presented by the Global Consortium of Entrepreneurship Centers and the 2021 *Model Program Award* for Excellence in Entrepreneurial Education by the U.S. Association for Small Business and Entrepreneurship, noting *"Iowa State's program was expansive in its scale and boldly embraced the challenges of engendering innovation and entrepreneurship across its campus."*

During Dr. Wintersteen's tenure, the University's post-graduation placement rate has climbed to nearly 96% and the University has enhanced its status as a national research powerhouse – ranked in the top 3% in the nation out of nearly 500 universities without a human medical school and setting a new record of $301.3 million for external research grants and contracts. Iowa State University consistently ranks in the top 100 universities worldwide for number of U.S. patents as University faculty and staff excel at transferring their research, technology, and innovation to the marketplace to address complex challenges and accelerate the State's economic progress. The University's Extension and Outreach programs operate in all 99 counties to directly benefit more than 1 in 3 Iowans each year.

Dr. Wintersteen serves on the U.S. Patent and Trademark Office's Council for Inclusive Excellence, the U.S. Council on Competitiveness, the Association of Public and Land-grant Universities (APLU) Council of Presidents and the APLU Research Intensive Committee. She is a member of the Big 12 Conference Board of Directors and serves as secretary/treasurer for the Big 12 Board executive committee. She is also a member of the University Innovation Alliance (UIA), a coalition of public research universities aimed at increasing the number and diversity of college graduates; America's Cultivation Corridor, a regional economic initiative to establish Iowa as the global center for excellence for the agricultural and bioscience economy; and Bankers Trust. She is part of the Governor's STEM Advisory Council Executive Committee and the Business Education Alliance.

In 2021, Dr. Wintersteen was inducted into the Iowa Business Hall of Fame. She's the recipient of the 2020 Food Systems Leadership Award from the Association of Public and Land-grant Universities and the 2020 National Ruby Award, the most prestigious recognition for extension professionals.

Dr. Wintersteen holds a Bachelor of Science degree in crop production from Kansas State University and Ph.D. in entomology from Iowa State University.

INTERIM SENIOR VICE PRESIDENT FOR OPERATIONS AND FINANCE

Heather Paris serves as interim senior vice president for operations and finance. Since 2020, Ms. Paris has served as associate vice president for finance services, overseeing benefits accounting and compliance, controller's department, finance delivery, payroll and procurement. In her interim role, she leads the operations and finance division, which includes finance, financial planning and analysis, auxiliary enterprise, facilities management, real estate and capital planning, and operations and strategy.

Prior to coming to Iowa State University, Ms. Paris was CEO at Stewart Memorial Community Hospital, Lake City, and chief financial officer at Monroe County Hospital and Clinics, Albia. She earned her bachelor's degree from the University of Iowa, and a Master of Health Care Administration from Des Moines University.

SENIOR VICE PRESIDENT/ PROVOST

Jonathan Wickert has announced plans to relinquish his appointment as University Provost on June 30, 2024, after serving a dozen years in the role -- an Iowa State University record. He is one of the nation's longest-serving provosts, as well as the longest-serving provost among Iowa's public universities and within the Big 12 Conference.

While Mr. Wickert will no longer be responsible for a broad array of academic and administrative functions, he will continue to serve the University as professor of mechanical engineering, President's Chair in Engineering and provost emeritus.

A search for a new provost has been initiated.

STRATEGIC PLAN

The University has been engaged in strategic planning since 1987. The Iowa Board of Regents approved the University's seventh strategic plan in June 2022. Iowa State University's 2022-2031 Strategic Plan is grounded in its mission to "create, share, and apply knowledge to make our students, Iowa, and the world better" and will advance the land-grant ideals of putting science, technology, and human creativity to work through its vision. Iowa State's mission and vision are guided by the values of its Principles of Community (respect, purpose, cooperation, richness of diversity, freedom from discrimination, honest and respectful expression of ideas), and access, excellence, and integrity.

Five aspirational statements define what Iowa State University desires to be and how the University plans to position itself over the next nine years. Iowa State University strives:

- To be the most student-centric leading research university.
- To be the university that cultivates a diverse, equitable, and inclusive environment where students, faculty, and staff flourish.
- To be the university that fosters lifelong learning.
- To be the university that creates opportunities and forges new frontiers.
- To be the trusted partner for proactive and innovative solutions.

The plan includes an innovative process to regularly assess where the university stands, infuse new ideas, and respond to a dynamic state, nation, and world landscape. Progress and successes are reported regularly as required by the Iowa Board of Regents.

CAMPUS AND FACILITIES

The University owns approximately 1,715 acres constituting the campus and recreational areas and an additional 10,384 acres of research farms and other land tracts. The total investment in land, buildings, land improvements, and infrastructure as of June 30, 2023 was approximately $2.74 billion. The oldest building on campus is the Farm House, which dates back to 1860; the most recently completed major facilities project was the first phase of the Veterinary Diagnostic Laboratory. The Veterinary Diagnostic Laboratory advances Iowa's $32.5 billion animal agriculture industry by providing timely, high quality, and comprehensive veterinary diagnostic services, instruction, and applied research.

Academic Information

The University is organized into six undergraduate colleges: Agriculture and Life Sciences, the Ivy College of Business, Design, Engineering, Human Sciences, and Liberal Arts and Sciences. These colleges offer more than 100 programs leading to the baccalaureate degree. The Graduate College offers nearly 200 programs leading to Master's and Ph.D. degrees; and the College of Veterinary Medicine confers the Doctor of Veterinary Medicine professional degree.

Iowa State University is the first public university in Iowa to offer an undergraduate major in entrepreneurship and just the eighth in the United States to offer a Ph.D. specialization in entrepreneurship. The University opened its state-of-the-art Student Innovation Center in 2021, a hands-on hub where students in all majors design, fabricate, test, and demonstrate their ideas. Innovation education is also supported in the University's colleges through the Start Something Network, a set of innovation- and entrepreneurship-centric academic opportunities, from credit-earning coursework to capstone projects to internships, for all university students regardless of discipline.

Since 2009, undergraduate admission to the University has been determined by the Regent Admission Index (RAI), as established by the Iowa Board of Regents and based on a statistical formula that combines three factors:

ACT composite (or converted SAT) score x 3
\+ Cumulative GPA x 30
\+ Number of years of high school core courses x 5

Students with an RAI of 245 or higher are automatically offered admission. 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.

Like many institutions, Iowa State University is now ACT and SAT test-optional for first-year applicants. Students may choose whether they wish to self-report their ACT/SAT scores when they apply for admission. For applicants who choose not to report, admission is based on high school grade point average and high school core course requirements.

Additional information on admissions requirements, including high school equivalency testing or home-schooled students, can be found at: https://www.iastate.edu/admission-and-aid/admissions/first-year-students.

Instruction is offered throughout the year. The academic year is typically divided into two semesters of sixteen weeks each, beginning in late August and ending in mid-May. An optional four-week winter session and two summer sessions are also held.

Tuition and Fees Comparison

Shown below are two years of University tuition and fees for full-time students compared to ten other public universities.

	2022/23		2023/24	
	Res.	Non-Res.	Res.	Non-Res.
Undergraduate	$ 10,133	$26,617	$10,497	$27,683
Graduate	11,981	28,185	12,451	29.303

TUITION AND MANDATORY FEES

Tuition is set annually by the Board. In addition, students are charged various student fees, depending on the course of study. Tuition and mandatory fees per academic year charged to full-time students at the University have been as follows:

Undergraduate Tuition and Fees	2022-2023				2023-2024			
	Rank	Res	Rank	Non-Res	Rank	Res	Rank	Non-Res
Michigan State University	1	$15,372	1	$41,958	1	$15,988	1	$43,372
Virginia Tech	2	14,666	2	34,920	2	15,476	2	36,693
University of Missouri	5	11,603	4	31,970	3	14,122	3	34,322
Oklahoma State University	3	14,247	6	29,768	4	13,647	6	29,168
Colorado State University	4	12,559	3	32,517	5	13,010	4	33,765
Kansas State University	6	10,448	10	26,519	6	10,942	8	27,816
Iowa State University	**7**	**10,133**	**9**	**26,617**	**7**	**10,497**	**9**	**27,683**
Purdue University	8	9,992	7	28,794	8	9,992	7	28,794
University of Nebraska	9	9,620	8	26,750	9	9,939	10	27,669
Oregon State University	11	8,833	11	23,433	10	9,206	11	24,436
North Carolina State University	10	9,128	5	30,869	11	9,105	5	31,977
Median (excluding Iowa State)		*$11,026*		*$30,319*		*$11,976*		*$30,573*

Graduate Tuition and Fees	2022-2023				2023-2024			
	Rank	Res	Rank	Non-Res	Rank	Res	Rank	Non-Res
Virginia Tech	2	$17,083	2	$32,433	1	$18,012	1	$34,084
Michigan State University	1	20,382	1	39,876	2	15,946	3	31,003
Colorado State University	3	13,205	5	28,935	3	13,584	4	29,787
Iowa State University	**4**	**11,981**	**7**	**28,185**	**4**	**12,451**	**5**	**29,303**
North Carolina State University	6	11,700	3	30,906	5	12,041	2	32,015
Oregon State University	7	10,457	9	20,321	6	10,530	9	21,132
University of Nebraska	9	9,930	8	25,650	7	10,267	7	26,539
University of Missouri	5	11,794	4	29,953	8	10,029	8	23,529
Purdue University	8	9,992	6	28,794	9	9,992	6	28,794
Kansas State University	10	8,679	11	18,223	10	9,085	10	19,106
Oklahoma State University	11	6,914	10	18,541	11	6,914	11	18,541
Median (excluding Iowa State)		*$11,079*		*$28,865*		*$10,399*		*$27,667*

STUDENT ENROLLMENT – FALL HEAD COUNT (ON AND OFF-CAMPUS STUDENTS)

Historic

	2019	2020	2021	2022	2023
Undergraduate:					
Lower Division	11,812	10,830	10,454	10,947	11,290
Upper Division	16,118	15,737	15,083	14,047	13,743
Unclassified/Spec.	364	279	271	247	299
Total Undergraduates	28,294	26,846	25,808	25,241	25,332
Professional, Graduate and Postdoctoral	5,097	4,979	4,900	4,728	4,845
Total Enrollment	33,391	31,825	30,708	29,969	30,177
Full-time	29,798	28,305	27,553	27,021	27,309
Part-time	3,593	3,520	3,155	2,948	2,868
Total Enrollment	33,391	31,825	30,708	29,969	30,177
Full Time Equivalent (FTE) (Fall)*	32,077	32,642	29,458	28,859	29,329

* The FTE calculation utilizes an undergraduate denominator of 15.0 credit hours. The denominator for graduate students is 9.0 credit hours.

Projected

	2024	2025	2026	2027	2028
Undergraduate:					
Lower Division	11,288	11,419	11,394	11,195	10,997
Upper Division	13,816	14,045	14,180	14,286	14,279
Unclassified/Spec	250	250	250	250	250
Total Undergraduate	25,354	25,714	25,824	25,731	25,526
Professional and Graduate	4,845	4,845	4,845	4,845	4,845
Total Enrollment	30,199	30,559	30,669	30,576	30,371

Source: The University.

GEOGRAPHIC DISTRIBUTION OF FALL 2023 STUDENTS

	New Students	All Students
Iowa	4,594	16,697
Illinois	1,137	3,886
Minnesota	834	2,714
Nebraska	161	513
Wisconsin	245	728
Other States	915	3,271
Foreign	829	2,768
Total	8,715	30,577

FRESHMAN APPLICATIONS, ADMISSIONS AND ENROLLMENTS

	Enrolled 2019/20	Enrolled 2020/21	Enrolled 2021/22	Enrolled 2022/23	Enrolled 2023/24
Applications	18,246	20,233	20,357	21,919	22,995
Acceptance	16,796	17,882	18,850	19,776	20,496
Percent Accepted	92.05%	88.38%	92.60%	90.22%	89.13%
Enrolled	5,597	5,071	5,387	5,728	5,859
Percent Enrolled to Accepted	33.32%	28.36%	28.58%	28.96%	28.59%
Mean ACT Score	24.9	25.0	24.6	24.4	24.5

FACULTY AND STAFF

The University currently employs approximately 9,165 full-time equivalent personnel. Below is the full-time equivalent employment of regularly appointed faculty and staff for the five fiscal years.

	2019/20	2020/21	2021/22	2022/23	2023/24
Faculty	1,779	1,736	1,680	1,642	1,637
Professional & Scientific/Contract	3,237	3,306	3,319	3,536	3,704
General Service	1,304	1,318	1,131	1,132	1,146
Graduate Assistants	1,267	1,151	1,185	1,188	1,149
Pre/Post-Doctoral	269	267	276	277	277
Student & Non-Student Hourly	1,529	1,138	1,163	1,100	1,252
Total	9,385	8,916	8,754	8,875	9,165

Approximately 82% of the tenure-track faculty is tenured.

LABOR CONTRACTS

University merit employees are covered by five AFSCME state-wide bargaining units. As of December 28, 2023, the number of employees in each bargaining unit, not including confidential employees, is as follows:

Unit	Number of Employees
Blue Collar	668
Technical	163*
Security	23
Clerical	256*
Public Safety (Merit)	22

* Excludes Confidential and non-organized positions.

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 statewide collective bargaining agreement between AFSCME and the State. The contract for fiscal years 2024 (beginning July 1, 2023) and 2025 provides for an increase of three percent (3%) beginning on July 1, 2023 (FY 2024) and July 1, 2024 (FY 2025).

In a separate agreement covering public safety staff, the State and AFSCME agreed to a contract covering two fiscal years beginning July 1, 2023 (FY 2024). The agreement provided a 5% increase on July 1, 2023, and a 6% increase on July 1, 2024.The agreement also includes step increases valued 6% for eligible Board of Regent Employees in FY 2024 and 5% in FY 2025. Benefits for members of this unit will remain consistent with each institution.

EMPLOYEE PENSION PLANS

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 contribution was $44,534,788 for the year ended June 30, 2023.

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. Covered employees are required by State statute to contribute 6.29% of covered wages. The University's contribution rate is 9.44%. The University's contribution to IPERS was $10,141,608 for the year ended June 30, 2023. The University recognizes a liability equal to its proportionate share of the IPERS net pension liability. As of June 30, 2023, the University recognized a net pension liability of $39,821,138 for its 1.0539856% proportionate share of the IPERS net pension liability.

OTHER POST-EMPLOYMENT BENEFITS

The University has engaged an actuary to provide biennial actuarial valuation reports. Under GASB 75 such costs must be accounted for on an accrual basis. The University must report an annual OPEB cost based on actuarially determined amounts that, if paid on an ongoing basis, will provide sufficient resources to pay these benefits.

The University operates a single-employer retiree benefit plan which provides medical, dental, and life insurance benefits for faculty and staff and their spouses. The University's total OPEB liability of $51,036,513 was measured as of January 1, 2023 and was determined by an actuarial valuation as of January 1, 2022. For the year ended June 30, 2023, the University recognized OPEB expense of $(2,499,923).

OUTSTANDING DEBT OF THE UNIVERSITY

The University has the following long-term debt outstanding as of April 10, 2024 (the settlement date of the Bonds) adjusted to include the Bonds, the Concurrent Financing, and exclude the Refunded Bonds.

Academic Building Revenue Bonds:

	Outstanding
$16,315,000 Refunding Series I.S.U. 2014; dated September 1, 2014; final maturity July 1, 2027	$ 5,700,000
$12,610,000 Refunding Series I.S.U. 2015; dated December 1, 2015; final maturity July 1, 2027	4,415,000
$23,160,000 Refunding Series I.S.U. 2016; dated August 1, 2016; final maturity July 1, 2035	16,300,000
$24,175,000 Refunding Series I.S.U. 2017; dated May 1, 2017; final maturity July 1, 2030	14,990,000
$25,360,000 Refunding Series I.S.U. 2017A; dated December 1, 2017; final maturity July 1, 2035	18,985,000
$22,990,000 Refunding Series I.S.U. 2020; dated August 1, 2020; final maturity July 1, 2035	20,350,000
Total	$80,740,000

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:	Outstanding
$32,335,000 Series I.S.U. 2015; dated March 1, 2015, final maturity July 1, 2040	$ 24,425,000
$11,760,000 Refunding Series I.S.U. 2015A; dated April 1, 2015, final maturity July 1, 2033	7,330,000
$6,255,000 Refunding Series I.S.U. 2017; dated October 1, 2017; final maturity July 1, 2033	4,205,000
$59,975,000 Series I.S.U. 2020; dated March 1, 2020; final maturity July 1, 2040	53,685,000
$16,425,000 Refunding Series I.S.U. 2021; dated December 1, 2021; final maturity July 1, 2037	16,425,000
Total	$106,070,000

The Athletic Facilities Revenue Bonds are payable solely from net revenues of the Athletic Facilities System.

Dormitory Revenue Bonds:	Outstanding
$10,925,000 Refunding Series I.S.U. 2009; dated May 1, 2009; final maturity July 1, 2025	$ 1,780,000
$16,580,000 Refunding Series I.S.U. 2013; dated January 1, 2013; final maturity July 1, 2029	6,960,000
$25,000,000 Series I.S.U. 2013A; dated April 1, 2013; final maturity July 1, 2033	13,900,000
$5,350,000 Refunding Series I.S.U. 2013B; dated June 1, 2013; final maturity July 1, 2024	600,000
$8,750,000 Series I.S.U. 2013C; dated December 1, 2013; final maturity July 1, 2034	5,025,000
$30,000,000 Series I.S.U. 2015; dated May 1, 2015; final maturity July 1, 2035	20,190,000
$30,000,000 Series I.S.U. 2015A; dated October 1, 2015; final maturity July 1, 2035	19,945,000
$14,345,000 Refunding Series I.S.U. 2016; dated November 1, 2016; final maturity July 1, 2027	5,955,000
$8,295,000 Refunding Series I.S.U. 2017; dated March 1, 2017; final maturity July 1, 2028	4,465,000
$17,650,000 Refunding Series I.S.U. 2020; dated May 1, 2020; final maturity July 1, 2028	13,380,000
Total	$92,200,000

The Dormitory Revenue Bonds are secured by and payable solely from the net revenues from the operation of the dormitory and dining system of the University.

Memorial Union Revenue Bonds:	Outstanding
$20,155,000 Refunding Series I.S.U. 2013; dated May 1, 2013; final maturity July 1, 2030	$ 9,355,000
$9,955,000 Series I.S.U. 2021; dated December 1, 2021; final maturity July 1, 2041	9,630,000
Total	$18,985,000

The Memorial Union Revenue Bonds are payable solely from student fees and charges, Memorial Union fees and charges and other revenues collected by the University.

Recreational System Facilities Revenue Bonds:	Outstanding
$25,170,000 Refunding Series I.S.U. 2017; dated July 1, 2017; final maturity July 1, 2037	$19,425,000
$21,465,000 Refunding Series I.S.U. 2017A; dated December 1, 2017; final maturity July 1, 2037	16,525,000
Total	$35,950,000

The Recreational System Facilities Revenue Bonds are payable solely from certain student recreational fees, and from other available revenues, and from gifts and bequests donated to the University for such purpose.

Utility System Revenue Bonds(a):	Outstanding
$7,405,000 Refunding Series I.S.U. 2013; dated June 1, 2013; final maturity November 1, 2024	$ 845,000
$16,500,000 Series I.S.U. 2015; dated January 1, 2015; final maturity November 1, 2034	10,155,000
$24,480,000 Revenue and Refunding Series I.S.U. 2016; dated November 1, 2016; final maturity November 1, 2036	15,525,000
The Current Financing: **$14,070,000(b) Refunding Series I.S.U. 2024;** **dated April 1, 2024; final maturity November 1, 2033**	**14,070,000(b)**
Total	$40,595,000

(a) Excludes the Refunded Bonds.
(b) Preliminary; subject to change.

The Utility System Revenue Bonds are payable from net revenues of the University's utility system and proceeds of any utility system student fees which may be imposed.

BOND-FINANCED LEASE OBLIGATIONS

The University is obligated under a lease between the Board and the Corporation to make lease payments sufficient to pay debt service on the following Corporation Bonds outstanding as of March 28, 2024 (the settlement date of the Bonds):

Revenue Bonds	Outstanding
$37,905,000 Series 2017 (Biosciences Building Projects); dated October 1, 2017; final maturity June 1, 2042	$31,140,000

The bonds were issued to finance a portion of the costs of constructing, equipping and renovating the Bessey Hall Addition and the Advanced Teaching and Research Building. The lease is payable from general operating revenues of the University.

The Concurrent Financing:

Revenue Bonds	**Outstanding**
$12,280,000 Series 2024 (Taxable) (Scheman Building Project); dated March 1, 2024; final maturity July 1, 2044	**$12,280,000**

The Bonds are being issued to finance the renovation of the Scheman Building on the campus of the University. The Sublease is payable from general operating revenues of the University.

OTHER DEBT OBLIGATIONS

Lease Purchase Financings

The Board of Regents has entered into a Master Lease Agreement whereby the Regents institutions may from time to time finance real and personal property over a three to ten-year term on an annual appropriation lease basis. The Master Lease Agreement was used as follows:

(i) To finance the construction of the Cyclone Sports Complex, the Board, on behalf of the University, issued an amendment to the lease purchase master agreement dated January 27, 2012, in the aggregate amount of $12,000,000. As of June 30, 2023, the principal amount outstanding on this agreement was $3,937,530.79.

Subject to Board approval, the University intends to finance the purchase and installation of new video display and sound systems for several athletic facilities over the next two years. The master lease financing is expected in two tranches that total $16.0 million.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR FISCAL YEARS ENDED JUNE 30, 2019 THROUGH 2023

	2019	2020	2021	2022	2023
OPERATING REVENUES					
Tuition and fees, net of scholarship allowances	$ 372,903,579	$ 371,242,378	$ 343,482,850	$ 351,118,368	$ 363,467,428
Federal appropriations	12,971,748	12,693,838	12,157,848	14,984,567	17,546,063
Federal grants and contracts	145,546,032	145,354,250	172,217,949	241,019,255	181,528,992
State and local government grants and contracts	16,465,582	14,646,694	14,674,934	14,313,007	15,116,053
Nongovernmental grants and contracts	32,775,878	31,923,335	28,454,067	32,239,838	36,293,574
Sales and services of educational activities	70,282,733	69,930,338	78,220,458	96,252,999	101,957,368
Auxiliary enterprises, net of scholarship allowances	227,105,626	219,819,341	171,433,735	215,245,012	226,238,918
Independent operations	46,138,954	45,998,814	52,575,792	53,697,888	59,188,217
Interest on student loans	590,361	-	-	-	-
Other operating revenues	27,250,531	26,378,489	22,399,741	13,002,879	14,305,573
TOTAL OPERATING REVENUES	952,031,024	937,987,477	895,617,374	1,031,873,813	1,015,642,186
OPERATING EXPENSES					
Instruction	282,748,314	275,347,814	249,128,786	260,761,204	276,328,146
Research	171,224,223	147,031,480	150,892,220	164,348,349	187,419,749
Public service	79,348,847	73,148,270	70,353,799	71,358,016	74,914,464
Academic support	196,003,237	196,931,479	195,785,594	225,552,444	243,996,049
Student services	35,232,942	31,372,278	32,454,433	36,742,662	45,156,522
Institutional support	67,578,095	82,282,064	95,448,495	82,794,168	59,006,507
Operation and maintenance of plant	70,399,015	68,163,960	87,511,279	77,136,693	78,660,360
Scholarships and fellowships	32,199,064	53,839,427	49,552,904	70,525,197	51,955,368
Auxiliary enterprises	172,986,251	165,308,633	152,868,488	157,839,768	182,734,251
Independent operations	46,685,863	48,386,883	52,068,141	53,495,222	57,678,653
Depreciation/amortization	96,044,923	104,214,981	112,914,364	114,091,596	130,572,005
Other operating expenses	68,780	17,401,763	634,850	-	-
TOTAL OPERATING EXPENSES	1,250,519,554	1,263,429,032	1,249,613,353	1,314,645,319	1,388,422,074
OPERATING LOSS	(298,488,530)	(325,441,555)	(353,995,979)	(282,771,506)	(372,779,888)
NONOPERATING REVENUES/(EXPENSES)					
State appropriations	237,883,674	240,525,690	236,784,175	239,317,567	241,373,817
Federal grants and contracts	29,148,541	27,692,786	25,532,247	24,193,569	24,210,549
Nonfederal gifts, grants and contracts	59,650,711	58,012,853	54,684,699	59,586,185	65,954,563
Investment income	33,047,292	20,204,492	59,700,118	(32,626,478)	21,249,504
Interest on indebtedness	(15,405,908)	(15,622,064)	(15,139,010)	(14,668,175)	(15,448,515)
Gain/(Loss) on disposal of capital assets	(1,393,540)	107,801	(7,105,629)	(1,233,741)	406,654
Other nonoperating income/(loss)	444,808	84,735	3,295,303	2,702,499	7,941,419
NET NONOPERATING REVENUES/(EXPENSES)	343,375,578	331,006,293	357,751,903	277,271,426	345,687,991
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS AND LOSSES	44,887,048	5,564,738	3,755,924	(5,500,080)	(27,091,897)
Capital appropriations	11,000,001	19,499,583	15,525,401	23,875,000	30,600,000
Capital gifts, grants and contracts	41,384,517	19,134,004	25,360,695	29,740,853	25,142,875
Other revenues/(expenses)	-	-	-	-	-
TOTAL OTHER REVENUES, EXPENSES, GAINS AND LOSSES	52,384,518	38,633,587	40,886,096	53,615,853	55,742,875
CHANGE IN NET POSITION	97,271,566	44,198,325	44,642,020	48,115,773	28,650,978
NET POSITION, BEGINNING OF YEAR	* 1,595,858,493	1,706,700,975 *	1,750,899,300	1,795,330,621 *	1,841,836,511 *
NET POSITION, END OF YEAR	$ 1,693,130,059	$ 1,750,899,300	$ 1,795,541,320	$ 1,843,446,394	$ 1,870,487,489

** As restated.*

Source: University's Financial Reports.

RISK FACTORS AND INVESTOR CONSIDERATIONS

Prospective purchasers of the Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the Board to meet the debt service requirements of the Bonds is subject to various risks and uncertainties which are discussed throughout this Official Statement. Certain investment considerations are set forth below.

POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS

The Board cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on demand for higher education, on the State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the University or the Board, including but not limited to the payment of debt service on any of its outstanding debt obligations.

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.

CLIMATE CHANGE

The State of Iowa is susceptible to seasonal weather shifts during the course of the calendar year, including weather events such as flooding, blizzards, and drought. The University has sustained damage from flooding in the past. Changing regional rainfall patterns, such as an increase in rainstorm frequency or intensity, are potential impacts of climate change for the University. There can be no assurance that any University preparedness measures will be adequate in the event of a natural or other disaster occurs.

ENROLLMENT

Future enrollment levels at the University will depend on the number of students applying to the University and accepting offers of admission. A number of factors, including, without limitation, levels of tuition rates and other fees, competition from other public and private colleges and universities, a change in the number of college-age students generally, and adverse general economic conditions could influence the number of applicants to the University. There can be no assurance that the University's future enrollment will be maintained at the current level or increase.

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.

MAINTENANCE OF RATING

The Bonds have been rated as to their creditworthiness by Moody's. While the Board does not anticipate any material changes in the future, no assurance can be given that the Bonds will maintain their original rating. If the rating on the Bonds decreases or is withdrawn, the Bonds may lack liquidity in the secondary market in comparison with other such municipal obligations. See "Rating" herein

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.

PENDING FEDERAL TAX LEGISLATION/LOSS OF TAX EXEMPTION

From time to time, legislative proposals are pending in Congress that would, if enacted, alter or amend one or more of the federal 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.

As discussed under the heading "TAX EXEMPTION" herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the Board or the University in violation of its covenants in the Bond Resolution.

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 "APPENDIX A - Book Entry".

SUMMARY

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement in order to make a judgment as to whether the Bonds are an appropriate investment.

LITIGATION

The Board and the University are not aware of any threatened or pending litigation affecting the validity of the Bonds or the University's ability to meet their respective financial obligations.

RATING

Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York has assigned a rating of "Aa2" the Bonds. Such rating reflects only the view of Moody's and any explanation of the significance of such rating may only be obtained from Moody's.

The rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by Moody's. Any revision or withdrawal of the rating may have an adverse effect upon the market price of the Bonds.

The Board has not applied to any other rating service for a rating on the Bonds.

MUNICIPAL ADVISOR

The Board has retained Baker Tilly Municipal Advisors, LLC as municipal advisor in connection with certain aspects of the issuance of Bonds (the "Municipal Advisor" or "BTMA"). BTMA is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP ("BTUS"), an accounting firm and has been retained by the Board to provide certain financial advisory services including, among other things, preparation of the deemed "nearly final" Preliminary Official Statement and the Final Official Statement (the "Official Statements"). The information contained in the Official Statements has been compiled from records and other materials provided by University officials and other sources deemed to be reliable. The Municipal Advisor has not verified and will not independently verify the completeness and accuracy of the information contained in the Official Statements. The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the Board and they have no secondary obligations or other responsibility.

MUNICIPAL ADVISOR REGISTRATION

BTMA is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, BTMA is providing certain specific municipal advisory services to the Board, but is neither a placement agent to the Board nor a broker/dealer and cannot participate in the underwriting of the Bonds.

The offer and sale of the Bonds shall be made by the Board, in the sole discretion of the Board, and under its control and supervision. The Board has agreed that BTMA does not undertake to sell or attempt to sell the Bonds, and will take no part in the sale thereof.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

BTUS is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTUS and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTUS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms.

Baker Tilly Wealth Management, LLC ("BTWM"), a U.S. Securities and Exchange Commission ("SEC") registered investment adviser under the Federal Investment Advisers Act of 1940. Baker Tilly Capital, LLC ("BTC"), a wholly owned subsidiary of BTUS, is a limited purpose broker/dealer registered with the SEC and a member of the Financial Industry Regulatory Authority ("FINRA"). Baker Tilly Financial, LLC ("BTF"), is a wholly owned subsidiary of BTUS, registered with the SEC as an investment advisor.

BTUS, BTWM and subsidiaries of BTUS may provide advisory services to the clients of BTMA. BTMA has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

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 law, regulations, published rulings and judicial decisions 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 imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

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 obligations 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 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.

From time to time, legislative proposals are pending in Congress or the Iowa General Assembly 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 BANK-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.

PURCHASER/UNDERWRITING

The Bonds are being purchased by __________ (the "Underwriter") [and its syndicate] at a purchase price of $_______, which is the par amount of the Bonds of $__________, less the Underwriter's discount of $__________, plus the [net] original issue premium/discount of $__________, plus accrued interest $__________.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Bonds.

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 Interim Senior Vice President for Operations and Finance of the University and the Executive Director of the Board stating they have examined each document and that, as of the respective date of each document 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 Board and 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.

Iowa State University of Science and Technology
By, /s/ Heather Paris
Interim Senior Vice President for Operations and Finance

Board of Regents, State of Iowa
By, /s/ Mark Braun
Executive Director

BOOK ENTRY

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 each series 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.

PROPOSED FORM OF LEGAL OPINION

AHLERS COONEY
ATTORNEYS

Ahlers & Cooney, P.C.
Attorneys at Law
100 Court Avenue, Suite 600
Des Moines, Iowa 50309-2231
Phone: 515-243-7611
Fax: 515-243-2149
www.ahlerslaw.com

DRAFT

We have acted as bond counsel in connection with the issuance by the Board of Regents, State of Iowa (the "Issuer"), of $________ Utility System Revenue Refunding Bonds, Series I.S.U. 2024, dated as of April 1, 2024 (the "Bonds"), pursuant to Iowa Code Sections 262.44 to 262.53, inclusive (the "Act"), an Indenture of Trust, as supplemented and amended, including the Tenth Supplemental Indenture of Trust dated as of April 1, 2024 (collectively, for the purposes of this opinion, the "Indenture"), and a Bond Resolution (the "Resolution") of the Issuer adopted February 28, 2024.

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 Indenture, 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 foregoing, we are of the opinion, under existing law, as follows:

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

2. The Indenture has been duly authorized and executed by the Issuer and the Resolution has been duly adopted by the Issuer and each constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer. The Indenture and Resolution create a valid lien on the Net Revenues of the Utility System and the proceeds of any Utility System Student Fees, as such terms are defined in the Indenture, which are pledged by the Indenture and Resolution for the security of the Bonds. The lien of the Bonds rank on a parity as to the pledge of revenues with respect to Outstanding Bonds and any Additional Bonds, of which the right to issue is reserved upon conditions set forth in the Indenture, as such terms are defined in the Indenture.

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 Indenture and Resolution, and 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.

4. Under existing law, regulations, published rulings and judicial decisions 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 imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The opinion set forth 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.

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 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 law 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.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Board of Regents, State of Iowa (the "Issuer") and Iowa State University of Science and Technology (the "University" or "Obligated Person"), in connection with the issuance of $_________ Utility System Revenue Refunding Bonds, Series I.S.U. 2024 (the "Bonds") dated April 1, 2024. The Bonds are being issued pursuant to a Resolution of the Issuer approved on February 28, 2024 (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 March ____, 2024.

"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.

<u>Section 3. Provision of Annual Financial Information</u>.

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 2023/2024 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:

IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

- Tuition and Mandatory Fees
- Tuition and Fees Comparison
- Student Enrollment – Fall Head Count (On and Off Campus Students)
- Geographic Distribution of Fall Students
- Freshman Applications, Admissions and Enrollments
- Outstanding Debt of the University
- Bond-Financed Lease Obligations
- Other Debt Obligations
- Statement of Revenues, Expenses, and Changes in Net Position

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 Series 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.

b) 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.

c) 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 April, 2024.

ISSUER:

BOARD OF REGENTS, STATE OF IOWA

By: ____________________________________
Executive Director

OBLIGATED PERSON:

IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

By: ____________________________________

Interim Senior Vice President for Operations and Finance

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:	Iowa State University of Science and Technology
Name of Bond Issue:	$_______ Utility System Revenue Refunding Bonds, Series I.S.U. 2024
Dated Date of Issue:	April 1, 2024

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___.

IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

By: ______________________________________
Its: ______________________________________

SUMMARY AND EXCERPTS OF INDENTURE AND SUPPLEMENTAL INDENTURES

The following is a summary of certain provisions of the Indenture, amended and supplemented, between the Issuer and the Trustee. The summary and the excerpts do not purport to be comprehensive or definitive and are qualified in its entirety by reference to the Original Indenture and all Supplemental Indentures.

Pursuant to Iowa Code Sections 262.44 to 262.53, inclusive (the "Act"), the Board of Regents, State of Iowa (the "Issuer") issued its $32,500,000 aggregate principal amount of Utility System Revenue Bonds Series I.S.U. 1985 (Iowa State University of Science and Technology) (the "Series 1985 Bonds"), pursuant to an Indenture of Trust, dated as of December 1, 1985 (the "Original Indenture"), as amended and supplemented by a First Supplemental Indenture, dated as of October 1, 1986 from the Issuer to Bankers Trust Company, as original trustee. Utility System Revenue Refunding Bonds, Series I.S.U. 1999A and Series I.S.U. 1999B were issued pursuant to the Second Supplemental Indenture dated as of March 17, 1999, and the Third Supplemental Indenture dated as of July 14, 1999. As of November 1, 2013, the bonds issued pursuant to the Original Indenture, First Supplemental Indenture, Second Supplemental Indenture and Third Supplemental Indenture were no longer outstanding.

The Fourth Supplemental Indenture dated November 12, 2003 now establishes the terms and conditions of the issuance of Additional Bonds.

Utility System Revenue Refunding Bonds, Series I.S.U. 2013 (the "Series 2013 Bonds") were issued pursuant to the Sixth Supplemental Indenture dated as of June 1, 2013. The Utility System Revenue Bonds, Series I.S.U. 2015 (the "Series 2015 Bonds") were issued pursuant to the Eighth Supplemental Indenture dated as of January 1, 2015. The Utility System Revenue and Refunding Bonds, Series I.S.U. 2016 (the "Series 2016 Bonds") were issued pursuant to the Ninth Supplemental Indenture dated as of November 1, 2016 (together, the Series 2013 Bonds, the Series 2015 Bonds, and the Series 2016 Bonds are the "Outstanding Bonds").

It has been determined that it is necessary to enter into the Tenth Supplemental Indenture to provide for the issuance of $_______ aggregate principal amount Utility System Revenue Refunding Bonds, Series I.S.U. 2024 (the "Series 2024 Bonds"), which are to be issued as "Additional Bonds" pursuant to Section 23.01 of the Fourth Supplemental Indenture and are to rank *pari passu* with the Series 2013 Bonds, the Series 2015 Bonds, and the Series 2016 Bonds.

The execution and delivery of the Tenth Supplemental Indenture and the issuance of the Series 2024 Bonds under the Fourth Supplemental Indenture, as amended and supplemented, have been in all respects duly and validly authorized by an appropriate resolution of the Issuer and have been determined not to be materially adverse to the Bondholders and in the judgment of the Trustee are not to the prejudice of the Trustee.

The Series 2024 Bonds will be equally and ratably secured under the provisions of the Fourth Indenture, and will be issued without preference, priority or distinction of any Additional Bonds (as hereinafter defined), and the Outstanding Bonds.

Definitions

"Act" means Sections 262.44 to 262.53, inclusive, of the Code of Iowa.

"Additional Bonds" means the additional parity Bonds authorized to be issued pursuant to the terms and conditions of the Fourth Supplemental Indenture.

"Bond Fund" means the trust fund to be designated "Board of Regents, State of Iowa, Utility System Revenue Bond Fund (Iowa State University of Science and Technology)," which shall be used to pay the principal of, and premium, if any, and interest on, Outstanding Bonds, the Bonds and the Additional Bonds.

"Bonds" means the $______ Utility System Revenue Refunding Bonds, Series I.S.U. 2024.

"Construction Fund" means the trust fund to be designated "Board of Regents, State of Iowa, Utility System Construction Fund (Iowa State University of Science and Technology).

"Current Expenses" or "Operating Expenses" shall mean and include the reasonable and necessary costs of operating, maintaining, repairing and insuring the System, including purchases at wholesale, if any, salaries, wages, and costs of materials and supplies but excluding depreciation and principal of and interest on the Bonds and any Parity Bonds or payments to the various funds established herein; capital costs, depreciation and interest or principal payments are not System expenses.

"Debt Service Reserve Fund" shall mean with respect to the Series 2024 Bonds and Parity Bonds (including the Series 2024 Bonds), the fund established by the Fourth Supplemental Indenture required to be maintained at the "Debt Service Reserve Fund Requirement" (defined below).

"Debt Service Reserve Fund Requirement," with respect to the Series 2024 Bonds, means an amount equal to the lesser of (a) the maximum annual amount of the principal and interest coming due on the Bonds; (b) 10% of the stated principal amount of the Bonds or (c) 125% of the average annual principal and interest coming due on the 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.

"Escrow Fund" means the fund by that name described in the Tenth Supplemental Indenture to be designated "Board of Regents, State of Iowa, Utility System Escrow Fund (Iowa State University of Science and Technology)" to accomplish the current refunding of the Refunded Bonds.

"Fiscal Year" shall mean the twelve-month period beginning on July l of each year and ending on the last day of June of the following year, or any other consecutive twelve-month period adopted by the Board or by law as the official accounting period of the System. Requirements of a Fiscal Year as expressed in the Fourth Supplemental Indenture shall exclude any payment of principal or interest falling due on the first day of the Fiscal Year and include any payment of principal or interest falling due on the first day of the succeeding Fiscal Year, except to the extent of any conflict with the terms of the Outstanding Bonds while the same remain outstanding.

"Gross Revenues" shall mean all rents, profits and income derived directly from the operation of the Utility System, including any Utility System User Charges (but not including Utility System Student Fees).

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

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

"Net Revenues" shall mean Gross Revenues of the University's System after deduction of Current Expenses.

"Outstanding" or "outstanding" or "Bonds Outstanding" means, as of the time in question, all Bonds authenticated and delivered under the Fourth Supplemental Indenture, except:

(a) Bonds theretofore canceled or required to be canceled;

(b) Bonds which are deemed to have been paid;

(c) Bonds in substitution for which other Bonds have been authenticated and delivered; and

(d) Undelivered Bonds.

"Outstanding Bonds" shall mean the $7,405,000 Utility System Refunding Revenue Bonds (Iowa State University of Science and Technology) Series I.S.U. 2013 (the "Series 2013 Bonds") dated June 1, 2013, now outstanding in the principal amount of $845,000; the $16,500,000 Utility System Revenue Bonds (Iowa State University of Science and Technology) Series I.S.U. 2015 (the "Series 2015 Bonds") dated January 1, 2015, now outstanding in the principal amount of $10,155,000; and the $24,480,000 Utility System Revenue and Refunding Bonds (Iowa State University of Science and Technology) Series I.S.U. 2016 (the "Series 2016 Bonds") dated November 1, 2016, now outstanding in the principal amount of $15,525,000.

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

"Paying Agent" shall mean U.S. Bank Trust Company, National Association, as the successor Paying Agent to the Treasurer of the University, or any other 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.

"Permitted Investments" shall mean those investments authorized in Article XVIII of the Fourth Supplemental Indenture.

"Refunded Bonds" means the November 1, 2024 through November 1, 2033 maturities of the $24,475,000 Utility System Revenue Bonds, Series I.S.U. 2013A, dated November 1, 2013.

"Registrar" shall mean the U.S. Bank Trust Company, National Association serving as successor bond registrar, transfer agent and paying agent (replacing the Treasurer of the University) for the Bonds hereby authorized pursuant to the Fourth Supplemental Indenture and any other successor designated pursuant to a supplemental resolution of the Board in accordance with the provisions of the Fourth Supplemental Indenture to serve in such capacities.

"Series 2013 - 2016 Bonds" shall mean the "Series 2013 Bonds" dated June 1, 2013; the "Series 2015" Bonds Dated January 1, 2015; and the "Series 2016 Bonds" dated November 1, 2016.

"System" or "Utility System" shall mean the Utility System of the University and all properties of every nature hereinafter owned by the University comprising part of or used as a part of the System, including all improvements and extensions made by the University while any of the Bonds and Parity Bonds remain outstanding; all real and personal property; and all appurtenances, contracts, leases, franchises and other intangibles.

"Tax Exemption Certificate" shall mean the Tax Exemption Certificate executed by the Treasurer and delivered at the time of issuance and delivery of the Bonds.

"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.

"Trustee" shall mean the Treasurer of the University or such other successor as may be approved by the Issuer in accordance with the Fourth Supplemental Indenture.

"University" shall mean Iowa State University of Science and Technology located at the City of Ames, Iowa.

"Utility System Fund" or "System Fund" shall mean the fund established by the Fourth Supplemental Indenture into which shall be deposited all Net Revenue and Utility System Student Fees not required to be deposited into the Sinking Fund or the Debt Service Reserve Fund.

"Utility System Student Fees" shall mean that portion of any fees and charges levied against and collected from students attending the University and segregated on the books of the University for use and availability of the System or any part of the System.

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

Flow of Funds

The Gross Revenues of the System and any Utility System Student Fees shall be deposited and collected in a fund to be known as the Bond Fund, and shall be disbursed only as follows:

(i) Current Expenses. Money in the Bond Fund shall first be disbursed to pay Current Expenses of the Utility System.

(ii) Sinking Fund. Money in the Bond 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 Bond 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 Bond Fund shall next be disbursed to maintain a debt service reserve in an amount equal to the Debt Service Reserve Fund Requirement. Such fund shall be known as the Debt Service Reserve Fund, which shall be maintained as long as the Bonds herein authorized or Parity Bonds remain outstanding. 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 Debt Service Reserve Requirement; provided, however, that when the amount on deposit in the Reserve Fund is equal to the Debt Service Reserve Fund 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 Bond Fund.

(iv) Utility System Fund. There is hereby created the Utility 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 Utility 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 including transfer to the general operating fund of the University.

Construction Fund

The Construction Fund is provided to account for the bond proceeds and other funds to be used for the construction of improvements or extensions to the Utility System.

Investment of Fund Moneys

All moneys held in the Bond Fund, the Construction Fund, the Debt Service Reserve Fund, and the Sinking 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 Debt Service Reserve Fund, if invested, shall be kept invested in direct obligations of the United States Government or its 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 Bond Fund, the Construction Fund, the Debt Service Reserve Fund, the Sinking Fund and the System 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 Bond Fund, except earnings on investments of the Construction Fund shall be deposited in and expended from the Construction Fund. 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 the Fourth Supplemental Indenture 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.

Arbitrage

The Issuer has covenanted with all purchasers and Owners of the Bonds from time to time outstanding that, so long as any of the Bonds remain outstanding, moneys on deposit in the Bond Fund, the Debt Service Reserve Fund, the Sinking Fund, and the System Fund and the Construction Fund, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other source, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code, and any lawful regulations promulgated thereunder as the same presently exist, or may from time to time hereafter be promulgated, amended, supplemented or revised.

Additional Bonds

The Bonds and Parity Bonds from time to time outstanding shall not be entitled to priority or preference, one over the other, in the application of the Net Revenues and Utility System Student Fees regardless of the time or times of the issuance of such Bonds and Parity Bonds, it being the intention that there shall be no priority among the Bonds and Parity Bonds issued under the terms of the Fourth Supplemental Indenture regardless of the fact that they may have been actually issued and delivered at different times. The Board covenants and agrees that so long as any of the Bonds issued pursuant to the Fourth Supplemental Indenture are outstanding and unpaid no other bonds, notes or obligations payable from the Net Revenues and Utility System Student Fees will be issued except upon the basis of such additional bonds, notes or obligations being subject to the priority and security for payment of the Bonds and Parity Bonds then outstanding under the terms of the Fourth Supplemental Indenture are then outstanding. The Board reserves the right and privilege of issuing additional bonds from time to time payable from the Net Revenues and Utility System Student Fees received by the University and ranking on a parity with the Bonds herein authorized or permitted to be issued as may be then outstanding and bonds ranking on a parity therewith which are then outstanding in order (1) to refund any bonds issued by this Board for the System at the University, or (2) to pay the costs of constructing, equipping, installing, furnishing, replacing, and/or renovating certain facilities and improvements to the System. Such issuance may be by resolution of the Board.

Before any such additional bonds ranking on a parity may be so issued there must be procured and filed with the Executive Director or Deputy Executive Director of the Board a statement by a certified public accountant not in the regular employ of the Board or the University on a monthly salary basis (but who may be the accountant who last audited or who regularly audits the accounts of the University) reciting the opinion based upon necessary investigations that the aggregate of the Net Revenues and Utility System Student Fees plus the net earnings derived from earnings on deposit in the Sinking Fund, Debt Service Reserve Fund, and the System Fund collected by the University during the last completed Fiscal Year for which audited financial reports are available (with adjustments as hereinafter provided) were equal to at least 120% of the maximum amount that will become due in any Fiscal Year during the life of any of the then outstanding Bonds and Parity Bonds for both principal of and interest on the Bonds and Parity Bonds then outstanding and the bonds then proposed to be issued. For purposes of the computations, the annual debt service in the final maturity year of any outstanding Bonds and Parity Bonds shall be reduced by the amount of the deposit to the Debt Service Reserve Fund for such issue. The amount of Net Revenues and Utility System Student Fees collected during the preceding Fiscal Year shall be adjusted for the purpose of the foregoing computations so as to give effect to any changes then in effect enacted by the Board as though such changes were already in effect.

Bonds issued to refund any of the Bonds hereby authorized or bonds ranking on a parity therewith shall not be subject to the restrictions hereinbefore set forth in this section provided the bonds being refunded mature within six months of the date of such refunding and no other funds are available to pay such maturing bonds, but otherwise any refunding bonds ranking on a parity shall only be issued subject to said restrictions, and in computing the maximum principal and interest due in any fiscal year, principal and interest on the bonds being refunded shall be excluded and principal and interest on the refunding bonds shall be utilized.

No additional Parity Bonds may be issued at any time while payments required by the Fourth Supplemental Indenture to be made into the Sinking Fund or Debt Service Reserve Fund are in arrears. The interest payment dates for all such additional bonds shall be semiannually on May 1 and November 1 of each year and the principal maturities of such additional bonds shall be on November 1 of the year in which any such principal is scheduled to become due. The additional bonds (sometimes herein referred to as "permitted" to be issued), the issuance of which is restricted and conditioned by this Section, shall be understood to mean bonds secured and payable on a parity with the Bonds herein specifically authorized, and shall not be deemed to include other obligations, the security and source of payment of which is subordinate and subject to the priority of the requirements in favor of the Bonds and Parity Bonds herein authorized to be issued.

Optional Redemption (Series 2024 Bonds)

The Series 2024 Bonds are not subject to redemption in advance of their respective stated maturity dates.

[Term Bonds maturing in 20__ are subject to mandatory redemption and payment at par and accrued interest, in the principal amounts set forth in the Resolution, on November 1st of the years 20__ to 20__, inclusive.

Thirty days' written notice of redemption shall be given to the registered owner of the Bond. Failure to give such 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.

If less than all of the Bonds within a maturity are being redeemed, the Bond Registrar 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.

The principal amount of the Term Bonds may be reduced through the earlier optional redemption, with any partial optional redemptions of the Term Bonds credited against future mandatory redemption requirements for such Term Bonds in such order as the Board shall determine.]

Operation of Utility System as Revenue Producing Unit

The Issuer has covenanted and agreed that, so long as any of the Bonds are outstanding, the Utility System shall be administered as a single system and as a revenue producing undertaking, and that the Net Revenues derived from the operation thereof shall be set aside and used, to the extent necessary, to comply with the requirements of the Fourth Supplemental Indenture, as applicable.

Utility System User Charges and Student Fees

The Issuer has represented, certified and covenanted that it has established or will establish and that there will be charged to and collected the Utility System User Charges from the users of the Utility System. The Issuer has further represented, certified and covenanted that, if necessary, it will establish, charge and collect from the students of the University, for the use and availability of the Utility System, Utility System Student Fees to enable it to comply with the provisions of the Fourth Supplemental Indenture. The Utility System User charges and any Utility System Student Fees shall be promptly revised and adjusted by the Issuer from time to time as may be required by the Fourth Supplemental Indenture.

Maintenance of Rates, Fees and Charges

The Board hereby represents, certifies and covenants that so long as any of the Bonds and Parity Bonds remain outstanding, it will charge and collect Utility System User Charges and, if necessary, Utility System Student Fees in order to enable it to comply with the provisions of the Fourth Supplemental Indenture. The Utility System User Charges and any Utility System Student Fees shall be promptly revised and adjusted by the Board from time to time as may be required by this section. Utility System Student Fees may be reduced by the Board from time to time so long as any such reduction does not cause the sum of the total of the Net Revenues to be reduced below the level at which the same are required to be maintained under the terms of the Fourth Supplemental Indenture.

The Issuer further covenants and agrees that the Net Revenues and Utility System Student Fees shall at all times be adequate to produce amounts (together with available income from the investment thereof and the funds on deposit in or credited to the Bond Fund), taking into account the amounts deposited in the Bond Fund, sufficient to pay the principal of and interest on the Bonds and Parity Bonds when due and to maintain the Debt Reserve Fund Requirement. 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 Parity Bonds. It is, therefore covenanted and agreed by the Board that the Utility System User Charges and Utility System Student Fees shall be adjusted and revised from time to time and maintained so that the amount of money produced for each Fiscal Year, together with the net earnings derived from the investment of moneys on deposit in the several funds established by the Fourth Supplemental Indenture during any such Fiscal Year plus the funds on deposit in or credited to the Bond Fund during any Fiscal Year, is at least equal to the sum of (a) 120% 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 during such Fiscal Year, together with the net earnings derived from the investment of moneys on deposit in the Bond Fund established by the Fourth Supplemental Indenture during such Fiscal Year plus the funds on deposit in the Bond Fund at the commencement of the Fiscal Year, will be equal to at least the sum of (a) 120% 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 Utility System User Charges and Utility System Student Fees so that, in the opinion of the Board entered in its official records, the Net Revenues and any Utility 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 plus the funds on deposit in or credited to the Bond Fund, will equal at least the sum of (a) 120% 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, together with Utility System Student Fees and the funds on deposit in the Bond Fund, shall have been insufficient to meet the requirements of the Fourth Supplemental Indenture or providing for the issuance of Parity Bonds, then the Board shall forthwith employ a qualified consultant to prepare a report on the Net Revenues and Utility System Student Fees to recommend such changes and revisions in the Utility System User Charges and Utility System Student Fees as may be necessary to meet the requirements set forth herein or of any such subsequent resolution.

Records and Audit Reports

That so long as any of the Bonds authorized to be issued under the terms of the Fourth Supplemental Indenture or bonds ranking on a parity therewith remain outstanding and unpaid, it 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 University, and such books and records shall be open to inspection by the bondholders and their agents or representatives. The Board further agrees that it will require regular reports to be submitted to it quarterly by the Financial Officer of the University showing all moneys received in connection with general University operations, the cost of operating and maintaining the University, the allocation of all moneys and other funds, to the several separate funds provided for under the terms of the Fourth Supplemental Indenture, and the balances in the funds. The Board further agrees that it will within ninety (90) days following the close of each fiscal year cause an audit of that portion of such books and accounts which relates to the receipt and disbursement of Utility System User Charges and Utility System Student Fees which shall specifically enumerate the Net Revenues and Utility System Student Fees. The audit must be made by a firm of certified public accountants not in the regular employ of the Board or of the University on a monthly basis or, by the Office of Auditor of State, State of Iowa, showing the receipts and disbursements of student fees and charges for the account of the University and containing the examiner's comments regarding the manner in which the requirements of the Fourth Supplemental Indenture have been carried out. As soon as completed, a copy of each such audit shall be filed with the Board.

Restrictions on Encumbrance and Disposal of Utility System; Requirements as to Use

The Issuer has covenanted and agreed that it will not cease to use, abandon, sell, lease, mortgage or in any manner dispose of any portion of the Utility System until both principal and interest on all of the Bonds shall have been paid in full, or unless and until provisions shall have been made for the payment of the Bonds and interest thereon in full; provided, however, that the right is reserved to the Issuer to cease to use, abandon, sell, lease or otherwise dispose of any property which in its judgment is no longer useful or profitable in the operation of the Utility System or essential to the continued operation thereof, if the cessation of usage, abandonment, sale, lease or other disposition thereof will not cause the Net Revenues of the Utility System and the amount of money produced by any Utility System Student Fees (taking into account available net earnings from the investment of moneys on deposit in the several funds established by the Fourth Supplemental Indenture) to be reduced below the level at which the same are required to be maintained under the terms of the Fourth Supplemental Indenture.

Insurance

The Issuer has covenanted and agreed that it will keep the Utility System continuously insured under a policy or policies of a responsible insurance company or companies authorized and qualified under the laws of the State of Iowa against loss or damage by all risks customarily included in extended coverage insurance for comparable utility facilities, in amounts sufficient to provide for not less than full recovery of replacement value for any loss from causes covered by such insurance, to the maximum extent then reasonably available from time to time.

No Competing University Facilities

The Issuer has covenanted and agreed that it will not construct, establish, acquire, maintain or operate any competing utility facility or service for use at the University unless such facility or service is included as a part of the Utility System and the Net Revenues to be derived from the operation of the Utility System, together with the amount of money produced by any Utility System Student Fees and the net earnings derived from the investment of moneys on deposit in the several funds established pursuant to the Fourth Supplemental Indenture (except net earnings deposited in the Construction Fund), will not by the inclusion of such facility or service be reduced below the level at which the same are required to be maintained under the terms of the Fourth Supplemental Indenture.

Surplus Funds

Under the Fourth Supplemental Indenture, the Net Revenues derived from the operation of the Utility System on the campus of the University and the proceeds of any Utility System Student Fees, so long as not currently needed to satisfy the requirements of the Fourth Supplemental Indenture, may be used for any lawful purpose by the Issuer, including transfer to the general operating fund of the University; provided, however, that all such moneys shall be separately accounted for and shall be available, if necessary, to satisfy the requirements of the Fourth Supplemental Indenture.

Remedies

Under no circumstances shall any Bonds issued under the terms of the Fourth Supplemental Indenture 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 and shall be payable from, but not secured by proceeds of Other Income and Gift Income received by the University as hereinbefore defined and provided. Any owner or owners of any Bonds issued pursuant to the Fourth Supplemental Indenture or of any bonds ranking on a parity therewith may enforce the terms and covenants of any of such bonds and the Fourth Supplemental Indenture 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 the Bonds are being issued and the terms of the Fourth Supplemental Indenture, and the Board hereby consents to be made a party in any such suit or action.

Supplemental Indenture

The Issuer may, without the consent of or notice to any of the holders of the Bonds and Parity Bonds, amend or supplement the Fourth Supplemental Indenture for any one or more of the following purposes:

(a) to cure any ambiguity, defect, omission or inconsistent provision in the Fourth Supplemental Indenture or in the Bonds or Parity Bonds; or to comply with any application provision of law or regulation of federal or state agencies; provided, however, that such action shall not materially adversely affect the interests of the holders of the Bonds or Parity Bonds;

(b) to change the terms or provisions of the Fourth Supplemental Indenture to the extent necessary to prevent the interest on the Bonds or Parity Bonds from being includable within the gross income of the holders thereof for federal income tax purposes;

(c) to grant to or confer upon the holders of the Bonds or Parity Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the holders of the Bonds;

(d) to add to the covenants and agreements of the Issuer contained in the Fourth Supplemental Indenture other covenants and agreements of, or conditions or restrictions upon, the Issuer or to surrender or eliminate any right or power reserved to or conferred upon the Issuer in the Fourth Supplemental Indenture; or

(e) to subject to the lien and pledge of the Supplemental Indentures additional pledged revenues as may be permitted by law.

Defeasance

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payments made, to or for the Owners of the Bonds the principal, premium, if any, and interest due or to become due thereon at the times and in the manner stipulated therein, and if the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in the Fourth Supplemental Indenture expressed as to be kept, performed and observed by it or on its part, and shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then the Fourth Supplemental Indenture and the lien, rights and interests created hereby shall cease, determine and become null and void (except as to any surviving rights of payment, registration, transfer or exchange of Bonds, all as herein provided for), whereupon the Trustee shall cancel and discharge the Fourth Supplemental Indenture, and execute and deliver to the Issuer such instruments in writing as shall be requested by the Issuer and requisite to discharge the Fourth Supplemental Indenture, and release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee or otherwise subject to the Fourth Supplemental Indenture, except amounts in the Bond Fund required to be paid to the Issuer and except moneys or securities held by the Trustee for the payment of the principal of, and premium, if any, and interest on, the Bonds.

Variable Rate Bonds

Subsequent to the Series 2013 – 2016 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.

Debt Service Reserve Fund

Subsequent to the Series 2013-2016 Bonds being paid in full, defeased, or otherwise discharged, Additional 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 Debt Service Reserve Fund and maintain the Debt Service Reserve Fund Requirement as the Board shall determine to be appropriate, in its sole discretion, and in accordance with the Supplemental Indenture authorizing such Additional Bonds. Such Additional Bonds will be issued in fully registered form in the denominations approved by the Board as set forth in said Supplemental Indenture. Upon the payment full, defeasance or discharge of the Outstanding Bonds, the amount then on deposit in the Debt Service Reserve Fund shall be released to the University and applied in accordance with the Code.

IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2023

The audited financial statements of the University as of June 30, 2023 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.

Iowa State University

Financial Report

For the year ended June 30, 2023

UNIVERSITY OFFICIALS

Wendy Wintersteen, *President*

Jonathan Wickert, *Senior Vice President and Provost*

Toyia Younger, *Senior Vice President for Student Affairs*

Heather Paris, *Interim Senior Vice President for Operations and Finance*

BOARD OF REGENTS, STATE OF IOWA

Dr. Michael Richards, *West Des Moines, President*

Sherry Bates, *Scranton, President Pro Tem*

David Barker, *Iowa City*

Greta Rouse, *Emmetsburg*

Robert Cramer, *Adel*

JC Risewick, *Johnston*

Nancy Dunkel, *Dyersville*

Abby Crow, *Tiffin*

Dr. Jim Lindenmayer, *Ottumwa*

Mark Braun, *Executive Director*

CONTENTS

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

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

Rob Sand
Auditor of State

Independent Auditor's Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the business type activities and the fiduciary activities of Iowa State University of Science and Technology, Ames, Iowa (Iowa State University) and its discretely presented component unit as of and for the years ended June 30, 2023 and 2022, and the related Notes to Financial Statements, which collectively comprise Iowa State University's basic financial statements listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities and the fiduciary activities of Iowa State University and its discretely presented component unit as of June 30, 2023 and 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the years ended June 30, 2023 and 2022 in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit, the Iowa State University Foundation, the Iowa State University Achievement Fund and the Original University Foundation (the "Foundation"), discussed in Note 1, which represent 100% of the assets, net position and revenues of the discretely presented component unit. We also did not audit the financial statements of the blended component units, Iowa State University Research Foundation, Incorporated and Iowa State University Veterinary Services Corporation, discussed in Note 1, which represent 1.7% and 0.3%, respectively, of the assets and 0.3% and 0.5%, respectively, of the revenues of the University. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to those financial statements, is based solely on the reports of the other auditors.

Basis for Our Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Iowa State University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of the Iowa State University Research Foundation and the Iowa State University Veterinary Services Corporation were not audited in accordance with Government Auditing Standards.

Emphasis of Matters

As discussed in Note 1, the financial statements of Iowa State University 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 Iowa State University. They do not purport to, and do not, present fairly the financial position of the State of Iowa as of June 30, 2023 and 2022 and the changes in financial position and its cash flows for the years ended June 30, 2023 and 2022 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified in respect to this matter.

As discussed in Note 10 to the financial statements, Iowa State University adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Iowa State University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Iowa State University's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Iowa State University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis, the Schedule of the University's Proportionate Share of the Net Pension Liability (Asset), the Schedule of University Contributions and the Schedule of Changes in the University's Total OPEB Liability, Related Ratios and Notes on pages 7 through 14 and 60 through 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

Our report on Iowa State University'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 effectiveness of Iowa State University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Iowa State University's internal control over financial reporting and compliance.

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

December 22, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

INTRODUCTION

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of Iowa State University (Iowa State) for the fiscal year ended June 30, 2023, along with comparative data for the fiscal years ended June 30, 2022 and 2021. Readers are encouraged to consider this information in conjunction with Iowa State's financial statements and related notes to the financial statements that follow.

Iowa State is a public, land-grant university established in 1858 by the legislature of the State of Iowa, based on the ideals that higher education should be accessible to all and teach a variety of subjects. Ten schools and colleges with 100 majors serve an enrollment of approximately 30,000. Iowa State is located in Ames, with a population of over 65,000 and is known for worldwide excellence in science and technology, discovery, and innovation.

USING THE FINANCIAL STATEMENTS

This financial report includes three financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities, and require that financial statements focus on the university as a whole.

Fiduciary activity is presented in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These statements can be found after the main financial statements. A discussion of the fiduciary net position and activity is not included in this MD&A.

The financial statements encompass Iowa State and its discretely presented component units: the Iowa State University Foundation, Iowa State University Achievement Fund, and the Original University Foundation (herein collectively referred to as the Foundation). This MD&A excludes the discretely presented component units. The Foundation's financial statements can be found immediately following the fiduciary financial statements.

FINANCIAL HIGHLIGHTS

Iowa State University experienced growth in fiscal year 2023. The university felt financial relief from challenges faced in previous years as a result of COVID-19 and economic downturns.

At the beginning of fiscal year 2023, Iowa State invested resources to launch its new strategic plan. More than 70 strategic initiative project proposals were submitted in fiscal year 2023, and 19 have been selected for funding and implementation in fiscal year 2024. Our employees continue to invest in the future of Iowa State by utilizing their exceptional knowledge, background, and innovative thinking.

Statement of Net Position

The following Statement of Net Position presents the financial position at the end of the fiscal year and includes all assets, liabilities, deferred outflows of resources, and deferred inflows of resources, with the difference reported as net position. Net position is one financial indicator of the current financial condition.

	June 30, 2023	June 30, 2022 (as restated)	June 30, 2021
Current assets	$ 246,572,718	$ 278,808,264	$ 308,636,993
Capital assets	1,682,478,938	1,643,199,042	1,587,812,931
Other non-current assets	721,206,391	763,638,931	716,611,790
Total assets	2,650,258,047	2,685,646,237	2,613,061,714
Deferred outflows of resources	45,221,963	36,622,227	39,297,901
Current liabilities	206,410,473	208,403,424	172,172,055
Non-current liabilities	589,798,139	593,852,725	641,536,767
Total liabilities	796,208,612	802,256,149	813,708,822
Deferred inflows of resources	28,783,909	78,175,804	43,320,172
Total net position	$ 1,870,487,489	$ 1,841,836,511	$ 1,795,330,621

Total assets as of June 30, 2023 are $2.65 billion, which is $35 million less than the prior year. Net capital assets comprise $1.68 billion of the total assets, a $39 million increase from June 30, 2022. Total liabilities are $796.2 million at June 30, 2023, a decrease of $6.0 million compared to the prior fiscal year.

The following presents the components of net position:

	June 30, 2023	June 30, 2022 (as restated)	June 30, 2021
Net investment in capital assets	$ 1,184,741,417	$ 1,104,992,087	$ 1,064,066,787
Restricted, non-expendable	29,401,468	28,959,984	28,959,984
Restricted, expendable	115,324,636	116,456,184	110,727,589
Unrestricted	541,019,968	591,428,256	591,576,261
Total net position	$ 1,870,487,489	$ 1,841,836,511	$ 1,795,330,621

Net position increased $28.7 million, or 1.56%, which, in general, indicates that the financial condition has improved. The largest portion of net position (63.34%) is net investment in capital assets, which is land, buildings, infrastructure, land improvements, equipment, right-to-use lease assets, and intangible assets offset by the related debt. The restricted portion of net position (7.74%) is divided into expendable and non-expendable. The use of expendable restricted net position is determined by external entities that have placed restrictions on the assets. Non-expendable restricted net position is also restricted by external entities, but may never be spent. Iowa State's non-expendable restricted net position is the principal portion of endowments required to remain intact.

Statement of Revenues, Expenses, and Changes in Net Position

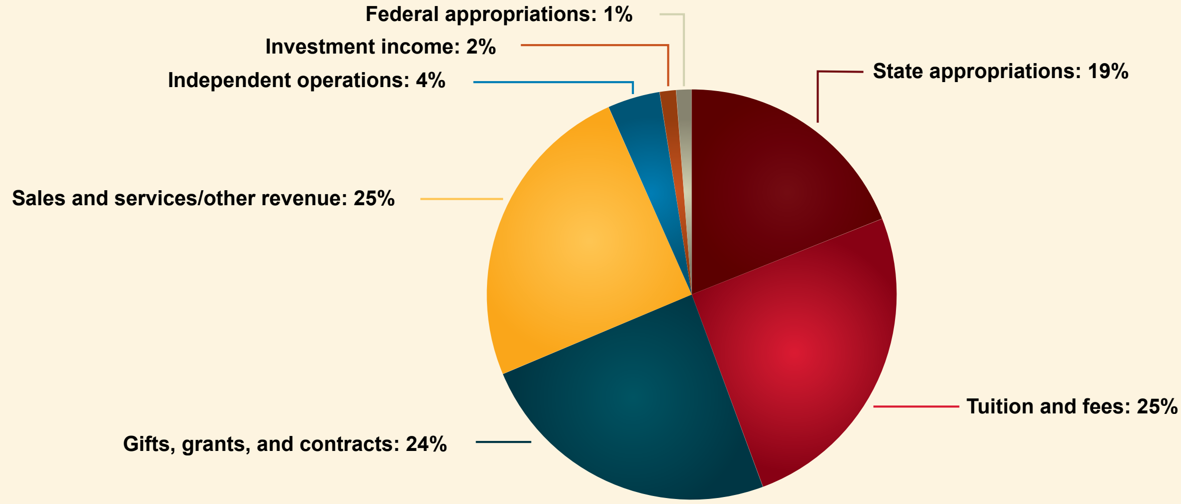
Changes in total net position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the operating and non-operating revenues and expenses. Public universities such as Iowa State, generally report an operating loss since the financial reporting model classifies state appropriations as non-operating revenue. Although changes in net position over time assist in determining whether the financial health is improving, other non-financial factors such as enrollment and the ability to attract and retain qualified faculty and staff can also help determine the overall health.

The following summarizes the Statement of Revenues, Expenses, and Changes in Net Position:

	June 30, 2023	June 30, 2022 (as restated)	June 30, 2021
Operating revenue	$ 1,015,642,186	$ 1,031,873,813	$ 895,353,173
Operating expense	1,388,422,074	1,314,837,433	1,249,216,987
Operating loss	(372,779,888)	(282,963,620)	(353,863,814)
Non-operating revenue	345,687,991	275,853,657	357,409,039
Income (loss) before other net revenue	(27,091,897)	(7,109,963)	3,545,225
Other net revenue	55,742,875	53,615,853	40,886,096
Increase in net position	28,650,978	46,505,890	44,431,321
Net position, beginning of year	1,841,836,511	1,795,330,621	1,750,899,300
Net position, end of year	$ 1,870,487,489	$ 1,841,836,511	$ 1,795,330,621

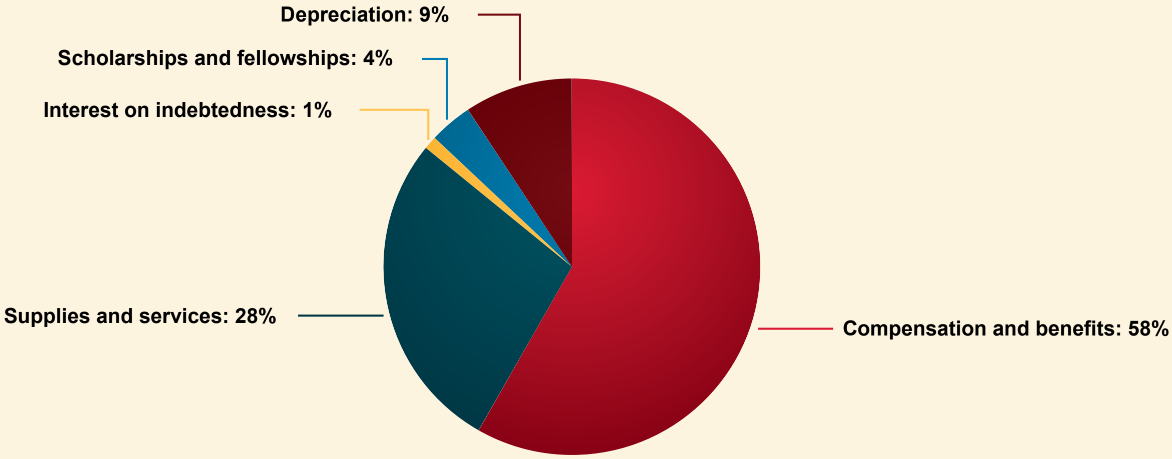
Revenues

Operating revenues decreased $16.2 million from the prior year due to the COVID-19 pandemic grants in fiscal year 2022. The major components of all revenues are shown in the following chart:



Expenses

Operating expenses increased slightly (5.60%) from fiscal year 2022. Total expenses increased 5.48% and are broken out in the following chart:



Statement of Cash Flows

The primary purpose of the Statement of Cash Flows is to provide information about the cash receipts and disbursements for the fiscal year. This statement also aids in the assessment of the ability to generate future net cash flows, meet obligations as they come due, and assess needs for external financing. The Statement of Cash Flows categorizes inflows and outflows as operating, non-capital financing, capital and related financing, and investing activities.

The overall cash balance went down 15.52% in fiscal year 2023. Areas with the most increase in cash outflows include the acquisition of capital assets and debt service payments.

A summary of the cash flows for the fiscal years ended June 30 is as follows:

	June 30, 2023	June 30, 2022 (as restated)	June 30, 2021
Cash provided by (used for):			
Operating activities	$ (260,513,467)	$ (186,030,046)	$ (221,395,907)
Non-capital financing activities	331,425,104	323,204,712	317,006,388
Capital and related financing activities	(167,806,323)	(70,005,102)	(156,748,933)
Investing activities	76,619,960	(98,563,833)	(19,692,690)
Net decrease in cash	(20,274,726)	(31,394,269)	(80,831,142)
Cash and cash equivalents, beginning of year	130,633,193	162,027,462	242,858,604
Cash and cash equivalents, end of year	$ 110,358,467	$ 130,633,193	$ 162,027,462

CAPITAL ASSETS

At June 30, 2023, Iowa State has $3.65 billion in capital assets, with accumulated depreciation and amortization of $1.97 billion. Depreciation and amortization expense for the fiscal year is $130.6 million. The following shows capital assets, net of depreciation and amortization, as of June 30:

	June 30, 2023	June 30, 2022 (as restated)	June 30, 2021 (as restated)
Non-depreciable / non-amortizable:			
Land and land improvements	$ 27,103,829	$ 26,827,396	$ 26,822,496
Construction in progress	99,109,990	109,299,052	51,535,649
Intangible assets in development	44,226,480	16,409,927	5,982,043
Depreciable / amortizable (net):			
Buildings	1,104,150,439	1,077,103,662	1,110,429,804
Land improvements	40,597,138	34,437,902	36,515,611
Infrastructure	136,380,768	131,293,300	137,687,640
Equipment & library materials	166,754,223	166,399,397	171,773,879
Intangible assets	19,303,464	24,721,091	30,138,716
Right-to-use lease assets	14,798,406	16,223,283	16,830,091
Right-to-use subscription assets	30,054,201	40,484,032	-
Total capital assets	$ 1,682,478,938	$ 1,643,199,042	$ 1,587,715,929

Capital Appropriations, Grants, and Contracts

Capital appropriations from the State of Iowa have traditionally been a significant source of funding for construction of new buildings, as well as major renovations. The $30.6 million in capital appropriations for fiscal year 2023 represents funding appropriated for the Veterinary Diagnostic Laboratory and the Student Innovation Center.

Capital gifts and grant revenue consists primarily of private gifts for major building projects. Major projects using the $25.14 million received in fiscal year 2023 include the Jack Trice Stadium east gateway bridge, the Curtiss Farm Feed Mill and Grain Science Complex, and the Therkildsen Industrial Engineering Building, the new home for the Department of Industrial and Manufacturing Systems Engineering.

DEBT ADMINISTRATION

Outstanding debt at June 30 decreased $41.76 million from 2022 to 2023 , mostly due to no new bond issued in the current fiscal year.

	June 30, 2023	June 30, 2022 (as restated)	June 30, 2021
Academic building bonds	$ 93,095,188	$ 100,862,105	$ 108,489,022
Enterprise fund bonds	363,982,771	388,267,198	399,955,561
Leases payable	15,512,107	16,725,891	17,068,160
Financed installment purchases	4,277,424	5,311,319	5,802,223
Subscription-based IT arrangements	30,633,878	38,098,310	-
	$ 507,501,368	$ 549,264,823	$ 531,314,966

ECONOMIC OUTLOOK

The nation’s GDP increased by 2.0% in the first quarter of 2022 and was followed by a 2.1% increase in the second quarter. In March, the Revenue Estimating Conference (REC) projected the state of Iowa’s net general fund revenues to decrease by 0.5% by the end of fiscal year 2023. The REC also forecasts a decline for fiscal year 2024, projecting state revenue to decrease by 1.0%. For fiscal year 2024, Iowa State has been allocated $174.1 million in general education operating appropriations and other directed operating appropriations of $60.6 million. Capital appropriations for fiscal year 2024 are $18 million.

Iowa State continues to demonstrate a long-term commitment to innovation, developing new revenue streams, and improving operational efficiencies. Fiscal year 2023 was the first rollout of WorkCyte phase II, which includes Workday Student and Workday Receivables. Iowa State expects to see continued operational efficiencies as these software programs are implemented in phases over the next 12 months.

Private funds remain a key component of Iowa State’s financial support structure. Iowa State received its largest gift ever for an academic building in fiscal year 2022. With a commitment of $42M, fiscal year 2023 was the groundbreaking year for the Therkildsen Industrial Engineering Building, the new home for the Department of Industrial and Manufacturing Systems Engineering.

Iowa State attracted a total of $530.5 million in external funding in fiscal year 2023. The record for annual, external research funding of $301.3 million included $206.9 million from federal sources and non-federal funding of $94.4 million. Iowa State ranks #17 among nearly 500 research universities without human medical schools, and is among the top 3% of universities in total research funding. Researchers continue to excel at transferring their research to the marketplace. Iowa State University Research Foundation, Inc. is consistently ranked in the top 100 universities worldwide for U.S. utility patents (currently #88).

The Iowa State University Research Park (ISURP) is thriving as the gateway to faculty expertise, student talent, research, innovation, and entrepreneurial ideas. ISURP is home to 125 companies or organizations employing 2,300 people. ISURP also has a state-wide impact. The latest effort in a long-standing partnership between ISURP and Alliant Energy is the Alliant Energy Agriculture Innovation Lab, a new multi-tenant collaboration space. Announced in March 2023, this facility will contain space for companies engaged in collaborative work with the Digital Agriculture Innovation team. This research team boasts more than 70 patents and 32 products sold globally that impact agriculture daily and brings in significant external investments creating more than 300 central Iowa based jobs. The new Alliant Energy Agriculture Innovation Lab will allow extended space and collaborations for this team.

Iowa State continues to earn national acclaim for advancing economic wellbeing across Iowa and the nation. For the fourth time in six years, the Association of Public and Land-Grant Universities honored Iowa State with an Innovation and Economic Prosperity Award. Iowa State was selected for the 2022 award based on the strength of three examples of innovation: building homes with 3D printers; partnering with industry to advance digital agriculture innovation; and CYTown, a multi-use development that will create a revenue stream to improve facilities for the cultural and performing arts and athletics. Iowa State takes great pride in the talent and skills of our faculty and staff to achieve these honors and continues to be an economic engine for Iowa and beyond. The Small Business Development Centers, operated by Iowa State, have established partnerships and connections to allow access to resources for Iowans interested in starting or growing a business. Last year, they counseled more than 4,200 entrepreneurs and business owners in all 99 Iowa counties, resulting in the creation of more than 1,900 jobs and nearly $157 million in increased sales. The Center for Industrial Research and Service (CIRAS) also works with businesses in all 99 counties in Iowa. Their statewide impact from 2018-2022 was over $3 billion dollars. CIRAS has assisted 4,442 clients in increasing or retaining sales, making new investments, and avoiding costs.

Iowa State is gaining international recognition as a leader in entrepreneurship. The Accreditation Council for Entrepreneurial and Engaged Universities named Iowa State the Entrepreneurial University of the Year for the Americas. This award recognizes Iowa State's growing reputation for excellence in entrepreneurship and the efforts to incorporate entrepreneurial initiatives throughout the university. Iowa State ranks number 12 in The Princeton Review's 2023 survey of the top 50 undergraduate entrepreneurship programs. The Princeton Review rankings are based on data collected from 300 public and private universities. This reflects Iowa State's growing national reputation as a destination campus for undergraduate innovation and entrepreneurship captured in the brand campaign Innovate at Iowa State. The central hub for these activities is the Student Innovation Center. The state-of-the-art space provides access to design, fabricate, test, and demonstrate ideas; everything from food science to lunar mining and from digital gaming to solar-powered vehicles. Innovate at Iowa State began its third year with the annual Ignite Innovation Showcase in May 2023, celebrating budding entrepreneurs and creators at Iowa State. To showcase the academic opportunities and resources around innovation and entrepreneurship that are incorporated into each college, the Start Something network was launched at the end of 2022. This portfolio of college-based academic offerings is designed to outline each college's innovative and entrepreneurship curriculum and resources to appeal to students' individual interests.

Iowa State and the state's other public institutions ranked #3 among all 50 public universities nationwide for highest student return on investment. As the state's only land-grant university, Iowa State opens its doors to provide a high-quality education to all eligible students at an affordable price. Iowa State started fiscal year 2023 with a fall 2022 enrollment of 29,969, including students from all 99 Iowa counties, all 50 states, and 114 countries. New first-year student enrollment was up 6.3% over the prior year, and new graduate student enrollment was up 1%. These increases reflect students' interest in the academic opportunities and experiences Iowa State has to offer.

The average time for students to earn a degree is 4.18 years, with more than 10% of students graduating in 3.5 years or less. Iowa State's four-year graduation rate of 56.3% is 15 points higher than the national average. Demand is exceptionally high for Iowa State graduates, with more than 95.5% of graduates landing a job in their field or continuing their education within six months of getting their degree and 58% of graduates pursuing their careers in Iowa.

CONTACTING IOWA STATE'S FINANCIAL MANAGEMENT

This financial report is designed to provide users with a general overview of Iowa State's finances and to demonstrate the accountability for the funds received. Questions regarding this report or requests for additional financial information should be directed to the Controller's Department, Iowa State University, 1350 Beardshear Hall, 515 Morrill Road, Ames, IA 50011-1004.

STATEMENT OF NET POSITION

AS OF JUNE 30, 2023 AND 2022

Assets		2023	2022 (as restated)
Current assets:			
Cash and cash equivalents		$ 29,993,447	$ 50,591,020
Investments		88,864,115	105,631,806
Accounts receivable, net		46,420,315	39,237,955
Due from government agencies		50,443,156	52,675,395
Interest receivable		619,649	200,926
Notes receivable, net		-	482
Inventories		16,768,614	16,569,279
Prepaid expenses		13,463,422	13,901,401
Total current assets		246,572,718	278,808,264
Non-current assets:			
Cash and cash equivalents		80,365,020	80,042,173
Investments		607,534,376	646,362,671
Accounts receivable, net		7,888,560	10,360,334
Interest receivable		107,410	300,605
Notes receivable, net		17,210,273	17,277,192
Prepaid expenses		8,100,752	9,295,956
Capital assets, net		1,682,478,938	1,643,199,042
Total non-current assets		2,403,685,329	2,406,837,973
Total assets		2,650,258,047	2,685,646,237
Deferred outflows of resources:			
OPEB-related deferred outflows		16,233,206	10,153,724
Pension-related deferred outflows		21,964,137	18,734,683
Unamortized loss from refunding of debt		7,024,620	7,733,820
Total deferred outflows of resources		45,221,963	36,622,227
Total assets and deferred outflows of resources		2,695,480,010	2,722,268,464

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STATEMENT OF NET POSITION (CONTINUED)

AS OF JUNE 30, 2023 AND 2022

	2023	2022 (as restated)
Liabilities		
Current liabilities:		
Accounts payable	$ 36,505,188	$ 20,257,748
Salaries, wages, and related liabilities	13,636,275	19,196,116
Unpaid claims and contingent liabilities	9,208,000	9,236,000
Unearned revenue	71,032,139	87,097,388
Interest payable	6,564,637	7,092,402
Deposits	123,436	89,142
Long-term debt, current portion	43,109,540	42,140,588
Other long-term liabilities, current portion	26,231,258	23,294,040
Total current liabilities	206,410,473	208,403,424
Non-current liabilities:		
Accounts payable	8,122,627	10,952,378
Long-term debt, non-current portion	464,391,828	507,124,235
Other long-term liabilities, non-current portion	117,283,684	75,776,112
Total non-current liabilities	589,798,139	593,852,725
Total liabilities	796,208,612	802,256,149
Deferred inflows of resources:		
OPEB-related deferred inflows	21,242,698	27,699,311
Pension-related deferred inflows	4,988,492	47,776,967
Lease-related deferred inflows	2,222,305	2,190,846
Unamortized gain from refunding of debt	330,414	508,680
Total deferred inflows of resources	28,783,909	78,175,804
Total liabilities and deferred inflows of resources	824,992,521	880,431,953
Net position		
Net investment in capital assets	1,184,741,417	1,104,992,087
Restricted, non-expendable:		
Permanent endowment	29,401,468	28,959,984
Restricted, expendable:		
Student loans	9,263,547	10,529,736
Scholarships, research, and educational purposes	3,971,074	4,982,303
Reserve for debt service	84,467,018	83,059,033
Capital projects	17,622,997	17,885,112
Unrestricted	541,019,968	591,428,256
Total net position	$ 1,870,487,489	$ 1,841,836,511

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022 (as restated)
Operating revenues:		
Tuition and fees, net of scholarship allowances of $155,184,951 and $153,836,724 for fiscal years ended June 30, 2023 and 2022, respectively	$ 363,467,428	$ 351,118,368
Federal appropriations	17,546,063	14,984,567
Federal grants and contracts	181,528,992	241,019,255
State and local government grants and contracts	15,116,053	14,313,007
Non-governmental grants and contracts	36,293,574	32,239,838
Sales and services of educational activities	101,957,368	96,252,999
Auxiliary enterprises, net of scholarship allowances of $7,184,194 and $6,187,899 for fiscal years ended June 30, 2023 and 2022, respectively	226,238,918	215,245,012
Independent operations	59,188,217	53,697,888
Other operating revenues	14,305,573	13,002,879
Total operating revenues	1,015,642,186	1,031,873,813
Operating expenses:		
Instruction	276,328,146	260,761,204
Research	187,419,749	164,348,349
Public service	74,914,464	71,358,016
Academic support	243,996,049	214,699,149
Student services	45,156,522	36,742,662
Institutional support	59,006,507	82,541,932
Operation and maintenance of plant	78,660,360	76,780,222
Scholarships and fellowships	51,955,368	70,525,197
Auxiliary enterprises	182,734,251	157,839,768
Independent operations	57,678,653	53,495,222
Depreciation and amortization	130,572,005	125,745,712
Total operating expenses	1,388,422,074	1,314,837,433
Operating loss	(372,779,888)	(282,963,620)
Non-operating revenue (expense):		
State appropriations	241,373,817	239,317,567
Federal grants and contracts	24,210,549	24,193,569
Non-federal gifts, grants, and contracts	65,954,563	59,586,185
Investment income (loss)	21,249,504	(32,626,478)
Interest on indebtedness	(15,448,515)	(16,086,172)
Gain (loss) on disposal of capital assets	406,654	(1,233,741)
Other non-operating revenue	7,941,419	2,702,727
Total non-operating revenue	345,687,991	275,853,657
Loss before other revenue	(27,091,897)	(7,109,963)
Capital appropriations	30,600,000	23,875,000
Capital gifts, grants, and contracts	25,142,875	29,740,853
Total other revenue	55,742,875	53,615,853
Change in net position	28,650,978	46,505,890
Net position, beginning of year, as restated	1,841,836,511	1,795,330,621
Net position, end of year	$ 1,870,487,489	$ 1,841,836,511

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

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022 (as restated)
Cash flows from operating activities:		
Tuition and fees	$ 365,496,908	$ 347,388,149
Federal appropriations	16,585,281	14,765,684
Grants and contracts	230,712,571	290,263,233
Sales of educational activities	87,736,889	96,182,127
Sales and services of auxiliary enterprises	229,615,528	215,221,853
Payments for auxiliary enterprises	(181,674,988)	(156,863,550)
Receipts of independent operations	57,649,435	54,207,572
Payments for independent operations	(57,013,516)	(54,484,256)
Collections of loans from students	3,651,967	5,274,903
Payments for salaries and benefits	(712,821,021)	(683,227,394)
Payments for goods and services	(262,767,069)	(253,723,414)
Scholarship payments	(47,695,241)	(70,502,036)
Loans issued to students	(2,184,566)	(3,535,796)
Other operating receipts	12,194,355	13,002,879
Net cash used for operating activities	(260,513,467)	(186,030,046)
Cash flows from non-capital financing activities:		
State appropriations	241,373,817	239,317,567
Non-capital gifts, grants, and contracts	90,165,112	83,779,754
Direct lending receipts	129,100,683	127,922,165
Direct lending payments	(129,214,508)	(127,814,774)
Net cash provided by non-capital financing activities	331,425,104	323,204,712
Cash flows from capital and related financing activities:		
Capital appropriations received	31,014,619	33,646,687
Capital gifts and grants received	17,096,110	69,789,534
Proceeds from capital and refunding debt	-	29,518,203
Proceeds from sale of capital assets	1,571,878	479,247
Acquisition and construction of capital assets	(168,160,224)	(127,026,705)
Principal paid on capital debt	(42,024,151)	(61,450,170)
Interest paid on capital debt	(15,359,799)	(17,557,234)
Other capital and related financing sources	8,055,244	2,595,336
Net cash used for capital and related financing activities	(167,806,323)	(70,005,102)
Cash flows from investing activities:		
Interest and dividends received on investments	16,666,447	8,547,421
Proceeds from sales of investments	248,999,191	371,233,821
Purchases of investments	(189,045,678)	(478,345,075)
Net cash provided by (used for) investing activities	76,619,960	(98,563,833)
Net change in cash and cash equivalents	(20,274,726)	(31,394,269)
Cash and cash equivalents, beginning of year	130,633,193	162,027,462
Cash and cash equivalents, end of year	$ 110,358,467	$ 130,633,193

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STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022 (as restated)
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	$ (372,779,888)	$ (282,963,620)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation & amortization	130,572,005	125,745,712
Changes in assets, liabilities, deferred outflows, and deferred inflows:		
Accounts receivable and due from government agencies	(6,244,697)	(14,345,247)
Inventories	(199,335)	(909,427)
Prepaid expenses	1,633,183	10,473,132
Notes receivable	67,401	2,773,621
Deferred outflows of resources	(9,308,936)	2,131,727
Accounts payable	12,634,123	(6,257,813)
Salaries, wages, and related liabilities	(5,559,841)	(8,618,191)
Unearned revenue	(4,666,752)	10,690,736
Compensated absences	2,167,096	(2,426,505)
Other post-employment benefits obligation	4,630,430	3,933,142
Pension liability	39,375,532	(59,520,093)
Deferred compensation liability	382,950	241,396
Refundable advances of student loans	(2,111,218)	(2,034,514)
Deferred inflows of resources	(51,105,520)	35,055,898
Net cash used for operating activities	$ (260,513,467)	$ (186,030,046)
Non-cash investing, capital, and financing activities		
Capital gifts in-kind	$ -	$ 4,900
Assets acquired by incurring lease obligations	3,215,867	1,156,030
Assets acquired by subscription-based IT arrangements	2,069,024	19,801,732
Assets acquired by financed installment purchases	-	451,841
Net unrealized gain (loss) on investments	4,357,529	(40,896,496)
Total non-cash investing, capital, and financing activities	$ 9,642,420	$ (19,481,993)
Reconciliation of cash and cash equivalents to the statement of net position		
Cash and cash equivalents classified as current assets	$ 29,993,447	$ 50,591,020
Cash and cash equivalents classified as non-current assets	80,365,020	80,042,173
Total cash and cash equivalents	$ 110,358,467	$ 130,633,193

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

STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2023 AND 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	$ 10,114,279	$ 13,030,478
Accounts receivable, net	3,984,343	3,856,706
Other assets	24,651	529,142
Total current assets	14,123,273	17,416,326
Non-current assets:		
Cash and cash equivalents	20,218	15,361
Investments	50,711,778	49,925,218
Other assets	1,620	1,295
Total non-current assets	50,733,616	49,941,874
Total assets	$ 64,856,889	$ 67,358,200
Liabilities		
Current liabilities:		
Accounts payable	$ 1,182,955	$ 393,147
Salaries, wages, and related liabilities	486,561	274,556
Other liabilities	1,935,428	882,758
Total current liabilities	3,604,944	1,550,461
Non-current liabilities:		
Accounts payable	-	280,772
Other liabilities	295,787	357,373
Total non-current liabilities	295,787	638,145
Total liabilities	3,900,731	2,188,606
Net position		
Restricted for individuals, organizations, and other governments	60,956,158	65,169,594
Total liabilities and net position	$ 64,856,889	$ 67,358,200

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Additions:		
Investment income (loss)	$ 618,204	$ (1,591,851)
Other additions	70,544,503	74,983,271
Total additions	71,162,707	73,391,420
Deductions:		
Student aid	48,494,440	40,814,231
Salary and benefits	8,212,968	7,748,882
Supplies and services	17,885,705	28,222,403
Other deductions	783,030	668,687
Total deductions	75,376,143	77,454,203
Change in net position	(4,213,436)	(4,062,783)
Net position, beginning of year	65,169,594	69,232,377
Net position, end of year	$ 60,956,158	$ 65,169,594

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

COMBINED STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2023 AND 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 18,813,769	$ 4,084,455
Receivables:		
Pledges, net	91,316,206	89,975,048
Estates	7,063,255	5,414,792
Funds held in trust by others	69,448,103	69,743,703
Due from related organizations	21,944,327	31,439,930
Investments:		
Pooled investments	1,599,387,954	1,546,005,930
Other marketable securities	38,571,477	40,536,563
Real estate and other investments	18,827,773	16,680,843
Property and equipment, net	3,188,006	3,369,423
Other assets	6,461,935	6,571,923
Total assets	$ 1,875,022,805	$ 1,813,822,610
Liabilities		
Accounts payable and accrued expenses	$ 1,481,431	$ 1,301,320
Due to related organizations	16,367,366	18,460,549
Other long-term liabilities	909,829	2,455,397
Split-interest agreement obligations	20,038,259	22,111,816
Total liabilities	38,796,885	44,329,082
Net assets		
Without donor restrictions	92,831,446	85,549,656
With donor restrictions	1,743,394,474	1,683,943,872
Total net assets	1,836,225,920	1,769,493,528
Total liabilities and net assets	$ 1,875,022,805	$ 1,813,822,610

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

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	Without Donor Restrictions	With Donor Restrictions	2023	2022
Revenues, gains, and other support				
Contributions	$ 5,533,768	$ 102,817,122	$ 108,350,890	$ 208,123,812
Investment return:				
Pooled investments	22,718,425	67,280,188	89,998,613	(34,829,602)
Other investments	3,142,032	4,779,256	7,921,288	(2,586,820)
Fundraising service revenue	2,500,000	-	2,500,000	2,500,000
Return on funds held in trust by others	-	300,009	300,009	1,763,412
Other	4,287	2,066,397	2,070,684	2,388,316
Net assets released from restrictions	118,276,212	(118,276,212)	-	-
Total revenues, gains, and other support	152,174,724	58,966,760	211,141,484	177,359,118
Expenses				
Program	119,331,142	-	119,331,142	116,519,881
Operating:				
Fundraising	19,040,450	-	19,040,450	17,328,042
Administrative	6,521,342	-	6,521,342	5,931,914
Change in value of split-interest agreements	-	(483,842)	(483,842)	901,641
Total expenses	144,892,934	(483,842)	144,409,092	140,681,478
Change in net assets	7,281,790	59,450,602	66,732,392	36,677,640
Net assets, beginning of year	85,549,656	1,683,943,872	1,769,493,528	1,732,815,888
Net assets, end of year	$ 92,831,446	$ 1,743,394,474	$ 1,836,225,920	$ 1,769,493,528

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

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Iowa State University of Science and Technology (Iowa State), located in Ames, Iowa, is a land-grant institution owned and operated by the State of Iowa, under the governance of the Board of Regents, State of Iowa (Board of Regents). The Board of Regents is appointed by the Governor and confirmed by the State Senate. Because the Board of Regents holds the corporate powers, Iowa State is not deemed to be legally separate. Accordingly, for financial reporting purposes, Iowa State is included in the financial report of the State of Iowa, the primary government, as required by accounting principles generally accepted in the United States of America (GAAP). Iowa State is classified as a state instrumentality under Internal Revenue Code (IRC) Section 115 and is exempt from federal income taxes. Certain activities may be subject to taxation as unrelated business income under IRC Sections 511 to 514.

Iowa State offers courses of study leading to degrees at the undergraduate, graduate, and post-graduate levels. Degrees are available from seven colleges: Agriculture and Life Sciences, Business, Design, Engineering, Human Sciences, Liberal Arts and Sciences, and Veterinary Medicine. Other major operating units of Iowa State are: Agriculture and Home Economics Experiment Station, Extension and Outreach, and the Ames Laboratory, a U.S. Department of Energy sponsored independent operation. The campus consists of approximately 1,819 acres. In addition, farms and other properties, which are stocked and equipped for teaching and research purposes, total approximately 10,278 acres.

B. Basis of Presentation

These financial statements have been prepared in accordance with GAAP, as prescribed by the Governmental Accounting Standards Board (GASB). The presentation required by GASB provides a comprehensive, entity-wide perspective of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, and cash flows.

Iowa State reports as a special-purpose government engaged primarily in business-type activities, as defined by GASB. Accordingly, these financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, expenses are recorded when an obligation has been incurred, and all significant intra-agency transactions have been eliminated.

Iowa State reports fiduciary activities as custodial funds as defined by GASB Statement No. 84, Fiduciary Activities. Accordingly, the custodial funds are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position, and have been prepared on the accrual basis of accounting.

C. Reporting Entity

As required by GAAP, and as prescribed by GASB, these financial statements present the financial position and financial activities of the primary government and certain other entities for which the nature and significance of their relationship with Iowa State are such that exclusion would cause the financial statements to be misleading or incomplete. The GASB classification of these entities for financial reporting purposes does not affect their respective legal or organizational relationships to Iowa State.

1. Blended Component Units

The following entities are legally separate from Iowa State, but are so intertwined that they are, in substance, part of Iowa State. Accordingly, they are blended into the financial statements.

Iowa State University Research Foundation, Inc. (ISURF) is organized as a corporation to assist in securing protection for intellectual property, such as patents and copyrights, resulting from research, writing, and other projects of members of the Iowa State community. The financial statements of this entity have been audited by other independent auditors, and their report may be obtained from the Iowa State Division of Operations and Finance. The revenues of this organization are included in other operating revenues, and expenses are included in the institutional support classification in the Statement of Revenues, Expenses, and Changes in Net Position.

Iowa State University Veterinary Services Corporation (ISUVSC) was organized as a corporation to support and promote the welfare and mission of Iowa State and of its faculty, staff, residents, graduates, students, and former students, particularly as related to the Iowa State College of Veterinary Medicine. The financial statements of this corporation have been audited by other independent auditors, and their report may be obtained from the Iowa State Division of Operations and Finance. The revenues of this corporation are included in other operating revenues, and expenses are included primarily in the academic support classification in the Statement of Revenues, Expenses, and Changes in Net Position.

Miller Endowment, Incorporated (Miller) was established in 1995, pursuant to the will and codicil of F. Wendell Miller. The will and codicil appointed the presidents of Iowa State and the State University of Iowa (SUI) as co-executors 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, 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 IRC. 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 Iowa State's operations. SUI's portion of the endowment is reported as part of the fiduciary funds. For investment management purposes, all Iowa State assets of the trust are pooled with the endowment funds.

Condensed financial information for the blended component units, before the elimination of certain related party transactions, as of and for the year ended June 30, 2023 is as follows:

Condensed Statement of Net Position

	ISURF	ISUVSC	Miller
Current assets	$ 4,766,640	$ 2,776,917	$ -
Non-current assets	40,544,812	5,968,146	17,090,939
Total assets	45,311,452	8,745,063	17,090,939
Deferred outflows of resources	-	391,465	-
Current liabilities	2,211,894	1,413,897	54,053
Non-current liabilities	-	3,617,521	857,190
Total liabilities	2,211,894	5,031,418	911,243
Net position	$ 43,099,558	$ 4,105,110	$ 16,179,696

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	ISURF	ISUVSC	Miller
Operating revenues	$ 4,629,068	$ 7,057,719	$ -
Operating expenses	5,535,511	6,595,242	-
Net operating income (loss)	(906,443)	462,477	-
Non-operating revenue (expense)	1,330,102	(19,304)	(312,293)
Change in net position	423,659	443,173	(312,293)
Net position, beginning of year	42,675,899	3,661,937	16,491,989
Net position, end of year	$ 43,099,558	$ 4,105,110	$ 16,179,696

2. Discretely Presented Component Unit

The Foundation comprises a legally separate, tax-exempt component unit of Iowa State. The combined financial statements of the Foundation's organizations are presented in these financial statements because the organizations have a common Board of Directors, common management, and the common objective to promote the welfare of Iowa State and its faculty, graduates, students, and former students. The mission of the Foundation is to secure and manage private gifts that support Iowa State's aspiration to become the nation's best land-grant university. The Foundation strives to maximize the interest, involvement and, ultimately, enduring commitment of donors, and to manage donated assets for the benefit of Iowa State in accordance with donors' wishes.

Although Iowa State does not control the Foundation or the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, the Foundation holds and invests are restricted to the activities of Iowa State by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, Iowa State and its faculty, graduates, students, and former students, the Foundation is considered a component unit and is discretely presented in the financial statements. During the years ended June 30, 2023 and 2022, the Foundation distributed and expended $119,331,142 and $116,519,881, respectively, on behalf of Iowa State for both restricted and unrestricted purposes as follows:

	2023	2022
Scholarships, loan funds, and awards	$ 47,677,258	$ 38,459,680
Faculty and staff support	12,441,307	11,311,684
College and administrative support	17,761,343	17,406,737
Capital improvements	41,203,233	48,557,871
Gifts in kind	248,001	783,909
Total program support	$ 119,331,142	$ 116,519,881

The Foundation is a non-profit organization that reports under Financial Accounting Standards Board (FASB) standards, including Accounting Standards Codification 958, Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from those of GASB. No modifications have been made to the Foundation's financial information in Iowa State's financial reporting entity for these differences.

Although Iowa State is the exclusive beneficiary of the Foundation, the Foundation is independent of Iowa State in all respects. The Foundation is not a subsidiary or affiliate of Iowa State, and is not directly or indirectly controlled by Iowa State. Moreover, the assets of the Foundation are the exclusive property of the Foundation and do not belong to Iowa State. Iowa State is not accountable for, and does not have ownership of, any of the financial and capital resources of the Foundation. Iowa State does not have the power or authority to mortgage, pledge, or encumber the assets of the Foundation. The Board of Directors of the Foundation is entitled to make all decisions regarding the business and affairs of the Foundation, including, without limitation, distributions made to Iowa State. Third parties dealing with Iowa State should not rely upon the financial statements of the Foundation for any purpose without consideration of all of the foregoing conditions and limitations.

Complete financial statements for the Foundation can be obtained from the Foundation at 2505 University Boulevard, Ames, IA 50010-2230 or from the Foundation's website at www.foundation.iastate.edu.

D. Cash and Cash Equivalents

For purposes of the Statement of Net Position and the Statement of Cash Flows, cash and cash equivalents are reported in accordance with Board of Regents policy, Chapter 2.2 section 4.C.ix.a. The policy states investments purchased by the Regent 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.

E. Investments

Investments are reported in accordance with Board of Regents policy, Chapter 2.2, section 4. The policy states that, to appropriately reflect the Board's overall investment strategy and as outlined in GASB Statement No. 9, Reporting Cash Flows of Proprietary and

Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, paragraph 11, the Board sets forth 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.

In accordance with the Board of Regents investment policy, Iowa State considers all funds held by external investment managers, regardless of maturity, to be investments. Investments are reported at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, and GASB Statement No. 72, Fair Value Measurement and Application. Changes in unrealized gain or 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.

Investments of the Foundation are carried at fair value based on values provided by an external investment manager and quoted market values. Other investments include certain equity and alternative investments whose fair values are measured using the practical expedient. The practical expedient allows for the use of net asset value (NAV) as estimated by management utilizing information provided by the respective funds' general manager and investment managers in the absence of readily determinable fair market values.

F. Inventories

Inventories consist of supplies, merchandise, grain, and livestock for resale, teaching, and research purposes. Inventories of supplies and merchandise are valued at the lower of cost (primarily weighted average) or market. Inventories of livestock and grain are reported at year-end market value.

G. Prepaid Expenses

Prepaid expenses include prepaid rent expense for office space at the Iowa State University Research Park (ISURP). Iowa State was appropriated $12 million from the State of Iowa to reimburse ISURP for the construction of a Hub Square Facility in exchange for office space at the facility for the 20-year period beginning July 1, 2016. Accordingly, Iowa State recognized prepaid rent expense while the ISURP recognized an equal amount of unearned revenue in the amount of $7.8 million as of June 30, 2023.

H. Capital Assets

Capital assets are recorded at cost at the date of acquisition. Donated capital assets are recorded at acquisition value, which is the price that would have been paid to acquire a capital asset with equivalent service potential. For equipment, the capitalization policy includes all items with a unit cost of $5,000 or more and an estimated useful life of greater than one year. Intangible assets with a cost of $500,000 or more are capitalized. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the asset are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Right-to-use lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. A capitalization threshold of $50,000 is used when recognizing lease assets.

Right-to-use subscription-based information technology arrangements (SBITA) are recognized at the commencement date based on the initial measurement of liability, plus any subscription payments made at or before the commencement of the subscription term and certain direct costs. A capitalization threshold of $500,000 is used when recognizing these assets.

Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets, including right-to-use lease and SBITA assets, generally 20 to 50 years for buildings, 10 to 30 years for infrastructure and land improvements, 2 to 20 years for equipment, 10 years for library collections, and 4 to 15 years for intangible assets.

I. Unearned Revenue

Unearned revenue includes items such as advance ticket sales, summer tuition not earned during the current year, and amounts received from grants and contracts that have not yet been earned.

J. Compensated Absences

Employee compensated absences are accrued when earned under the provisions of Chapters 70A and 262 of the Code of Iowa. Accrued vacation is paid at 100% of the employee's hourly rate upon retirement, death, or termination and, with certain exceptions, accrued sick leave is paid at 100% of the employee's hourly rate to a maximum of $2,000 upon retirement. The liability for accrued compensated absences reported in the Statement of Net Position is based on current rates of pay.

K. Non-Current Liabilities

Non-current liabilities include principal amounts of revenue bonds payable, leases payable, subscription-based information technology arrangements, and financed installment purchases with contractual maturities greater than one year, as well as estimated amounts for accrued compensated absences, refundable advances on student loans, pension liability, other post-employment benefits (OPEB) liability, and other liabilities that will not be paid within the next fiscal year.

L. Leases

Iowa State determines if an arrangement is or contains a lease at inception, including both leases where it is obligated as a lessee and leases for which it is a lessor.

Leases in which Iowa State is a lessee are included in the right-to-use lease assets and liabilities on the Statement of Net Position. These assets and liabilities are initially recognized based on the present value of the future minimum lease payments over the lease term at commencement date discounted using the stated interest rate or Iowa State's estimated incremental borrowing rate. Options to extend or terminate a lease are included in the amount recognized to the extent that Iowa State is reasonably certain to exercise those options. Amortization expense for right-to-use assets is recognized on a straight-line basis over the lease term. Variable lease payments based on a predetermined rate or index, such as the consumer price index, are initially measured using the index or rate in effect at lease commencement.

Lessor arrangements are included in receivables and deferred inflows of resources on the Statement of Net Position. Rental revenue arising from leases in which Iowa State is a lessor is included in other non-operating revenue on the Statement of Revenues, Expenses, and Changes in Net Position. Lease receivable is amortized using Iowa State's stated rate of interest or estimated incremental interest rate. Deferred inflows of resources are recognized on a straight-line basis of the lease term.

Short-term leases with an initial lease term of 12 months or less are not included on the Statement of Net Position. Iowa State recognizes lessee and lessor short-term lease payments as outflows or inflows of resources, respectively, based on the payment provisions of the lease contract.

M. Subscription-Based Information Technology Arrangements (SBITA)

Iowa State enters into contracts that convey control of the right to use information technology software. Iowa State recognizes a subscription liability and intangible right-to-use asset in the financial statements for liabilities with an initial value of $500,000 or more.

At the commencement of the subscription term, Iowa State initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The right-to-use subscription asset is initially measured as the sum of the initial subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus capitalization implementation costs, and less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to subscription arrangements include how Iowa State determines the discount rate it uses to discount the expected subscription payments to present value, subscription term, and subscription payments.

- Iowa State uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the estimated incremental borrowing rate is used as the discount rate.

- The subscription term includes the non-cancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

Changes in circumstances that would require a remeasurement of its subscription is monitored, and the subscription liability and right-to-use subscription asset will be remeasured if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

N. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to and deductions from IPERS's 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.

O. Total OPEB Liability

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

P. Refundable Advances on Student Loans

Refundable advances on student loans consist of federal capital contributions from the Perkins Federal Loan program. The federal capital contributions are refundable to the United States government if the loan program is terminated.

Q. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources and deferred inflows of resources consist of the following:

1. **OPEB.** Deferred outflows of resources and deferred inflows of resources represent items that are not recognized in OPEB expense, and consist of differences between expected and actual experience of the OPEB plan and changes in assumptions.

2. **Pension.** Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions by Iowa State after the measurement date but before the end of the reporting period. Deferred inflows of resources consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments and unrecognized items not yet credited to pension expense.

3. **Lease receivables.** Deferred inflows of resources consist of lease revenue to be received over the life of the lease.

4. **Unamortized bond refunding gains and losses.** Bond refunding losses and gains, which will be recognized over the life of the bonds, are the difference between the reacquisition price of the new debt and the net carrying amount of the debt being refunded. Deferred outflows of resources consist of unamortized losses resulting from the refunding of bonds. Deferred inflows of resources consist of unamortized gains resulting from the refunding of bonds.

R. Net Position

Net position is classified as follows:

1. **Net investment in capital assets.** Capital assets, net of accumulated depreciation, amortization, and outstanding debt attributable to the acquisition, construction, or improvement of those assets.

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

3. **Restricted, expendable.** Net position subject to externally imposed restrictions on use of resources, either legally or contractually.

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

S. Operating Revenues and Expenses

Operating revenues and expenses reported in 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 expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement No. 35, including state appropriations, gifts, and investment income.

T. Revenue Pledged for Debt Service

Tuition and fees are pledged as security for academic building, Memorial Union, and recreational system facilities revenue bonds. Auxiliary enterprise revenues are pledged as security for athletic facilities, dormitory, Memorial Union, parking system, recreational system facilities, and utility system revenue bonds.

U. Auxiliary Enterprise Revenues

Auxiliary enterprise revenues primarily represent revenues generated by the athletic department, University Book Store, Iowa State Center, Memorial Union, parking system, recreation services, regulated materials handling facility, Reiman Gardens, residence department, Iowa State dining, student health center, telecommunications system, and utility system.

V. Bond Discounts and Premiums

Bond discounts and premiums are deferred and amortized over the life of the bonds.

W. Use of Estimates

The preparation of financial statements in conformity with GAAP 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, AND INVESTMENTS

A. Cash and Cash Equivalents

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

	2023	2022
Book balance:		
Non-fiduciary	$ 110,358,467	$130,633,193
Fiduciary	10,134,497	13,045,839
Total	$ 120,492,964	$ 143,679,032
Bank balance:		
Covered by FDIC insurance or state sinking fund	$ 91,178,539	$ 81,809,957
Uninsured and uncollateralized	38,843,505	73,318,294
Total bank balance	$ 130,022,044	$ 155,128,251

B. Investments

In accordance with the Code of Iowa and the Board of Regent's policy, Iowa State's operating portfolio may be invested in obligations of the U.S. government or its agencies, certain highly-rated commercial paper, highly-rated corporate bonds, certain limited-maturity, zero-coupon securities, fully-insured or collateralized certificates of deposits and savings, eligible bankers acceptances of 180 days or less, certain repurchase agreements, high quality money market funds, and highly-rated guaranteed investment contracts. The endowment portfolio may invest in all of the above as well as certain listed investment grade securities, certain shares of investment companies, and new issues of investment grade common stock.

For donor-restricted endowments, Chapter 540A of the Code of Iowa permits the appropriation of an amount of realized and unrealized endowment appreciation as Iowa State determines to be prudent pursuant to a consideration of long-and short-term needs, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. Iowa State's policy is to retain the realized and unrealized appreciation with the endowment pursuant to the spending rules. Iowa State's spending policy is 5.5%, which includes a 1.25% administrative fee of a three-year moving average market value. Net appreciation of endowment funds, which totaled $3,971,074 and $4,982,303 at June 30, 2023 and 2022, respectively, is available to meet the spending rate distribution and is recorded in restricted expendable net position.

Investments for the discretely presented component unit are not subject to GASB disclosure requirements. These amounts are $1.66 billion and $1.60 billion as of June 30, 2023 and 2022, respectively.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using the effective duration method, which is widely used in the management of fixed income portfolios in that it quantifies to a much greater degree the risk of interest rate changes.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the investor. Iowa State reduces exposure to this risk by following the operating and endowment portfolio benchmarks as established by the Board of Regents.

Custodial credit risk is the risk that, in the event of the failure of a counterparty to a transaction, the investor will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Of the $696.4 million investments at June 30, 2023, $2,083,880 of pooled funds are held by the Foundation, not in Iowa State's name.

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the investor's investment in a single issuer. Iowa State reduces exposure to this risk by complying with the Board of Regent's investment policy, which requires that, except for U.S. Government securities, no more than five percent of the investment portfolio shall be invested in securities of a single issuer.

There are no issuers that represented five percent or more of total operating portfolio assets for fiscal years 2023 and 2022.

As of June 30, 2023, the effective duration, credit quality ratings, and fair value of investments are as follows:

		Credit Quality Rating									
	Effective duration (years)	Treasury / Agency	AAA	AA	A	BBB	BB	B	CCC & below	Not rated	Total fair value
Fixed income:											
U.S. government treasuries	0.15	$ 69,236,114	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 69,236,114
U.S. government agencies	0.57	19,628,000	-	-	-	-	-	-	-	-	19,628,000
Short-term mutual funds	5.05	124,442,107	22,924,384	11,536,698	38,441,798	43,835,801	18,471,001	20,605,491	2,520,134	1,801,147	284,578,561
Long-term mutual funds	4.76	8,056,228	6,156,510	1,365,338	3,799,020	5,766,573	8,253,080	9,624,581	1,420,860	620,842	45,063,032
											418,505,707
Equity and other:											
Common stock		-	-	-	-	-	-	-	-	-	5,679,714
Mutual funds		-	-	-	-	-	-	-	-	-	132,401,524
Private equity		-	-	-	-	-	-	-	-	-	66,632,089
Foundation pooled funds		-	-	-	-	-	-	-	-	-	2,083,880
Real estate		-	-	-	-	-	-	-	-	-	51,847,943
Money market		-	-	-	-	-	-	-	-	-	69,959,412
Total investments		$221,362,449	$29,080,894	$12,902,036	$42,240,818	$49,602,374	$26,724,081	$30,230,072	$3,940,994	$2,421,989	747,110,269
Less fiduciary funds											(50,711,778)
Total University investments											$696,398,491

As of June 30, 2022, the effective duration, credit quality ratings, and fair value of investments are as follows:

	Effective duration (years)	Credit Quality Rating Treasury / Agency	AAA	AA	A	BBB	BB	B	CCC & below	Not rated	Total fair value
Fixed income:											
U.S. government treasuries	0.79	$ 75,789,704	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 75,789,704
U.S. government agencies	1.05	29,842,100	-	-	-	-	-	-	-	-	29,842,100
Short-term mutual funds	5.12	124,549,175	28,322,444	9,388,400	37,837,984	45,891,573	13,322,944	30,091,951	3,481,865	2,561,949	295,448,285
Long-term mutual funds	4.68	6,349,805	7,473,018	1,790,854	3,329,681	5,371,882	4,256,290	12,723,775	1,798,073	669,878	43,763,256
											444,843,345
Equity and other:											
Common stock		-	-	-	-	-	-	-	-	-	5,755,607
Mutual funds		-	-	-	-	-	-	-	-	-	133,252,155
Private equity		-	-	-	-	-	-	-	-	-	65,189,682
Foundation pooled funds		-	-	-	-	-	-	-	-	-	2,083,129
Real estate		-	-	-	-	-	-	-	-	-	59,189,780
Money market		-	-	-	-	-	-	-	-	-	91,605,997
Total investments		$236,530,784	$35,795,462	$11,179,254	$41,167,665	$51,263,455	$17,579,234	$42,815,726	$5,279,938	$3,231,827	801,919,695
Less fiduciary funds											(49,925,218)
Total University investments											$751,994,477

Fair Value Measurement is a framework for measuring fair value in accordance with GAAP and presents expanded disclosures about fair value measurements. Specifically, all financial instruments reported at fair value are classified based on the inputs used to determine the values as follows:

Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 – Valuation is generated from model-based techniques that use significant assumptions non-observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset. Valuation techniques include use of option-pricing models, discounted cash flow models, and similar techniques.

Investments that do not have a readily determinable fair value are reported using Net Asset Value (NAV) per share. The NAV per share is provided by the fund manager and reviewed by Iowa State staff.

The classifications or levels by investment category as of June 30, 2023 and 2022 are shown below:

	June 30, 2023				
	Level 1	Level 2	Level 3	NAV	Total
Fixed income:					
U.S. government treasuries	$ 69,236,114	$ -	$ -	$ -	$ 69,236,114
U.S. government agencies	-	19,628,000	-	-	19,628,000
Short-term mutual funds	156,113,922	-	-	128,464,639	284,578,561
Long-term mutual funds	-	-	-	45,063,032	45,063,032
Equity and other:					
Common stock	5,679,714	-	-	-	5,679,714
Mutual funds	83,736,648	-	-	48,664,876	132,401,524
Private equity - limited partnerships	-	-	-	66,632,089	66,632,089
Foundation pooled funds	237,292	167,627	28,805	1,650,156	2,083,880
Real estate	-	-	-	51,847,943	51,847,943
Money market[1]	-	-	-	-	69,959,412
Total investments	$ 315,003,690	$ 19,795,627	$ 28,805	$ 342,322,735	$ 747,110,269

Investments Measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fixed income:				
Short-term mutual funds[2]	$ 128,464,639	$ -	monthly	5 days
Long-term mutual funds[2]	45,063,032	-	daily/quarterly	5-60 days
Equity and other:				
Mutual funds[3]	48,664,876	-	daily/monthly	2-30 days
Private equity - limited partnerships[4]	66,632,089	52,325,576	n/a	n/a
Foundation pooled funds	1,650,156	-	n/a	n/a
Real asset funds[5]	51,847,943	1,125,107	n/a	n/a
Total investments	$ 342,322,735	$ 53,450,683		

	June 30, 2022				
	Level 1	Level 2	Level 3	NAV	Total
Fixed income:					
U.S. government treasuries	$ 75,789,704	$	$ -	$ -	$ 75,789,704
U.S. government agencies	-	29,842,100	-	-	29,842,100
Short-term mutual funds	160,984,218	-	-	134,464,067	295,448,285
Long-term mutual funds	-	-	-	43,763,256	43,763,256
Equity and other:					
Common stock	5,755,607	-	-	-	5,755,607
Mutual funds	85,298,138	-	-	47,954,017	133,252,155
Private equity - limited partnerships	-	-	-	65,189,682	65,189,682
Foundation pooled funds	325,653	131,463	27,170	1,598,843	2,083,129
Real estate	-	-	-	59,189,780	59,189,780
Money market[1]	-	-	-	-	91,605,997
Total investments	$328,153,320	$ 29,973,563	$ 27,170	$ 352,159,645	$ 801,919,695

Investments Measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fixed income:				
Short-term mutual funds[2]	$ 134,464,067	$ -	monthly	5 days
Long-term mutual funds[2]	43,763,256	-	daily/quarterly	5-60 days
Equity and other:				
Mutual funds[3]	47,954,017	-	daily/monthly	2-30 days
Private equity - limited partnerships[4]	65,189,682	58,521,904	n/a	n/a
Foundation pooled funds	1,598,843	-	n/a	n/a
Real asset funds[5]	59,189,780	1,165,107	n/a	n/a
Total investments	$ 352,159,645	$ 59,687,011		

1 Money market funds–In accordance with Board of Regents policy, a minimum of 40% of the endowment pool must be held in liquid investments.
2 Fixed income mutual funds includes investments in mutual funds holding assets that provide stability, generate income, and diversify market risk.
3 Equity mutual funds includes investments in global equities including both developed and emerging markets.
4 Private equity includes private equity funds that invest in strategies such as venture capital, leveraged buyouts, and mezzanine debt. Capital is committed during the investment period of each fund, typically four years, after which point capital commitments stop. Iowa State's interest in the non-redeemable funds is considered illiquid in that distributions from liquidation of the underlying assets of the fund are at the discretion of the general partner according to 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 for two to three years with approval from the limited partners.
5 Real assets includes investments in private real estate and natural resource equities funds. Capital is committed during the investment period of each fund, typically four years, after which point capital commitments stop. Iowa State's interest in the non-redeemable funds is considered illiquid in the distributions from the liquidation of the underlying assets of the fund are at the discretion of the general partner per the terms of the limited partnership agreement. Funds are typically liquidated over a period of five to ten years and include a mechanism to extend the length of the partnership with approval from the limited partners.

C. Investments (Foundation)

The Foundation's investments are as follows:

	2023	2022
Pooled investments:		
Equity	$ 615,953,152	$ 560,719,668
Fixed income	328,520,672	339,746,260
Hedge funds	186,842,740	188,573,196
Private equity	326,399,118	332,431,581
Real estate	44,240,197	35,142,375
Natural resources / commodities	61,412,261	53,772,925
Cash and cash equivalents	37,019,814	36,619,925
Accrued manager fees	(1,000,000)	(1,000,000)
Total pooled investments	1,599,387,954	1,546,005,930
Other marketable securities:		
Fixed income	10,276,499	10,135,413
Equity	27,167,118	24,783,501
Cash and cash equivalents	1,127,860	5,617,649
Total marketable securities	38,571,477	40,536,563
Real estate and other investments:		
Real estate	18,718,212	16,428,829
Notes receivable from affiliated entities	109,561	252,014
Total real estate and other investments	18,827,773	16,680,843
Total investments	$ 1,656,787,204	$ 1,603,223,336

NOTE 3 - RECEIVABLES

A. Accounts Receivable

Accounts receivable is shown net of allowances for doubtful accounts in the accompanying Statement of Net Position. Accounts receivable consist of the following as of June 30:

	2023	2022
Accounts receivable	$ 55,356,057	$ 52,368,466
Allowance for doubtful accounts	(1,047,182)	(2,770,177)
Accounts receivable, net	$ 54,308,875	$ 49,598,289

B. Due from Government Agencies

Due from government agencies consist of the following as of June 30:

	2023	2022
Due from federal agencies	$ 42,401,096	$ 40,302,309
Due from state agencies	8,021,677	12,342,287
Due from local agencies	20,383	30,799
Total due from governmental agencies	$ 50,443,156	$ 52,675,395

C. Notes Receivable

Notes receivable is shown net of allowances for doubtful accounts in the accompanying Statement of Net Position. Notes receivable consist of the following as of June 30:

	2023	2022
Student loan receivables	$ 10,726,836	$ 12,194,237
Split-dollar loan receivable	6,900,000	5,500,000
Allowance for doubtful accounts	(416,563)	(416,563)
Notes receivable, net	$ 17,210,273	$ 17,277,674

D. Lessor Arrangements

Iowa State leases land and buildings to external parties. Lease receivables and deferred inflows of resources are recorded based on the present value of expected receipts over the term of the leases. The expected receipts are discounted using the interest rate charged on the lease or using Iowa State's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. During the fiscal years ended June 30, 2023 and 2022, recognized revenues related to lease agreements total $493,359 and $420,163, respectively. Future minimum lease payments to be received under lessor agreements are as follows:

For the year ending June 30	Principal	Interest
2024	$ 339,279	$ 90,401
2025	355,032	76,128
2026	371,525	61,158
2027	257,958	47,474
2028	203,738	38,901
2029-2033	821,647	65,149
	$ 2,349,179	$ 379,211

E. Pledges Receivable (Foundation)

The components of net pledges receivable as of June 30 are as follows:

	2023	2022
Gross pledges receivable	$ 100,194,322	$ 97,827,763
Allowance for uncollectible pledges	(1,571,761)	(1,077,044)
Discount to present value	(7,306,355)	(6,775,671)
Pledges receivable, net	$ 91,316,206	$ 89,975,048

The Foundation estimates payments on pledges receivable as of June 30 will be received as follows:

	2023
2024	$ 32,957,807
2025	17,783,067
2026	22,515,254
2027	13,310,776
2028	6,743,330
Thereafter	6,884,088
	$ 100,194,322

In addition, the Foundation has received notification of deferred gifts totaling approximately $761 million and $750 million as of June 30, 2023 and 2022, respectively, primarily in the form of revocable wills.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, is summarized as follows:

	July 1, 2022 (as restated)	Additions	Transfers	Deductions	June 30, 2023
Non-depreciable/non-amortizable:					
Land	$ 20,801,189	$ 336,933	$ -	$ (60,500)	$ 21,077,622
Land improvements	6,026,207	-	-	-	6,026,207
Construction in progress	109,299,052	117,466,179	(127,655,241)	-	99,109,990
Intangible assets in development	16,409,927	27,816,553	-	-	44,226,480
Total non-depreciable/non-amortizable capital assets	152,536,375	145,619,665	(127,655,241)	(60,500)	170,440,299
Depreciable/Amortizable:					
Buildings	2,168,388,142	-	96,660,532	(884,425)	2,264,164,249
Land improvements	66,237,768	-	9,804,767	-	76,042,535
Infrastructure	353,065,925	-	15,303,238	-	368,369,163
Equipment	365,960,574	22,465,884	5,886,704	(8,256,233)	386,056,929
Library	268,941,746	1,132,646	-	(315,437)	269,758,955
Intangible assets	45,131,718	-	-	-	45,131,718
Right-to-use asset - equipment	469,118	274,585	-	(194,364)	549,339
Right-to-use asset - buildings	15,313,700	2,941,282	-	(342,566)	17,912,416
Right-to-use asset - land	3,761,457	-	-	(3,217,851)	543,606
Right-to-use asset - IT subscriptions	52,160,024	2,069,024	-	-	54,229,048
Total depreciable/amortizable capital assets	3,339,430,172	28,883,421	127,655,241	(13,210,876)	3,482,757,958
Accumulated depreciation/amortization:					
Buildings	1,091,284,480	69,351,014	-	(621,684)	1,160,013,810
Land improvements	31,799,866	3,645,531	-	-	35,445,397
Infrastructure	221,772,625	10,215,770	-	-	231,988,395
Equipment	234,846,796	21,011,284	-	(7,146,977)	248,711,103
Library	233,656,127	7,009,037	-	(314,606)	240,350,558
Intangible assets	20,410,627	5,417,627	-	-	25,828,254
Right-to-use asset - equipment	278,652	172,655	-	(194,364)	256,943
Right-to-use asset - buildings	2,706,746	1,240,044	-	(342,560)	3,604,230
Right-to-use asset - land	335,594	10,188	-	-	345,782
Right-to-use asset - IT subscriptions	11,675,992	12,498,855	-	-	24,174,847
Total accumulated depreciation/amortization	1,848,767,505	130,572,005	-	(8,620,191)	1,970,719,319
Net depreciable/amortizable capital assets	1,490,662,667	(101,688,584)	127,655,241	(4,590,685)	1,512,038,639
Total net capital assets	$ 1,643,199,042	$ 43,931,081	$ -	$ (4,651,185)	$ 1,682,478,938

Capital assets activity for the year ended June 30, 2022, is summarized as follows:

	July 1, 2021 (as restated)	Additions	Transfers	Deductions	July 1, 2022 (as restated)
Non-depreciable/non-amortizable:					
Land	$ 20,796,289	$ 4,900	$ -	$ -	$ 20,801,189
Land improvements	6,026,207	-	-	-	6,026,207
Construction in progress	51,535,649	94,851,709	(36,908,743)	(179,563)	109,299,052
Intangible assets in development	5,982,043	10,427,884	-	-	16,409,927
Total non-depreciable/non-amortizable capital assets	84,340,188	105,284,493	(36,908,743)	(179,563)	152,536,375
Depreciable/Amortizable:					
Buildings	2,136,660,341	621,873	32,646,764	(1,540,836)	2,168,388,142
Land improvements	65,024,581	-	1,213,187	-	66,237,768
Infrastructure	350,017,133	-	3,048,792	-	353,065,925
Equipment	359,636,197	21,943,219	-	(15,618,842)	365,960,574
Library	267,024,053	2,171,295	-	(253,602)	268,941,746
Intangible assets	45,131,718	-	-	-	45,131,718
Right-to-use asset - equipment	457,470	11,648	-	-	469,118
Right-to-use asset - buildings	14,169,319	1,144,381	-	-	15,313,700
Right-to-use asset - land	3,761,457	-	-	-	3,761,457
Right-to-use asset - IT subscriptions	32,358,292	19,801,732	-	-	52,160,024
Total depreciable/amortizable capital assets	3,274,240,561	45,694,148	36,908,743	(17,413,280)	3,339,430,172
Accumulated depreciation/amortization:					
Buildings	1,026,230,537	66,285,999	-	(1,232,056)	1,091,284,480
Land improvements	28,508,970	3,290,896	-	-	31,799,866
Infrastructure	212,329,493	9,443,132	-	-	221,772,625
Equipment	228,986,181	19,859,692	-	(13,999,077)	234,846,796
Library	225,900,190	8,009,539	-	(253,602)	233,656,127
Intangible assets	14,993,002	5,417,625	-	-	20,410,627
Right-to-use asset - equipment	62,890	215,762	-	-	278,652
Right-to-use asset - buildings	1,327,468	1,379,278	-	-	2,706,746
Right-to-use asset - land	167,797	167,797	-	-	335,594
Right-to-use asset - IT subscriptions	-	11,675,992	-	-	11,675,992
Total accumulated depreciation/amortization	1,738,506,528	125,745,712	-	(15,484,735)	1,848,767,505
Net depreciable/amortizable capital assets	1,535,734,033	(80,051,564)	36,908,743	(1,928,545)	1,490,662,667
Total net capital assets	$ 1,620,074,221	$ 25,232,929	$ -	$ (2,108,108)	$ 1,643,199,042

NOTE 5 – LONG-TERM LIABILITIES

Long-term liability activity for the years ended June 30 is summarized as follows:

	July 1, 2022 (as restated)	Additions	Deductions	June 30, 2023	Current Portion
Long-term debt:					
Bonds payable	$ 489,129,303	$ 62,071	$ (32,113,415)	$ 457,077,959	$ 32,175,000
Leases payable	16,725,891	1,572,461	(2,786,245)	15,512,107	1,133,498
Subscription-based IT arrangements	38,098,310	2,069,024	(9,533,456)	30,633,878	8,734,864
Financed installment purchases	5,311,319	-	(1,033,895)	4,277,424	1,066,178
Total long-term debt	549,264,823	3,703,556	(45,467,011)	507,501,368	43,109,540
Other long-term liabilities:					
Compensated absences	42,849,307	24,585,117	(22,418,021)	45,016,403	21,280,639
Refundable advances on student loans	9,005,610	-	(2,111,218)	6,894,392	-
Deferred compensation	363,546	382,950	-	746,496	-
Net pension liability	445,606	39,375,532	-	39,821,138	-
Other post-employment benefits liability	46,406,083	16,851,153	(12,220,723)	51,036,513	4,950,619
Total other long-term liabilities	99,070,152	81,194,752	(36,749,962)	143,514,942	26,231,258
Total long-term liabilities	$ 648,334,975	$ 84,898,308	$ (82,216,973)	$ 651,016,310	$ 69,340,798

	July 1, 2021 (as restated)	Additions	Deductions	June 30, 2022 (as restated)	Current Portion
Long-term debt:					
Bonds payable	$ 508,444,583	$ 29,745,527	$ (49,060,807)	$ 489,129,303	$ 30,245,000
Leases payable	17,068,160	1,156,029	(1,498,298)	16,725,891	1,453,000
Subscription-based IT arrangements	30,125,705	19,801,732	(11,829,127)	38,098,310	9,386,889
Financed installment purchases	5,802,223	451,841	(942,745)	5,311,319	1,055,699
Total long-term debt	561,440,671	51,155,129	(63,330,977)	549,264,823	42,140,588
Other long-term liabilities:					
Compensated absences	45,275,812	17,603,697	(20,030,202)	42,849,307	18,173,196
Refundable advances on student loans	11,040,124	-	(2,034,514)	9,005,610	-
Deferred compensation	122,150	-	241,396	363,546	-
Net pension liability	59,965,699	-	(59,520,093)	445,606	-
Other post-employment benefits liability	42,472,941	7,728,581	(3,795,439)	46,406,083	5,120,844
Total other long-term liabilities	158,876,726	25,332,278	(85,138,852)	99,070,152	23,294,040
Total long-term liabilities	$ 720,317,397	$ 76,487,407	$ (148,469,829)	$ 648,334,975	$ 65,434,628

A. Bonds Payable

Outstanding long-term revenue bond indebtedness at June 30 consist of the following:

	Interest Rates (%)	Fiscal Year Maturity Date Range	2023 Amount Outstanding	2022 Amount Outstanding
Academic building	2.000 - 5.000	2023 - 2036	$ 88,235,000	$ 95,515,000
Plus: unamortized premium			4,860,188	5,347,105
Athletic facilities	2.000 - 5.000	2023 - 2041	110,325,000	114,410,000
Less: unamortized discount			(71,872)	(79,059)
Plus: unamortized premium			6,374,817	6,779,732
Dormitory	1.500 - 5.000	2023 - 2036	103,760,000	113,995,000
Less: unamortized discount			(362,574)	(403,706)
Plus: unamortized premium			3,038,733	3,704,219
ISU Facilities Corporation	3.000 - 3.125	2023 - 2043	32,345,000	33,515,000
Plus: unamortized premium			480,076	505,343
Memorial Union	2.000 - 5.000	2023 - 2043	20,495,000	21,650,000
Less: unamortized discount			(96,267)	(110,020)
Plus: unamortized premium			817,447	860,470
Parking system	3.000	2023	-	380,000
Recreational system facilities	2.000 - 3.000	2023 - 2038	37,900,000	39,775,000
Plus: unamortized premium			956,913	1,025,264
Utility system	2.000 - 5.000	2023 - 2037	46,765,000	50,830,000
Plus: unamortized premium			1,255,498	1,429,955
Total bonds payable			$ 457,077,959	$ 489,129,303

Debt service requirements to maturity, as of June 30, 2023, are as follows:

	Principal	Interest	Total
Fiscal year ending June 30			
2024	$ 32,175,000	$ 13,565,253	$ 45,740,253
2025	33,570,000	12,445,895	46,015,895
2026	34,085,000	11,271,929	45,356,929
2027	34,375,000	10,071,469	44,446,469
2028	34,460,000	8,856,320	43,316,320
2029-2033	142,155,000	28,828,816	170,983,816
2034-2038	99,235,000	9,666,609	108,901,609
2039-2043	29,770,000	1,636,941	31,406,941
Less: unamortized discount	(530,714)	-	(530,714)
Plus: unamortized premium	17,783,673	-	17,783,673
Total bonds payable	$ 457,077,959	$ 96,343,232	$ 553,421,191

B. Leases Payable

The schedule of principal and interest payments for leases is as follows:

For the year ending June 30	Principal	Interest
2024	$ 1,133,498	$ 868,494
2025	1,133,740	809,512
2026	1,189,916	747,664
2027	1,162,286	684,906
2028	906,856	629,039
2029-2033	2,186,854	2,601,631
2034-2038	1,167,639	2,195,041
2039-2043	1,239,592	1,840,408
2044-2048	1,587,262	1,412,738
2049-2053	2,155,943	844,057
2054-2058	1,648,521	151,479
	$ 15,512,107	$ 12,784,969

C. Subscription-Based Information Technology Arrangements

The schedule of principal and interest payments for subscription-based information technology arrangements is as follows::

For the year ending June 30	Principal	Interest
2024	$ 8,734,865	$ 969,653
2025	6,487,987	712,870
2026	3,155,669	558,306
2027	2,778,703	430,774
2028	2,814,625	308,455
2029-2033	6,662,029	371,255
	$ 30,633,878	$ 3,351,313

D. Financed Installment Purchases

The schedule of principal and interest payments for financed installment purchases is as follows:

Fiscal year ending June 30	Principal	Interest	Total
2024	$ 1,066,178	$ 151,936	$ 1,218,114
2025	1,106,809	111,304	1,218,113
2026	1,062,967	69,800	1,132,767
2027	1,041,470	30,249	1,071,719
Total	$ 4,277,424	$ 363,289	$ 4,640,713

NOTE 6 – RETIREMENT PROGRAMS

A. Teachers Insurance and Annuity Association (TIAA)

Iowa State contributes to the Teachers Insurance and Annuity Association (TIAA) retirement program, a defined contribution plan administered by TIAA. 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 Regent's policy, all eligible employees must participate in a retirement plan from the date they are employed.

Contributions made by the employer fully vest after the completion of three years of employment; employee contributions vest immediately. As specified by the contract with TIAA, each employee contributes three and one-third percent of the first $4,800 of earnings, and five percent on the balance of earnings through the fifth year of employment. Iowa State contributes six and two-thirds of the first $4,800 of earnings, and ten percent on earnings above $4,800, through the fifth year of employment. Upon completion of five years of service, the participant contributes five percent and Iowa State contributes ten percent on all earnings.

Iowa State's required and actual contributions total $44,534,788 and $43,458,994 for the fiscal years ended June 30, 2023 and 2022, respectively. The employee required and actual contributions total $21,618,783 and $20,983,715. Payables to the defined contribution pension plan total $3,582,782 and $3,341,555 for legally required employer contributions and $1,749,297 and $1,670,660 for legally required employee contributions, which had been withheld from employee wages but not yet remitted to TIAA as of June 30, 2023 and 2022, respectively.

B. Iowa Public Employees' Retirement System (IPERS)

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

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

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

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

Protection Occupation members may retire at normal retirement age, which is generally age 55. Members may also 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 include a multiplier based on years of service and the member's highest three-year average salary.

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

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

Contributions. Contribution rates are established by IPERS following the annual actuarial valuation, which applies the IPERS Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to one 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 2023 and 2022, pursuant to the required rate, Regular members contributed 6.29% and Iowa State contributed 9.44% of covered payroll. Protection Occupation members contributed 6.21% and Iowa State contributed 9.31% of covered payroll for fiscal years 2023 and 2022, respectively.

Iowa State's contributions to IPERS for the fiscal years ended June 30, 2023 and 2022 are $10,141,608 and $8,174,166, respectively.

Net Pension Liability, Pension Expense (Reduction), Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. Iowa State's share of IPERS net pension liability (NPL) at June 30, 2023 and 2022, is $39,821,138 and $445,606, respectively. The NPL is measured as of June 30, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability is determined by an actuarial valuation as of those dates. Iowa State's proportion of the net pension liability is based on Iowa State's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, Iowa State's proportion is 1.053986%, which is an increase of 1.183062% from its proportion measured as of June 30, 2021.

For the fiscal years ended June 30, 2023 and 2022, the University recognized pension expense (reduction) of $3,504,455 and $(3,918,339), respectively.

Deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources as of June 30:

	2023		2022	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 1,882,028	$ 550,167	$ 1,031,527	$ 972,406
Changes in assumptions	34,070	64,871	839,795	922
Net differences between projected and actual earnings on pension plan investments	-	4,363,121	-	46,789,540
Changes in proportion and differences between Iowa State contributions and proportionate share of contributions	9,906,431	10,333	8,689,195	14,099
Iowa State contributions subsequent to the measurement date	10,141,608	-	8,174,166	-
Total	$ 21,964,137	$ 4,988,492	$ 18,734,683	$ 47,776,967



$10,141,608 and $8,174,166 reported as deferred outflows of resources related to pensions resulting from Iowa State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal years ending June 30, 2024 and 2023, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	2023	2022
2023	$ -	(8,235,493)
2024	(467,952)	(8,987,131)
2025	(69,961)	(8,684,641)
2026	(3,239,244)	(11,616,781)
2027	10,131,227	307,596
2028	479,967	-
Total	$ 6,834,037	$ (37,216,450)

There are no non-employer contributing entities to IPERS.

Actuarial Assumptions. The total pension liability in the June 30, 2022 actuarial valuation is determined using the following actuarial assumptions applied to all periods included in the measurement.

Rate of inflation	2.60% per annum
Rates of salary increase	3.25% to 16.25% average, depending on years of service
Long-term investment rate of return	7.00% compounded annually, net of expenses
Wage growth	3.25% per annum, based on 2.60% inflation assumption and 0.65% real wage inflation

The actuarial assumptions used in the June 30, 2022 valuation are based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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 geometric real rates of return for each major asset class are shown in the following table:

	2023		2022	
Asset Class	Asset Allocation (%)	Long-Term Expected Real Rate of Return (%)	Asset Allocation (%)	Long-Term Expected Real Rate of Return (%)
Domestic equity	22.0	3.57	22.0	4.43
International equity	17.5	4.79	17.5	6.01
Global smart beta equity	6.0	4.16	6.0	5.10
Core plus fixed income	20.0	1.66	26.0	0.29
Public credit	4.0	3.77	4.0	2.08
Cash	1.0	0.77	1.0	(0.25)
Private equity	13.0	7.57	13.0	9.51
Private real assets	8.5	3.55	7.5	4.63
Private credit	8.0	3.63	3.0	2.87
	100.0		100.0	

Discount Rate. The discount rate used to measure the total pension liability is 7.00% for fiscal years 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the contractually required rates, which are set by the Contribution Rate Funding Policy and derived from the actuarial valuation. Based on those assumptions, IPERS's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the actuarial assumed investment return is applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Iowa State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents Iowa State's proportionate share of the NPL calculated using the discount rate, as well as what the proportionate share of the NPL would be if it were calculated using a discount rate one percent lower or higher than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
ISU's proportionate share of the overall plan NPL - 2023	$ 74,905,584	$ 39,821,138	$ 8,904,199
ISU's proportionate share of the overall plan NPL - 2022	44,789,927	445,606	(36,716,929)

IPERS's Fiduciary Net Position. Detailed information about IPERS's fiduciary net position is available in the separately-issued IPERS financial report which is available on IPERS's website at www.ipers.org.

Payables to IPERS. The following amounts are due to IPERS for legally required employer and employee contributions as of June 30:

	2023	2022
Legally required employer contributions	$ 886,468	$ 727,514
Legally required employee contributions	590,674	488,974
	$ 1,477,142	$ 1,216,488

C. Phased Retirement Programs

Phased Retirement (Effective July 1, 2017).

This phased retirement program was approved by the Board of Regents effective July 1, 2017 and replaces the phased program approved in 1982.

Eligibility. Faculty, P&S, and merit system employees employed by the Board of Regents for a period of 15 consecutive years and who had attained age 57 are eligible to request and negotiate with their department a schedule of phasing into retirement, not to exceed two years. Requests for admission into the program are not guaranteed and must receive approval from the appropriate administrative office of the institution by which they are employed.

Schedule of Phasing. An employee 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, the 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 percent. The phasing period will be set by agreement between the department and the employee. Once phased retirement is initiated, staff members may not return to full-time appointment.

The following benefits are applicable during participation in this program:

a. **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, an additional ten percent of the budgeted salary, had the person worked full time. In the only or last year following the initiation of phased retirement, the employee's salary will be proportional to the budgeted salary had the person worked full time.

b. **Benefits.** During the phased retirement period, employer and employee contributions will continue for life insurance, health and dental insurance, disability insurance, and defined contribution retirement at the same levels that would have prevailed had the employee continued a full time appointment. As mandated by law, FICA, defined benefit retirement, Federal Employees Retirement System, Civil Service Retirement System, and Civil Service Retirement System Offset contributions will be based on the employee's actual salary paid. Accrual of vacation and sick leave will be based on the percentage of appointment. An employee participating in this program will be allowed access to their defined contribution retirement account to assist in supplementing the loss of income that occurs when participating in this program.

As of June 30, 2023 and 2022, there are 30 and 21 employees participating in the program, respectively.

D. Retirement Incentive Program

1. Retirement Incentive Program (2021)

This retirement incentive program was approved by the Board of Regents effective August 3, 2020 and ended June 30, 2021.

Eligibility. Eligible employees are faculty, P&S, and merit system employees employed by the Board of Regents that meet the rule of 70, combining age and continuous length of service, and are at least 60 years of age at the time of retirement. Employees agreed to fully retire no later than June 30, 2021.

Incentive Choices. Participants chose from the following options:

- Receive two years of employer retirement contributions as well as the employer and employee portions of health and dental coverage up to the self and spouse/partner level. Health and dental coverage require five years of continuous participation in Iowa State's medical and dental plans prior to retirement.

- Receive three years of retirement contributions.

- Receive three years of health and dental coverage, as explained above.

Employees approved for this program may not be rehired at Iowa State during the incentive period they chose. Any exception to this clause requires an employee to repay the value of incentives received.

There were 105 and 315 employees participating in the program as of June 30, 2023 and 2022, respectively.

2. Specialized Retirement Incentive Program (2023)

This retirement incentive program was approved by the Board of Regents in the April 2022 meeting. Employees could apply for the option from October 3, 2022 to December 2, 2022.

Eligibility. Eligible employees must meet the entirety of the following criteria:

- Have a tenured primary academic appointment in LAS or in the College of Agriculture and Life Sciences (CALS) provided the CALS faculty member's appointment resides in a dually administered department with LAS,
- Have a medical benefits eligible appointment with Iowa State,
- Have a continuous service and age that is equal to 70 and be at least 60 years of age at the time of retirement,
- Have not already communicated and received approval to retire or resign prior to the announcement of the program, and
- Must not already be participating in another Iowa State retirement program.

Employees agreed to fully retire no later than June 30, 2023.

Incentive Choices. Participants chose from the following options:

- Receive two years of employer retirement contributions as well as the employer and employee portions of health and dental coverage up to the self and spouse/partner level. Health and dental coverage require five years of continuous participation in Iowa State's medical and dental plans prior to retirement.
- Receive three years of retirement contributions.

There were 17 employees participating in the program as of June 30, 2023.

NOTE 7 – TOTAL OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY

Plan Description. Iowa State operates a single-employer benefit plan which provides medical, dental, and life insurance benefits for faculty and staff and their spouses. Retired participants must be age 55 or older at retirement. 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 No. 75.

OPEB Benefits. Employees that are eligible to participate in the group health plan are eligible to continue health care 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.

Total OPEB Liability. Total OPEB liability of $51,036,513 reported for fiscal year 2023, is measured as of January 1, 2023, and is determined by an actuarial valuation as of January 1, 2022, with results actuarially projected on a no gain/no loss basis to get to the January 1, 2023 measurement date. The actuarial valuation is based on 6,465 active employees and 4,044 retirees.

Total OPEB liability of $46,406,083 reported for fiscal year 2022, is measured as of January 1, 2022, with no adjustments to get to the January 1, 2022 date. The actuarial valuation is based on 6,465 active employees and 4,044 retirees.

Actuarial Assumptions. The total OPEB liability in the actuarial valuation is determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective 01/01/22)	2.60% per annum
Rates of payroll growth (effective 01/01/22)	3.25% general wage inflation plus salary merit increases for school employees
Health care cost trend rate pre-65 (effective 01/01/23)	7.00% initial rate, decreasing to an ultimate rate of 4.50%
Health care cost trend rate post-65 (effective 01/01/23)	6.25% initial rate, decreasing to an ultimate rate of 4.50%

Discount Rate. The discount rate used to measure the total OPEB liability is 4.31%, which is selected from a range of indices, where the range is given as the spread between the lowest and highest rate shown. The indices included are the Bond Buyer 20-Bond GO Index, Fidelity GO AA-20 years, and the S&P Municipal Bond 20-Year High Grade Rate Index.

Mortality rates are from the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021 for active employees and healthy retirees. Surviving spouse rates are from the SOA Pub-2010 Contingent Survivor Headcount Weighted

Mortality Table fully generational using Scale MP-2021. Disabled retiree rates are from the SOA Pub-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2021.

The actuarial assumptions used in the January 1, 2023 valuation are based on the results of an actuarial experience study completed as of July 2014.

Changes in the Total OPEB Liability. The changes in the total OPEB liability as of June 30 are as follows:

	2023	2022
Total OPEB liability, beginning of year	$ 46,406,083	$ 42,472,941
Changes for the year:		
Service cost	3,726,363	3,880,976
Interest	1,070,691	942,682
Change in assumptions	(7,099,879)	780,822
Differences between expected and actual experience	12,054,099	2,124,101
Benefit payments	(5,120,844)	(3,795,439)
Net change	4,630,430	3,933,142
Total OPEB liability, end of year	$ 51,036,513	$ 46,406,083

Changes in assumptions reflect a change in the discount rate from 2.25% in fiscal year 2022 to 4.31% in fiscal year 2023.

Sensitivity of Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability , as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	2023		
	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB liability	$ 54,348,897	$ 51,036,513	$ 47,971,020

	2022		
	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB liability	$ 49,441,664	$ 46,406,083	$ 43,605,151

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate:

	2023		
	1% Decrease (6.00% decreasing to an ultimate rate of 3.50%)	Healthcare Cost Trend Rate (7.00% decreasing to an ultimate rate of 4.50%)	1% Increase (8.00% decreasing to an ultimate rate of 5.50%)
Total OPEB liability	$ 46,952,935	$ 51,036,513	$ 55,772,943

	2022		
	1% Decrease (6.50% decreasing to an ultimate rate of 3.50%)	Healthcare Cost Trend Rate (7.50% decreasing to an ultimate rate of 4.50%)	1% Increase (8.50% decreasing to an ultimate rate of 5.50%)
Total OPEB liability	$ 42,975,768	$ 46,406,083	$ 50,396,297

OPEB Expense, Deferred Outflows (Inflows) of Resources Related to OPEB. OPEB reduction of expense is $(2,499,923) and $(3,711,874) for the fiscal years ended June 30, 2023 and 2022, respectively. At June 30, deferred outflows (inflows) of resources related to OPEB are as follows:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,542,111	$ 15,284,498	$ 2,472,045	$ 26,432,730
Changes in assumptions	2,845,775	5,958,200	5,121,257	1,266,581
Contributions subsequent to measurement date	2,845,320	-	2,560,422	-
Total	$ 16,233,206	$ 21,242,698	$ 10,153,724	$ 27,699,311

$2,845,320 reported as deferred outflows of resources resulting from Iowa State contributions subsequent to the measurement date will be recognized as a reduction of net OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30	
2024	$ (7,296,972)
2025	(1,796,395)
2026	1,238,555
2027	-
Total	$ (7,854,812)

NOTE 8 – COMMITMENTS AND RISK MANAGEMENT

A. Commitments

At June 30, 2023 and 2022, outstanding construction contract commitments are $95,426,395 and $75,656,175 respectively.

B. Risk Management

Iowa State has elected to self insure, or internally assume, certain potential losses where management believes it is more economical to manage these risks internally. The exposure and management of various risks are delineated below.

1. Employee Health and Dental Benefits

Iowa State self insures its medical and dental plans for all employees. The medical plan includes reinsurance programs that are set at $500,000 for the individual stop-loss and 125% for the aggregate stop-loss. A stop-loss provision is not necessary for the dental plans as these programs have annual benefit limitations.

The following schedule presents the changes in claims liabilities for self-funded medical and dental insurance. The claims liabilities are calculated in accordance with Actuarial Standard of Practice No. 5 and based on data provided by Iowa State and the health plan vendors.

	2023	2022
Unpaid claims and liabilities, beginning of year	$ 9,236,000	$ 8,715,000
Claims incurred and contingent liabilities accrued during year	126,716,287	117,803,174
Payments on claims during year	(126,744,287)	(117,282,174)
Unpaid claims and liabilities, end of year	$ 9,208,000	$ 9,236,000

2. Employee Workers' Compensation and Unemployment Insurance

The State of Iowa self insures, on behalf of Iowa State, for losses related to workers' compensation and unemployment claims on state supported employees. The Iowa Department of Administrative Services (DAS) administers both programs. At the beginning of the fiscal year, DAS calculates an annual workers' compensation premium to be paid in monthly increments for eligible employees. The confirmed unemployment claims for eligible employees are billed quarterly. Iowa State annually establishes federally-approved fringe benefit rates based on prior year's actual costs. The workers' compensation and unemployment costs are components of the established fringe benefit rates billed to departments. Any over/under costs are picked up by the fringe pool.

3. Employee Medical and Dependent Care Flexible Spending Programs

Eligible employees have an option to participate in two flexible spending programs and maximums and carryforwards are applied on a calendar year basis. The Medical Flexible Spending Program (Med FSA) allows employees to have a maximum pre-tax deduction of $3,050 (calendar year 2023) and $2,850 (calendar year 2022) to cover qualified uninsured medical, dental, and vision claims. Federal regulations mandate that any Med FSA claims must be incurred by December 31 to be eligible for reimbursement, except for the carryover provision. Iowa State has adopted both a carryover provision and a 120-day run-out period, which allows an employee to request reimbursement for prior year incurred claims for a period up to 120 days (April 30) of the succeeding year. The carryover provision is $610 and $570 for calendar years 2023 and 2022, respectively. Amounts unclaimed beyond these program requirements are forfeited. The Dependent Care Assistance Program (DCAP) allows employees to have an annual maximum pre-tax deduction of $5,000 for qualified dependent care expenses. For calendar years 2023 and 2022, Iowa State has allowed reimbursement for claims incurred in the calendar year to extend to March 15 for the DCAP. The DCAP also provides a 120-day filing extension period in the subsequent year for reimbursable claims incurred in the previous year. The Med FSA program carries an element of self-insurance risk, as required by Federal law. Iowa State deducts one twelfth of the annually elected amount from an employee's pay each month. If the employee terminates before the end of the calendar year, Iowa State is at risk for the difference between the employee's total allowable reimbursed claims and the total amount deducted in the employee's pay. Iowa State, by Federal law, cannot seek restitution for this difference. The same risk does not apply to the DCAP as an employee cannot claim more than the total amount deducted from the employee's pay. Unclaimed employee contributions are maintained in a separate account, which has carried a surplus balance since inception of the program due to contributions exceeding claims each year. This surplus balance is used to fund the administrative costs of the program.

4. General Liability

The State of Iowa maintains an employee fidelity bond whereby the first $250,000 of losses is the responsibility of Iowa State. Losses between $250,000 and $2,000,000 are insured. Iowa State also maintains an employee blanket bond to cover losses up to $5,000,000.

The State of Iowa self insures, on behalf of Iowa State, losses related to tort claims. The Board of Regents entered into a 28E agreement with the Department of Management, the State Appeal Board, and the Attorney General for resolution of tort claims of $5,000 or less. Iowa State is authorized to approve individual claims up to $5,000, but not to exceed $100,000 in aggregate per year. Tort claims settled in excess of $5,000 must be unanimously approved by all members of the State Appeal Board, the Attorney General, and the District Court of the State of Iowa for Polk County. Tort claims may be paid from the State's General Fund without limit.

5. Motor Vehicle Insurance

The Board of Regents' institutions cooperatively self insure for liability losses related to motor vehicles up to $250,000. Each Regents' institution is required to pay a pre-determined monthly premium for each vehicle into the cooperative insurance program. Losses in excess of $250,000 are self-insured by the State as provided in Chapter 669 of the Code of Iowa. Iowa State self insures its vehicles for physical damage. In addition to liability coverage, the insurance program also self insures for comprehensive and collision damage.

6. Property Insurance

The State of Iowa self insures, on behalf of Iowa State, property deemed general university property, which is exclusive of property belonging to self-supporting enterprises. A contingency fund exists under Section 29C.20 of the Code of Iowa to request compensation for loss or damage to state property (including general university property). The Code of Iowa states that claims in excess of $5,000 may be submitted to the Executive Council for consideration. Iowa State purchases catastrophic commercial property insurance, including earthquake and flood coverage, for its General Fund buildings with a $2,000,000 per incident deductible. The commercial insurance program also includes coverage for enterprise facilities such as the residence system, Iowa State Center, power plant, etc., with deductibles ranging from $1,000 to $1,000,000 per occurrence.

7. Business Interruption and Extra Expense Insurance

Iowa State self insures for business interruption losses of its general mission revenues, such as tuition and fees, etc. Commercial insurance is purchased to cover business interruption losses for self-supporting enterprises such as the athletic department, Iowa State Center, residence department, and the University Book Store.

8. Insurance Settlements

There are no settlements exceeding insurance coverage in any of the past three fiscal years.

NOTE 9 – OPERATING EXPENSES BY FUNCTION

The following is a summary of operating expenses by functional classification for the fiscal years ended June 30:

	2023			
	Compensation & Benefits	Supplies & Services	Other	Total
Instruction	$ 248,735,009	$ 27,593,137	$ -	$ 276,328,146
Research	121,926,003	65,493,746	-	187,419,749
Public service	52,678,253	22,236,211	-	74,914,464
Academic support	165,161,755	78,834,294	-	243,996,049
Student services	28,546,990	16,609,532	-	45,156,522
Institutional support	39,443,385	19,563,122	-	59,006,507
Operation & maintenance	37,401,979	41,258,381	-	78,660,360
Scholarships & fellowships	-	-	51,955,368	51,955,368
Auxiliary	92,650,133	90,084,118	-	182,734,251
Independent operations	31,031,218	26,647,435	-	57,678,653
Depreciation/amortization	-	-	130,572,005	130,572,005
	$ 817,574,725	$ 388,319,976	$ 182,527,373	$ 1,388,422,074

	2022 (as restated)			
	Compensation & Benefits	Supplies & Services	Other	Total
Instruction	$ 235,790,966	$ 24,970,238	$ -	$ 260,761,204
Research	108,232,288	56,116,061	-	164,348,349
Public service	49,838,278	21,519,738	-	71,358,016
Academic support	144,895,367	69,803,782	-	214,699,149
Student services	24,365,630	12,377,032	-	36,742,662
Institutional support	51,912,081	30,629,851	-	82,541,932
Operation & maintenance	37,499,444	39,280,778	-	76,780,222
Scholarships & fellowships	-	-	70,525,197	70,525,197
Auxiliary	83,393,414	74,446,354	-	157,839,768
Independent operations	28,811,769	24,683,453	-	53,495,222
Depreciation/amortization	-	-	125,745,712	125,745,712
	$ 764,739,237	$ 353,827,287	$ 196,270,909	$ 1,314,837,433

NOTE 10 – RESTATEMENT OF PRIOR PERIODS

The implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements, required the restatement of prior periods presented in the financial statements. Restated fiscal year 2022 information is as follows:

	June 30, 2022, (as previously reported)	Cumulative effect of GASB 96 Implementation	June 30, 2022 (as restated)
Current assets	$ 281,433,456	$ (2,625,192)	$ 278,808,264
Capital assets	1,602,790,136	40,408,906	1,643,199,042
Other non-current assets	765,009,571	(1,370,640)	763,638,931
Total assets	2,649,233,163	36,413,074	2,685,646,237
Deferred outflows of resources	36,622,227	-	36,622,227
Total assets and deferred outflows of resources	$ 2,685,855,390	$ 36,413,074	$ 2,722,268,464
Current liabilities	$ 199,016,535	$ 9,386,889	$ 208,403,424
Non-current liabilities	565,216,657	28,636,068	593,852,725
Total liabilities	764,233,192	38,022,957	802,256,149
Deferred inflows of resources	78,175,804	-	78,175,804
Total liabilities and deferred inflows of resources	842,408,996	38,022,957	880,431,953
Net investment in capital assets	1,102,606,138	2,385,949	1,104,992,087
Restricted, non-expendabale	28,959,984	-	28,959,984
Restricted, expendable	116,456,184	-	116,456,184
Unrestricted	595,424,088	(3,995,832)	591,428,256
Total net position	1,843,446,394	(1,609,883)	1,841,836,511
Total liabilities, deferred inflows of resources, and net position	$ 2,685,855,390	$ 36,413,074	$ 2,722,268,464

NOTE 11 – 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 fee revenue for repayment. Investors in bonds of all other bond enterprises rely solely on the revenue generated from the individual activities for repayment. The segments are described as follows:

A. Academic Building Revenue Bonds

The academic building revenue bonds were issued to construct and renovate academic buildings. Revenues pledged for these issues are gross student fees and institutional income.

B. Athletic Facilities Revenue Bonds

The athletic facilities revenue bonds were issued to construct and equip intercollegiate athletic facilities. Revenues pledged for these issues are net revenues of the athletic facilities system.

C. Dormitory Revenue Bonds

The dormitory revenue bonds were issued to build various residence halls, suites, and apartments. Revenues pledged for these issues are the net rents, profits, and income from the Department of Residence facilities.

D. Iowa State Facilities Corporation Bonds

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

E. Memorial Union Revenue Bonds

The Memorial Union revenue bonds were issued to improve, remodel, repair, and construct additions to the Memorial Union building and parking facility, and to refund the outstanding Memorial Union Series 2000 Notes. Revenues pledged for this issue are the net revenues of the Memorial Union and student building fees.

F. Parking System Revenue Bonds

The parking system revenue bonds were issued to construct a single-level parking deck on campus. In addition, the bonds were used to recondition and expand vehicle parking spaces with the construction of a connecting roadway at Jack Trice Stadium. Revenues pledged for this issue are the net revenues of the parking system.

G. Recreational System Facilities Revenue Bonds

The recreational system facilities revenue bonds were issued to construct, furnish and equip new recreational building space and to complete other improvements to recreational facilities. Revenues pledged for this issue are the net revenues of the recreational facilities system.

H. Utility System Revenue Bonds

The utility system revenue bonds were issued to construct, improve, and equip various components of the utility system. Revenues pledged for this issue are the net revenues of the utility system, utility system student fees, and interest on investments.

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 that comprises its assets, liabilities, deferred outflows of resources, deferred inflows of resources, 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. Iowa State has set up accounts that are consistent with the flow of funds per requirements of the bond covenants.

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

Insurance. Iowa State maintains property and business interruption insurance coverage on various bonded enterprise facilities per requirements of the bond covenants.

	Academic Building Revenue Bonds	Athletic Facilities Revenue Bonds	Dormitory Revenue Bonds	ISU Facilities Corporation Revenue Bonds	Memorial Union Revenue Bonds	Parking System Revenue Bonds	Recreational System Facilities Revenue Bonds	Utility System Revenue Bonds
Condensed Statement of Net Position								
Assets								
Current assets	$ 8,834,116	$ 20,229,740	$ 16,415,471	$ 1,756,715	$ 5,730,020	$ 227,865	$ 2,662,096	$ 407,904
Non-current assets	10,088,992	8,886,970	51,426,844	2,192,979	17,758,754	8,783,010	13,084,151	27,863,473
Capital assets	80,488,297	106,437,169	212,262,903	69,579,541	26,351,134	6,305,963	38,401,594	117,982,211
Total assets	99,411,405	135,553,879	280,105,218	73,529,235	49,839,908	15,316,838	54,147,841	146,253,588
Deferred outflows of resources	3,091,951	1,165,657	279,212	-	395,294	-	2,065,654	26,852
Liabilities								
Current liabilities	8,830,907	20,191,918	16,637,172	1,695,234	2,305,600	222,512	2,893,329	6,446,964
Non-current liabilities	85,600,189	112,372,945	94,876,159	31,620,076	19,706,178	-	36,906,913	43,820,498
Total liabilities	94,431,096	132,564,863	111,513,331	33,315,310	22,011,778	222,512	39,800,242	50,267,462
Deferred inflows of resources	72,308	-	62,273	-	-	-	-	195,833
Net position								
Net investment in capital assets	(9,587,248)	(9,025,119)	106,043,683	36,754,465	9,362,978	6,305,963	1,610,334	69,792,732
Restricted	17,682,210	13,179,792	26,805,920	3,397,979	9,134,447	-	5,814,500	10,081,315
Unrestricted	(95,010)	-	35,959,223	61,481	9,725,999	8,788,363	8,988,419	15,943,098
Total net position	$ 7,999,952	$ 4,154,673	$ 168,808,826	$ 40,213,925	$ 28,223,424	$ 15,094,326	$ 16,413,253	$ 95,817,145
Condensed Statement of Revenues, Expenses, and Changes in Net Position								
Operating revenues	$ 316,423,447	$ 23,222,748	$ 88,771,323	$ -	$ 4,822,949	$ 4,647,951	$ 688,569	$ 42,675,311
Operating expenses	-	(4,981,080)	(64,675,431)	-	(2,424,424)	(2,918,762)	(6,829,401)	(35,665,835)
Depreciation expense	(3,759,943)	(5,049,312)	(10,907,540)	(3,449,217)	(2,075,294)	(575,077)	(2,728,731)	(5,813,829)
Net operating income (loss)	312,663,504	13,192,356	13,188,352	(3,449,217)	323,231	1,154,112	(8,869,563)	1,195,647
Non-operating revenues (expenses)	(2,354,395)	(2,614,288)	(1,733,064)	(887,532)	(279,921)	119,470	(968,146)	(750,221)
Other revenues (expenses) and transfers	(306,460,848)	(10,843,158)	487,165	2,186,978	4,479,604	(639,648)	10,079,927	3,882,757
Change in net position	3,848,261	(265,090)	11,942,453	(2,149,771)	4,522,914	633,934	242,218	4,328,183
Beginning net position	4,151,691	4,419,763	156,866,373	42,363,696	23,700,510	14,460,392	16,171,035	91,488,962
Ending net position	$ 7,999,952	$ 4,154,673	$ 168,808,826	$ 40,213,925	$ 28,223,424	$ 15,094,326	$ 16,413,253	$ 95,817,145
Condensed Statement of Cash Flows								
Net cash and cash equivalents provided by (used for)								
Operating activities	$ 316,423,447	$ 17,750,834	$ 24,279,697	$ -	$ 2,337,418	$ 1,840,111	$ (6,166,552)	$ 8,265,009
Non-capital financing activities	-	-	-	-	-	-	-	-
Capital and related financing activities	(316,541,188)	(18,568,270)	(18,810,767)	11,327	(244,939)	(1,012,093)	6,924,042	(9,019,580)
Investing activities	78,121	618,433	(17,616,178)	(2,179,915)	(325,543)	120,120	183,130	2,962,353
Net increase (decrease)	(39,620)	(199,003)	(12,147,248)	(2,168,588)	1,766,936	948,138	940,620	2,207,782
Beginning cash and cash equivalents	18,864,509	20,542,851	34,036,452	3,864,466	19,557,348	7,834,872	11,556,165	22,611,774
Ending cash and cash equivalents	$ 18,824,889	$ 20,343,848	$ 21,889,204	$ 1,695,878	$ 21,324,284	$ 8,783,010	$ 12,496,785	$ 24,819,556

	Academic Building Revenue Bonds	Athletic Facilities Revenue Bonds	Dormitory Revenue Bonds	ISU Facilities Corporation Revenue Bonds	Memorial Union Revenue Bonds	Parking System Revenue Bonds	Recreational System Facilities Revenue Bonds	Utility System Revenue Bonds
Debt Service Coverage								
Required debt service coverage percentage	n/a	125%	135%	n/a	120%	120%	125%	120%
Actual debt service coverage percentage	n/a	242%	203%	n/a	533%	n/a	428%	131%
Percentage of Revenue Pledged								
Annual debt service	$ 10,166,815	$ 7,763,939	$ 15,217,042	$ 2,185,469	$ 2,118,868	$ -	$ 3,087,000	$ 5,676,506
Net pledged revenue	316,594,636	18,757,895	30,898,281	n/a	11,303,370	1,854,109	13,197,842	7,463,535
Annual debt service / net pledged revenue	3%	41%	49%	n/a	19%	0%	23%	76%
Revenue Bonds Payable								
Beginning balance	$ 100,862,105	$ 121,110,673	$ 117,295,513	$ 34,020,343	$ 22,400,450	$ 380,000	$ 40,800,264	$ 52,259,955
Additions	-	7,187	41,131	-	13,753	-	-	-
Deductions	(7,766,917)	(4,489,915)	(10,900,485)	(1,195,267)	(1,198,023)	(380,000)	(1,943,351)	(4,239,457)
Ending balance	$ 93,095,188	$ 116,627,945	$ 106,436,159	$ 32,825,076	$ 21,216,180	$ -	$ 38,856,913	$ 48,020,498
Debt Service Requirements								
Semi-annual maturity	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	May & Nov 1st
2024	$ 10,060,415	$ 7,679,914	$ 15,004,537	$ 2,167,394	$ 2,097,412	$ -	$ 3,057,750	$ 5,672,831
2025	10,061,303	7,970,689	14,978,736	2,165,718	2,092,393	-	3,078,050	5,669,006
2026	10,213,765	8,544,438	14,453,736	2,162,994	2,093,890	-	3,086,100	4,802,006
2027	10,207,159	8,541,778	13,546,444	2,164,144	2,092,212	-	3,092,050	4,802,682
2028	10,607,257	8,531,819	12,486,694	2,164,094	2,086,225	-	3,100,825	4,339,406
2029-2033	35,193,031	42,855,013	37,132,019	10,806,669	7,573,650	-	15,676,375	21,747,059
2034-2038	17,246,675	37,789,959	14,302,838	10,784,893	3,325,525	-	16,082,450	9,369,269
2039-2043	-	17,323,101	-	10,766,953	3,316,887	-	-	-
Unamortized premium (discount)	4,860,188	6,302,945	2,676,159	480,076	721,180	-	956,913	1,255,498
Total	$ 108,449,793	$ 145,539,656	$ 124,581,163	$ 43,662,935	$ 25,399,374	$ -	$ 48,130,513	$ 57,657,757
Commitments								
Contract commitments	$ -	$ -	$ 4,836,092	$ -	$ 337,337	$ -	$ 116,429	$ 390,987

	Academic Building Revenue Bonds	Athletic Facilities Revenue Bonds	Dormitory Revenue Bonds	ISU Facilities Corporation Revenue Bonds	Memorial Union Revenue Bonds	Parking System Revenue Bonds	Recreational System Facilities Revenue Bonds	Utility System Revenue Bonds
Condensed Statement of Net Position								
Assets								
Current assets	$ 8,689,673	$ 20,305,747	$ 14,265,497	$ 1,678,216	$ 6,197,033	$ 465,797	$ 2,529,336	$ 1,501,846
Non-current assets	10,179,986	8,791,240	46,957,489	2,187,349	14,831,042	7,739,292	12,224,029	28,053,434
Capital assets	84,248,241	111,486,481	217,790,307	73,026,258	25,447,544	6,894,944	41,015,865	116,570,209
Total assets	103,117,900	140,583,468	279,013,293	76,891,823	46,475,619	15,100,033	55,769,230	146,125,489
Deferred outflows of resources	3,425,314	1,278,091	336,680	-	451,765	-	2,213,201	28,770
Liabilities								
Current liabilities	8,719,033	20,416,124	15,298,542	1,677,784	1,981,425	639,641	2,886,132	6,176,592
Non-current liabilities	93,582,105	117,025,672	107,060,513	32,850,343	21,245,449	-	38,925,264	48,194,955
Total liabilities	102,301,138	137,441,796	122,359,055	34,528,127	23,226,874	639,641	41,811,396	54,371,547
Deferred inflows of resources	90,385	-	124,545	-	-	-	-	293,750
Net position								
Net investment in capital assets	(13,278,935)	(8,346,100)	100,706,929	39,005,915	7,331,587	6,514,944	2,428,801	64,045,274
Restricted	17,465,137	12,880,764	25,457,770	3,357,349	9,703,688	380,085	5,767,625	9,856,231
Unrestricted	(34,511)	(114,901)	30,701,674	432	6,665,235	7,565,363	7,974,609	17,587,457
Total net position	$ 4,151,691	$ 4,419,763	$ 156,866,373	$ 42,363,696	$ 23,700,510	$ 14,460,392	$ 16,171,035	$ 91,488,962
Condensed Statement of Revenues, Expenses, and Changes in Net Position								
Operating revenues	$ 306,436,635	$ 24,836,977	83,191,883	$ -	$ 5,000,012	$ 4,375,300	$ 599,957	$ 40,744,563
Operating expenses	-	(3,507,372)	(62,264,487)	-	(1,805,068)	(2,304,333)	(5,724,228)	(32,522,659)
Depreciation expense	(3,759,943)	(5,053,582)	(10,584,708)	(3,449,117)	(1,671,118)	(715,991)	(2,725,954)	(5,776,626)
Net operating income (loss)	302,676,692	16,276,023	10,342,688	(3,449,117)	1,523,826	1,354,976	(7,850,225)	2,445,278
Non-operating revenues (expenses)	(2,670,495)	(3,575,409)	(3,968,491)	(993,761)	(557,780)	34,785	(1,257,277)	(1,588,077)
Other revenues (expenses) and transfers	(296,589,504)	(13,778,540)	(4,352,533)	2,452,998	(570,199)	(402,304)	9,590,908	(3,865,271)
Change in net position	3,416,693	(1,077,926)	2,021,664	(1,989,880)	395,847	987,457	483,406	(3,008,070)
Beginning net position	734,998	5,497,689	154,844,709	44,353,576	23,304,663	13,472,935	15,687,629	94,497,032
Ending net position	$ 4,151,691	$ 4,419,763	$ 156,866,373	$ 42,363,696	$ 23,700,510	$ 14,460,392	$ 16,171,035	$ 91,488,962
Condensed Statement of Cash Flows								
Net cash and cash equivalents provided by (used for)								
Operating activities	$ 306,442,627	$ 14,793,914	$ 20,766,229	$ -	$ 3,201,353	$ 2,001,451	$ (5,099,559)	$ 8,973,454
Non-capital financing activities	-	-	-	-	(888,370)	-	-	-
Capital and related financing activities	(306,735,235)	(14,342,975)	(24,583,088)	17,748	4,292,810	(2,327,928)	6,496,472	(13,212,389)
Investing activities	67,493	118,050	3,209,216	659	39,139	357,075	119,665	6,782
Net increase (decrease)	(225,115)	568,989	(607,643)	18,407	6,644,932	30,598	1,516,578	(4,232,153)
Beginning cash and cash equivalents	19,089,624	19,973,862	34,644,095	3,846,059	12,912,416	7,804,274	10,039,587	26,843,927
Ending cash and cash equivalents	$ 18,864,509	$ 20,542,851	$ 34,036,452	$ 3,864,466	$ 19,557,348	$ 7,834,872	$ 11,556,165	$ 22,611,774

Iowa State University | BOND SEGMENT REPORTING *AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022*

	Academic Building Revenue Bonds	Athletic Facilities Revenue Bonds	Dormitory Revenue Bonds	ISU Facilities Corporation Revenue Bonds	Memorial Union Revenue Bonds	Parking System Revenue Bonds	Recreational System Facilities Revenue Bonds	Utility System Revenue Bonds
Debt Service Coverage								
Required debt service coverage percentage	n/a	125%	135%	n/a	120%	120%	125%	120%
Actual debt service coverage percentage	n/a	273%	192%	n/a	570%	533%	390%	145%
Percentage of Revenue Pledged								
Annual debt service	$ 10,158,065	$ 7,834,581	$ 14,248,793	$ 2,185,569	$ 1,655,363	$ 391,400	$ 3,068,250	$ 5,702,081
Net pledged revenue	306,498,516	21,396,292	27,378,792	n/a	9,436,482	2,088,027	11,972,987	8,265,257
Annual debt service / net pledged revenue	3%	37%	52%	n/a	18%	19%	26%	69%
Revenue Bonds Payable								
Beginning balance	$ 108,489,022	$ 125,923,439	$ 126,279,866	$ 35,180,610	$ 12,706,227	$ 762,392	$ 42,708,615	$ 56,394,412
Additions	-	18,832,149	41,132	-	10,872,246	-	-	-
Deductions	(7,626,917)	(23,644,915)	(9,025,485)	(1,160,267)	(1,178,023)	(382,392)	(1,908,351)	(4,134,457)
Ending balance	$ 100,862,105	$ 121,110,673	$ 117,295,513	$ 34,020,343	$ 22,400,450	$ 380,000	$ 40,800,264	$ 52,259,955
Debt Service Requirements								
Semi-annual maturity	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	May & Nov 1st
2023	$ 10,054,940	$ 7,722,514	$ 14,070,418	$ 2,168,019	$ 1,801,740	$ 385,700	$ 3,040,125	$ 5,676,506
2024	10,060,415	7,679,914	15,004,537	2,167,394	2,097,412	-	3,057,750	5,672,831
2025	10,061,303	7,970,689	14,978,736	2,165,718	2,092,393	-	3,078,050	5,669,006
2026	10,213,765	8,544,438	14,453,736	2,162,994	2,093,890	-	3,086,100	4,802,006
2027	10,207,159	8,541,778	13,546,444	2,164,144	2,092,212	-	3,092,051	4,802,681
2028-2032	40,117,464	42,788,050	43,383,219	10,810,594	9,001,250	-	15,614,175	21,723,944
2033-2037	22,929,500	39,081,472	20,538,331	10,788,544	3,317,075	-	15,997,475	13,731,790
2038-2042	-	24,630,369	-	10,770,346	3,321,594	-	3,248,000	-
2043-2047	-	-	-	2,153,125	662,369	-	-	-
Unamortized premium (discount)	5,347,105	6,700,673	3,300,513	505,343	750,450	-	1,025,264	1,429,955
Total	$ 118,991,651	$ 153,659,897	$ 139,275,934	$ 45,856,221	$ 27,230,385	$ 385,700	$ 51,238,990	$ 63,508,719
Commitments								
Contract commitments	$ -	$ -	$ 2,232,970	$-	$ 438,573	$ 129,395	$ 10,715	$ 10,617,728

Schedule of Iowa State's Proportionate Share of the Net Pension Liability IPERS Last Nine Fiscal Years* (in thousands)

Fiscal Year Ended June 30,	Proportion of Net Pension Liability (Asset) (%)	Proportionate Share of Net Pension Liability (Asset)	Covered - Employee Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	IPERS's Net Position as a Percentage of Total Pension Liability (Asset)
2023	1.0539856	$39,821	$86,765	$45.90	$91.41
2022	(0.1290763)	446	74,382	0.60	100.81
2021	0.8536364	59,966	68,475	87.57	82.90
2020	0.7763471	44,956	60,222	74.65	85.45
2019	0.7036281	44,527	53,586	83.09	83.62
2018	0.6359800	42,364	48,181	87.93	82.21
2017	0.5636620	35,473	40,575	87.43	81.82
2016	0.4983429	24,621	34,132	72.13	85.19
2015	0.4065184	16,122	26,573	60.67	87.61

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year are determined as of June 30 of the preceding year. This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Note 6B in the accompanying Notes to Financial Statements for the IPERS plan description, pension benefits, disability and death benefits, contributions, net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions, actuarial assumptions, discount rate, and sensitivity of Iowa State's proportionate share of the net pension liability to changes in the discount rate.

Schedule of Iowa State Contributions

IPERS Last Ten Fiscal Years (in thousands)

Fiscal Year Ended June 30,	Statutorily Required Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered - Employee Payroll	Contributions as a Percentage of Covered Payroll
2023	$ 10,142	$ 10,142	$ -	$ 107,473	9.44
2022	8,174	8,174		86,765	9.42
2021	7,044	7,044	-	74,382	9.47
2020	6,487	6,487	-	68,475	9.47
2019	5,685	5,685	-	60,222	9.44
2018	4,785	4,785	-	53,586	8.93
2017	4,303	4,303	-	48,181	8.93
2016	3,623	3,623	-	40,575	8.93
2015	3,048	3,048	-	34,132	8.93
2014	2,373	2,373	-	26,573	8.93
2013	1,962	1,962	-	22,630	8.67

Schedule of Changes in Total OPEB Liability

Last Six Fiscal Years

	2023	2022	2021	2020	2019	2018
Service cost	$ 3,726,363	$ 3,880,976	$ 5,469,963	$ 6,714,060	$ 7,334,817	$ 6,463,924
Interest	1,070,691	942,682	2,051,751	3,381,614	3,083,501	2,868,094
Change in benefit terms	-	-	-	465	-	-
Change in assumptions	(7,099,879)	780,822	3,243,442	2,250,539	(3,799,740)	6,260,277
Differences between expected and actual experience	12,054,099	2,124,101	(22,902,131)	(24,817,609)	(7,718,584)	3,076,383
Benefit payments	(5,120,844)	(3,795,439)	(5,669,092)	(5,571,337)	(5,712,799)	(4,653,958)
Net change in OPEB liability	4,630,430	3,933,142	(17,806,067)	(18,042,268)	(6,812,805)	14,014,720
Total OPEB liability, beginning of year	46,406,083	42,472,941	60,279,008	78,321,276	85,134,081	71,119,361
Total OPEB liability, end of year	$ 51,036,513	$ 46,406,083	$ 42,472,941	$ 60,279,008	$ 78,321,276	$ 85,134,081
Covered-employee payroll	$ 522,985,947	$ 476,624,887	$ 462,526,658	$ 465,055,346	$ 457,650,972	$ 443,245,493
Total OPEB liability as a percentage of covered-employee payroll	9.76%	9.74%	9.18%	12.96%	17.11%	19.21%
Discount rate	4.31%	2.25%	2.12%	3.26%	4.11%	3.44%

Notes to the Schedule of Changes in Total OPEB Liability

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Changes in Benefit Terms. There are no significant changes in benefit terms.

Changes in Assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rates used each period can be seen in the chart above.

GASB No. 75 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, Iowa State will present information for those years for which information is available.

Changes of benefit terms

Legislation passed modified benefit terms for current Regular members in 2010. 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 three percent per year, measured from the member's first unreduced retirement age, to a six percent reduction for each year of retirement before age 65.

Changes of actuarial assumptions and methods

The 2022 valuation implemented the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021
- Adjusted retirement rates for Regular members
- Lowered disability rates for Regular members
- Adjusted termination rates for all membership groups

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

- Mortality assumption was changed to the family of RP-2014 Mortality Tables for all groups, with age setbacks and set forwards, as well as other adjustments. Future mortality improvements are modeled using Scale MP-2017.
- Modified retirement rates
- Lowered disability rates
- Modified termination rates
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit
- Adjusted the merit component of the salary increase assumption

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

- Decreased the inflation assumption from 3.00% to 2.60%
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year
- Decreased the discount rate from 7.50% to 7.00%
- Decreased the wage and payroll growth assumption from 4.00% to 3.25%
- 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 unfunded actuarial liability (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.

IOWA STATE UNIVERSITY CONTROLLER'S DEPARTMENT

FINANCIAL ACCOUNTING AND REPORTING STAFF

Amy Tetmeyer, *Controller*

Tina Cowles, *Associate Controller*

Danielle Kuhl, *Manager of Financial Reporting*

Joe Golwitzer, *Manager of Financial Systems*

Jeannine Wilson, *Manager of General Ledger Accounting*

Teresa Wacha

Stefanie Charlson

Amanda Ellingson

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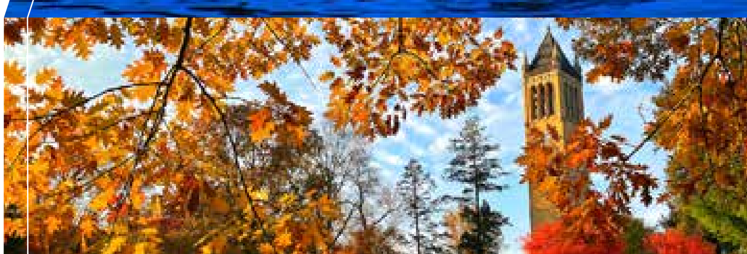

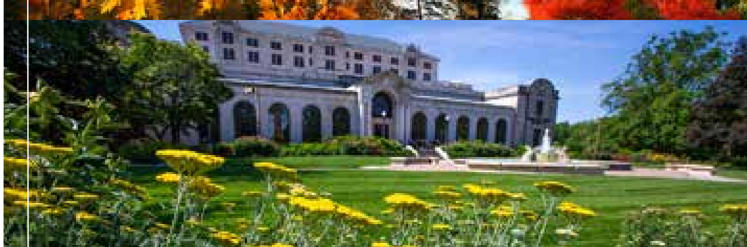

OFFICIAL TERMS OF OFFERING

$14,070,000*

BOARD OF REGENTS, STATE OF IOWA

UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES I.S.U. 2024

Bids for the above-referenced obligations (the "Bonds") will be received by the Board of Regents, State of Iowa (the "Board"), until 10:00 A.M., Central Time (the "Sale Time"), on Wednesday, March 13, 2024, in the Board of Regents Office, 11260 Aurora Avenue, Urbandale, Iowa, after which time bids will be publicly opened by the Executive Director of the Board of Regents or his duly authorized representative. Consideration for award of the Bonds will be by the Board's Executive Director and the University's Interim Senior Vice President for Operations and Finance immediately following the opening of bids. The Board has established a minimum net present value savings of 4.00% with respect to the debt service on the Refunded Bonds (as defined herein).

SUBMISSION OF BIDS

Neither Baker Tilly MA nor the Board will assume liability for the inability of a bidder or its bid to reach Baker Tilly MA or the Board prior to the time of sale specified above, and neither the Board nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each bid shall be deemed to constitute a contract between the bidder and the Board to purchase the Bonds regardless of the manner by which the bid is submitted.

(a) ***Electronic bidding.*** Bids may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all bids submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Terms of Offering*. Neither the Board, its agents nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the Board, its agents nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The Board is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY® is not an agent of the Board.

OR

(b) ***Sealed bidding.*** Completed, signed bids may be submitted in the Board of Regents Office, 11260 Aurora Avenue, Urbandale, Iowa, or to Baker Tilly MA by email to bids@bakertilly.com, and must be received prior to the Sale Time.

If any provisions of this Official Terms of Offering conflict with information provided by PARITY®, this Official Terms of Offering shall control. Further information about PARITY®, including any fee charged, may be obtained from:

> PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
> Customer Support: (212) 849-5000

* Preliminary subject to change.

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 April 1, 2024, will bear interest payable on May 1 and November 1 in each year, commencing November 1, 2024, and will mature on November 1 of each of the respective years and amounts* as follows:

2024	$1,050,000	2026	$1,220,000	2028	$1,355,000	2030	$1,510,000	2032	$1,685,000
2025	$1,160,000	2027	$1,280,000	2029	$1,430,000	2031	$1,595,000	2033	$1,785,000

* 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 Refunded 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 Paying Agent 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 Bonds will NOT be subject to redemption in advance of their respective stated maturity dates.

SECURITY AND PURPOSE

The Bonds are special obligations of the Board and payable solely from Net Revenues of the Utility System and any Utility System Student Fees, as described herein, received by Iowa State University of Science and Technology (the "University"), and do not constitute a debt of or a charge against the State of Iowa within the meaning or application of any constitutional or statutory limitation or provision and are not payable in any manner by taxation.

The proceeds of the Bonds, along with available University funds, will be used to (i) currently refund the November 1, 2024 through November 1, 2033 maturities of the University's $27,475,000 Utility System Revenue Bonds, Series I.S.U. 2013A, dated November 1, 2013 (the "Refunded Bonds"), (ii) provide a deposit in the Debt Service Reserve Fund, and (iii) pay the costs of issuing the Bonds.

BIDDING PARAMETERS

Bids shall be for not less than $14,070,000 (Par) plus accrued interest on the Bonds. Rates shall be in integral 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 the single maturity. The initial price to the public for each maturity as stated on the bid must be 98.0% or greater.

No bid can be withdrawn or amended after the time set for receiving proposals unless award of the Bonds is not made by the Pricing Committee following the opening of bids, as designated by the Board pursuant to the Bond Resolution. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

GOOD FAITH DEPOSIT

To have its bid considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the University in the amount of $281,400 (the “Deposit”) no later than 1:00 P.M., Central Time on the day of sale. The Purchaser shall be solely responsible for the timely delivery of their Deposit and 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 bid of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit 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 bids. 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 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 will reserve the right to waive informalities in any bid and to reject any or all bids.

BOND INSURANCE AT PURCHASER'S OPTION

The Board has not applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder’s official bid form. The Board specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the Board. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the Board) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

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 April 10, 2024, 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, 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 B, together with the transcript and usual closing papers, including non-litigation certificate, and all bids may be so conditioned.

CONTINUING DISCLOSURE

The Board 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 an electronic copy of the Preliminary Official Statement and 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 Municipal Advisors, LLC, by telephone (651) 223-3000, or by email bids@bakertilly.com.

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. By awarding the Bonds to the Purchaser, the Board agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The Board designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its bid is accepted by the Board, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated this 1st day of March, 2024

BOARD OF REGENTS, STATE OF IOWA

/s/ Mark Braun
Executive Director

BOARD OF REGENTS, STATE OF IOWA
$14,070,000* Utility System Revenue Refunding Bonds, Series I.S.U. 2024
(Iowa State University of Science and Technology)

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 $14,070,000 (Par)) plus accrued interest, if any, to the date of delivery.

Year	Interest Rate (%)	Yield (%)	Dollar Price
2024	______%	______%	______%
2025	______%	______%	______%
2026	______%	______%	______%
2027	______%	______%	______%
2028	______%	______%	______%
2029	______%	______%	______%
2030	______%	______%	______%
2031	______%	______%	______%
2032	______%	______%	______%
2033	______%	______%	______%

In making this offer on the sale date of March 13, 2024 we accept all of the terms and conditions of the Official Terms of Offering published in the Preliminary Official Statement dated March 1, 2024, 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: ______________ %

The Bidder ☐ will not ☐ will purchase municipal bond insurance from __________________.

<u>Account Members</u>

____
Account Manager
By: ___________________________
Phone: ________________________

The foregoing bid has been accepted by the Board.

Attest: ______________________________ Date: ______________________________

Phone: 651-223-3000
Email: bids@bakertilly.com

* Preliminary; subject to change.