



FINANCIAL
REPORT

20
20



Table of contents

Introductory Section

Message from the President.....2

Curators of the University of Missouri.....3

University of Missouri System General Officers4

The University of Missouri System5

University of Missouri System Statewide Reach10

Management Responsibility for Financial Statements.....12

Financial Information

Management’s Discussion and Analysis14

Independent Auditor’s Report.....30

 Statements of Net Position.....32

 Statements of Revenues, Expenses and Changes in Net Position34

 Statements of Cash Flows36

 Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position.....38

 Notes to the Financial Statements41

Required Supplementary Information.....89

 Schedule of Changes in the Net Pension Liability and Related Ratios.....89

 Schedule of Pension Contributions90

 Schedule of Annual Money-Weighted Rate of Return on Pension Plan Investments91

 Notes to Required Supplementary Information for Pension Contributions91

 Schedule of Changes in the Net OPEB Liability and Related Ratios.....92

 Notes to Required Supplementary Information for Net OPEB Liability93

Statistical Section94



Message from the President

The University of Missouri System was formed in 1963 and consists of system administration and four universities: the University of Missouri-Columbia, the University of Missouri-Kansas City, the Missouri University of Science and Technology, the University of Missouri-St. Louis, and all of their component parts, including MU Health, MU Extension and UM Engagement. Our collective vision is to advance the opportunities for success and well-being for Missouri, our nation and the world through transformative teaching, research, innovation, engagement and inclusion.

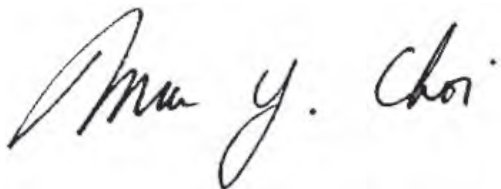
While the four universities continue to progress on their five-year strategic plans, our financial realities were drastically disrupted at the end of Fiscal Year 2020 due to the global pandemic. Our leadership team promptly reacted by taking appropriate steps to ensure proper safety protocols were set in place and by evaluating the economic impacts and adjusting spending patterns accordingly. Despite challenges, we remain focused on directing resources towards our priorities of:

- Ensuring our students receive a high-quality education,
- Supporting retention and recruitment of our students,
- Continuing research and scholarship, especially related to the public health crisis and precision health,
- Supporting the University's response to the public health crisis and other engagement activities, and
- Supporting activities that sustain and/or grow revenues for the University.

Through crises, the University has maintained a strong and stable fiscal position. You will see in the following pages that we will continue to make the decisions to best serve our stakeholders, including the citizens of Missouri, to help ensure our financial stability well into the future. We pride ourselves in being good fiscal stewards focused on providing a great place to learn and work, as well as improving the quality of life in Missouri.

As always, we invite you to learn more about the entire UM System and the meaningful impact we have statewide. You can find this information by visiting www.umsystem.edu.

Sincerely,



Mun Y. Choi
President, University of Missouri System
Chancellor, University of Missouri-Columbia



Curators of the University of Missouri

The University of Missouri Board of Curators is a nine-member board appointed by the governor of Missouri and confirmed by the Missouri Senate. Curators serve six-year terms. No more than two curators are appointed from each congressional district. Members must be citizens of the United States and residents of Missouri for a minimum of two years prior to appointment. No more than five curators may belong to any one political party. A student representative serves a two-year term, and is also appointed by the governor and confirmed by the senate.



Julia G. Brncic
District 1, Chair
St. Louis
Term expires Jan. 1, 2021



Maurice B. Graham
District 2, Vice-chair
Clayton
Term expires Jan. 1, 2021



Greg E. Hoberock
District 3
Washington
Term expires Jan. 1, 2023



Robin R. Wenneker
District 4
Columbia
Term expires Jan. 1, 2025



Michael Williams
District 5
Kansas City
Term expires Jan. 1, 2025



Phillip H. Snowden
District 6
Kansas City
Term expires Jan. 1, 2021



Jeffrey L. Layman
District 7
Springfield
Term expires Jan. 1, 2023



David L. Steelman
District 8
Rolla
Term expires Jan. 1, 2019



Darryl M. Chatman
At-Large member
O'Fallon
Term expires Jan. 1, 2023



Remington Williams
Student Representative
University of Missouri-
Kansas City
Term expires Jan. 1, 2022

University of Missouri System General Officers



Mun Y. Choi
President, University of
Missouri System
Chancellor, University of
Missouri-Columbia



C. Mauli Agrawal
Chancellor,
University of Missouri-
Kansas City



Beth Chancellor
Vice President for
Information Technology



Mohammad Deghani
Chancellor,
Missouri University of
Science and Technology



Marsha B. Fischer
Associate Vice President
for Human Resources



Steven W. Graham
Senior Associate
Vice President for
Academic Affairs



Stephen J. Owens
General Counsel



Ryan D. Rapp
Vice President for Finance
and Chief Financial Officer



Kristin Sobolik
Chancellor,
University of Missouri-
St. Louis

Finance Staff

Ryan D. Rapp, Vice President for Finance and Chief Financial Officer

Ben Arand, Investment and Debt Accountant

Kevin Hogg, Assistant Vice President of Treasury

Jessica Opie, Associate Controller

Thomas Richards, Chief Investment Officer

Ashley Rogers, Associate Director of Finance and Accounting

Eric Vogelweid, Controller



University of Missouri-Columbia

Founded:
1839

Enrollment:
30,014*

Alumni:
330,000+

The University of Missouri-Columbia (MU) was the first public university west of the Mississippi River. Today, with enrollment of more than 30,000 students, 12,000 full-time employees, and 304,000 alumni worldwide, MU is a \$2.2 billion enterprise. MU is one of only 60 public and private U.S. universities in the Association of American Universities. As the state's largest university, MU offers more than 275 degree programs and has more than 100 online education options.

Missouri's largest and most comprehensive university, MU has more than 275 degree programs through 19 colleges and schools, and is one of only six public institutions nationwide that can claim a medical school, college of veterinary medicine, college of engineering and a law school on the same campus. In its capacity as a land-grant institution, MU provides information to more than 5 million Missouri citizens each year through extension programs that promote health and success for youth, families, communities and businesses.

**Enrollment numbers are reflective of 2019-2020 enrollment.*



University of Missouri-Kansas City

Founded:
1929

Enrollment:
16,388*

Alumni:
126,000+

The University of Missouri-Kansas City (UMKC) serves more than 16,000 students on its Volker and Hospital Hill campuses. This comprehensive, public research university offers more than 125 academic programs across a spectrum of acclaimed academic units. Notable programs include the UMKC Conservatory of Music and Dance, the Henry W. Bloch School of Management and the School of Dentistry. Additionally, the School of Medicine's Master of Science in Anesthesiology program is one of only five offered in the nation.

The university also supports underserved Missourians through medical, nursing and dental care; legal services; counseling; and music therapy. The Institute for Urban Education answers the unique needs and concerns of the urban classroom. In addition, UMKC has four health science schools on one campus that provide outreach for community health needs and hands-on experience for its students.

**Enrollment numbers are reflective of 2019-2020 enrollment.*



Missouri University of Science and Technology

Founded:
1870

Enrollment:
8,088*

Alumni:
61,000+

Missouri University of Science and Technology (Missouri S&T) is a leading technological research institution. Known for its 18 engineering and computing programs, Missouri S&T also offers an abundance of programs in business, humanities and social sciences, and liberal arts. Graduates are highly sought by the business community with the eighth highest average starting salary among all public universities in the nation.

Research is at the forefront of an S&T education. Missouri S&T's four signature research areas of advanced manufacturing, advanced materials for sustainable infrastructure, enabling materials for extreme environments, and smart living all address high-priority state and national needs. Missouri S&T is also home to the state's first nuclear reactor, a "solar village" of student-designed-and-built solar houses, and an experimental mine, which was cited by Popular Science magazine as a top "awesome college lab."

**Enrollment numbers are reflective of 2019-2020 enrollment.*



University of Missouri-St. Louis

Founded:
1963

Enrollment:
15,988*

Alumni:
100,000+

The University of Missouri-St. Louis (UMSL) serves nearly 16,000 students and employs more than 2,150 faculty and staff. UMSL is a public research university in the state's most populated metropolitan area. The largest university in St. Louis, UMSL provides excellent learning experiences and leadership opportunities for a diverse student body through its outstanding faculty, nationally ranked programs, innovative research, and regional, national and international partnerships.

Some of UMSL's top-ranked programs include education, public policy administration, clinical psychology, nursing, social work, biology, chemistry and biochemistry, and criminology and criminal justice. While UMSL graduates can be found in all 50 states and 63 countries, their greatest impact is felt locally. More than 65,000 UMSL alumni call the St. Louis area home. They drive the region's economy and contribute mightily to its social well-being.

**Enrollment numbers are reflective of 2019-2020 enrollment.*



University of Missouri Health

Founded:
1956

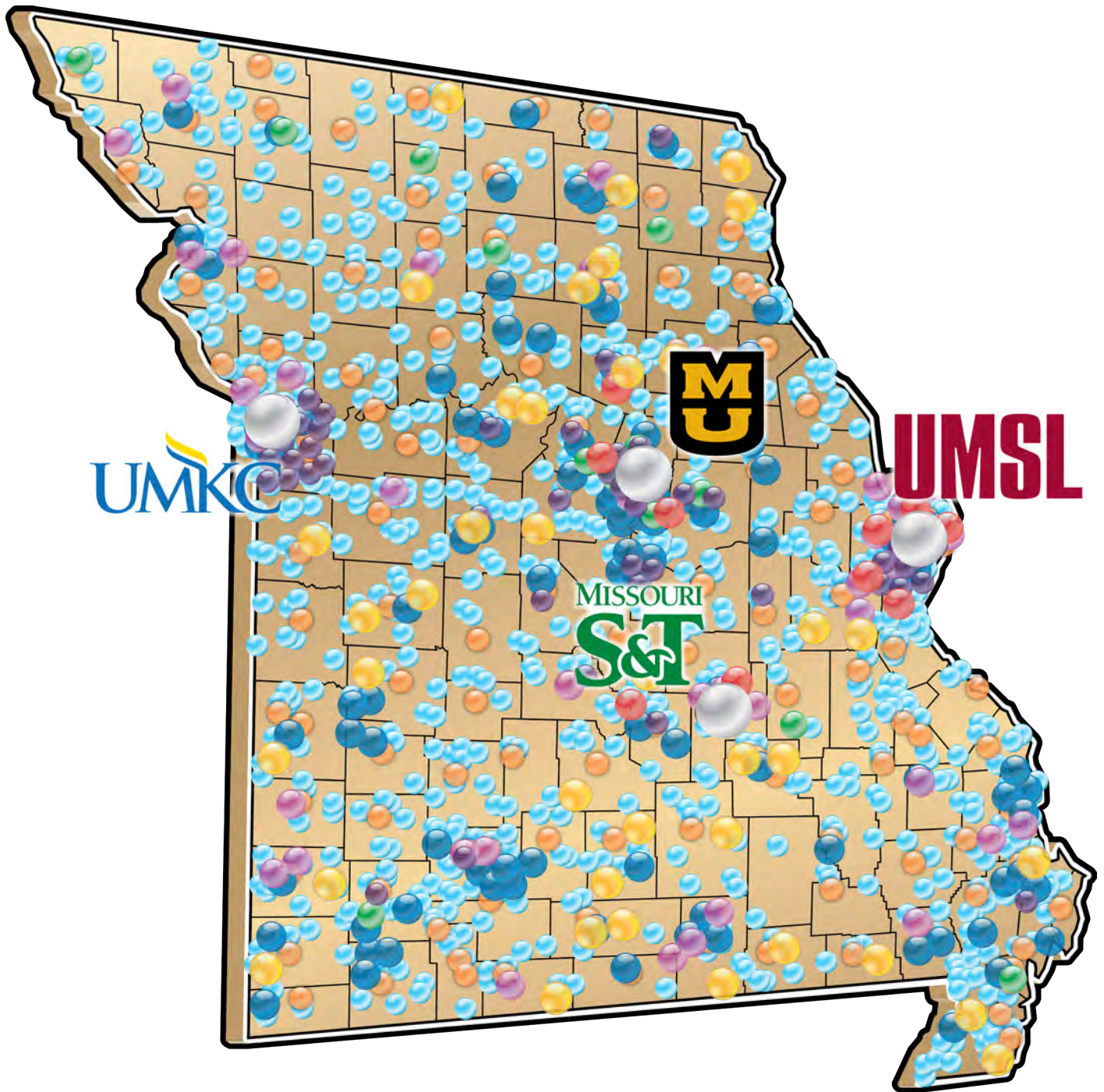
Based:
Columbia, MO

**ER visits
yearly:**
79,000+

As part of the state's premier academic medical center, University of Missouri Health offers a full spectrum of care, ranging from primary care to highly specialized care for patients with the most severe illnesses and injuries. Patients from each of Missouri's 114 counties are served by approximately 6,000 physicians, nurses and health care professionals. MU Health's main component, MU Health Care, is composed of University Hospital and Clinics, Ellis Fischel Cancer Center, Rusk Rehabilitation Center, University Physicians, Missouri Orthopaedic Institute, Missouri Psychiatric Institute, and Women's and Children's Hospital.

The MU School of Health Professions educates students in rehabilitation and diagnostic sciences. The MU Sinclair School of Nursing provides bachelor's, master's, and doctoral degrees. And, the MU School of Medicine offers undergraduate and graduate medical education, plus doctoral and master's degree programs in the basic sciences, health management and informatics.

University of Missouri System Statewide Reach



- | | | |
|--|--|---|
| 4 UM System Campuses | 38 School Districts Served by eMINTS Investing in Innovation (i3) Project | 787 MOREnet Sites |
| 10 Research Parks / Business Incubators | 39 Small Business & Technology Development Centers | 200 Missouri Telehealth Network Sites |
| 19 Agricultural Research Stations | 56 Health Centers & Affiliates | 114 Counties Served by Extension Centers |

[PAGE INTENTIONALLY LEFT BLANK]



MISSOURI

November 16, 2020

The management of the University of Missouri System (the “University”) is responsible for the preparation, integrity, and fair presentation of the financial statements. The financial statements, presented on pages 32 to 88, have been prepared in conformity with accounting principles generally accepted in the United States of America and, as such, include amounts based on judgments and estimates by management.

The financial statements have been audited by the independent accounting firm BKD LLP, which was given unrestricted access to all financial records and related data, including minutes of all meetings of the Board of Curators. The University believes that all representations made to the independent auditors during their audit were valid and appropriate. BKD’s audit opinion is presented on pages 30-31.

The University maintains a system of internal controls over financial reporting, which is designed to provide reasonable assurance to the University’s management and Board of Curators regarding the preparation of reliable published financial statements. Such controls are maintained by the establishment and communication of accounting and financial policies and procedures, by the selection and training of qualified personnel, and by an internal audit program designed to identify internal control weaknesses in order to permit management to take appropriate corrective action on a timely basis. There are, however, inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls.

The Board of Curators, through its Audit Committee, is responsible for engaging the independent auditors and meeting regularly with management, internal auditors, and the independent auditors to ensure that each is carrying out their responsibilities and to discuss auditing, internal control, and financial reporting matters. Both internal auditors and the independent auditors have full and free access to the Audit Committee.

Based on the above, I certify that the information contained in the accompanying financial statements fairly presents, in all material respects, the financial condition, changes in net position and cash flows of the University.

Ryan D. Rapp
Vice President for Finance and Chief Financial Officer

University of Missouri System COLUMBIA | KANSAS CITY | MISSOURI S&T | ST. LOUIS

118 University Hall • Columbia, MO 65211 • 573-882-3611 www.umsystem.edu

Financial Information



University of Missouri System
COLUMBIA | KANSAS CITY | ROLLA | ST. LOUIS

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020 and 2019 (unaudited)

Management's Discussion and Analysis provides an overview of the financial position and activities of the University of Missouri System (the "University") for the fiscal years ended June 30, 2020 and 2019, and should be read in conjunction with the financial statements and notes. The University is a component unit of the State of Missouri and an integral part of the State's Comprehensive Annual Financial Report.

This report includes five financial statements.

- The three financial statements for the University of Missouri and its Blended Component Units include the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.
- The two financial statements for the University's fiduciary funds are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These statements include two fiduciary component units: the Trust Funds for Retirement and Other Postemployment Benefits; as well as custodial funds.

The University's financial statements are prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes financial reporting standards for public colleges and universities. The University's significant accounting policies are summarized in Note 1 of the financial statements of this report, including further information on the financial reporting entity. In addition, a more detailed unaudited financial report that includes campus-level financial statements is available at the University of Missouri, 118 University Hall Columbia, Mo 65211, and at www.umsystem.edu.

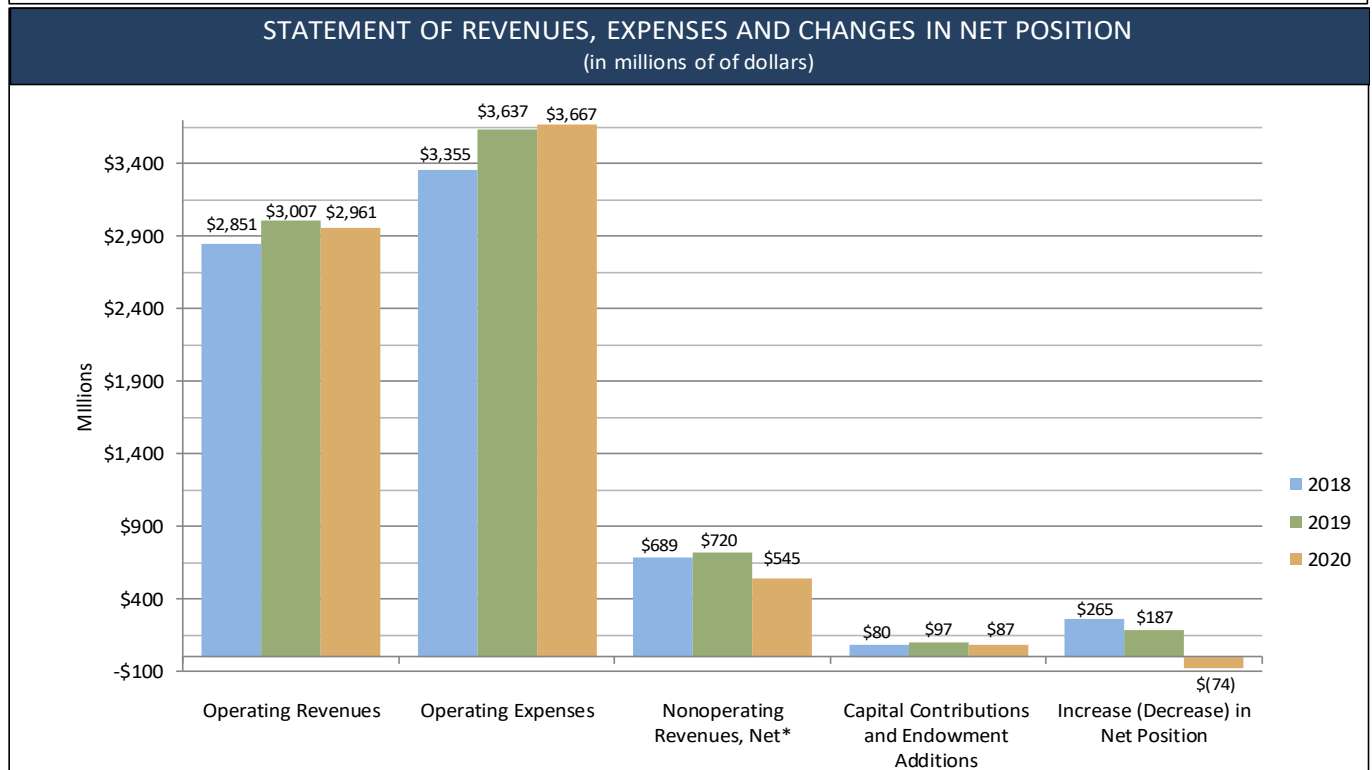
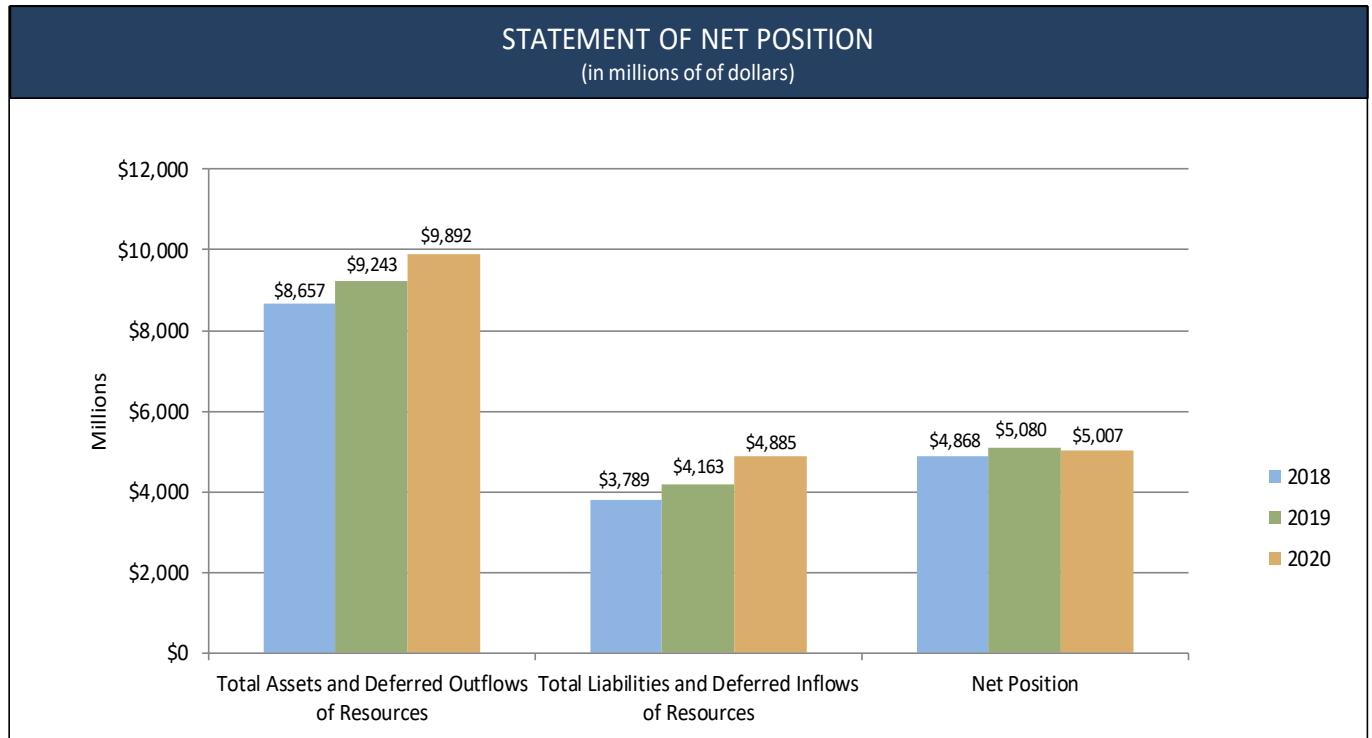
FINANCIAL HIGHLIGHTS

At June 30, 2020, the University's financial position remained solid, with Total Assets and Deferred Outflows of Resources of \$9.9 billion. Net Position, which represents the residual value of the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources, totaled \$5.0 billion. When operating and non-operating changes are included, Net Position decreased by approximately \$73.7 million as compared to fiscal year (FY) 2019, driven primarily by the impact of the COVID-19 pandemic, which disrupted the University's operations by switching to online courses mid-semester, delayed routine medical care, and increased investment losses during the latter part of the fiscal year. As a result, investment and endowment income decreased by \$167.0 million, patient medical services revenues declined by \$4.6 million and other auxiliary enterprises, which includes student housing and dining, declined \$30.1 million. Net Position increased \$186.8 million between FY 2018 and FY 2019 and was primarily driven by investment and endowment income, increased patient medical services revenues, and capital gifts.

As discussed in Note 1 to the financial statements, the University adopted GASB Statement No. 84, *Fiduciary Activities*. The implementation of this statement increased beginning Net Position by \$25.2 million for fiscal year 2019. There was no effect on the beginning net position as of July 1, 2018. The FY 2018 information in this Management's Discussion and Analysis has not been restated for the adoption of this GASB statement.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2020 and 2019 (unaudited)

The following charts compare Total Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position at June 30, 2020, 2019 and 2018, and the major components of changes in Net Position for the years ended June 30, 2020, 2019, and 2018:



* Includes State Appropriations

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020 and 2019 (unaudited)

CONDENSED STATEMENT OF NET POSITION

The Statement of Net Position presents the University's financial position at the end of the fiscal year, including all assets and deferred outflows of resources and liabilities and deferred inflows of resources of the University, segregating them into current and noncurrent components. Total Net Position is an indicator of financial condition and changes in Total Net Position indicate if the overall financial condition

has improved or worsened. Assets and deferred outflows of resources and liabilities and deferred inflows of resources are generally measured using current values with certain exceptions, such as capital assets which are stated at cost less accumulated depreciation, and long-term debt which is stated at cost.

The following table summarizes the University's assets and deferred outflows of resources, liabilities and deferred inflows of resources and net position at June 30, 2020, 2019, and 2018:

CONDENSED STATEMENTS OF NET POSITION			
(in thousands of dollars)			
As of June 30,	2020	2019 (Restated)	2018
Assets			
Current Assets	\$ 1,498,746	\$ 1,396,670	\$ 1,327,095
Noncurrent Assets			
Endowment and Other Long-Term Investments	4,173,542	3,916,984	3,478,003
Capital Assets, Net	3,623,529	3,466,439	3,383,075
Other	109,185	128,028	130,132
Deferred Outflows of Resources	486,517	335,808	339,146
Total Assets and Deferred Outflows of Resources	\$ 9,891,519	\$ 9,243,929	\$ 8,657,451
Liabilities			
Current Liabilities			
Commercial Paper and Current Portion of Long-Term Debt	\$ 16,882	\$ 399,074	\$ 228,078
Long-Term Debt Subject to Remarketing Agreements	78,755	82,540	86,185
Other	1,197,167	931,686	687,078
Noncurrent Liabilities			
Long-Term Debt	1,765,871	1,199,968	1,344,815
Other	1,692,250	1,466,715	1,359,612
Deferred Inflows of Resources	133,851	83,480	83,289
Total Liabilities & Deferred Inflows of Resources	4,884,776	4,163,463	3,789,057
Net Position			
Net Investment in Capital Assets	1,882,134	1,801,977	1,746,995
Restricted -			
Nonexpendable	1,270,680	1,257,588	1,200,514
Expendable	562,430	581,863	542,525
Unrestricted	1,291,499	1,439,038	1,378,360
Total Net Position	5,006,743	5,080,466	4,868,394
Total Liabilities and Net Position	\$ 9,891,519	\$ 9,243,929	\$ 8,657,451

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020 and 2019 (unaudited)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Total Assets and Deferred Outflows of Resources increased by \$647.6 million, or 7.0%, to \$9.9 billion as of June 30, 2020 compared to the prior year. The increase during FY 2020 was driven by increases in **Investment Settlements Receivable** of \$121.0 million, endowment and **Long-Term Investments** of \$262.4 million, and **Capital Assets, net** of \$157.1 million. The increase during FY 2019 was driven by an increase in **Investment Settlements Receivable** of \$211.7 million and an increase in endowment and **Long-Term Investments** of \$504.9 million

At June 30, 2020, the University's working capital, which is current assets less current liabilities, was \$205.9 million, an increase of \$222.6 million from the previous year. The increase is primarily driven by a decrease in the current

portion of long-term debt due as a result of refunding commercial paper during the fiscal year. At June 30, 2019, the University's working capital was a negative \$16.6 million, a decrease of \$342.4 million from the previous year. The decrease was primarily driven by a \$202.7 million decrease in **Short-Term Investments** as well as a \$171.0 million increase in the current portion of long-term debt, which was largely driven by a \$105.2 million bullet refunding due in fiscal year 2020.

As a measurement of actual liquidity, working capital is adversely impacted by the inclusion, per accounting guidelines, of Long-Term Debt Subject to Remarketing. If Long-Term Debt Subject to Remarketing were excluded from Current Liabilities, working capital would be \$284.7 million and \$65.9 million at June 30, 2020 and 2019, respectively, also expressed as Current Assets of 1.23 and 1.05 times Current Liabilities.

The following table illustrates actual working capital, as well as working capital adjusted for Long-Term Debt Subject to Remarketing:

SUMMARY OF WORKING CAPITAL (in thousands of dollars)			
As of June 30,	2020	2019 (Restated)	2018
Current Assets	\$ 1,498,746	\$ 1,396,670	\$ 1,327,095
Current Liabilities	1,292,804	1,413,300	1,001,341
Working Capital	\$ 205,942	\$ (16,630)	\$ 325,754
Ratio of Current Assets to Current Liabilities	1.16	0.99	1.33
Current Assets	1,498,746	1,396,670	1,327,095
Current Liabilities	1,292,804	1,413,300	1,001,341
Less: Long-Term Debt Subject to Remarketing	(78,755)	(82,540)	(86,185)
Current Liabilities, As Adjusted	1,214,049	1,330,760	915,156
Working Capital, As Adjusted	\$ 284,697	\$ 65,910	\$ 411,939
Ratio of Current Assets to Current Liabilities (As Adjusted)	1.23	1.05	1.45

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020 and 2019 (unaudited)

At June 30, 2020 and 2019, the University held \$571.3 million and \$568.3 million in **Cash and Cash Equivalents** in both University Funds and Custodial Funds combined. University funds consisted of **Cash and Cash Equivalents** of \$563.0 million, \$559.6 million and \$548.6 million for fiscal years ended June 30, 2020, 2019, and 2018, respectively. Increases in cash during FY 2020 was largely due to the receipt of debt proceeds. The increase in cash at June 30, 2019 is largely due to timing differences as more working capital was invested at June 30, 2019 as compared to June 30, 2018.

Short-Term and Long-Term Investments for University and Custodial Funds totaled \$4.3 billion and \$4.0 billion as of June 30, 2020 and 2019. Investment performance remained steady during FY 2019 and declined in FY 2020 due to unpredictable market conditions as a result of the COVID-19 pandemic. Net realized and unrealized gains and losses decreased by \$166.9 million, going from a net gain of \$199.2 million in FY 2019 to a net gain of \$32.3 million in FY 2020. The Endowment Pool and General Pool experienced a net gain of 1.2% and 0.2% in FY 2020. For comparison, the Endowment Pool and General Pool experienced a net gain of 5.7% and 3.3% in FY 2019, respectively.

Composition and returns of the University's various investment pools for the years ended June 30, 2020 and 2019 were as follows:

CASH, CASH EQUIVALENTS AND INVESTMENTS								
(in thousands of dollars)								
	June 30, 2020						June 30, 2019	
	Cash and Cash Equivalents	Short-Term and Long-Term Investments	Total	Total Return	Benchmark Index Return (A)	Total	Total Return	
General Pool	\$ 336,571	\$ 2,437,316	\$ 2,773,887	0.2%	4.1%	\$ 2,558,093	3.3%	
Endowment Funds								
Endowment Pool	196,914	1,641,536	1,838,450	1.2%	3.0%	1,778,230	5.7%	
Other	37,786	215,702	253,488	N/A	N/A	270,384	N/A	
Total	\$ 571,271	\$ 4,294,554	\$ 4,865,825			\$ 4,606,707		

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2020 and 2019 (unaudited)

At June 30, 2020, the University's investment in **Capital Assets** totaled \$3.6 billion compared to \$3.5 billion at June 30, 2019. The University increased capital assets by \$300.8 million, net of retirements, during FY 2020 offset by a net increase in accumulated depreciation of \$143.7 million for

a net increase in Capital Asset, Net of \$157.1 million. FY 2019 capital asset additions of \$265.0 million, net of retirements, were offset by a net increase of accumulated depreciation of \$181.7 million for a net increase in Capital Assets, Net of \$83.4 million.

Note 7 presents additional information by asset classification. Major capital projects either substantially completed in FY 2020 or ongoing are show in the following table.

SELECTED CAPITAL PROJECTS			
(Fiscal Year Ended June 30, 2020)			
Campus	Project Budget	Expenditures Through June 30, 2020	Source of Funding
Columbia:			
District Cooling Capcity	\$ 21,725,000	\$ 11,728,000	Reserves
NextGen Precision Health	221,000,000	74,310,000	Reserves, Gifts, Revenue Bonds
School of Nursing	20,062,000	2,432,000	Reserves and Gifts
Hospital:			
WCH Expansion	100,000,000	496,000	Reserves
WCH Exterior Replacement	27,192,000	4,261,000	Reserves

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Total Liabilities and Deferred Inflows of Resources increased by \$721.3 million during FY 2020 as compared to June 30, 2019, which was primarily driven by a \$565.9 million increase in **Long-Term Debt** as a result of the issuance of the System Facilities Revenue Bonds – Series 2020A and 2020B. An increase in **Net Pension Liability** of \$295.4 million was another contributing factor in the increase, which was are result of a larger number of retirees than expected.

Current Liabilities include long-term variable rate demand bonds subject to remarketing agreements totaling \$78.8 million, \$82.5 million and \$86.2 million at June 30, 2020, 2019 and 2018, respectively. The variable rate demand

bond has a final contractual maturity in fiscal year 2032. Despite contractual maturities beyond one year, this variable rate demand bond is classified as a current liability because the University is ultimately the sole source of liquidity should the option to tender be exercised by the bondholder.

The University's Commercial Paper Program can issue up to an aggregate outstanding principal amount of \$375 million. The University issued \$105.2 million and \$65.0 million of commercial paper in fiscal years 2020 and 2019, respectively, to finance bond payments and new building projects. There were no issues of commercial paper during FY 2018. During FY 2020, all outstanding commercial paper, totaling \$361.8 million, was refinanced through the issuance of System Facilities Revenue Bonds Series 2020A and 2020B.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020 and 2019 (unaudited)

Noncurrent Liabilities represent those commitments beyond one year. During FY 2020, \$590.2 million in System Facilities Revenue Bonds were issued to finance new

projects, refinance all outstanding commercial paper and refunded certain series of System Facilities Revenue Bonds.

The following is a summary of long-term debt by type of instrument:

LONG-TERM DEBT			
(in thousands of dollars)			
As of June 30,	2020	2019	2018
System Facilities Revenue Bonds	\$ 1,667,600	\$ 1,318,610	\$ 1,349,890
Health Facilities Revenue Bonds (Medical Alliance)	34,293	37,485	40,582
Unamortized Premium	78,391	37,136	43,191
Total Bonds Payable	1,780,284	1,393,231	1,433,663
Notes Payable	21,690	31,476	32,401
Capital Lease Obligations	59,534	300	1,439
Commercial Paper	-	256,575	191,575
Total Long-Term Debt	\$ 1,861,508	\$ 1,681,582	\$ 1,659,078
Contractual Maturities Within One Year			
Bonds Payable - Fixed Rate	\$ 4,674	\$ 137,282	\$ 30,868
Bonds Payable - Variable Rate Demand	3,785	3,645	3,510
Notes Payable	1,808	1,272	986
Capital Lease Obligations	6,615	300	1,139
Commercial Paper	-	256,575	191,575
Total Contractual Maturities Within One Year	\$ 16,882	\$ 399,074	\$ 228,078

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2020 and 2019 (unaudited)

The following is a summary of outstanding revenue bonds and commercial paper by campus and project type:

Revenue Bonds and Commercial Paper								
(in thousands of dollars)								
	June 30, 2020							
	MU	UMKC	UMSL	Missouri S&T	University Health Care	Medical Alliance	Unallocated Bond Cost	Total
Athletics	\$166,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,873
Campus Utilities	127,723	4,348	-	26,951	-	-	-	159,022
Classroom & Research	136,958	22,869	40,931	13,583	-	-	-	214,341
Critical Repairs/Maintenance	15,105	6,444	3,976	4,459	-	-	-	29,984
Housing	293,949	73,941	16,475	73,543	-	-	-	457,908
Health Care	-	-	-	-	268,915	34,293	-	303,208
Parking	35,006	38,506	14,578	-	-	-	-	88,090
Recreational Facilities	32,018	6,295	32,542	498	-	-	-	71,353
Student Centers	23,607	35,319	11,861	8,004	-	-	-	78,791
Other	306	460	-	-	-	-	131,557	132,323
Unamortized Premium	-	-	-	-	-	-	78,391	78,391
Total	\$831,545	\$188,182	\$120,363	\$127,038	\$ 268,915	\$ 34,293	\$ 209,948	\$ 1,780,284

Deferred Inflows of Resources represent an acquisition of net position by the University that is applicable to a future period. During FY 2020, the University recognized \$133.9 million of deferred inflows of resources representing the University's remainder interest of charitable annuities and trusts, changes in assumptions and net difference between projected and actual earnings for the other postemployment benefit plan, and differences between actual and expected experience for the pension and other

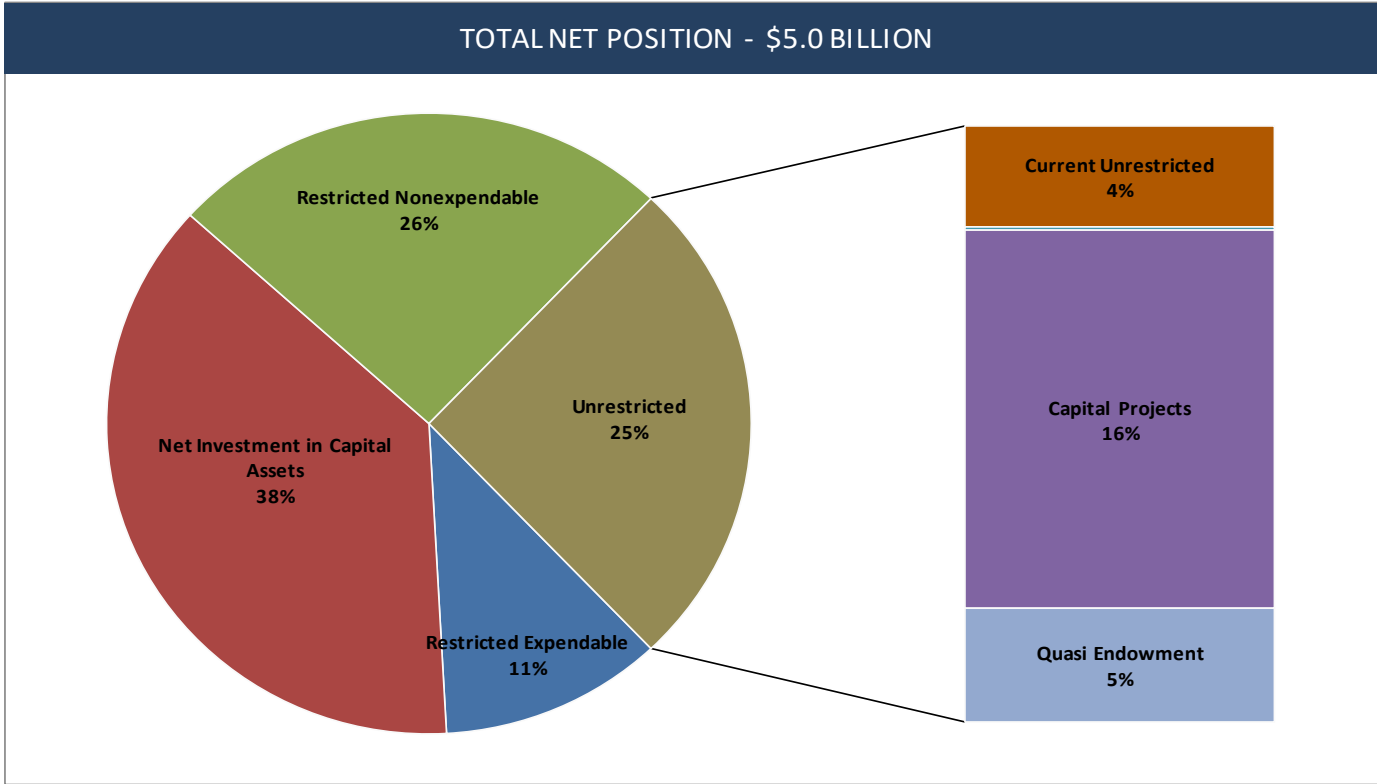
postemployment benefit plans. Deferred inflows of resources recognized during FY 2019 was \$83.5 million.

NET POSITION

Net Position represents the value of the University's assets after liabilities are deducted. The University's total **Net Position** increased by \$186.8 million during the year ended June 30, 2019 to \$5.1 billion and decreased by \$73.7 million to \$5.0 billion for the year ended June 30, 2020.

UNIVERSITY OF MISSOURI SYSTEM
 A COMPONENT UNIT OF THE STATE OF MISSOURI
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2020 and 2019 (unaudited)

The distribution of the Net Position balances, including additional details on unrestricted net position by fund type, as of June 30, 2020, are as follows:



Total **Net Position** is reflected in the four component categories as follows.

Net Investment in Capital Assets, represents the University's investment in capital assets, net of accumulated depreciation and outstanding debt related to acquisition, construction or improvement of those assets. This category increased by \$80.2 million in FY 2020 and increased by \$55.0 million in FY 2019. The increase in FY 2019 and FY 2020 was largely driven by an increase in capital assets acquired.

Restricted Nonexpendable Net Position includes endowment assets that are subject to externally imposed stipulations for the principal to be maintained in perpetuity by the University. An increase in unrealized endowment investment income led to an increase in Restricted Nonexpendable Net Position, resulting in an increase of \$13.1 million or 1.0% during FY 2020 and an increase of \$57.1 million or 4.8% during FY 2019, excluding the impacts of restatements from implementing GASB 84, *Fiduciary Activities*.

Restricted Expendable Net Position represents resources that are subject to externally imposed stipulations regarding their use, but are not required to be maintained in perpetuity. This category increased during FY 2019 by \$39.3 million, or 7.3%, and decreased \$19.4 million, or 3.3%, during FY 2020. As of June 30, 2020, this category includes:

- \$442.2 million of net position restricted for operations and giving purposes compared to \$433.3 million at June 30, 2019;
- \$79.0 million for student loan programs compared to \$82.2 million at June 30, 2019; and
- \$41.2 million for facilities compared to \$66.4 million at June 30, 2019.

Unrestricted Net Position is not subject to externally imposed stipulations, although these resources may be designated for specific purposes by the University's management or Board of Curators. This category decreased

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020 and 2019 (unaudited)

by \$147.5 million or 10.3% to \$1.3 billion in FY 2020 and increased \$60.7 million or 4.4% in FY 2019. Maintaining adequate levels of unrestricted net position is one of several key factors that have enabled the University to maintain its Aa1 credit rating. As of June 30, 2020, and 2019, University Health Care designated funds totaled \$620.5 million and \$693.3 million, respectively; capital project-designated funds totaled \$508.0 million and \$388.3

million, respectively; student loan program-designated funds totaled \$8.9 million and \$6.7 million, respectively; and unrestricted funds functioning as endowments totaled \$246.9 million and \$255.0 million, respectively. The remaining Unrestricted Net Position is available for the University's instructional and public service missions and its general operations totaled \$(92.8) million and \$95.7 million at June 30, 2020 and 2019, respectively.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020 and 2019 (unaudited)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position presents the University's results of operations. The Statement distinguishes revenues and expenses between operating and non-operating categories and provides a view of the University's operating margin.

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
(in thousands of dollars)

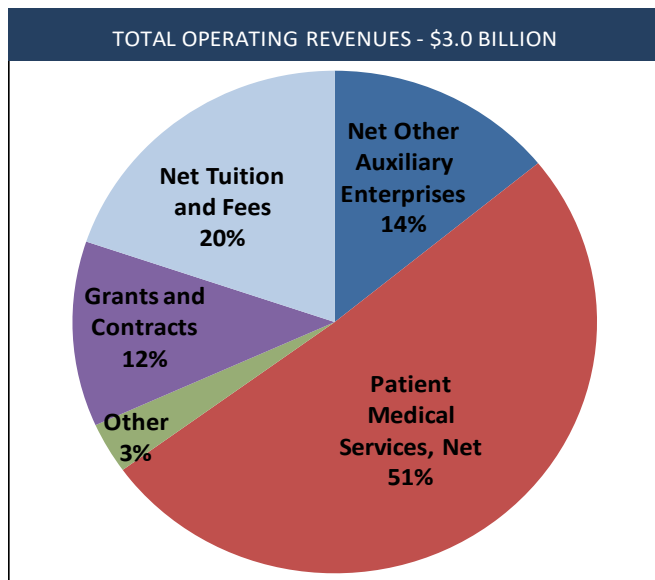
Fiscal Year Ended June 30,	2020	2019 (Restated)	2018
Operating Revenues			
Net Tuition and Fees	\$ 587,948	\$ 591,095	\$ 635,479
Grants and Contracts	352,726	340,396	292,335
Patient Medical Services, Net	1,505,424	1,510,024	1,400,335
Other Auxiliary Enterprises	417,882	447,997	437,717
Other Operating Revenues	96,680	117,204	85,312
Total Operating Revenues	2,960,660	3,006,716	2,851,178
Operating Expenses			
Salaries, Wages and Benefits	2,289,215	2,228,654	2,067,145
Supplies, Services and Other Operating Expenses	1,076,800	1,126,179	1,006,586
Other Operating Expenses	300,703	282,635	281,524
Total Operating Expenses	3,666,718	3,637,468	3,355,255
Operating Loss Before State Appropriations	(706,058)	(630,752)	(504,077)
State Appropriations	364,412	408,797	401,705
Income (Loss) after State Appropriations, before Nonoperating Revenues (Expenses)	(341,646)	(221,955)	(102,372)
Nonoperating Revenues (Expenses)			
Investment and Endowment Income, Net of Fees	32,285	199,243	199,040
Private Gifts	71,179	94,743	77,883
Interest Expense	(64,696)	(66,585)	(71,043)
Other Nonoperating Revenues, Net	142,591	83,759	81,758
Net Nonoperating Revenues (Expenses)	181,359	311,160	287,638
Income (Loss) before Capital Contributions, Additions to Permanent Endowments, and Extraordinary Item	(160,287)	89,205	185,266
State Capital Appropriations	-	-	29,765
Capital Gifts and Grants	40,648	67,106	21,083
Private Gifts for Endowment Purposes	45,916	30,524	46,851
Extraordinary Item	-	-	(17,908)
Increase (Decrease) in Net Position	(73,723)	186,835	265,057
Net Position, Beginning of Year	5,080,466	4,868,394	4,603,337
Cumulative Effect of a Change in Accounting Principle	-	25,237	-
Net Position, Beginning of Year, Restated	5,080,466	4,893,631	4,603,337
Net Position, End of Year	\$ 5,006,743	\$ 5,080,466	\$ 4,868,394

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2020 and 2019 (unaudited)

OPERATING REVENUES

Operating Revenues represent resources generated by the University in fulfilling its instruction, research, and public service missions. Total **Operating Revenues** decreased \$46.1 million, or 1.5% in FY 2020 primarily due to a decrease in other auxiliary enterprises of \$30.1 million and decreased **Patient Medical Services** of \$4.6 million.

Patient Medical Services had a decline of 0.3% from FY19, which had been the greatest area of growth in previous fiscal years. Grants and Contracts grew \$12.3 million during fiscal year 2020 while other auxiliary enterprises and **Other Operating Revenues** declined \$30.1 million and \$20.1 million, respectively. The following is a graphic illustration of operating revenues by source for FY 2020:



Tuition and Fees, net of **Scholarship Allowances**, decreased by \$3.1 million, or 0.5%, and decreased \$44.4 million, or 7.0% in FY 2020 and FY 2019, respectively, over a total of \$635.5 million in FY 2018. The decrease in FY 2019 was driven by a decrease in student enrollment as well as an increase in aid as a result of implementing GASB Statement No. 84, while the decrease in FY 2020 was caused by an increase in aid.

As a research institution, the University receives a substantial amount of funding through **Federal, State and Private Grants and Contracts**. Overall, sponsored funding increased by \$12.3 million, or 3.6%, in FY 2020 compared to

an increase of \$48.1 million, or 16.4%, in FY 2019 over a total of \$292.3 million in FY 2018.

The University's auxiliary enterprises include University Health Care, Housing and Dining Services, campus Bookstores, and other such supplemental activities. Total operating revenues generated by these auxiliary enterprises decreased by \$34.7 million, or 1.8% in FY 2020 and increased \$120.0 million, or 6.5% in FY 2019 over a total of \$1.8 billion in FY 2018. **Patient Medical Services**, which includes fees for services provided by University Health Care and the Medical Alliance, had a decline for the first time in several fiscal years. The decline of \$4.6 million was the result of delay in elective procedures during COVID-19 shut downs in the spring of 2020. All other auxiliary enterprises experienced declines as well; including housing and dining services, which issued refunds to students when all four campuses shut down in person classes due to COVID-19. This resulted in \$12.7 million of reduced revenues in FY 2020 as compared to FY 2019 .

NONOPERATING REVENUES (EXPENSES)

Nonoperating Revenues are those not generated by the University's core missions and include such funding sources as State and Federal Appropriations, Pell Grants, Private Gifts and Investment and Endowment Income.

Total **State Appropriations** received for University operations, University Health Care operations, and other special programs decreased by \$44.4 million, or 10.9% in FY 2020 and increased \$7.1 million, or 1.8%, in FY 2019 over a total of \$401.7 million in FY 2018. After a few years of decreasing **State Appropriations**, state support had begun to level out in FY 2019. However, economic pressures within the State caused withholdings late in fiscal year 2020.

As one of the more volatile sources of non-operating revenues, **Investment and Endowment Income** includes interest and dividend income as well as realized and unrealized gains and losses. Realized and unrealized market value gains, losses and other activity affecting **Investment and Endowment Income** resulted in a net gain of \$32.3 million in FY 2020 as compared to a net gain of \$199.2 million in FY 2019. As of June 30, 2018, Investment and Endowment Income was \$199.0 million.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020 and 2019 (unaudited)

Gift income is reflected in three categories: **Private Gifts, Capital Gifts and Grants** (which are restricted for adding or improving capital assets) and **Private Gifts for Endowments** (which are restricted for establishing endowments). Private Gifts and Grants can fluctuate significantly from year to year due to the voluntary nature of donors' gifts. In FY 2020, the University received gifts totaling \$157.7 million, as compared to \$192.3 million and \$145.8 million for FY 2019 and FY 2018, respectively.

In FY 2020, **Other Nonoperating Revenues, Net** of \$142.6 million increased \$58.8 million over FY 2019. The University received \$47.3 million in governmental subsidies during FY 2020 as a result of the CARES Act that provided relief to hospitals and higher education institutions in response to the negative economic impacts resulting from the COVID-19 pandemic.

During FY 2019, Other Nonoperating Revenues, Net increased by \$2.0 million. In FY 2020 and FY 2019, Federal Appropriations included cash subsidy payments from the United States Treasury totaling \$9.9 million and \$9.8 million, respectively, for designated Build America Bonds outstanding. Pell Grants decreased by \$2.1 million in FY 2020 due to less students qualifying for the program.

Nonoperating Expenses mainly consists of interest expense. Total interest incurred for the years ended June 30, 2020, 2019 and 2018 was \$68.0 million, \$70.4 million, and \$71.8 million, respectively. Interest expense associated with financing projects during construction, net of any investment income earned on bond proceeds during construction, is capitalized. For the years ended June 30, 2020, 2019, and 2018, capitalization of interest earned on unspent bond proceeds totaled \$3.3 million, \$3.8 million, \$779,000, respectively, resulting in net interest expense of \$64.7 million, \$66.7 million, and \$71.0 million, respectively.

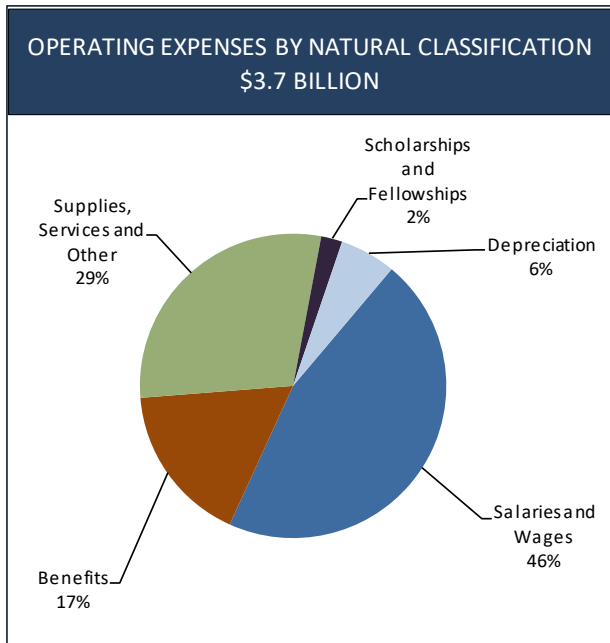
The following is a summary of interest expense associated with Long-Term Debt:

INTEREST EXPENSE			
(in thousands of dollars)			
Fiscal Year Ended June 30,	2020	2019	2018
System Facilities Revenue Bonds	\$ 57,870	\$ 60,672	\$ 61,959
Health Facilities Revenue Bonds	1,414	1,527	1,632
Net Payment on Interest Rate Swaps	4,400	4,106	5,154
Total Revenue Bonds	63,684	66,305	68,745
Capitalized Lease Obligations	131	584	673
Notes Payable	364	471	483
Commercial Paper	3,813	3,004	1,921
Total Interest Expense Before Capitalization of Interest	67,992	70,364	71,822
Capitalization of Interest, Net of Interest Earned on Unspent Bond Proceeds	(3,296)	(3,779)	(779)
Total Interest Expense	\$ 64,696	\$ 66,585	\$ 71,043

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2020 and 2019 (unaudited)

OPERATING EXPENSES

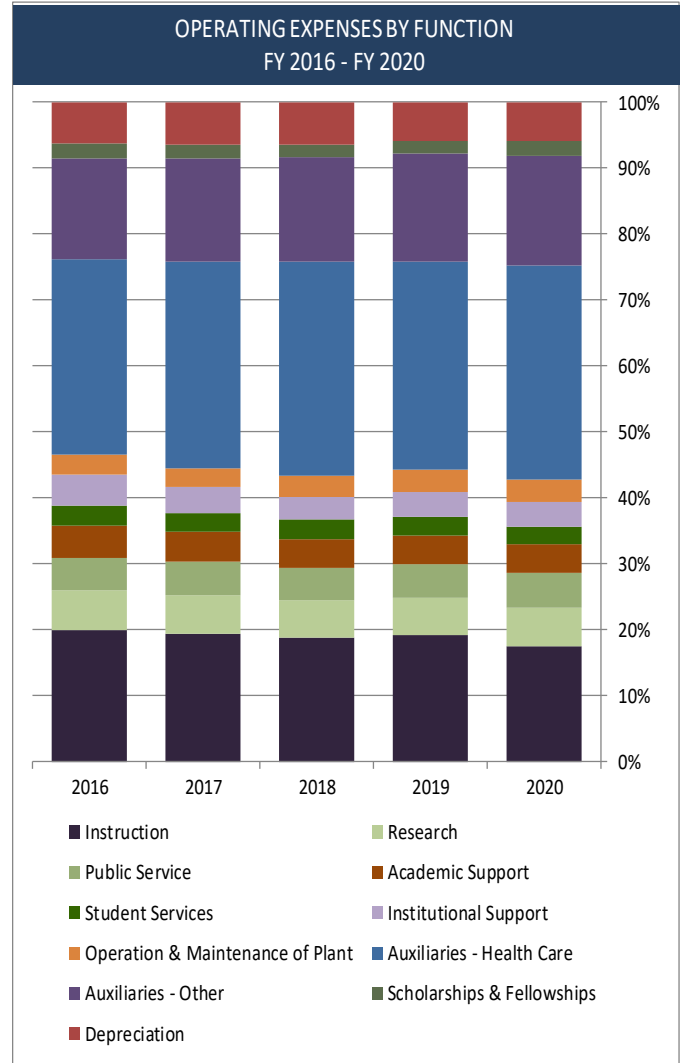
Total Operating Expenses increased by \$29.2 million, or 0.8%, in FY 20 compared to an increase of \$282.2 million, or 8.4%, in FY 2019. The increase in total operating expenses in FY 2020 was primarily due increases in **Salaries and Wages and Benefits**. The following graph illustrates the University's operating expenses by natural classification for FY 2020:



During FY 2020, **Salaries, Wages and Benefits** increased by approximately 2.7% as compared to a 7.8% increase in the prior fiscal year. Salaries and Wages increased by \$34.6 million, or 2.1%. In FY 2020, Staff Benefits increased by \$25.9 million, or 4.5%, primarily due an increase in pension expense.

In FY 2020, the University's **Supplies, Services, and Other Operating** expenses of \$1.1 billion decreased by \$49.4 million, or 4.4%. While expenses in FY 2019 totaled \$1.1 billion and increased \$119.6 million, or 11.9%, respectively, over the prior fiscal year.

The following illustrates the University's operating expenses by function for FY 2016 through FY 2020:



University Health Care, included in auxiliary, constitutes the highest proportion of Operating Expenses at 32.5% for FY 2020 and 31.6% for FY 2019. The core missions of instruction, research, and public service account for the next largest proportion of Operating Expenses at 35.7% and 37.2% for FY 2020 and FY 2019, respectively. Excluding University Health Care, instruction, research, scholarships, and public service account for 42.3% of Operating Expenses for FY 2020. Institutional support, which represents the core administrative operations of the University, was less than 5 cents of each dollar spent during this 5-year period.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020 and 2019 (unaudited)

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides information about the University's sources and uses of cash and cash equivalents during the fiscal year. The following summarizes sources and uses of cash and cash equivalents for the three years ended June 30, 2020, 2019 and 2018:

CONDENSED STATEMENTS OF CASH FLOWS
(in thousands of dollars)

Fiscal Year Ended June 30,	2020	2019 (Restated)	2018
Net Cash Used in Operating Activities	\$ (398,777)	\$ (310,249)	\$ (256,148)
Net Cash Provided from Noncapital Financing Activities	614,301	613,270	614,896
Net Cash Used in Capital and Related Financing Activities	(177,669)	(251,539)	(274,308)
Net Cash Provided by (Used) in Investing Activities	(34,373)	(40,553)	70,407
Net Increase (Decrease) in Cash and Cash Equivalents	3,482	10,929	154,847
Cash and Cash Equivalents, Beginning of Year	559,556	548,627	399,791
Cash and Cash Equivalents, End of Year	\$ 563,038	\$ 559,556	\$ 554,638

Net Cash Used in Operating Activities reflects the continued need for funding from the state of Missouri, as funding received from tuition and fees and related sales and services of auxiliary and educational activities are not sufficient to cover operational needs. In FY 2020, cash used in operating activities increased by \$88.5 million. The increase in the amount used as primarily due to an increase in payments to suppliers related to voluntary separation arrangements in early FY 2020 as well as increased payments to employees. In FY 2019, cash used in operating activities increased by \$54.1 million primarily due to increased payments to suppliers, employees and benefits of which the increased payments were partially offset by increased patient care revenues.

The University's most significant source of cash, **Net Cash Provided from Noncapital Financing Activities**, includes funding from State and Federal appropriations, Pell grants and noncapital private gifts. Cash from these sources totaling \$614.3 million, \$613.3 million, and \$614.9 million in FY 2020, FY 2019, and FY 2018, respectively, directly offset the additional cash needs resulting from operations.

Net Cash Used In Capital and Related Financing Activities decreased by \$73.9 million in FY 2020 due to the issuance of capital debt. In FY 2019, Net Cash Used in Capital and

Related Financing Activities decreased by \$22.8 million compared to FY 2018 due to the issuance of capital debt.

Net Cash Used in Investing Activities reflects a net outflow of \$34.4 million in FY 2020 as compared to \$40.6 million in FY 2019 and a net inflow of \$70.4 million in FY 2018. Differences are largely driven by the net of proceeds and purchases of investments.

ECONOMIC OUTLOOK

The University of Missouri is the State's premier public research university contributing to the economic development and vitality of the state through ground-breaking research, educating more than 68,000 students, delivering quality healthcare to the citizens of Missouri, and providing extension services throughout the state.

The COVID-19 pandemic, which began in fiscal year 2020, caused revenue losses and decreased expenditures related to reducing on-campus activity and converting to remote learning as well as cancelation of elective medical procedures in the last few months of the fiscal year. The loss in revenues were partially offset with government aid. The long-term financial implications of the pandemic are unknown and the University is continually monitoring enrollment and developing strategies to manage the long-term financial impacts from the pandemic.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020 and 2019 (unaudited)

The University remains a long-standing and stable enterprise. Enrollment has declined by 2% in FY 2020 and 3% FY 2019 across the four campuses. However, the University's freshman enrollment rebounded over the in fiscal years 2018 and 2019 with growth of 7.0% and 5.4% among the four campuses, respectively, then dropping by 4% in fiscal year 2020. University leaders have made cuts and reallocations of resources in response to the enrollment challenges. Leadership's strategic plans will invest in student success, research and creative works, engagement and outreach, inclusivity, and stewardship of the University's financial resources via the Missouri Compacts Program. The University remains committed to balancing its budget and maintaining financial performance to support its mission. The University took significant action in late fiscal year 2020 and continues to take action into fiscal year 2021 to manage personnel and non-personnel costs within available revenues.

State appropriations for operations stabilized in fiscal years 2018 and 2019. However, appropriations declined in FY 2020 as a result of statewide budget cuts as another downfall from the pandemic. Funding from the State operating budget remains uncertain with the ongoing economic impact of the pandemic.

The University is aware of its fiduciary responsibility to control costs in order to provide an affordable education for Missourians. Despite the challenges generated by uncertain state funding and economic pressures from the pandemic, the University has been able to maintain its strong financial position due to diversified revenue sources and system-wide cost containment measures, which included a freeze on discretionary non-labor spending as well as furloughs and other personnel cost containment measures.

University of Missouri Health Care (MU Health Care) remains dedicated to its mission of saving and improving lives. MU Health Care's focus for the future is to achieve the scale needed, clinically and financially, to support the academic and research missions to become Missouri's premier academic health system.

Health care reimbursement is a continually changing landscape. Considering such, MU Health Care regularly monitors state and federal health care programs and analyzes the impact of ongoing legislation on reimbursement and the delivery of health care. MU Health Care continues to improve patient outcomes and access to care, share best practices, create efficiencies and manage health care costs.

COVID-19 caused a disruption in day-to-day operations during the latter part of the fiscal year. MU Health Care continues to navigate supply chain disruptions to secure personal protective equipment and monitor the impact of the pandemic on a daily basis to provide the best care to patients and to keep staff safe.

The University's financial position remains strong with diversified revenue streams that include higher education, research, gifts and health care, which provide flexibility in responding to financial challenges. The pandemic, state economy, limited increases in tuition revenue, and uncertain state support will continue to pose budgetary challenges for the University in the future. The University is actively managing these budgetary challenges by prioritizing strategic goals that will advance the University in its operations and build a strong foundation in the face of uncertainties in the future of the higher education industry.

Independent Auditor's Report

The Board of Curators
University of Missouri System

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of the University of Missouri System, collectively a component unit of the State of Missouri, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the University of Missouri System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of the University of Missouri System as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2020, the University of Missouri System adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University of Missouri System's basic financial statements. The accompanying information in the introductory and statistical sections as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Kansas City, Missouri
November 16, 2020

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
STATEMENTS OF NET POSITION
As of June 30, 2020 and 2019 (in thousands)

	2020	2019 - Restated
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 351,825	\$ 357,065
Restricted Cash and Cash Equivalents	206,514	197,824
Short-Term Investments	41,548	39,172
Restricted Short-Term Investments	11,786	16,338
Investment of Cash Collateral	1,261	3,616
Accounts Receivable, Net	382,464	401,968
Pledges Receivable, Net	23,483	21,846
Investment Settlements Receivable	400,674	279,696
Notes Receivable, Net	7,854	8,489
Inventories	42,648	41,155
Prepaid Expenses and Other Current Assets	28,689	29,501
Total Current Assets	1,498,746	1,396,670
Noncurrent Assets		
Restricted Cash and Cash Equivalents	4,699	4,667
Pledges Receivable, Net	40,125	40,677
Notes Receivable, Net	51,948	64,332
Other Assets	8,255	14,388
Restricted Other Assets	4,158	3,964
Long-Term Investments	2,485,362	2,391,683
Restricted Long-Term Investments	1,688,180	1,525,301
Capital Assets, Net	3,623,529	3,466,439
Total Noncurrent Assets	7,906,256	7,511,451
Deferred Outflows of Resources		
Deferred Outflows Related to Debt	27,445	30,683
Deferred Outflows Related to Asset Retirement Obligations	54,941	57,438
Deferred Outflows Related to Other Post Employment Benefits	22,968	27,214
Deferred Outflows Related to Pensions	381,163	220,473
Total Deferred Outflows of Resources	486,517	335,808
Total Assets and Deferred Outflows of Resources	\$ 9,891,519	\$ 9,243,929
Liabilities		
Current Liabilities		
Accounts Payable	\$ 157,046	\$ 194,885
Accrued Liabilities	187,488	183,942
Unearned Revenue	92,516	93,268
Investment Settlements Payable	758,856	455,975
Collateral Held for Securities Lending	1,261	3,616
Commercial Paper and Current Portion of Long-Term Debt	16,882	399,074
Long-Term Debt Subject to Remarketing Agreements	78,755	82,540
Total Current Liabilities	1,292,804	1,413,300

(continued)

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
STATEMENTS OF NET POSITION
As of June 30, 2020 and 2019 (in thousands)

	2020	2019 - Restated
Liabilities, Continued		
Noncurrent Liabilities		
Unearned Revenue	14,445	15,119
Asset Retirement Obligation	62,433	62,433
Long-Term Debt	1,765,871	1,199,968
Derivative Instrument Liability	45,958	35,542
Net Other Postemployment Benefits Liability	367,614	453,640
Net Pension Liability	1,109,623	814,210
Other Noncurrent Liabilities	92,177	85,771
Total Noncurrent Liabilities	3,458,121	2,666,683
Deferred Inflows of Resources		
Deferred Inflows for Charitable Annuities	12,034	13,628
Deferred Inflows Related to Other Postemployment Benefits	106,767	44,867
Deferred Inflows Related to Pensions	15,050	24,985
Total Deferred Inflows of Resources	133,851	83,480
Total Liabilities and Deferred Inflows of Resources	4,884,776	4,163,463
Net Position		
Net Investment in Capital Assets	1,882,134	1,801,977
Restricted		
Nonexpendable -		
Endowment	1,270,680	1,257,588
Expendable -		
Scholarship, Research, Instruction and Other	442,225	433,282
Loans	79,000	82,217
Capital Projects	41,205	66,364
Unrestricted	1,291,499	1,439,038
Total Net Position	5,006,743	5,080,466
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 9,891,519	\$ 9,243,929

See notes to the financial statements

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended June 30, 2020 and 2019 (in thousands)

	2020	2019 - Restated
Operating Revenues		
Tuition and Fees (Net of Provision for Doubtful Accounts of \$18,781 in 2020 and \$16,872 in 2019)	\$ 873,335	\$ 857,833
Less Scholarship Allowances	285,387	266,738
Net Tuition and Fees	587,948	591,095
Federal Grants and Contracts	173,869	165,427
State and Local Grants and Contracts	90,723	89,386
Private Grants and Contracts	88,134	85,583
Sales and Services of Educational Activities	20,682	19,489
Auxiliary Enterprises -		
Patient Medical Services, Net	1,505,424	1,510,024
Housing and Dining Services (Net of Scholarship Allowance of \$3,226 in 2020 and \$3,348 in 2019)	89,917	102,603
Bookstores	31,410	38,348
Other Auxiliary Enterprises (Net of Scholarship Allowance of \$14,619 in 2020 and \$11,699 in 2019)	296,555	307,046
Other Operating Revenues	75,998	97,715
Total Operating Revenues	2,960,660	3,006,716
Operating Expenses		
Salaries and Wages	1,683,906	1,649,269
Benefits	605,309	579,385
Supplies, Services and Other Operating Expenses	1,076,800	1,126,179
Scholarships and Fellowships	82,274	67,096
Depreciation	218,429	215,539
Total Operating Expenses	3,666,718	3,637,468
Operating (Loss) before State Appropriations	(706,058)	(630,752)
State Appropriations	364,412	408,797
Operating (Loss) after State Appropriations, before Nonoperating Revenues (Expenses)	(341,646)	(221,955)
Nonoperating Revenues (Expenses)		
Federal Appropriations	27,108	27,026
Federal Pell Grants	54,480	56,594
Investment and Endowment Income, Net of Fees	32,285	199,243
Private Gifts	71,179	94,743
Interest Expense	(64,696)	(66,585)
Government Subsidies	47,286	-
Other Nonoperating Revenues (Expenses)	13,717	139
Net Nonoperating Revenues (Expenses)	181,359	311,160

(continued)

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 For the Years Ended June 30, 2020 and 2019 (in thousands)

	2020	2019 - Restated
Income (Loss) before Capital Contributions, Additions to Permanent		
Endowments, and Extraordinary Items	(160,287)	89,205
Capital Gifts and Grants	40,648	67,106
Private Gifts for Endowment Purposes	45,916	30,524
Increase (Decrease) in Net Position	(73,723)	186,835
Net Position, Beginning of Year	5,080,466	4,868,394
Cumulative Effect of Change in Accounting Principle:		
Fiduciary Activities - GASB 84	-	25,237
Net Position, Beginning of Year, as Restated	5,080,466	4,893,631
Net Position, End of Year	\$ 5,006,743	\$ 5,080,466

See notes to the financial statements

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019 (in thousands)

	2020	2019 - Restated
Cash Flows from Operating Activities		
Tuition and Fees	\$ 571,003	\$ 581,534
Federal, State and Private Grants and Contracts	358,780	324,541
Sales and Services of Educational Activities and Other Auxiliaries	296,825	325,113
Patient Care Revenues	1,542,862	1,487,490
Student Housing Fees	92,616	102,210
Bookstore Collections	31,891	40,215
Payments to Suppliers	(1,113,234)	(1,078,649)
Payments to Employees	(1,680,115)	(1,641,111)
Payments for Benefits	(500,401)	(483,291)
Payments for Scholarships and Fellowships	(82,274)	(67,096)
Student Loans Issued	(5,839)	(5,339)
Student Loans Collected	9,956	10,076
Student Loan Interest and Fees	2,300	1,052
Other Receipts, Net	76,853	93,006
Net Cash Used in Operating Activities	(398,777)	(310,249)
Cash Flows from Noncapital Financing Activities		
State Educational Appropriations	364,412	408,797
Federal Appropriations and Pell Grants	87,078	85,808
Private Gifts	70,094	87,365
Endowment and Similar Funds Gifts	45,916	30,524
Direct Lending Receipts	263,431	266,938
Direct Lending Disbursements	(263,431)	(266,938)
PLUS Loan Receipts	93,434	92,793
PLUS Loan Disbursements	(93,434)	(92,793)
Other Receipts, Net	46,801	776
Net Cash Provided by Noncapital Financing Activities	614,301	613,270
Cash Flows from Capital and Related Financing Activities		
Capital Gifts and Grants	38,722	67,106
Proceeds from Sales of Capital Assets	74,250	1,186
Purchase of Capital Assets	(353,412)	(273,874)
Proceeds from Issuance of Capital Debt, Net	752,025	65,000
Principal Payments on Capital Debt	(503,986)	(35,302)
Payments on Capital Lease	(6,915)	(1,139)
Payments on Debt Defeasance	(114,281)	-
Interest Payments on Capital Debt	(64,072)	(74,516)
Net Cash Used in Capital and Related Financing Activities	(177,669)	(251,539)

(continued)

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019 (in thousands)

	2020	2019 - Restated
Cash Flows from Investing Activities		
Interest and Dividends on Investments, Net	20,462	80,662
Proceeds from Investments	18,880,358	10,680,578
Purchases of Investments	(18,935,193)	(10,801,793)
Net Cash Used in Investing Activities	(34,373)	(40,553)
Net Increase (Decrease) in Cash and Cash Equivalents	3,482	10,929
Cash and Cash Equivalents, Beginning of Year	559,556	548,627
Cash and Cash Equivalents, End of Year	\$ 563,038	\$ 559,556
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating Loss	\$ (706,058)	\$ (630,752)
Adjustments to Net Cash Used in Operating Activities		
Depreciation Expense	218,429	215,539
Changes in Assets and Liabilities:		
Accounts Receivable, Net	14,014	(47,759)
Inventory, Prepaid Expenses and Other Assets	5,258	43
Notes Receivable	6,417	5,789
Deferred Outflows of Resources for Pension and OPEB	(156,444)	1,686
Accounts Payable	(48,052)	45,403
Accrued Liabilities	7,733	7,944
Unearned Revenue	(1,426)	(2,550)
Pension Liability	295,413	83,017
OPEB Liability	(86,026)	11,435
Deferred Inflows of Resources for Pension and OPEB	51,965	(44)
Net Cash Used in Operating Activities	\$ (398,777)	\$ (310,249)
Supplemental Disclosure of Noncash Activities		
Net Increase (Decrease) in Fair Value of Investments	\$ (71,861)	\$ 60,444
Noncash Gifts	14,101	22,712
Accounts Payable Incurred From Purchase of Capital Assets	34,134	44,379
Capital Assets Acquired Through Capital Lease	66,149	-

See notes to the financial statements

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
STATEMENTS OF FIDUCIARY NET POSITION
As of June 30, 2020 and 2019 (in thousands)

	Fiduciary Component Units			
	Retirement and OPEB		Custodial Funds	
	2020	2019	2020	2019
Assets				
Cash and Cash Equivalents	\$ 501,367	\$ 470,194	\$ 8,233	\$ 8,750
Investment of Cash Collateral	146,540	106,182	-	-
Investment Settlements Receivable	159,008	71,124	-	-
Other Assets	467	443	375	556
Investments:				-
Debt Securities	434,205	395,616	-	-
Equity Securities	242,497	223,235	-	-
Commingled Funds	1,806,816	1,989,092	-	-
Nonmarketable Alternative Investments	866,355	816,533	-	-
Pooled Investments	-	-	67,678	65,907
Total Assets	4,157,255	4,072,419	76,286	75,213
Liabilities				
Accounts Payable and Accrued Liabilities	2,210	2,355	966	4,563
Collateral Held for Securities Lending	146,540	106,182	-	-
Investment Settlements Payable	314,395	168,043	-	-
Total Liabilities	463,145	276,580	966	4,563
Restricted Net Position	\$ 3,694,110	\$ 3,795,839	\$ 75,320	\$ 70,650

See notes to the financial statements.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Years Ended June 30, 2020 and 2019 (in thousands)

	Fiduciary Component Units			
	Retirement and OPEB		Custodial Funds	
	2020	2019	2020	2019
Additions				
State Appropriations	\$ -	\$ -	\$ 15,041	\$ 21,240
Gift Income	-	-	2,079	1,632
Other Revenues	-	-	2,001	2,467
Investment Income:				
Interest & Dividend Income	34,519	26,014	-	473
Net Appreciation (Depreciation) in Fair Value of Investments	4,863	166,693	924	3,266
Less investment expense	(7,401)	(4,884)	-	-
Net Investment Income	31,981	187,823	20,045	29,078
Contributions:				
University	138,906	139,343	-	-
Members	34,247	33,367	-	-
Total Contributions	173,153	172,710	-	-
Total Additions	205,134	360,533	20,045	29,078
Deductions				
Administrative Expenses	2,459	2,529	8,281	7,789
Capital Expenses	-	-	5,681	20,712
Payments to Retirees and Beneficiaries	304,404	281,604	1,413	1,484
Total Deductions	306,863	284,133	15,375	29,985
Increase (Decrease) in Restricted Net Position	(101,729)	76,400	4,670	(907)
Restricted Net Position, Beginning of Year	3,795,839	3,719,439	70,650	71,557
Restricted Net Position, End of Year	\$ 3,694,110	\$ 3,795,839	\$ 75,320	\$ 70,650

[PAGE INTENTIONALLY LEFT BLANK]

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

UNIVERSITY OF MISSOURI SYSTEM

Organization – The University of Missouri System (the “University”), a Federal land grant institution, conducts education, research, public service, and related activities, which includes University of Missouri Health System (“MU Health Care”) and related facilities, principally at its four campuses in Columbia, Kansas City, Rolla and St. Louis. The University also administers a statewide cooperative extension service with centers located in each county in the State of Missouri (the “State”). The University is a component unit of the State and is governed by a nine-member Board of Curators appointed by the State’s Governor.

The income generated by the University, as an instrumentality unit of the State, is generally excluded from federal income taxes under Section 115 of the Internal Revenue Code. However, the University remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it is exempt. No income tax provision has been recorded as the net income, if any, from unrelated trade or business income, is not material to the financial statements.

Reporting Entity – As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (“GASB”), the financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or the nature and significance of their relationships with the primary government are such that exclusion would cause the primary government’s financial statements to be misleading or incomplete.

The University of Missouri-Columbia Medical Alliance (the “Medical Alliance”) is considered a component unit of the University according to the criteria in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*, and is

presented as a blended component unit in the University’s financial statements in accordance to GASB Statement No. 80, *Blending Requirements for Certain Component Units*.

The Medical Alliance is a not-for-profit corporation in which the University is the sole member. The Medical Alliance, provides an integrated health care delivery system for mid-Missouri by establishing affiliations with various medical facilities. The purpose of the Medical Alliance is to develop a network of health care providers to support the missions of MU Health Care and provide medical services to the community. The Capital Region Medical Center (“CRMC”) in Jefferson City, Missouri, operates as an affiliate of the Medical Alliance and provides inpatient, outpatient, and emergency care services to the surrounding community. CRMC, a not-for-profit corporation that follows generally accepted accounting principles under the Financial Accounting Standards Board (“FASB”), is a subsidiary of the Medical Alliance. The University is not liable for the debts of CRMC. The University appoints the Board of Directors of the Medical Alliance and can impose its will on the organization. Separately audited financial statements for the Medical Alliance are not available. Combining financial statements for these funds are presented in Note 15.

Columbia Surgical Services (CSS), is considered a component unit of the University according to the criteria in GASB No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*, and is presented as a blended component unit in the University’s financial statements in accordance to GASB Statement No. 80, *Blending Requirements for Certain Component Units*. CSS is a not-for-profit corporation in which the University is the sole member. CSS provides general surgery and surgical sub-specialties with the purpose to promote clinical integration of medical services with MU Health Care and the community. CSS follows generally accepted accounting principles under the Financial Accounting Standards Board (“FASB”). The University appoints the Board of Directors of CSS and can impose its will on the organization. Separately audited financial statements for CSS are not available. Combining financial statements for these funds are presented in Note 15.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Columbia Family Medical Services (CFMS) is considered a component unit of the University according to the criteria in GASB No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*, and is presented as a blended component unit in the University's financial statements in accordance to GASB Statement No. 80, *Blending Requirements for Certain Component Units*. CFMS is a not-for-profit corporation in which the University is the sole member. CFMS provides family and community medical services with the purpose to improve patient access and quality. CFMS is a public benefit corporation formed with the Curators of the University of Missouri as the sole member. CFMS follows generally accepted accounting principles under the Financial Accounting Standards Board ("FASB"). The University appoints the Board of Directors of CFMS and can impose its will on the organization. Separately audited financial statements for CFMS are not available. Combining financial statements are presented in Note 15.

The Missouri Renewable Energy Corporation (MREC) is considered a component unit of the University, for financial reporting purposes, according to the criteria in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*, and is included in the University's financial statements using the blended method. MREC is a for-profit corporation, and the University holds the majority equity interest. MREC provides green energy facilities exclusively to the University. At June 30, 2020, the University was the majority owner of MREC. Financial statements for MREC are available at the University of Missouri System Controller's Office. Combining financial statements are presented in Note 15.

Fiduciary Financial Statements - The University operates the University of Missouri Retirement, Disability, and Death Benefit Plan (the "Retirement Plan") and the University of Missouri Other Postemployment Benefits Plan (the "OPEB Plan"), which collectively with the Retirement Plan represent the "Pension (and Other Employee Benefit) Trust Funds", which are single employer, defined benefit plans. The assets of the Retirement Plan and OPEB Plan are held in the Retirement Trust and OPEB Trust, respectively. The Retirement Plan and OPEB Plan considered Fiduciary Component Units of the University in accordance with GASB 84, *Fiduciary Activities*, as the plans are administered through a trust and the University serves as the governing board for the plans.

The University reports Custodial Funds on the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. Activities that are reported as custodial consist of assets held by the University for organizations that are outside of the University's reporting entity, are not derived from University revenues, and are held for the benefit of the outside organization.

Financial Statement Presentation – University follows all applicable GASB pronouncements. Pursuant to GASB Statement No. 35, *Basic Financial Statement and Management's Discussion and Analysis for Public Colleges and Universities*, the University's activities are considered to be a single business-type activity and accordingly, are reported in a single column in the financial statements. Business-type activities are those that are financed in whole or part by funds received by external parties for goods or services.

Basis of Accounting – The University's financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred, regardless of the timing of cash flows.

On the Statement of Revenues, Expenses and Changes in Net Position, the University defines operating activities as those generally resulting from an exchange transaction. Nearly all of the University's expenses are from exchange transactions, which involve the exchange of equivalent values such as payments for goods or services. Non-operating revenues or expenses are those in which the University receives or gives value without directly giving or receiving equal value, such as State and Federal appropriations, Federal Pell grants, private gifts, and investment income.

The financial statements for the Pension Trust Funds have been prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable. Investments are reported at fair value. Combining financial statements for these funds are presented in Note 17.

Cash, Cash Equivalents and Investments – Cash and cash equivalents consist of the University's bank deposits, repurchase agreements, money market funds, and other investments with original maturities of three months or less. Investment assets are carried at fair value based primarily on market quotations. Purchases and sales of

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

investments are accounted for on the trade date basis. Investment settlements receivable and investment settlements payable represent investment transactions occurring on or before June 30, which settle after that date. Investment income is recorded on the accrual basis. Net unrealized gains (losses) are included in investment and endowment income in the Statement of Revenues, Expenses and Changes in Net Position.

Nonmarketable alternative investments and certain commingled funds are recorded based on valuations provided by the general partners of the respective partnerships. The University believes that the carrying value of these investments is a reasonable estimate of fair value. Because alternative investments are not readily marketable, the estimated value is subject to uncertainty and therefore may differ materially from the value that would have been used had a ready market for investments existed.

Derivative instruments such as forward foreign currency contracts are recorded at fair value. The University enters into forward foreign currency contracts to reduce the foreign exchange rate exposure of its international investments. These contracts are marked to market, with the changes in market value being reported in investment and endowment income on the Statement of Revenues, Expenses, and Changes in Net Position.

Pledges Receivable – The University receives unconditional promises to give through private donations (pledges) from corporations, alumni and various other supporters of the University. Revenue is recognized when a pledge is received and all eligibility requirements, including time requirements, are met. These pledges have been recorded as pledges receivable on the Statement of Net Position and as private or capital gift revenues on the Statement of Revenues, Expenses, and Changes in Net Position, at the present value of the estimated future cash flows. The rate used to discount the present value is based on the seven year treasury bill rate as of June 30 of each fiscal year. For the fiscal years ended June 30, 2020 and 2019, the University used a discount rate of 0.49% and 1.87%, respectively. An allowance of \$20,310,000 and \$20,474,000 as of June 30, 2020 and 2019, respectively, has been made for uncollectible pledges based upon management’s expectations regarding the collection of the pledges and the University’s historical collection experience.

Inventories – These assets are stated at the lower of cost or market. Cost is determined on an average cost basis except for MU Health Care’s inventories, for which cost is determined using the first-in, first-out method.

Capital Assets – If purchased, these assets are carried at cost or, if donated, at fair value at the date of gift. The University capitalizes assets with useful lives greater than one year and acquisition cost greater than or equal to \$5,000. Depreciation expense is computed using the straight-line method over the assets’ estimated useful lives – generally ten to forty years for buildings and improvements, eight to twenty-five years for infrastructure, three to fifteen years for equipment and twenty years for library materials. American Hospital Association useful life guidelines are followed for capital assets that are medical in nature. Equipment under capital lease obligations is amortized on the straight-line basis over the shorter period of the lease term or the estimated useful life of the equipment. Net interest expense incurred during the construction of debt-financed facilities is included when capitalizing resulting assets. The University capitalizes works of art, as these collections generally consist of historical artifacts and artworks, they are considered inexhaustible and not subject to depreciation. The University does not capitalize collections of historical treasures held for public exhibition, education, research, and public service. These collections are not disposed of for financial gain and, accordingly, are not capitalized for financial statement purposes. Proceeds from the sale, exchange, or other disposal of such items must be used to acquire additional items for the same collection. Land is considered inexhaustible and is not subject to depreciation.

Deferred Outflows of Resources – The University reports the consumption of net position that relates to future reporting periods as deferred outflows of resources in a separate section of the Statements of Net Position.

Unearned Revenue – Unearned revenues are recognized for amounts received prior to the end of the fiscal year but related to the subsequent period, including certain tuition, fees, and auxiliary revenues. Unearned revenues also include grant and contract amounts that have been received but not yet earned. Noncurrent unearned revenue relates to amounts received for capital projects or for the portion of multi-year grant funding related to future years.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Compensated Absences – Compensated absences include accumulated unpaid vacation and compensatory time accrued as well as related employer payroll taxes. An expense and related liability are recognized as vacation and compensatory benefits are earned. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized.

Deferred Inflows of Resources – The University reports the acquisition of net position that relates to future reporting periods as deferred inflows of resources in a separate section of the Statements of Net Position.

Pension and Other Postemployment Benefits – Pension and Other Postemployment Benefits (OPEB) related items, including: net pension liability and net OPEB liability, deferred outflows of resources, deferred inflows of resources, net pension expense and net OPEB expense, fiduciary net assets, additions to and deductions from fiduciary net assets have been determined on the same basis as they are reported by the respective pension and OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position – The University’s net position is classified as follows:

Net Investment in Capital Assets represents capital assets, net of accumulated depreciation and outstanding principal debt balances related to the acquisition, construction or improvement of those assets.

Restricted Nonexpendable net position is subject to externally imposed stipulations that the principal be maintained in perpetuity, such as the University’s permanent endowment funds. The University’s policy permits any realized and unrealized appreciation to remain with these endowments after the spending distribution discussed in Note 3.

Restricted Expendable net position is subject to externally imposed stipulations on the University’s use of the resources.

Unrestricted net position is not subject to externally imposed stipulations, but may be designated for specific

purposes by the University’s management or the Board of Curators. Unrestricted net position is derived from tuition and fees, sales and services, unrestricted gifts, investment income, and other such sources, and are used for academics and the general operation of the University. When both restricted and unrestricted resources are available for expenditure, the University’s policy is to first apply restricted resources, and then the unrestricted resources.

Medical Alliance, CSS, and CFMS, as not-for-profit organizations, record net position in accordance with Financial Accounting Standards Board Accounting Standards Codification 958-205, *Not-for-Profit Entities Presentation of Financial Statements*. For presentation within the University’s accompanying basic financial statements, the net position is redistributed amongst the net position components defined by GASB Statement No. 63.

Tuition and Fees, Net of Scholarship Allowances – Student tuition and fees, housing, dining, and other similar auxiliary revenues are reported net of any related scholarships and fellowships applied to student accounts. However, scholarships and fellowships paid directly to students are separately reported as scholarship and fellowship expenses.

Patient Medical Services, Net – Patient medical services are primarily provided through University of Missouri Hospitals and Clinics, Ellis Fischel Cancer Research Center, Women’s and Children’s Hospital, University Physicians, and the Medical Alliance. The University has agreements with third-party payors that provide for payments at amounts different from established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discount charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as estimates are refined and final settlements are determined. Net patient service revenue is also shown net of estimated uncollectible accounts.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Amounts receivable under Medicare and Tricare/Champus reimbursement agreements are subject to examination and certain retroactive adjustments by the related programs. These adjustments increased net patient services revenues by \$14,507,000 and \$980,000 for the years ended June 30, 2020 and 2019, respectively.

The Medicaid program reimburses inpatient services on a prospective established per diem rate. The Medicaid program reimburses outpatient services under a combination of prospective and fee schedule amounts. For the years ended June 30, 2020 and 2019, the MU Health Care's percentage of gross patient accounts receivable classified by major payor is as follows:

Table 1.1 - Percentage of Gross Patient Accounts Receivable (by Major Payor)

	2020	2019
Medicare	29%	32%
Medicaid	18%	19%
Managed Care/Commercial	39%	33%
Other Government	7%	8%
Self Pay	7%	8%
	100%	100%

Patient services revenue includes the State of Missouri Federal Reimbursement Allowance Program (FRA Program) for uncompensated care. MU Health Care recognizes FRA Program revenue in the period earned.

The Statements of Revenues, Expenses and Changes in Net Position reflect the gross to net patient medical services revenue as follows:

Table 1.2 - Gross to Net Patient Medical Services Revenue (in thousands)

	2020	2019
Patient Medical Services		
Revenue, Gross	\$ 4,190,212	\$ 4,066,988
Deductions for Contractuals	(2,591,405)	(2,482,756)
Deductions for Bad Debt	(93,383)	(74,208)
Patient Medical Services		
Revenue, Net	\$ 1,505,424	\$ 1,510,024

Uncompensated Care - The University provides some services to patients without regard to their ability to pay for those services. For some of its patient services, the

University receives no payment or payment that is less than the full cost of providing the services.

The estimated costs of providing these services are as follows:

Table 1.3 - Uncompensated Care Revenue (in thousands)

	2020	2019
Cost of Charity Care	\$ 34,619	\$ 38,171
Unreimbursed cost under state and local government assistance programs, net of Medicaid disproportionate share funding, less Medicaid provider taxes	17,542	(1,288)
Cost of uncollectible accounts	35,739	35,598
Total Uncompensated Care	\$ 87,900	\$ 72,481

New Accounting Pronouncements – The University adopted GASB Statement No. 84, *Fiduciary Activities*, for fiscal year 2020. GASB No. 84 intends to enhance consistency and comparability on how fiduciary activities are reported by providing additional guidance on what qualifies as a fiduciary activity. The adoption of this statement resulted in a shift of various funds previously classified as agency, which were reported as an asset and liability on the University's Statement of Net Position, to a classification of University operating funds. The funds that were not recategorized are reported as Custodial Funds in the fiduciary fund statements. Starting in fiscal year 2019, as restated, these recategorized funds are reported as assets and liabilities on the Statement of Net Position. Additionally, amounts previously reported as Funds Held for Others are reported in Net Position on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position reports the current year activity for revenues and expenses; resulting in an increase in beginning Net Position of \$25,237,000 and an increase in the Change in Net Position of \$7,843,000 for fiscal year 2019.

The funds that are classified as Custodial as a result of implementing GASB No. 84 are reported on the University's Statement of Fiduciary Net Position in addition to the Retirement and OPEB funds. The impact on implementing this statement increased Fiduciary Net Position by \$71,557,000 for fiscal year 2019.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Effective for fiscal year 2020, the University adopted paragraphs 11 and 13 of GASB Statement No. 92, *Omnibus*, which had effective dates that were due immediately upon issuance. Paragraph 11 allows for insurance recoveries for risk financing and insurance-related activities of public entity risk pools that are recoverable from reinsurers or excess insurers to be reported as a reduction of expense. The adoption of the statement had no effect on the University's financials as these amounts are already reported as a reduction of expenses. Paragraph 13, changes the term "derivative" to "derivative instruments" throughout GASB pronouncements. The University has made the same change in terminology within its statements.

Effective for fiscal year 2019, the University adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, which establishes criteria for determining recognition of a liability and corresponding deferred outflows of resources for legally enforceable liabilities associated with the retirement of certain tangible capital assets. The adoption of this statement increased liabilities by \$62.4 million and deferred outflows of resources by \$59.9 million, after amortization of \$2.5 million, as of fiscal year 2018. There was no effect on beginning net position as of July 1, 2017 and the fiscal year 2018 increase in net position was reduced by \$2.5 million as a result of adopting GASB 83.

Effective for fiscal year 2019, the University adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which requires additional disclosures regarding certain types of debt. The adoption of this statement had no effect on the University's financial statements.

In June 2017, GASB issued GASB Statement No. 87, *Leases*, which requires recognition of certain lease assets and liabilities that were previously classified as operating leases. The University will adopt this statement in fiscal year 2022 and has not fully determined the effect of implementing GASB Statement No. 87 will have on its financial statements.

In June 2018, GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a*

Construction Period, which requires interest cost incurred before the end of a construction period to be recognized as an expense in the period in which the cost is incurred and thereby not capitalized as part of the historical cost of a capital asset. The University will adopt this statement in fiscal year 2021 and has not fully determined the effect of implementing GASB Statement No. 89 will have on its financial statements.

In August 2018, GASB issued GASB Statement No. 90, *Majority Equity Interests*, which modifies guidance for reporting a legally separate organization in which the government has a majority equity interest to be reported as either an investment or component unit. The University will adopt this statement in fiscal year 2021 and has not fully determined the effect of implementing GASB Statement No. 90 will have on its financial statements.

In May 2019, GASB issued GASB Statement No. 91, *Conduit Debt Obligations*, which provides a single method of reporting conduit debt obligations by issuers. The University will adopt this statement in fiscal year 2023 and has not fully determined the impact of implementing GASB Statement No. 91 will have on its financial statements.

In January 2020, GASB issued GASB No. 92, *Omnibus 2020*, which provides clarifying guidance for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The University adopted paragraphs 11 and 13 in fiscal year 2020 and will adopt the rest of the statement in fiscal year 2022. The University has not fully determined the impact of implementing GASB Statement No. 92 will have on its financial statements.

In March 2020, GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*, which removes LIBOR as a benchmark for interest rates. This statement is in response to the global reference rate reform that is expected to cause LIBOR to cease to exist. The University will adopt this statement in fiscal year 2024 and has not fully determined the impact of implementing GASB Statement No. 93 will have on its financial statements.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

In March 2020, GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which addresses issues with public-private and public-public (PPP) arrangements. The University will adopt this statement in fiscal year 2023 and has not fully determined the impact of implementing GASB Statement No. 93 will have on its financial statements.

In May 2020, GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides accounting and financial reporting guidance for subscription-based information technology arrangements. These arrangements would require the recognition of a right-to-use asset and corresponding subscription liability, which would be amortized as interest expense over the term of the arrangement. The University will adopt this statement in fiscal year 2023 and has not fully determined the impact of implementing GASB Statement No. 96 will have on its financial statements.

In June 2020, GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, which provides additional criteria for determining whether 457 plans without a governing board are component units. The University will adopt this statement in fiscal year 2022 and has not fully determined the impact of implementing GASB Statement No. 97 will have on its financial statements.

Use of Estimates – The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk – The custodial credit risk for deposits is the risk that in the event of bank failure, the University’s deposits may not be recovered. State law requires collateralization of all deposits with federal depository insurance, bonds and other obligations of the U.S. Treasury, U.S. Agencies and instrumentalities of the State of Missouri; bonds of any city, county, school district or special road district of the State of Missouri; bonds of any state; or a

surety bond having an aggregate value at least equal to the amount of the deposits. All cash deposits were fully insured or collateralized as of June 30, 2020. As of June 2019, approximately \$726,000 of the University’s cash deposits were uninsured or collateralized.

3. INVESTMENTS

Investment policies are established by the Board of Curators (“the Board”). The policies ensure that funds are managed in accordance with Section 105.688 of the Revised Statutes of Missouri and prudent investment practices. Additionally, investment policies established by the Board with respect to the Retirement Trust and Other Postemployment Benefit (“OPEB”) Trust (collectively referred to as “Pension Trust Funds”) and the Endowment Funds specifically recognize the fiduciary duties set forth in Section 105.688 of the Revised Statutes of Missouri. The use of external investment managers has been authorized by the Board.

Substantially all University cash and investments are managed centrally, generally in the following investment pools:

General Pool – General Pool contains short-term University funds, including but not limited to cash and reserves, operating funds, bond funds, and plant funds. Subject to various limitations contained within the corresponding investment policy, the University’s internally managed component of the General Pool may be invested in the following instruments: U.S. Government securities; U.S. Government Agency securities; U.S. Government guaranteed securities; money market funds; certificates of deposit; repurchase agreements; commercial paper; and other similar short-term investment instruments of like or better quality. The externally managed component of the General Pool is allowed to invest in the following asset sectors: fixed income, private debt, absolute return and risk balanced strategies. The General Pool’s total return, including unrealized gains and losses, was 0.2% and 3.3% for the years ended June 30, 2020 and 2019, respectively.

General Pool assets that are held in Custodial Funds are reported as Cash and Cash Equivalents and Pooled Investments on the Statement of Fiduciary Net Position. The assets held in Custodial funds are for the benefit of outside organizations and are not separately reported in the notes to the financial statements. Custodial funds earn a set rate on the cash balance held in the General Pool and are not subjected to the pool’s investment market volatility.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Endowment Funds – When appropriate and permissible, endowment and similar funds are pooled for investment purposes, with the objective of achieving long-term returns sufficient to preserve principal by protecting against inflation and to meet endowment spending targets.

The Endowment Pool, which is externally managed, is the primary investment vehicle for endowment funds. Subject to various limitations contained within the corresponding investment policy, the Endowment Pool is allowed to invest in the following asset sectors: global equity, absolute return strategies, private equity, real estate, sovereign bonds, private debt, commodities, global inflation-linked bonds, and risk balanced strategies. The Endowment Pool's total return, including unrealized gains and losses, was 1.2% and 5.7% for the years ended June 30, 2020 and 2019, respectively.

If a donor has not provided specific restrictions, state law permits the Board to appropriate an amount of the Endowment Funds' net appreciation, realized and unrealized, as the Board considers to be prudent. In establishing this amount, the Board is required to consider the University's long- and short-term needs, present and anticipated financial requirements, expected total return on investments, price level trends, and general economic conditions. Further, any expenditure of net appreciation is required to be for the purposes for which the endowment was established. Inclusive of both realized and unrealized gains and losses on investments, donor-restricted endowments experienced net appreciation of approximately \$35,533,000 and \$68,675,000 in fiscal years 2020 and 2019, respectively.

The Board has adopted the total return concept (yield plus change in market value) in determining the spendable return for endowments and similar funds. The spending formula was revised in fiscal year 2018 to distribute 4.0% of a trailing 28-quarter average of the endowment's total market value as of December 31st of the prior fiscal year, with the understanding that this spending rate over the long term should not exceed the total real return (net of inflation).

The transition from 4.5% to 4.0% is being phased in over a period of no longer than seven years ending June 30, 2024 to avoid a year over year decrease in distributions. In addition, the University distributes 1.25% of the trailing 28-quarter average of the endowment's total market value to support internal endowment and development administration.

Endowment Pool assets that are held in Custodial Funds are reported as Cash and Cash Equivalents and Pooled Investments on the Statement of Fiduciary Net Position. The assets held in Custodial funds are for the benefit of outside organizations and are not separately reported in the notes to the financial statements. Custodial funds earn a set rate on the cash balance held in the Endowment Pool and are not subjected to the pool's investment market volatility.

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

The Retirement Trust and the OPEB Trust hold the assets of the Retirement Plan and OPEB Plan, respectively. Subject to various limitations contained within the corresponding investment policy, the externally-managed Retirement Trust is allowed to invest in the following asset sectors: global equity, absolute return strategies, private equity, real estate, sovereign bonds, private debt, commodities, global inflation-linked bonds, and risk balanced strategies. The Retirement Trust's total return, including unrealized gains and losses, was 0.6% and 5.2% for the years ended June 30, 2020 and 2019, respectively. The Retirement Trust held \$3,654,744,000 and \$3,757,413,000 of net position at June 30, 2020 and 2019, respectively.

The OPEB Trust held \$39,366,000 and \$38,426,000 of net position at June 30, 2020 and 2019, respectively. Subject to various limitations contained within the corresponding investment policy, the externally-managed OPEB Trust is allowed to invest in the following asset sectors: global fixed income, global equity, and absolute return strategies.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Table 3.1 - Investments by Type *(in thousands)*

As of June 30,	University of Missouri		University of Missouri Pension and OPEB Trust Funds	
	2020	2019	2020	2019
Debt Securities:				
U.S. Treasury Obligations	\$ 817,564	\$ 771,356	\$ 291,125	\$ 273,661
U.S. Agency Obligations	7,523	3,176	-	-
Asset-Backed Securities	766,654	637,214	91,506	72,582
Government - Foreign	39,352	34,885	9,525	8,364
Corporate - Domestic	166,081	140,315	18,856	16,977
Corporate - Foreign	129,357	128,614	23,193	24,032
Equity Securities:				
Domestic	142,476	160,826	110,078	87,281
Foreign	116,409	105,899	132,419	135,954
Commingled Funds:				
Absolute Return	501,087	329,429	764,149	701,288
Strategic	460,423	651,657	312,524	473,728
Debt Securities - Domestic	161,081	149,330	103,309	105,096
Debt Securities - Foreign	-	-	7,716	6,304
Equity Securities - Domestic	26,483	16,430	221,948	109,251
Equity Securities - Foreign	32,816	32,154	60,869	7,405
Equity Securities - Global	230,203	297,028	292,708	542,734
Real Estate	24,804	23,942	43,593	43,286
Nonmarketable Alternative Investments:				
Real Estate	128,656	120,859	253,502	225,355
Private Equity/Debt	514,086	404,519	612,853	591,178
Other	29,499	30,768	-	-
Total Investments	4,294,554	4,038,401	3,349,873	3,424,476
Money Market Funds	525,695	528,810	459,032	435,840
Other	45,576	39,496	42,335	34,354
Total Cash and Cash Equivalents	571,271	568,306	501,367	470,194
Total Investments and Cash and Cash Equivalents	\$ 4,865,825	\$ 4,606,707	\$ 3,851,240	\$ 3,894,670
Less: Custodial Funds Held for Others	(75,911)	(74,657)	-	-
Total University Funds Investments and Cash and Cash Equivalents	\$ 4,789,914	\$ 4,532,050	\$ 3,851,240	\$ 3,894,670

Custodial Credit Risk - For investments, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the University will not be able to recover the value of the investments held by an outside party. In accordance with its policy, the University minimizes custodial credit risk by establishing limitations on the types of instruments held with qualifying institutions.

Repurchase agreements must be collateralized by U.S. Government issues and/or U.S. Government Agency issues. All University and Pension Trust Fund investments are insured or registered and are held by the University, the Pension Trust Funds or an agent in its name.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Concentration of Credit Risk – Concentration of credit risk is the risk associated with a lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic or credit developments. The investment policies for the General Pool, Endowment Funds, and Retirement Trust all specify diversification requirements across asset sectors. As of June 30, 2020 and 2019, of the University's total investments and cash and cash equivalents were 16.8% and 16.7%, respectively, in issues of U.S. Treasury Notes. As of June 30, 2020 and 2019, the Pension Trust Fund's total investments and cash and cash equivalents were 7.6% and 7.0%, respectively, in issues U.S. Treasury Notes.

Investments issued or guaranteed by the U.S. government, as well as investments in mutual funds and other pooled investments are excluded from consideration when evaluating concentration risk.

Credit Risk – Debt securities are subject to credit risk, which is the chance that an issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. These circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political

developments. Certain debt securities, primarily obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk.

Nationally recognized statistical rating organizations, such as Moody's and Standard & Poor's (S&P) assign credit ratings to security issues and issuers that indicate a measure of potential credit risk to investors. Debt securities considered investment grade are those rated at least Baa by Moody's and BBB by S&P. For General Pool investments, the following minimum credit ratings have been established to manage credit risk with minimum rating of A-1/P-1 for commercial paper and other short-term securities. For Endowment Funds and Retirement Trust investments, guidelines for respective investment managers allow for a blend of different credit ratings, subject to certain restrictions by asset sector. In all cases, disposition of securities whose ratings have been downgraded after purchase is generally left to the discretion of the respective investment manager after consideration of individual facts and circumstances.

All holdings of money market funds were rated AAA at June 30, 2020 and 2019.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Based on investment ratings provided by Moody's or S&P, the University's and Pension Trust Funds' credit risk exposure as of June 30, 2020 and 2019, is as follows:

Table 3.2 - Debt Securities by Type and Credit Rating (*in thousands*)

As of June 30,	University of Missouri		University of Missouri Pension and OPEB Trust Funds	
	2020	2019	2020	2019
U.S. Treasury Obligations	\$ 817,564	\$ 771,356	\$ 291,125	\$ 273,661
U.S. Agency Obligations	7,523	3,176	-	-
Asset-Backed Securities				
Mortgage Backed Securities Guaranteed				
by U.S. Agencies	413,015	287,099	63,258	41,284
Aaa/AAA	83,270	41,129	4,958	3,411
Aa/AA	21,481	25,514	1,305	1,534
A/A	10,686	35,275	113	1,284
Baa/BBB	18,726	20,830	214	266
Ba/BB and lower	149,960	147,528	18,868	22,221
Unrated	69,516	79,839	2,790	2,582
Government - Foreign				
Aaa/AAA	(167)	(81)	(1,266)	(1,336)
Aa/AA	6,047	4,443	1,338	1,062
A/A	16,713	12,643	7,219	5,941
Baa/BBB	2,550	414	83	-
Ba/BB and lower	11,260	10,255	1,862	1,830
Unrated	2,949	7,211	289	867
Corporate - Domestic				
Aaa/AAA	1,023	439	-	-
Aa/AA	4,862	5,183	-	89
A/A	34,212	17,310	5,718	5,572
Baa/BBB	62,964	48,361	8,312	8,197
Ba/BB and lower	49,960	47,793	4,723	2,700
Unrated	13,060	21,229	103	419
Corporate - Foreign				
Aaa/AAA	-	936	-	-
Aa/AA	496	2,048	650	811
A/A	18,828	18,827	5,621	4,477
Baa/BBB	72,408	54,504	12,064	12,371
Ba/BB and lower	30,981	43,846	4,128	5,182
Unrated	6,644	8,453	730	1,191
Total	\$ 1,926,531	\$ 1,715,560	\$ 434,205	\$ 395,616

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. Debt securities with longer maturities are likely to be subject to more variability in their fair values as a result of future changes in interest rates. Neither the University nor the Pension Trust Funds have a formal policy that addresses interest rate risk; rather, such risk is managed by each individual investment manager, as applicable. The University and Pension Trust Funds have

investments in asset-backed securities, which consist primarily of mortgage-backed securities guaranteed by U.S. agencies and corporate collateralized mortgage obligations. These securities are based on cash flows from principal and interest payments on the underlying securities. An asset-backed security may have repayments that vary significantly with changes in market interest rates.

Table 3.3 presents the modified durations of the University’s and Pension Trust Funds’ debt securities as of June 30, 2020 and 2019, respectively:

Table 3.3 - Debt Securities by Type and Modified Duration (in thousands)

As of June 30,	University of Missouri			
	Duration (in years)			
	2020		2019	
U.S. Treasury Obligations	\$ 817,564	6.7	\$ 771,356	6.5
U.S. Agency Obligations	7,523	6.0	3,176	4.6
Asset-Backed Securities	766,654	2.2	637,214	2.9
Government - Foreign	39,352	9.3	34,885	5.3
Corporate - Domestic	166,081	4.9	140,315	3.3
Corporate - Foreign	129,357	3.6	128,614	3.4
Total Debt Securities	\$ 1,926,531	4.6	\$ 1,715,560	4.6

As of June 30,	University of Missouri Pension and OPEB Trust			
	Duration (in years)			
	2020		2019	
U.S. Treasury Obligations	\$ 291,125	8.6	\$ 273,661	13.9
Asset-Backed Securities	91,506	2.5	72,582	2.9
Government - Foreign	9,525	5.1	8,364	5.8
Corporate - Domestic	18,856	1.6	16,977	3.5
Corporate - Foreign	23,193	0.5	24,032	3.1
Total Debt Securities	\$ 434,205	6.5	\$ 395,616	10.6

Foreign Exchange Risk – Foreign exchange risk is the risk that investments denominated in foreign currencies may lose value due to adverse fluctuations in the value of the U.S. dollar relative to foreign currencies.

University and Retirement Trust investment policies allow for exposure to non-U.S. dollar denominated equities and fixed income securities, which may be fully or partially hedged using forward foreign currency exchange contracts.

Forward foreign currency contracts are typically used to manage the risks related to fluctuations in currency exchange rates between the time of purchase or sale and

the actual settlement of foreign securities. Various investment managers acting on behalf of the University may use forward foreign exchange contracts in risk-based transactions to carry out their portfolio strategies, subject to investment management agreement guidelines.

At June 30, 2020 and 2019, 7.3% and 10.9%, respectively, of the University’s total investments and cash and cash equivalents were denominated in foreign currencies. At June 30, 2020 and 2019, 12.6% and 17.3%, respectively, of the Pension Trust Funds’ total investments and cash equivalents were denominated in foreign currencies.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

The University's and Pension Trust Funds' exposure to foreign exchange risk as of June 30, 2020 and 2019:

Table 3.4 - Foreign Exchange Risk *(in thousands)*

As of June 30,	University of Missouri		University of Missouri Pension and OPEB Trust Funds	
	2020	2019	2020	2019
Debt Securities				
Argentine Peso	\$ 3,232	\$ 5,847	\$ 373	\$ 635
British Pound Sterling	46,127	42,243	3,667	3,875
Canadian Dollar	(633)	-	(1,204)	(1,174)
Euro	37,335	31,672	3,346	4,042
Japanese Yen	2,423	1,565	4,939	3,716
Peruvian Nuevo Sol	6,053	6,042	865	880
Other	959	961	-	689
	95,496	88,330	11,986	12,663
Equity Securities				
Australian Dollar	1,459	1,211	2,944	2,449
Brazil Real	895	2,176	1,734	4,367
British Pound Sterling	6,723	8,334	13,711	16,354
Canadian Dollar	1,780	1,604	3,600	3,259
Danish Krone	1,072	877	2,186	1,803
Euro	9,764	8,942	20,011	18,288
Hong Kong Dollar	7,597	5,717	15,570	11,683
Japanese Yen	11,765	7,928	24,149	16,261
Norwegian Krone	1,109	1,252	2,187	2,469
South African Rand	3,718	3,509	7,646	7,209
South Korean Won	335	141	672	284
Swedish Krona	2,430	1,967	4,980	4,031
Swiss Franc	1,169	2,062	2,350	4,258
Other	175	280	351	562
	49,991	46,000	102,091	93,277
Commingled Funds				
Various currency denominations:				
Debt Securities - Foreign	-	-	7,716	6,304
Equity Securities - Global	230,203	297,028	292,708	542,734
Equity Securities - Foreign	32,816	32,154	60,869	7,405
	263,019	329,182	361,293	556,443
Cash and Cash Equivalents				
Australian Dollar	(1,819)	(406)	(3,210)	(263)
Argentine Peso	3,943	498	312	43
Brazil Real	1,437	40	15	(166)
British Pound Sterling	(43,103)	1,073	(2,894)	54
Canadian Dollar	(1,844)	(112)	(856)	(191)
Czech Koruna	-	-	3,208	-
Euro	(36,977)	405	(13,983)	(454)
Indian Rupee	5,096	-	6,143	-
Japanese Yen	939	648	1,221	11
Mexican Peso	4,897	381	105	57
Norwegian Krone	3,264	-	6,338	-
Russian Ruble	4,495	-	-	-
Singapore Dollar	-	-	2,395	-
South Korean Won	5,010	-	9,738	-
Other	2,445	(731)	797	(1,666)
	(52,217)	1,796	9,329	(2,575)
Total Exposure to Foreign Exchange Risk	\$ 356,289	\$ 465,308	\$ 484,699	\$ 659,808

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Commingled Funds - Includes Securities and Exchange Commission regulated mutual funds and externally managed funds, limited partnerships, and corporate structures which are generally unrated and unregulated. Certain commingled funds may use derivative instruments, short positions and leverage as part of their investment strategy. These investments are structured to limit risk exposure to the amount of invested capital. Commingled funds have liquidity (redemption) provisions, which enable the University and Pension Trust Funds to make full or partial withdrawals with notice, subject to restrictions on the timing and amount.

Nonmarketable Alternative Investments - Consists of limited partnerships involving an advance commitment of capital called by the general partner as needed and distributions of capital and return on invested capital as underlying strategies are concluded during the life of the partnership. The committed but unpaid obligation to these limited partnerships is disclosed in Note 4.

Portable Alpha Program - Included in the University's investment policy is a Portable Alpha Program in which synthetic market exposures across asset classes including equities, sovereign bonds, inflation-linked bonds and commodities may be obtained through derivative instruments commonly accepted by other institutional investors, such as futures, swaps, options, forward contracts and reverse repurchase agreements. These derivative instruments are managed by external investment firms with appropriate expertise, experience and depth of resources.

When synthetic market exposures are obtained through derivative instruments, a portion of the resulting cash and cash equivalent balances may be invested by active alpha managers seeking to add returns over the benchmark. These alpha managers will possess broadly diverse strategies/styles and, in the aggregate, are expected to produce returns that show little or no relationship to the economic environment being experienced at any given time. Furthermore, this portfolio of managers will be constructed with a goal of low correlation to the synthetic market exposures obtained through the derivative instruments.

The allowable range of the portable alpha portfolio for both the Endowment Pool and Pension Trust Funds shall be 0-25% of the total investment of the respective pools. As of June 30, 2020, the portable alpha portfolio was 17.5% and 18.5% for the Endowment Pool and Pension Trust Funds, respectively.

Management of liquidity risk is a critical component of the portable alpha program. If not managed appropriately, there is a risk that synthetic market exposures may need to be unwound at undesirable points in time in order to meet margin calls during volatile markets. To help mitigate this risk, prudent balances of cash and cash equivalents shall be maintained as part of the program and monitored daily. The cash margin target set by the Endowment Pool and Pension Trust Funds are 30%. In the case the margin drops below 30%, management has implemented guidelines to replenish the cash margin back to the target. As of June 30, 2020, the cash margin for the Endowment Pool and Pension Trust Funds were above the targeted margin of 30%.

Securities Lending Transactions – The University and Pension Trust Funds each participate in an external investment pool securities lending program to augment income. The program is administered by the custodial agent bank, which lends equity, government and corporate securities for a predetermined period of time to an independent broker/dealer (borrower) in exchange for collateral. Collateral may be cash, U.S. Government securities, defined letters of credit or other collateral approved by the University or Pension Trust Funds. Loaned domestic securities are initially collateralized at 102% of their fair value, while loaned international securities are collateralized at 105% of fair value. Exposure to credit risk from borrower default has been minimized by having the custodial agent bank determine daily that required collateral meets a minimum of 102% of the fair value of loaned domestic securities and 105% for loaned international securities.

For the University, at June 30, 2020 and 2019, there were a total of \$32,164,000 and \$20,580,000, respectively, of securities out on loan to borrowers. The value of collateral received from the borrower for these securities consisted of \$1,261,000 and \$3,616,000 in cash and \$32,228,000 and \$17,627,000 noncash collateral at June 30, 2020 and 2019, respectively.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

For the Pension Trust Funds, at June 30, 2020 and 2019, there was a total of \$180,994,000 and \$158,266,000 of securities out on loan to borrowers. The value of collateral received from the borrower for these securities consisted of \$146,540,000 and \$106,182,000 in cash and \$38,410,000 and \$56,397,000 noncash collateral at June 30, 2020 and 2019, respectively.

Cash collateral received from the borrower is invested by the custodial agent bank in commingled collateral investment pools in the name of the University and Pension Trust Funds, with guidelines approved by each. The cash collateral received is shown as Investment of Cash Collateral in the Statement of Net Position and Statement of Fiduciary Net Position and reported at fair value, with changes in market value recorded in Investment and Endowment Income on the Statement of Revenues, Expenses, and Changes in Net Position and Statement of

Changes in Fiduciary Net Position. Noncash collateral received for securities lending activities is not recorded as an asset because the University and Pension Trust Funds do not have the ability to pledge or sell such collateral unless the borrower defaults.

The University and Pension Trust Funds continue to receive interest and dividends during the loan period. The maturities of the investments made with the cash collateral generally match the maturities of the securities lent. At June 30, 2020 and 2019, neither the University nor the Pension Trust Funds have any credit risk exposure arising from the actual securities lending transactions since the collateral received from the borrower exceeds the value of the securities lent. Further, the University and Pension Trust Funds are fully indemnified by the custodial bank against any losses incurred as a result of borrower default.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

4. FAIR VALUE OF ASSETS AND LIABILITIES

The University categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurements and Application*. The three-tiered hierarchy for fair value is as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are available at the measurement date.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the University's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumption about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the University's own data.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. The University's Level 1 investments primarily consist of investments in U.S. Treasury obligations, equity securities, and mutual funds. When quoted prices in active markets are not available, fair values are based on evaluated prices received from the University's custodian of investments in conjunction with a third party service provider and are reported within Level 2 of the fair value hierarchy. The inputs for Level 2 include, but are not limited to, pricing models such as benchmarking yields, reported trades, broker-dealer quotes, issuer spreads and benchmarking securities, among others. The University's Level 2 investments primarily consist of investments in U.S. government and agency obligations, asset-backed securities, and corporate debt securities that did not trade on the University's fiscal year end date.

The University's Level 3 investments primarily consist of land held as investments. Certain investments are valued using the net asset value (NAV) per share (or its equivalent) and are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The University values these investments based on the partnerships' audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

At June 30, 2020, the University had the following recurring fair value measurements.

Table 4.1 - Investments and Derivative Instruments Measured at Fair Value *(in thousands)*

		University of Missouri								
		Fair Value Measurements Using			Fair Value Measurements Using					
		Quoted Prices in Active Markets for			Significant Unobservable	Quoted Prices in Active Markets for			Significant Other Observable	Significant Unobservable
		Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Inputs (Level 3)		Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
As of June 30,	2020				2019					
Investments by fair value level										
Debt Securities:										
U.S. Treasury Obligations	\$ 817,564	\$ 817,564	\$ -	\$ -	\$ 771,356	\$ 771,356	\$ -	\$ -		
U.S. Agency Obligations	7,523	-	7,523	-	3,176	-	3,176	-		
Asset-Backed Securities	766,654	-	766,654	-	637,214	-	637,214	-		
Government	39,352	-	39,352	-	34,885	-	34,885	-		
Corporate	295,438	-	295,438	-	268,929	-	268,929	-		
Equity Securities:										
Domestic	142,476	142,476	-	-	160,826	160,826	-	-		
Foreign	116,409	116,409	-	-	105,899	105,899	-	-		
Other	23,225	-	7,124	16,101	24,376	-	8,250	16,126		
Investments measured at the net asset value (NAV)										
Commingled Funds:										
Absolute Return	501,087	-	-	-	329,429	-	-	-		
Strategic	460,423	-	-	-	651,657	-	-	-		
Debt Securities	161,081	-	-	-	149,330	-	-	-		
Equity Securities	289,502	-	-	-	345,612	-	-	-		
Real Estate	24,804	-	-	-	23,942	-	-	-		
Nonmarketable Alternative Investments:										
Real Estate	128,656	-	-	-	120,859	-	-	-		
Private Equity/Debt	514,086	-	-	-	404,519	-	-	-		
Other	6,274	-	-	-	6,392	-	-	-		
Total investments by fair value level										
	4,294,554	1,076,449	1,116,091	16,101	4,038,401	1,038,081	952,454	16,126		
Interest Rate Swaps	(45,988)	-	(45,988)	-	(35,542)	-	(35,542)	-		
Total Investments and Financing										
Derivative Instruments	\$ 4,248,566	\$ 1,076,449	\$ 1,070,103	\$ 16,101	\$ 4,002,859	\$ 1,038,081	\$ 916,912	\$ 16,126		

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

University of Missouri Pension Trust Funds

	Fair Value Measurements Using					Fair Value Measurements Using										
	As of June 30,	2020	Quoted Prices in Active Markets for			Significant Unobservable Inputs	2019	Quoted Prices in Active Markets for			Significant Other Observable Inputs	Significant Unobservable Inputs				
Identical Assets (Level 1)			Significant Observable Inputs (Level 2)	Other Unobservable Inputs (Level 3)	Identical Assets (Level 1)			Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)							
Investments by fair value level																
Debt Securities:																
U.S. Treasury Obligations	\$	291,125	\$	291,125	\$	-	\$	-	\$	273,661	\$	273,661	\$	-	\$	-
Asset-Backed Securities		91,506		-		91,506		-		72,582		-		72,582		-
Government		9,525		-		9,525		-		8,364		-		8,364		-
Corporate		42,049		-		42,049		-		41,009		-		41,009		-
Equity Securities:																
Domestic		110,078		110,078		-		-		87,281		87,281		-		-
Foreign		132,419		132,419		-		-		135,954		135,954		-		-
Investments measured at the net asset value (NAV)																
Commingled Funds:																
Absolute Return		764,149		-		-		-		701,288		-		-		-
Risk Balanced		312,524		-		-		-		473,728		-		-		-
Debt Securities		111,025		-		-		-		111,400		-		-		-
Equity Securities		575,525		-		-		-		659,390		-		-		-
Real Estate		43,593		-		-		-		43,286		-		-		-
Nonmarketable Alternative Investments:																
Real Estate		253,502		-		-		-		225,355		-		-		-
Private Equity		612,853		-		-		-		591,178		-		-		-
Total investments by fair value level																
level	\$	3,349,873	\$	533,622	\$	143,080	\$	-	\$	3,424,476	\$	496,896	\$	121,955	\$	-

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

The following table presents investments as of June 30, 2020 that have been valued using the NAV as a practical expedient, classified by major investment category:

Table 4.2- Investments Measured at the NAV (in thousands)

University of Missouri					
Fair Value	Investment Strategy and Structure (1)	Unfunded Commitments	Fund Term (1)	Redemption Terms (1)	
Commingled Funds (2):					
Absolute Return	\$ 501,087	Broadly diversified, traditional hedge fund and risk premia exposures obtained through long/short positions across global liquid markets, structured to achieve minimal equity beta with a lower level of volatility relative to the rest of the portfolio.	\$ -	Open Ended	Semi-Monthly, Monthly, and Quarterly redemption with 1 -45 days notice
Risk Balanced	460,423	An asset allocation strategy which seeks to provide higher risk-adjusted returns by allocating risk, not capital, equally across a broadly diversified portfolio of global equities, global nominal bonds and inflation-sensitive assets.	-	Open Ended	Weekly, Monthly, and Quarterly redemption with 1 - 90 days notice
Debt Securities	161,081	Global fixed income exposures focused primarily on high yield, emerging markets debt and other unconstrained / opportunistic strategies.	-	Open Ended	Daily and Monthly redemption with 1 -2 days notice
Equity Securities	289,502	Global equity exposures achieved through a combination of traditional active, passive, systematic and factor-based strategies.	-	Open Ended	Daily, Semi-Monthly, and Monthly redemption with 1 -15 days notice
Real Estate	24,804	Core real estate holdings in open-ended fund.	-	Open Ended	Quarterly redemption with 1 -30 days notice
Nonmarketable Alternative Funds (3):					
Real Estate	128,656	Diversified portfolio of longer-term private market funds focused on value-added and opportunistic real estate and/or real estate debt.	69,078	10 -12 years	Not applicable - no redemption ability
Private Equity/Debt	514,086	Investments in hedge funds, global equity, credit, real assets, natural resources, and other investments through private partnerships and holding companies	177,841	8 -15 years	Not applicable - no redemption ability
Other	6,274	Diversified portfolio of longer-term private market funds focused on leveraged buyouts, special situations and venture capital investments.	-	Open Ended	Not applicable - no redemption ability

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

**University of Missouri
Pension Trust Funds**

	Fair Value	Investment Strategy and Structure (1)	Unfunded Commitments	Fund Term (1)	Redemption Terms (1)
Commingled Funds (2):					
Absolute Return	\$ 764,149	Broadly diversified, traditional hedge fund and risk premia exposures obtained through long/short positions across global liquid markets, structured to achieve minimal equity beta with a lower level of volatility relative to the rest of the portfolio.	\$ -	Open Ended	Semi-Monthly, Monthly, and Quarterly redemption with 1 -45 days notice
Risk Balanced	312,524	An asset allocation strategy which seeks to provide higher risk-adjusted returns by allocating risk, not capital, equally across a broadly diversified portfolio of global equities, global nominal bonds and inflation-sensitive assets.	-	Open Ended	Weekly, Monthly, and Quarterly redemption with 1 - 90 days notice
Debt Securities	111,025	Global fixed income exposures focused primarily on high yield, emerging markets debt and other unconstrained / opportunistic strategies.	-	Open Ended	Daily and Monthly redemption with 1 -2 days notice
Equity Securities	575,525	Global equity exposures achieved through a combination of traditional active, passive, systematic and factor-based strategies.	-	Open Ended	Daily, Semi-Monthly, and Monthly redemption with 1 -15 days notice
Real Estate	43,593	Core real estate holdings in open-ended fund.	-	Open Ended	Quarterly redemption with 1 -30 days notice
Nonmarketable Alternative Funds (3):					
Real Estate	253,502	Diversified portfolio of longer-term private market funds focused on value-added and opportunistic real estate and/or real estate debt.	160,412	10 -12 years	Not applicable - no redemption ability
Private Equity/Debt	612,853	Investments in hedge funds, global equity, credit, real assets, natural resources, and other investments through private partnerships and holding companies	246,690	10 -12 years	Not applicable - no redemption ability

(1) Information reflects a range of various terms from multiple investments.

(2) Commingled funds include investments that aggregate assets from multiple investors and are managed collectively following a prescribed strategy.

(3) Nonmarketable Alternative Funds. This generally refers to investments in private partnerships or investment funds focusing on equity or credit investments in private companies. The partnerships or funds generally have no redemption rights; the general partners of the respective funds issue capital calls and distributions. These funds generally provide the NAV or capital balances and changes quarterly or less frequently. Performance fees are generally collected by the general partner or investment manager only upon distributions of profits to investors.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

The unfunded commitments as of June 30, 2020 totaled \$246,919,000 and \$407,102,000 for the University and the Pension Trust Funds, respectively. The unfunded commitments as of June 30, 2019 totaled \$232,519,000 and \$440,944,000 for the University and the Pension Trust Funds, respectively. There were no significant changes in the investment strategy, structure, and liquidity terms for the investments that were measured at NAV from June 30, 2019 to June 30, 2020.

5. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2020 and 2019, are summarized as follows:

Table 5.1 - Accounts Receivable (in thousands)

	2020	2019
Grants and Contracts	\$ 98,291	\$ 94,382
Federal Appropriations	1,283	6,773
Student Fees and Other Academic Charges	134,261	133,798
Patient Services, Net of Contractual Allowances	216,483	213,597
Subtotal	450,318	448,550
Less Provisions for Loss:		
Grants & Contracts	666	600
Student Fees and Other Academic Charges	25,549	16,872
University Health Care Patient Services	41,639	29,110
Subtotal	67,854	46,582
Total Accounts Receivable, Net	\$ 382,464	\$ 401,968

6. NOTES RECEIVABLE

Notes receivable generally consist of resources available for financial loans to students. These resources are provided through Federal loan programs and University loan programs generally funded by external sources. Notes receivable at June 30, 2020 and 2019, are summarized as follows:

Table 6.1 - Notes Receivable (in thousands)

	2020	2019
Federal Health Profession Loans	\$ 16,374	\$ 16,891
Carl D. Perkins National Loans	20,036	25,388
University Loan Programs	14,116	13,987
Other	14,380	20,982
Subtotal	64,906	77,248
Less Provisions for Loss	5,104	4,427
Total Notes Receivable, Net	\$ 59,802	\$ 72,821

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

7. CAPITAL ASSETS

Capital assets activity for the years ended June 30, 2020 and 2019, is summarized as follows:

Table 7.1 - Capital Assets (in thousands)

Fiscal Year 2020	Beginning Balance	Additions/ Transfers	Retirements	Ending Balance
Capital Assets, Nondepreciable:				
Land	\$ 98,371	\$ 1,773	\$ (537)	\$ 99,607
Artwork and Historical Artifacts	15,815	36	-	15,851
Construction in Progress	196,147	73,525	(10,751)	258,921
Total Capital Assets, Nondepreciable	310,333	75,334	(11,288)	374,379
Capital Assets, Depreciable:				
Buildings and Improvements	4,456,286	270,579	(8,173)	4,718,692
Infrastructure	599,086	4,910	(70,489)	533,507
Equipment	890,597	75,969	(52,989)	913,577
Library Materials	280,775	4,048	-	284,823
Software and Other Intangibles	59,657	12,981	(70)	72,568
Total Capital Assets, Depreciable	6,286,401	368,487	(131,721)	6,523,167
Less Accumulated Depreciation:				
Buildings and Improvements	1,900,644	127,833	(4,549)	2,023,928
Infrastructure	279,533	21,991	(15,914)	285,610
Equipment	707,076	55,508	(51,677)	710,907
Library Materials	208,195	6,994	-	215,189
Software and Other Intangibles	34,847	3,606	(70)	38,383
Total Accumulated Depreciation	3,130,295	215,932	(72,210)	3,274,017
Total Capital Assets, Depreciable, Net	3,156,106	152,555	(59,511)	3,249,150
Total Capital Assets, Net	\$ 3,466,439	\$ 227,889	\$ (70,799)	\$ 3,623,529

Fiscal Year 2019	Beginning Balance	Additions/ Transfers	Retirements	Ending Balance
Capital Assets, Nondepreciable:				
Land	\$ 95,745	\$ 2,664	\$ (38)	\$ 98,371
Artwork and Historical Artifacts	15,489	331	(5)	15,815
Construction in Progress	120,240	85,631	(9,724)	196,147
Total Capital Assets, Nondepreciable	231,474	88,626	(9,767)	310,333
Capital Assets, Depreciable:				
Buildings and Improvements	4,307,279	150,056	(1,049)	4,456,286
Infrastructure	590,327	8,921	(162)	599,086
Equipment	925,439	56,881	(32,066)	950,254
Library Materials	277,180	3,595	-	280,775
Total Capital Assets, Depreciable	6,100,225	219,453	(33,277)	6,286,401
Less Accumulated Depreciation:				
Buildings and Improvements	1,774,858	127,050	(1,264)	1,900,644
Infrastructure	257,910	21,754	(131)	279,533
Equipment	714,060	57,839	(29,976)	741,923
Library Materials	201,796	6,399	-	208,195
Total Accumulated Depreciation	2,948,624	213,042	(31,371)	3,130,295
Total Capital Assets, Depreciable, Net	3,151,601	6,411	(1,906)	3,156,106
Total Capital Assets, Net	\$ 3,383,075	\$ 95,037	\$ (11,673)	\$ 3,466,439

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Construction in Progress - The estimated cost to complete construction in progress at June 30, 2020, is \$516,010,000 of which \$320,596,000 is available from unrestricted net position. The remaining costs are expected to be funded from \$119,573,000 of gifts and \$75,841,000 of debt proceeds and state appropriations.

Capital assets include equipment and a building facility under a capital lease of \$4,723,000 and \$10,364,000 and related accumulated depreciation of \$98,000 and 10,195,000 at June 30, 2020 and 2019, respectively.

Asset Retirement Obligation - The University has an asset retirement obligation based on its ownership of two nuclear research reactors, which are regulated by the U.S. Nuclear Regulatory Commission (NRC). The NRC requires the University to submit decommissioning funding plans every three years to retain the right to operate the reactors. The decommissioning funding plans update and adjust changes in costs to remediate and the extent of the estimated future contamination. The cost to decommission the reactors is based on a formula as set forth by the NRC as part of the licensing of the facilities. The asset retirement obligation as of the end of fiscal year 2020 and 2019 was \$62,433,000.

A deferred outflow of resources is being amortized over 25 years, which approximates the estimated useful lives of the reactors. An asset retirement expense was recognized in fiscal years 2020 and 2019 for \$2,497,000 each year and is reflected in depreciation expense on the Statement of Revenues, Expenses, and Changes in Net Position. The deferred outflows of resources at June 30, 2020 will be amortized over a remaining 22 years.

8. ACCRUED SHORT-TERM LIABILITIES

Accrued liabilities at June 30, 2020 and 2019 are summarized as follows:

Table 8.1 - Accrued Liabilities *(in thousands)*

	2020	2019
Accrued Salaries, Wages & Benefits	\$ 76,580	\$ 76,174
Accrued Vacation	54,692	53,997
Accrued Self Insurance Claims	42,981	41,496
Accrued Interest Payable	13,235	12,275
Total Accrued Liabilities	\$ 187,488	\$ 183,942

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

9. OTHER NONCURRENT LIABILITIES

Table 9.1 - Other Noncurrent Liabilities (in thousands)

Fiscal Year 2020	Beginning of Year	Additions	Payments	Total End of Year	Less Current Portion	Noncurrent End of Year
Accrued Vacation	\$ 79,344	\$ 49,724	\$ (46,339)	\$ 82,729	\$ (54,692)	\$ 28,037
Accrued Self-Insurance Claims	85,270	267,341	(263,283)	89,328	(42,981)	46,347
Accrued Other Insurance Claims	4,559	133	(249)	4,443	-	4,443
Charitable Annuity Obligations	12,091	3,022	(1,763)	13,350	-	13,350
	\$ 181,264	\$ 320,220	\$ (311,634)	\$ 189,850	\$ (97,673)	\$ 92,177

Fiscal Year 2019	Beginning of Year	Additions	Payments	Total End of Year	Less Current Portion	Noncurrent End of Year
Accrued Vacation	\$ 75,612	\$ 49,059	\$ (45,327)	\$ 79,344	\$ (53,997)	\$ 25,347
Accrued Self-Insurance Claims	85,846	222,659	(223,235)	85,270	(41,496)	43,774
Accrued Other Insurance Claims	4,470	358	(269)	4,559	-	4,559
Charitable Annuity Obligations	10,688	4,794	(3,391)	12,091	-	12,091
	\$ 176,616	\$ 276,870	\$ (272,222)	\$ 181,264	\$ (95,493)	\$ 85,771

Charitable Gift Annuities and Trusts - A charitable gift annuity is a contractual agreement between one or two donors (typically husband and wife) and a charity. The donor(s) transfers assets as a gift to the charity, and in return the charity is obligated to pay a fixed annuity to one or two annuitants, of the donor(s)' choosing, for the life of the donor(s). As part of the University's "Planned Giving" program, the University enters into Charitable Gift Annuity contracts with donors. The University is a remainder

interest beneficiary and records a liability for the lead interest that is assigned to other beneficiaries. The University' liability related to the lead interests were \$13,350,000 and \$12,091,000 at June 30, 2020 and 2019, respectively. The University's remainder interest is represented as Deferred Inflows of Resources on the Statement of Net Position and was \$12,034,000 and \$13,628,000 at June 30, 2020 and 2019, respectively.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

10. LONG-TERM DEBT

The University's outstanding debt at June 30, 2020 and 2019, with corresponding activity, is as follows:

Table 10.1 - Long-Term Debt (in thousands)

As of June 30, 2020	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
System Facilities Revenue Bonds - Fixed	\$ 1,232,425	\$ 590,200	\$ (237,565)	\$ 1,585,060	\$ 1,375
System Facilities Revenue Bonds - Variable	86,185	-	(3,645)	82,540	82,540
Unamortized Premium	37,136	56,670	(15,415)	78,391	-
Net System Facilities Revenue Bonds	1,355,746	646,870	(256,625)	1,745,991	83,915
Notes Payable	31,476	-	(9,786)	21,690	1,808
Capital Lease Obligations	300	66,149	(6,915)	59,534	6,615
Commercial Paper	256,575	105,155	(361,730)	-	-
Subtotal	1,644,097	818,174	(635,056)	1,827,215	92,338
Health Facilities Revenue Bonds	37,485	-	(3,192)	34,293	3,299
Total Long-Term Debt	\$ 1,681,582	\$ 818,174	\$ (638,248)	\$ 1,861,508	\$ 95,637

As of June 30, 2019	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
System Facilities Revenue Bonds - Fixed	\$ 1,260,195	\$ -	\$ (27,770)	\$ 1,232,425	\$ 134,090
System Facilities Revenue Bonds - Variable	89,695	-	(3,510)	86,185	86,185
Unamortized Premium	43,191	-	(6,055)	37,136	-
Net System Facilities Revenue Bonds	1,393,081	-	(37,335)	1,355,746	220,275
Notes Payable	32,401	-	(925)	31,476	1,272
Capital Lease Obligations	1,439	-	(1,139)	300	300
Commercial Paper	191,575	65,000	-	256,575	256,575
Subtotal	1,618,496	65,000	(39,399)	1,644,097	478,422
Health Facilities Revenue Bonds	40,582	-	(3,097)	37,485	3,192
Total Long-Term Debt	\$ 1,659,078	\$ 65,000	\$ (42,496)	\$ 1,681,582	\$ 481,614

System Facilities Revenue Bonds - System Facilities Revenue Bonds have provided financing for capital expansion or renovation of various University facilities. The principal and interest of the bonds are payable from, and secured by a first lien on and pledge of, designated revenues which include the following: a portion of tuition and fees, sales and services from the financed facilities, such as bookstore collections, housing and dining charges, patient services, and parking collections, as well as certain assessed fees, such as the recreational facility fees, stadium surcharges, and student center fees.

On April 28, 2020, the University issued \$400,000,000 in Series 2020A Taxable System Facilities Revenue Bonds and \$190,200,000 in Series 2020B System Facilities Revenue Bonds. Proceeds from the issuance of the Series 2020A and Series 2020B bonds were issued for the purpose of refunding the Series 2009B, 2011 and partially refund the 2014A bonds; to refinance all outstanding Commercial

Paper; as well as finance new projects, which includes approximately \$175 million for the NextGen Precision Health Institute facility.

System Facilities Revenue Bond Series 2007B is a variable rate demand bond with remarketing features which allow bondholders to put debt back to the University. Because the University is the sole source of liquidity should the option to tender be exercised by the bondholder, these variable rate demand bonds are classified in their entirety as current liabilities on the Statements of Net Position, with the balance in excess of actual current principal maturities reported as Long-Term Debt Subject to Remarketing of \$78,755,000 and \$82,540,000 at June 30, 2020 and 2019, respectively. The amount of current liabilities that represents the current principal maturities are \$3,785,000 and \$3,645,000 at June 30, 2020 and 2019, respectively.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

In-substance defeased bonds aggregating \$58,350,000 and \$272,355,000 are outstanding at June 30, 2020 and 2019, respectively.

Health Facilities Revenue Bonds - Tax-exempt revenue bonds have provided financing of capital facilities and refinancing of previously issued debt. The bonds were issued by the Health and Education Facilities Authority of the State of Missouri (the Authority) on behalf of the Medical Alliance. Premium and the deferred financing costs are amortized on the effective interest method over the life of the respective bonds. The bonds are secured by the unrestricted receivables of the Medical Alliance. Under the

terms of the Master Indenture, the Medical Alliance is required to make payments of principal, premium, if any, and interest on the bonds. In addition, the Master Indenture contains certain restrictions on the operations and activities of the Medical Alliance, including, among other things, covenants restricting the incurrence of additional indebtedness and the creation of liens on property, except as permitted by the Master Indenture. The Master Indenture has mandatory sinking fund redemption requirements in which funds are required to be set aside beginning in 2021 for the Series 2011 bonds and monthly for the Series 2017 bonds.

Table 10.2 - Revenue Bonds *(in thousands)*

Series	Type	Weighted Avg. Cost of Capital at		Original Issue	Balance June 30,	
		June 30, 2020	Final Maturity		2020	2019
2009A (1)	Fixed	4.00%	11/1/2039	256,300	\$ 256,300	\$ 256,300
2009B	Fixed	N/A	11/1/2021	75,760	-	22,350
2010A (1)	Fixed	3.88%	11/1/2041	252,285	252,285	252,285
2011	Fixed	N/A	11/1/2027	54,125	-	31,290
2012A	Fixed	N/A	11/1/2019	105,155	-	105,155
2013A	Fixed	2.43%	11/1/2023	11,325	5,925	7,230
2013B	Fixed	4.87%	11/1/2043	150,000	150,000	150,000
2014A	Fixed	3.16%	11/1/2035	294,510	180,350	257,815
2014B	Fixed	4.24%	11/1/2054	150,000	150,000	150,000
2020A	Fixed	1.98%	11/1/2050	400,000	400,000	-
2020B	Fixed	1.86%	11/1/2030	190,200	190,200	-
Total Fixed Rate Bonds				1,939,660	1,585,060	1,232,425
2007B (2)	Variable	0.12%	11/1/2031	102,250	82,540	86,185
Total Variable Rate Demand Bonds				102,250	82,540	86,185
Total System Facilities Revenue Bonds				\$ 2,041,910	\$ 1,667,600	\$ 1,318,610
2011 (3)	Fixed	3.88%	11/1/2027	32,835	17,880	19,935
2017 (3)	Fixed	3.10%	3/1/2032	20,000	16,413	17,550
Total Revenue Bonds				\$ 2,094,745	\$ 1,701,893	\$ 1,356,095

(1) Taxable issue designated as Build America Bonds under the Internal Revenue Code of 1986, as amended.

(2) As of June 30, 2020; rates are determined daily or weekly by the remarketing agents. The rate is usually within a range at or near the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA Index) rate, which resets weekly.

(3) Tax-exempt revenue bonds issued by Health and Educational Facilities Authority on behalf of the Medical Alliance, which is rated separately from the University.

Interest Expense - Interest expense associated with financing projects during construction, net of any investment income earned on bond proceeds during construction, is capitalized. Total interest expense incurred during the years ended June 30, 2020 and 2019 was \$67,992,000 and \$70,364,000, respectively. Interest expense associated with financing projects during construction, net of any investment income earned on bond proceeds during construction, is capitalized. For the years ended June 30, 2020 and 2019, capitalization of interest

earned on unspent bond proceeds totaled \$3,296,000 and \$3,779,000, respectively, resulting in net interest expense of \$64,696,000 and \$66,585,000, respectively. For the year ended June 30, 2020 and 2019, the University earned cash subsidy payments from the United States Treasury totaling \$9,871,000 and \$9,828,000, respectively, for designated Build America Bonds outstanding, which was recorded as Federal Appropriations on the Statements of Revenues, Expenses, and Changes in Net Position.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Interest Rate Swap Agreements - With an objective of lowering the University's borrowing costs, when compared against fixed-rate debt, the University entered into interest rate swap agreements in connection with certain variable-rate System Facilities Revenue Bonds and commercial paper. Under each of the swap agreements, the University

pays the swap counterparty a fixed interest rate payment and receives a variable rate interest rate payment that effectively changes a component of the University's variable interest rate debt to fixed rate debt. Table 10.3 presents the terms of the outstanding swaps and their fair values at June 30, 2020.

Table 10.3 - Interest Rate Swaps (*in thousands*)

Type	Notional Amount	Effective Date	Maturity Date	Terms	Fair Value	Counterparty Credit Rating
Pay fixed; receive variable	\$ 40,000	7/18/2002	11/1/2032	Pay 3.950%; receive SIFMA Index	\$ (16,477)	Aa3 / A+
Pay fixed; receive variable	45,400	12/14/2006	8/1/2026	Pay 3.902%; receive SIFMA Index	(9,318)	Aa3 / A+
Pay fixed; receive variable	82,540	7/26/2007	11/1/2031	Pay 3.798%; receive 68% of 1-Month LIBOR	(20,193)	Aa3 / A+
Total	\$ 167,940				\$ (45,988)	

The 2002 and 2006 swaps do not specifically hedge any currently outstanding debt; rather, they serve to reduce the overall exposure to interest rate risk on the University's variable rate debt not otherwise specifically hedged. The notional amount of the 2002 swap is fixed over the life of the agreement. The notional amount of the 2006 swap decreases annually over the life of the swap. The 2007 swap specifically hedges System Facilities Revenue Bond Series 2007B, the effectiveness of which has been determined

using the synthetic instrument method. The notional amount of the 2007 swap is equal to the outstanding balance of the Series 2007B bonds.

The University recognizes the fair value and corresponding changes in fair value of the outstanding swaps in the University's financial statements. Changes in fair value of the outstanding swaps, with respective financial statement presentation, are presented in Table 10.4:

Table 10.4 - Interest Rate Swaps - Change in Fair Value (*in thousands*)

Type	Fair Value at June 30,		Fair Value on Acquisition	Change in Fair Value	Presentation of Change in Fair Value
	2020	2019			
2002 Swap - Investment Derivative	\$ (16,477)	\$ (11,906)	N/A	\$ (4,571)	Investment and Endowment Income, Net
2006 Swap - Investment Derivative	(9,318)	(7,703)	N/A	(1,615)	Investment and Endowment Income, Net
2007 Swap - Cash Flow Hedge	(20,193)	(15,933)	N/A	(4,260)	Deferred Outflows of Resources
Total	\$ (45,988)	\$ (35,542)		\$ (10,446)	

Fair Value. There is a risk that the fair value of a swap could be adversely affected by changing market conditions. The fair values, developed using the zero coupon method with proprietary models, were prepared by the counterparties, JPMorgan Chase Bank, N.A., and Bank of America, N.A., major U.S. financial institutions. The zero coupon method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied

by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each net settlement of the swap. The fair value of the interest rate swaps is the estimated amount the University would have either (paid) or received if the swap agreements were terminated on June 30, 2020.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Credit Risk. Although the University has entered into the interest rate swaps with creditworthy financial institutions, there is credit risk for losses in the event of non-performance by the counterparties. Subject to applicable netting arrangements, swap contracts with positive fair values are exposed to credit risk. The University faces a maximum possible loss equivalent to the amount of the derivative instrument's fair value. Subject to applicable netting arrangements, swaps with negative fair values are not exposed to credit risk. Collateral requirements apply to both parties for the 2002 and 2007 swaps and for the 2006 swap collateral requirements only apply to the counterparty. The collateral requirements are determined by a combination of credit ratings and the aggregate fair value of swaps outstanding with each counterparty as presented in Table 10.5:

Table 10.5 - Swap Collateral Requirements

Credit Rating (S&P / Moody's)	Fair Value Threshold (in thousands)
AAA/Aaa	\$ 50,000
AA+/Aa1	30,000
AA/Aa2	30,000
AA-/Aa3	20,000
A+/A1	20,000
A/A2	10,000
A-/A3	10,000
BBB+/Baa1	5,000

If the aggregate fair value of swaps outstanding with each counterparty is positive and exceeds the fair value threshold for the applicable credit rating, the counterparties are required to post collateral. If the aggregate fair value of the 2002 and 2007 swaps is negative and exceeds the fair value threshold for the applicable credit rating, the University is required to post collateral. Permitted collateral for either party includes U.S. Treasuries, U.S. government agencies, cash, and commercial paper rated A1/P1 by S&P or Moody's, respectively. The negative aggregate fair value of the 2002 and 2007 swaps exceeded \$30,000,000 on June 30, 2020, which is the current fair value threshold for the University given its Moody's rating of Aa1. As a result, the University posted collateral of \$6,110,000 with the counterparty at June 30, 2020.

Basis Risk. The variable-rate payments received by the University on the 2007 swap are determined by 68% of one month LIBOR, whereas the interest rates paid by the University on its variable-rate bonds correspond to the SIFMA Index. The University is exposed to basis risk only to the extent that the historical relationship between these variable market rates changes going forward, resulting in a variable-rate payment received on the 2007 swap that is significantly less than the variable-rate interest payment on the bonds.

Termination Risk. The University is exposed to termination risk for the 2002 and 2007 interest rate swaps as the counterparty has the right to terminate the agreements in certain circumstances. For the 2002 swap, the counterparty has a contractual right to terminate the agreement if the daily weighted average of the SIFMA Index for the preceding 30 calendar day period is greater than 7.00%. With regard to the 2007 swap, the counterparty has a contractual right to terminate the agreement if the daily weighted average of the SIFMA Index for the preceding 180 days is greater than 6.00%. The 2006 interest rate swap is not exposed to termination risk. The SIFMA Index was 0.13% at June 30, 2020.

Debt-Related Items Presented as Deferred Outflows of Resources - As required by GASB, the University recognizes certain debt-related items as deferred outflows of resources. The detail of the debt related items recognized as deferred outflows resources is presented in Table 10.6.

Table 10.6 - Debt-Related Deferred Outflows of Resources (in thousands)

	2020	2019
Swaps - Cash Flow Hedge	\$ 20,193	\$ 15,933
Loss on Bond Defeasance	7,252	14,750
Deferred Outflows of Resources	\$ 27,445	\$ 30,683

For the years ended June 30, 2020 and 2019 the amortization of the Loss on Bond Defeasance totaled \$919,000 and \$2,134,000, respectively, which increases interest expense.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Pledged Revenues and Debt Service Requirements - For fiscal years 2020 and 2019, annual debt service, including net payments on associated interest rate swaps, totaled \$102,493,000 and \$108,143,000, respectively. For fiscal years 2020 and 2019, System Facilities Pledged Revenue was fourteen times greater than the annual debt service each year. Net System Facilities Revenue was 149% and 201% of annual debt service for fiscal years 2020 and 2019, respectively. Table 10.7 provides the System Facilities pledged net revenues.

Table 10.7 - System Facilities Pledged
Net Revenues *(in thousands)*

	2020	2019
Pledged Revenues:		
Net Patient Revenue	\$ 1,291,491	\$ 1,288,005
Housing and Food Service	89,917	105,953
Bookstores	31,410	38,380
Net Tuition and Fees	23,960	27,867
Other Operating Revenue	29,397	35,561
Pledged Revenues	1,466,175	1,495,766
Operating Expenses	1,313,460	1,278,543
Net Revenues	\$ 152,715	\$ 217,223

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Table 10.8 provides future debt service requirements for Revenue Bonds, including the impact of interest rate swap agreements. With respect to the inclusion of variable rate bond interest payments and net payments on swaps, the following data was based upon variable rates in effect at June 30, 2020. As market rates vary, variable rate bond interest payments and net swap payments will vary.

Table 10.8 - Future Debt Service - Revenue Bonds *(in thousands)*

Fiscal Year	Principal	Interest	Hedging	Total Before	Investment	Total Future
			Derivatives, Net	Investment Derivatives	Derivatives, Net	
2021	8,459	66,523	2,943	77,925	3,208	81,133
2022	8,807	70,647	2,800	82,254	3,157	85,411
2023	19,220	70,141	2,652	92,013	3,099	95,112
2024	131,164	68,581	2,497	202,242	3,036	205,278
2025	41,715	66,457	2,268	110,440	2,969	113,409
2026-2030	387,206	293,003	7,022	687,231	14,393	701,624
2031-2035	349,322	208,670	578	558,570	10,294	568,864
2036-2040	187,810	167,040	-	354,850	6,728	361,578
2041-2045	318,190	80,848	-	399,038	449	399,487
2046-2050	-	45,517	-	45,517	-	45,517
2051-2055	250,000	29,976	-	279,976	-	279,976
	\$ 1,701,893	\$ 1,167,403	\$ 20,760	\$ 2,890,056	\$ 47,333	\$ 2,937,389

Commercial Paper – During fiscal year 2020 and 2019, the University issued \$105,155,000 and \$65,000,000, respectively, of commercial paper to finance bond payments and for new building projects. All outstanding commercial paper was refinanced with the issuance of the University’s System Facilities Revenues Bonds, Series 2020A and 2020B.

On October 21, 2011, the Board adopted a flexible financing program for the University referred to as the University’s Commercial Paper Program (“CP Program”). The CP Program authorizes the periodic issuance of up to an aggregate outstanding principal amount of \$375 million in Commercial Paper Notes. The initial term of the authorization is approximately fifteen years.

The Commercial Paper Notes are limited obligations of the University secured by a pledge of the University’s unrestricted revenues. “Unrestricted revenues” includes state appropriations for general operations, student fee revenues, and all other operating revenues of the University other than System Facilities Revenues. The primary objective of the CP Program is to provide flexibility in managing the University’s overall debt program to meet its

various financial needs including: (a) financing capital projects, (b) allowing for the refunding/refinancing of outstanding debt, and (c) providing a readily accessible source of funds for various working capital purposes.

Notes Payable - Notes payable consist of unsecured loans from the State Department of Natural Resources Energy Efficiency Leveraged Loan Program. Interest is payable semiannually and ranges from 2.0% to 3.2%.

Rolla Renewable Energy Company, LLC, a wholly owned subsidiary of MREC, holds Qualified Low-Income Community Investment loan agreements with CCM Community Development LV, LLC (CCM) and Midwest Renewable Capital XIII, LLC (MRC). The proceeds of these notes are to develop, construct, own and lease the geothermal construction project. Interest is payable quarterly at 1.3% on the CCM note and 1.6% on the MRC note. MREC has pledged collateral consisting of cash and real and personal property. During fiscal year 2020 the loan agreement between Midwest Renewable Capital XIII, LLC and RREC was repaid, releasing the outstanding obligation.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

The future payments on all notes payable at June 30, 2020, are as follows:

Table 10.9 - Future Notes Payable Payments

Year Ending June 30	Amount <i>(in thousands)</i>
2021	2,101
2022	1,286
2023	1,279
2024	1,279
2025	1,139
2026-2030	4,917
2031-2035	4,901
2036-2040	4,901
2041-2044	3,185
Total Future Notes Payable Payments	24,988
Less: Amount Representing Interest	(3,298)
Future Notes Payable	
Principal Payments	\$ 21,690

Capital Lease Obligations - The University leases various facilities and equipment through capital leases. Facilities and equipment under capitalized leases are recorded at the present value of future minimum lease payments.

The future minimum payments on all capital leases at June 30, 2020, are as follows:

Table 10.10 - Future Capital Lease Payments

Year Ending June 30	Amount <i>(in thousands)</i>
2021	6,688
2022	7,067
2023	7,208
2024	7,101
2025	6,984
2026-2029	26,770
Total Future Minimum Payments	61,818
Less: Amount Representing Interest	(2,284)
Present Value of Future Minimum Lease Payments	\$ 59,534

11. RISK MANAGEMENT

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; natural disasters; medical malpractice; and various medically related benefit programs for employees. The University funds these losses through a combination of self-insured retentions and commercially purchased insurance. The amount of self-insurance funds and commercial insurance maintained are based upon analysis of historical information and actuarial estimates. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The liability for self-insurance claims at June 30, 2020 and 2019 of \$89,328,000 and \$85,270,000, respectively, represents the present value of amounts estimated to have been incurred by those dates, using discount rates ranging from 1.00% to 3.50%, based on expected future investment yield assumptions.

Changes in the self-insurance liability during fiscal years 2020 and 2019 were as follows and are included in accrued liabilities (current) and other noncurrent liabilities (see note 9):

Table 11.1 - Self-Insurance Claims
Liability *(in thousands)*

Fiscal Year	New Claims and			
	Beginning of Year	Changes in Estimates	Claim Payments	End of Year
2020	\$ 85,270	\$ 267,341	\$(263,283)	\$89,328
2019	\$ 85,846	\$ 222,659	\$(223,235)	\$85,270

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

12. COMMITMENTS AND CONTINGENCIES

University Operating Leases - The University leases various facilities and equipment under agreements recorded as operating leases. Operating lease expense for the years ended June 30, 2020 and 2019 were \$10,983,000 and \$11,731,000, respectively. Future minimum payments on all significant operating leases with initial or remaining terms of one year or more at June 30, 2020, are as follows:

Table 12.1 - Future Operating Lease Payments

Fiscal Year	Amount <i>(in thousands)</i>
2021	10,483
2022	8,325
2023	7,129
2024	5,637
2025	2,467
2026-2030	968
Total Future Lease Payments	\$ 35,009

Commitments - The University has outstanding commitments for the usage and ongoing support of MU Health Care's information technology environment. As of January 2010, MU Health Care began contracting for software usage and maintenance fees, as well as labor costs for approximately 100 full-time equivalent employees, with the Cerner Corporation. This agreement, called IT Works, represents the labor and software component of a cooperative relationship between MU Health Care and Cerner Corporation referred to as the Tiger Institute for Health Innovation (the Tiger Institute). The Tiger Institute is not a legally separate entity and is included within the financial statements of the University. The Tiger Institute provides continued development of information technology within the clinical areas, as well as developing new technology initiatives in health information systems.

As of June 30, 2020, this contracted commitment totaled \$145,519,000 and will be paid in the following amounts: \$27,224,000 in 2021, \$28,133,000 in 2022, \$29,073,000 in 2023, \$30,043,000 in 2024, and \$31,046,000 in 2025.

In addition to the above commitment with Cerner Corporation, the Capital Region Medical Center (CRMC), as reported in the Medical Alliance, has entered into a strategic information technology agreement with Cerner

Corporation. Cerner has assumed operational and administrative responsibilities for CRMC's technology environment and services. The agreement is effective through June 30, 2025 and will renew in five year increments at the end of the initial term.

As of June 30, 2020, this contracted commitment totaled \$33,514,000 and will be paid in the following amounts: \$7,010,000 in 2021, \$7,421,000 in 2022, \$7,210,000 in 2023, and \$6,173,000 in 2024, and \$5,700,000 in 2025.

The University entered into a Healthcare Delivery Agreement with Siemens Healthineers to commit to acquiring a comprehensive portfolio of equipment and applications as well as specialized consulting services, training and maintenance of equipment over a ten-year period. The purpose of the agreement is to develop and embrace innovative new technologies and to build new medical centers that are equipped with state-of-the-art equipment. The University's total outlays for the equipment, applications and services are \$133,735,000. The equipment is recorded as a capital asset and the outlays related to the equipment is recorded as a capital lease and amortized over ten years.

In addition, Siemens Healthineers and the University have each committed to provide a contribution with a fair market value up to \$20 million towards joint research projects of the strategic alliance.

Claims and Litigation - The University is currently involved in various claims and pending legal actions related to matters arising from ordinary conduct of business. The University Administration believes that the ultimate disposition of the actions will not have a material effect on the financial statements of the University.

Pollution Remediation - The University has been working with the Voluntary Cleanup Program of the Missouri Department of Natural Resources (MDNR) to characterize subsurface contamination on a University owned property. The University has received the results of the two-year sampling process in fiscal year 2016. The University is awaiting a determination from MDNR. The site is now on the National Regulatory Commission (NRC) license and must be decommissioned. Upon further review of the documents, the University determined that it does not believe that the documents support the decision to add the site to the NRC license due to an overestimated quantity of isotopes managed at the site. The University made a formal

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

request to remove the site from the NRC license. NRC responded with a request for more information including a dose assessment, which is estimated to cost \$15,000. If the NRC finds the dose assessment to be unacceptable, then the University will be required to fully decommission the site, including a sampling plan. The cost of a sampling plan to characterize the chemical contamination is estimated at \$1,000,000. The University has not commenced any actions requiring the recognition of a liability for this property.

13. RETIREMENT, DISABILITY, AND DEATH BENEFIT PLAN

DEFINED BENEFIT PLAN

Plan Description – the Retirement Plan is a single-employer, defined benefit plan for all qualified employees. As authorized by Section 172.300, Revised Statutes of Missouri, the University’s Board of Curators administers the Retirement Plan and establishes its terms.

Benefits provided - Full-time employees vest in the Retirement Plan after five years of credited service and become eligible for benefits based on age and years of service. A vested employee who retires at age 65 or older is eligible for a lifetime annuity calculated at a certain rate times the credited service years times the compensation base (average compensation for the five highest consecutive salary years). The rate is 2.2% if the employee was hired before October 1, 2012, or 1.0% if the employee was hired after September 30, 2012. Academic members who provide summer teaching and research service receive additional summer service credit. The Board of Curators may periodically approve increases to the benefits paid to existing pensioners. However, vested members who leave the University prior to eligibility for retirement are not eligible for these pension increases.

Table 13.1 - Retirement Plan Membership

	2020	2019
Active Members	18,352	18,102
Inactive Vested Members	5,046	4,817
Pensioners and Beneficiaries	10,836	10,316
Total Members	34,234	33,235

Vested employees who are at least age 55 and have ten years or more of credited service or age 60 with at least five years of service may choose early retirement with a reduced benefit. However, if the employee retires at age 62 and has at least 25 years of credited service, the benefit is

not reduced. Up to 30% of the retirement annuity can be taken in a lump sum payment. In addition, the standard annuity can be exchanged for an actuarially-equivalent annuity selected from an array of options with joint and survivor, period certain, and guaranteed annual increase features.

Vested employees who terminate prior to retirement eligibility may elect to transfer the actuarial equivalent of their benefit to an Individual Retirement Account or into another employer’s qualified plan that accepts such rollovers. The actuarial equivalent may also be taken in the form of a lump sum payment.

In addition, the Retirement Plan allows vested employees who become disabled to continue accruing service credit until they retire. It also provides a pre-retirement death benefit for vested employees.

The Retirement Plan provides a minimum value feature for vested employees who terminate or retire. The minimum value is calculated as the actuarial equivalent of 5% of the employee’s eligible compensation invested at 7.5% per credited service year or the regularly calculated benefit.

Plan Change in Fiscal Year 2020 – In April 2019, the University’s Board of Curators approved a new retirement plan for newly hired or rehired employees starting October 1, 2019. Employees starting on or after that date, will be enrolled in a defined contribution plan and the defined benefit plan of the University will be closed to new entrants. Rehires on or after October 1, 2019 will also be enrolled into the new defined contribution plan regardless of their vested status in the defined benefit plan. Vested defined benefit employees that are rehired on or after October 1, 2019 will no longer receive creditable service credit within the defined benefit plan.

Basis of Accounting – The Retirement Plan’s accounting records are prepared using the accrual basis of accounting. Employer contributions to the Retirement Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with terms of the Retirement Plan. The Retirement Plan does not issue a separate financial report.

Investment Valuation – Investments are reported at fair value.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Contributions – The University’s contributions to the Retirement Plan are equal to the actuarially determined employer contribution requirement (ADC). The ADC for those employees hired before October 1, 2012 averaged 11.4% and 11.2% of covered payroll for the years ended June 30, 2020 and 2019, respectively. The ADC for those employees hired after September 30, 2012 averaged 7.8% and 7.5% of covered payroll for the years ended June 30, 2020 and 2019, respectively. Employees are required to contribute 1% of their salary up to \$50,000 in a calendar year and 2% of their salary in excess of \$50,000. An actuarial valuation of the Plan is performed annually and the University’s contribution rate is updated at the beginning of the University’s fiscal year on July 1, to reflect the actuarially determined funding requirement from the most

recent valuation, as of the preceding October 1. This actuarial valuation reflects the adoption of any Retirement Plan amendments during the previous fiscal year. The University contributed \$118,234,000 and \$115,980,000 during the fiscal years ended June 30, 2020 and 2019, respectively.

Net Pension Liability – The University’s net pension liability was measured as of June 30, 2020 and 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019 and 2018, respectively. Roll-forward procedures were used to measure the Retirement Plan’s total pension liability as of June 30, 2020 and 2019.

Table 13.2 Changes in the Net Pension Liability (*in thousands*)

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at July 1, 2019	\$4,571,623	\$3,757,413	\$814,210
Changes for the year:			
Service cost	66,239	-	66,239
Interest	323,553	-	323,553
Differences between expected and actual experience	68,943	-	68,943
Contributions – employer	-	118,234	(118,234)
Contributions – employee	-	16,484	(16,484)
Net investment income	-	28,604	(28,604)
Benefit payments, including refunds of employee contributions	(265,991)	(265,991)	-
Net changes	192,744	(102,669)	295,413
Balances at June 30, 2020	\$4,764,367	\$3,654,744	\$1,109,623

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at July 1, 2018	\$4,413,831	\$3,682,638	\$731,193
Changes for the year:			
Service cost	62,845	-	62,845
Interest	312,921	-	312,921
Differences between expected and actual experience	23,046	-	23,046
Contributions – employer	-	115,980	(115,980)
Contributions – employee	-	15,989	(15,989)
Net investment income	-	183,826	(183,826)
Benefit payments, including refunds of employee contributions	(241,020)	(241,020)	-
Net changes	157,792	74,775	83,017
Balances at June 30, 2019	4,571,623	3,757,413	814,210

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Actuarial Methods and Assumptions – The October 1, 2019 and 2018 actuarial valuations utilized the entry age actuarial cost method.

Actuarial assumptions for October 1, 2019 and 2018 included:

Inflation	2.20%
Rate of Investment Return net of administrative expenses (including inflation)	7.20%
Projected salary increases (Including inflation)	3.6 - 4.5%
Cost-of-living adjustments	0%

For purposes of determining actuarially required contributions, the actuarial value of assets was determined using techniques that spread effects of short-term volatility in the market value of investments over a 5-year period. The underfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over 24 and 25 years from the October 1, 2019 and 2018 valuation dates, respectively. Mortality rates were based on the RP-2014 Combined Health Mortality Table projected using Scale MP-2017 and RP-2000 Combined Health Mortality Table projected to 2023 using Scale BB for October 1, 2019 and 2018 valuation dates, respectively.

The actuarial assumptions used in the October 1, 2019 and 2018 valuation were based on the results of the most recent quinquennial study of the University's own experience covering 2012 to 2016.

Discount Rate - The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that University contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Table 13.3 Sensitivity of the Net Liability to Changes in the Discount
(in thousands)

		2020 Net Pension Liability	2019 Net Pension Liability
1% Decrease	6.20%	\$1,704,483	\$1,387,128
Current Rate	7.20%	1,109,623	814,210
1% Increase	8.20%	607,118	330,738

Annual Rate of Return - The annual money-weighted rate of return is calculated as the internal rate of return on pension investments, net of pension plan investment expense. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on pension plan investments for the years ended June 30, 2020 and 2019 was 0.6% and 5.2%, respectively.

Table 13.4 - Asset Class Allocation

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Public equity	32.0%	5.2%
Private equity	10.0%	5.7%
Sovereign bonds	15.0%	1.0%
Inflation linked bonds	17.0%	0.8%
Private debt	3.0%	4.4%
Risk balanced	10.0%	7.6%
Commodities	5.0%	2.2%
Real estate	8.0%	4.5%
	100%	

Pension Expense- For the years ended June 30, 2020 and 2019, the Retirement Plan recognized pension expense of \$243,021,000 and \$217,961,000, respectively. Annual pension expense consists of service cost and interest on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as deferred outflows/inflows of resources and recognized in pension expense over a five year period.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

The pension expense for the years ended June 30, 2020 and 2019 is summarized as follows:

Table 13.5 Pension Expense *(in thousands)*

	2020	2019
Service cost	\$66,239	\$62,845
Interest	323,553	312,921
Recognized portion of current-period difference between expected and actual experience	12,947	4,266
Contributions – employee	(16,484)	(15,989)
Projected earnings on pension plan investments	(265,010)	(260,501)
Recognized portion of current-period difference between projected and actual earnings on pension plan investments	47,281	15,335
Recognition of deferred outflows of resources	119,865	109,020
Recognition of deferred inflows of resources	(45,370)	(9,936)
Pension expense for fiscal year ended June 30,	\$243,021	\$217,961

Deferred Outflows/Inflows of Resources- In accordance with GASB Statement No. 68, the University recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, and the difference between actual and expected

investment returns as Deferred Outflows/Inflows of Resources. At June 30, 2020 and 2019, the Retirement Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Table 13.6 Deferred outflows/inflows of resources related to pensions *(in thousands)*

	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	2020	2020	2019	2019
As of June 30,				
Differences between expected and actual experience	76,279	15,050	28,810	24,985
Changes in assumptions	116,739	-	163,698	-
Net difference between projected and actual earnings on pension plan investments	188,145	-	27,965	-
Total	381,163	15,050	220,473	24,985

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

The University recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the University's employees. The following table summarizes the future recognition of these items:

Table 13.7 Future recognition of deferred outflows/(inflows) *(in thousands)*

Fiscal Year	Recognition
2021	84,017
2022	112,430
2023	103,515
2024	61,943
2025	4,208
Total	366,113

DEFINED CONTRIBUTION PLAN

Plan Description - Employees hired after September 30, 2012 participate in a single employer, defined contribution plan. Each year the University contributes 2% of each employee's eligible salary to a 401(a) plan. Employees are able to contribute to a 457(b) and 403 (b) plan. The University will match up to 3% of the employee's contribution to the 457(b) plan with the University's match funds going into the 401(a) plan. Employees hired or rehired beginning October 1, 2019, will participate in a single employer, defined contribution plan. Employees will be automatically enrolled in the plan to contribute 8% of eligible salary into a 457(b) plan. Each year the University will match up to 8% of each employee's eligible salary to a 401(a) plan. Employees in the defined contribution plans are immediately 100% vested in their contributions. The University's matching contributions vest following three years of consecutive or nonconsecutive service.

The defined contribution plan recognized \$26,781,000 and \$19,212,000 of expense net of forfeitures of \$3,720,000 and \$3,994,000 for the years ended June 30, 2020 and 2019, respectively.

14. OTHER POSTEMPLOYMENT BENEFITS

Plan Description – In addition to the pension benefits described in Note 13, the University operates a single-employer, defined benefit OPEB plan. The University's Other Postemployment Benefits (OPEB) Plan provides postemployment medical, dental, and life insurance benefits to employees who retire from the University after attaining age 55 and before reaching age 60 with ten or more years of service, or after attaining age 60 with five or more years of service. As of January 1, 2018, employees must be 60 years old and have 20 years of service at the date of retirement to access the same percentage subsidy as retirees prior to January 1, 2018. Employees with age plus years of service less than 80 but with more than 5 years of service as of January 1, 2018 will receive a subsidy of \$100 per year of service up to a maximum of \$2,500 annually. Employees with less than 5 years of service as of January 1, 2018 will not receive an insurance subsidy or be eligible to participate in the University's plans.

As of June 30, 2020 and 2019, 8,309 and 9,208 retirees, respectively, were receiving benefits, and an estimated 8,907 active University employees may become eligible to receive future benefits under the plan. Postemployment medical, dental and life insurance benefits are also provided to long-term disability claimants who were vested in the University's Retirement Plan at the date the disability began, provided the onset date of the disability was on or after September 1, 1990. As of June 30, 2020 and 2019, 119 and 123 long-term disability claimants, respectively, met those eligibility requirements.

The terms and conditions governing the postemployment benefits to which employees are entitled are at the sole authority and discretion of the University's Board of Curators.

Basis of Accounting – The OPEB Plan's financial statements are prepared using the accrual basis of accounting, in accordance with GASB Statement No. 74. Additionally, the requirements of GASB Statement No. 75 are followed by the University for reporting its OPEB obligations and related footnote and required supplementary information disclosures. The assets of the OPEB Trust Fund are irrevocable and legally protected from creditors and dedicated to providing postemployment benefits in accordance with terms of the plan. The OPEB Plan does not issue a separate financial report.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Contributions and Reserves – Contribution requirements of employees and the University are established and may be amended by the University’s Board of Curators. For employees retiring prior to September 1, 1990, the University contributes 2/3 of the medical benefits premium and 1/2 of the dental plan premium. For employees who retired on or after September 1, 1990, the University contributes toward premiums based on the employee’s length of service and age at retirement.

The University makes available two group term life insurance options. Option A coverage is equal to the retiree’s salary at the date of retirement, while Option B is equal to two times that amount. For each Option, graded decreases in coverage are made when the retiree attains specific age levels. The University pays the full cost of Option A and approximately 91% of the cost of Option B coverage. Coverage for group term life insurance ends on January 1 following the retiree’s 70th birthday.

For the years ended June 30, 2020 and 2019, participants contributed \$17,763,000 and \$17,378,000, or approximately 52.4% and 50.8% respectively, of total premiums through their required contributions, which vary depending on the plan and coverage selection. In fiscal years 2020 and 2019, the University contributed \$20,672,000 and \$23,363,000 respectively.

The University makes available two long-term disability options to its employees. Option A coverage is equal to 60% of the employee’s salary on the date the disability began, when integrated with benefits from all other sources. Option B coverage is equal to 66-2/3% of the employee’s salary, integrated so that benefits from all sources will not exceed 85% of the employee’s salary. Both options have a 149-day waiting period and provide benefits until age 65. The University pays the full cost of the Option A premium, while employees enrolled in Option B pay the additional cost over the Optional A premium.

Net OPEB Liability – The total and net OPEB liabilities as of June 30, 2020 and 2019 were measured as of June 30, 2020 and 2019, respectively, using actuarial valuations as of those dates.

Table 14.1 Net OPEB Liability (*in thousands*)

	Fiscal Year 2020	Fiscal Year 2019
Net OPEB Liability Components:		
Total OPEB Liability	\$ 406,980	\$ 492,066
Plan Fiduciary Net Position	39,366	38,426
Net OPEB Liability	367,614	453,640
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	9.67%	7.81%

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Table 14.2 Changes in the Net OPEB Liability *(in thousands)*

	Total OPEB Liability (TOL) (a)	Fiduciary Net Position (FNP) (b)	Net OPEB Liability (NOL) (a) - (b)
Balances at July 1, 2019	\$492,066	\$38,426	\$453,640
Changes for the year:			
Service cost	4,019	-	4,019
Interest	17,004	-	17,004
Differences between expected and actual experience	(4,425)	-	(4,425)
Changes in assumptions	(81,032)	-	(81,032)
Contributions – employer	-	20,672	(20,672)
Contributions – employee	-	17,763	(17,763)
Net investment income	-	920	(920)
Expected/Actual benefit payments, including refunds of employee contributions	(20,652)	(38,413)	17,761
Administrative expenses	0	(2)	2
Net changes	(85,086)	940	(86,026)
Balances at June 30, 2020	\$406,980	\$39,366	\$367,614

	Total OPEB Liability (TOL) (a)	Fiduciary Net Position (FNP) (b)	Net OPEB Liability (NOL) (a) - (b)
Balances at July 1, 2018	\$479,006	\$36,801	\$442,205
Changes for the year:			
Service cost	4,124	-	4,124
Interest	18,248	-	18,248
Differences between expected and actual experience	31,459	-	31,459
Changes in assumptions	(17,565)	-	(17,565)
Contributions – employer	-	23,363	(23,363)
Contributions – employee	-	17,378	(17,378)
Net investment income	-	1,469	(1,469)
Expected/Actual benefit payments, including refunds of employee contributions	(23,206)	(40,584)	17,378
Administrative expenses	-	(1)	1
Net changes	13,060	1,625	11,435
Balances at June 30, 2019	\$492,066	\$38,426	\$453,640

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Actuarial Methods and Assumptions - Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The entry age normal, as a level percent of pay, actuarial cost method was used in the June 30, 2020 and June 30, 2019 actuarial valuations.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision of actual results, are compared to past expectations and new estimates are made about the future.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Benefit projections for financial reporting purposes are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and the historical pattern of cost sharing between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the University and plan members in the future.

Total OPEB liability was determined using the following actuarial assumptions for all periods presented, unless otherwise specified:

14.3 Total OPEB Liability Assumptions	
Inflation	2.20%
Total payroll growth	Varies based on age: 0.1% to 6.0% (including inflation) for academic and administrative; 0.1% to 3.0% (including inflation) for clerical and service
Discount Rate	2.21% for 2020 and 3.50% for 2019
Pre-65 Medical and HSP Plans trend rate	7.00% decreasing by 0.25% per year until an ultimate trend of 4.5% is reached
Pre-65 Rx trend rate	7.53% decreasing by 0.25% per year until an ultimate trend of 4.5% is reached
Post-65 Medical and Rx trend rate	5.00% decreasing by 0.25% per year until an ultimate trend of 4.50% is reached.
Dental trend rates	2.0% all years
Administration expenses rate	3.0% all years
Healthy retiree mortality rates	RP-2014 Healthy Employee/Annuitant Mortality Table projected generationally using Scale MP-2017
Disabled retiree mortality rates	RP-2014 Disabled Annuitant Mortality Table projected generationally using Scale MP-2017

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Development of Discount Rate – The discount rates used to measure the total OPEB liability were 2.21% and 3.50% as of fiscal year June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that the University would not make additional contributions to the OPEB Trust and would continue to fund the plan on a pay-as-you-go basis. Based on those assumptions, the OPEB plan’s fiduciary net position was not projected to cover a full year of projected future benefit payments. Therefore, all future benefit payments are discounted at the current index rate

for 20 year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity to Changes in Discount Rate and Healthcare Cost Trend Rates – The following presents the net OPEB liability of the University as well as what the University’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate as well as the impact to the net OPEB liability if the healthcare cost trend rates were 1-percentage-point lower or 1-percentage-point higher.

Table 14.4 Sensitivity of the Net OPEB Liability to Changes in Discount Rate and Healthcare Cost Trend Rates *(in thousands)*

	1% Decrease in Discount Rate (1.21%)	Current Discount Rate (2.21%)	1% Increase in Discount Rate (3.21%)
Net OPEB Liability	\$430,532	\$367,614	\$316,449

	1% Decrease in Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$330,111	\$367,614	\$412,966

OPEB Expense- For the years ended June 30, 2020 and 2019, the University recognized an OPEB expense of \$791,000 and \$17,476,000, respectively. Annual OPEB

expense consists of service costs, interest on the total OPEB liability and the recognition of deferred outflows/inflows.

The OPEB expense for the years ended June 30, 2020 and 2019 is summarized as follows:

Table 14.5 OPEB Expense *(in thousands)*

	2020	2019
Service cost	\$4,019	\$4,124
Interest	17,004	18,248
Recognized portion of current-period difference between expected and actual experience	(784)	4,246
Recognized portion of current-period difference for changes to assumptions	(14,368)	(2,370)
Recognized portion of current-period difference between projected and actual earnings on pension plan investments	(184)	(294)
Recognition of deferred outflows of resources	4,246	-
Recognition of deferred inflows of resources	(9,142)	(6,478)
OPEB expense for fiscal year ended June 30,	\$791	\$17,476

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Deferred Outflows/Inflows of Resources- In accordance with GASB Statement No. 75, the University recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, and the difference between actual and expected

investment returns as Deferred Outflows/Inflows of Resources. At June 30, 2020 and 2019, the OPEB Plan reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

Table 14.6 Deferred outflows/inflows of resources related to OPEB *(in thousands)*

	Deferred	Deferred	Deferred	Deferred
	Outflows of Resources	Inflows of Resources	Outflows of Resources	Inflows of Resources
As of June 30,	2020	2020	2019	2019
Changes of assumptions	-	101,010	-	42,853
Differences between expected and actual experience	22,968	3,641	27,214	-
Net difference between projected and actual earnings on plan investments	-	2,116	-	2,014
Total	22,968	106,767	27,214	44,867

The University recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the University's employees. The following table summarizes the future recognition of these items:

Table 14.7 Future recognition of deferred (inflows) *(in thousands)*

Fiscal Year	Recognition
2021	(20,233)
2022	(20,050)
2023	(19,732)
2024	(16,405)
2025	(8,146)
2026-2027	767
Total	(83,799)

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

15. BLENDED COMPONENT UNITS

Condensed combining information for the University's blended component units as of and for the years ended June 30, 2020 and 2019 are presented as follows:

Table 15.1 Blended Component Units Condensed Financial Statements (*in thousands*)

Condensed Statement of Net Position	2020						
	University	MREC	Medical Alliance	CSS	CFMS	Eliminations	Total
Assets:							
Current Assets	\$ 1,430,065	\$ 1,980	\$ 65,730	\$ 1,034	\$ 156	\$ (219)	\$ 1,498,746
Non Current Other Assets	4,200,157	1,812	80,758	-	-	-	4,282,727
Capital Assets, Net	3,494,152	46,235	83,020	122	-	-	3,623,529
Deferred Outflows of Resources	486,517	-	-	-	-	-	486,517
Total Assets and Deferred Outflows of Resources	\$ 9,610,891	\$ 50,027	\$ 229,508	\$ 1,156	\$ 156	\$ (219)	\$ 9,891,519
Liabilities:							
Current Liabilities	\$ 1,251,446	\$ 1,774	\$ 39,346	\$ 538	\$ 128	\$ (428)	\$ 1,292,804
Noncurrent Liabilities	3,399,063	42,638	36,451	31	1	(20,063)	3,458,121
Deferred Inflows of Resources	133,851	-	-	-	-	-	133,851
Total Liabilities and Deferred Inflows of Resources	4,784,360	44,412	75,797	569	129	(20,491)	4,884,776
Net Position:							
Net Investment in Capital Assets	1,806,910	5,810	48,867	122	-	20,425	1,882,134
Restricted -							
Nonexpendable	1,270,680	-	-	-	-	-	1,270,680
Expendable	558,620	(195)	4,158	-	-	(153)	562,430
Unrestricted	1,190,321	-	100,686	465	27	-	1,291,499
Total Net Position	4,826,531	5,615	153,711	587	27	20,272	5,006,743
Total Liabilities and Net Position	\$ 9,610,891	\$ 50,027	\$ 229,508	\$ 1,156	\$ 156	\$ (219)	\$ 9,891,519
Condensed Statement of Revenues, Expenses and Changes in Net Position							
	2020						
	University	MREC	Medical Alliance	CSS	CFMS	Eliminations	Total
Operating Revenues:							
Other Operating Revenue	\$ 2,735,632	\$ 7,445	\$ 216,475	\$ 4,339	\$ 3,541	\$ (6,772)	\$ 2,960,660
Total Operating Revenues	2,735,632	7,445	216,475	4,339	3,541	(6,772)	2,960,660
Operating Expenses:							
Depreciation	202,450	4,766	11,179	32	2	-	218,429
All Other Operating Expenses	3,232,533	1,476	207,725	7,892	5,311	(6,648)	3,448,289
Total Operating Expenses	3,434,983	6,242	218,904	7,924	5,313	(6,648)	3,666,718
Operating Income (Loss)	(699,351)	1,203	(2,429)	(3,585)	(1,772)	(124)	(706,058)
Non-Operating Revenue (Expense)	637,153	(4,559)	(297)	-	41	(3)	632,335
Capital Contribution (Distribution)	40,188	-	-	3,817	1,400	(45,405)	-
Increase (Decrease) in Net Position	(22,010)	(3,356)	(2,726)	232	(331)	(45,532)	(73,723)
Net Position, Beginning of Year	4,848,541	8,971	156,437	355	358	65,804	5,080,466
Net Position, End of Year	\$ 4,826,531	\$ 5,615	\$ 153,711	\$ 587	\$ 27	\$ 20,272	\$ 5,006,743
Condensed Statement of Cash Flows							
	2020						
	University	MREC	Medical Alliance	CSS	CFMS	Eliminations	Total
Net Cash Flows Provided by (Used in) Operating Activities							
Net Cash Flows Provided by (Used in) Operating Activities	\$ (414,717)	\$ 2,933	\$ 12,972	\$ (3,669)	\$ (1,513)	\$ 5,217	\$ (398,777)
Net Cash Flows Provided by (Used in) Noncapital Financing Activities							
Net Cash Flows Provided by (Used in) Noncapital Financing Activities	614,125	-	176	-	-	-	614,301
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities							
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	(161,235)	(43,631)	(13,859)	-	-	41,056	(177,669)
Net Cash Flows Provided by (Used in) Investing Activities							
Net Cash Flows Provided by (Used in) Investing Activities	(32,202)	41,056	(2,171)	3,817	1,400	(46,273)	(34,373)
Net Increase in Cash and Cash Equivalents	5,971	358	(2,882)	148	(113)	-	3,482
Cash and Cash Equivalents, Beginning of Year	528,527	1,403	29,211	192	223	-	559,556
Cash and Cash Equivalents, End of Year	\$ 534,498	\$ 1,761	\$ 26,329	\$ 340	\$ 110	\$ -	\$ 563,038

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Table 15.2 Blended Component Units Condensed Financial Statements (*in thousands*)

Condensed Statement of Net Position	2019						
	University	MREC	Medical Alliance	CSS	CFMS	Eliminations	Total
Assets:							
Current Assets	\$ 1,307,350	\$ 1,953	\$ 65,076	\$ 907	\$ 620	\$ 20,764	\$ 1,396,670
Non Current Other Assets	3,960,207	6,744	78,061	-	-	-	4,045,012
Capital Assets, Net	3,289,589	105,577	82,323	50	5	(11,105)	3,466,439
Deferred Outflows of Resources	335,808	-	-	-	-	-	335,808
Total Assets and Deferred Outflows of Resources	\$ 8,892,954	\$ 114,274	\$ 225,460	\$ 957	\$ 625	\$ 9,659	\$ 9,243,929
Liabilities:							
Current Liabilities	\$ 1,382,352	\$ 2,067	\$ 29,387	\$ 575	\$ 243	\$ (1,324)	\$ 1,413,300
Noncurrent Liabilities	2,578,581	103,236	39,636	27	24	(54,821)	2,666,683
Deferred Inflows of Resources	83,480	-	-	-	-	-	83,480
Total Liabilities and Deferred Inflows of Resources	4,044,413	105,303	69,023	602	267	(56,145)	4,163,463
Net Position:							
Net Investment in Capital Assets	1,691,217	20,685	45,040	50	5	44,980	1,801,977
Restricted -							
Nonexpendable	1,257,588	-	-	-	-	-	1,257,588
Expendable	568,789	(11,714)	3,964	-	-	20,824	581,863
Unrestricted	1,330,947	-	107,433	305	353	-	1,439,038
Total Net Position	4,848,541	8,971	156,437	355	358	65,804	5,080,466
Total Liabilities and Net Position	\$ 8,892,954	\$ 114,274	\$ 225,460	\$ 957	\$ 625	\$ 9,659	\$ 9,243,929

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

Condensed Statement of Revenues, Expenses and Changes in Net Position	2019						
	University	MREC	Medical Alliance	CSS	CFMS	Eliminations	Total
Operating Revenues:							
Other Operating Revenue	\$ 2,777,057	\$ 7,445	\$ 220,356	\$ 4,191	\$ 4,439	\$ (6,772)	\$ 3,006,716
Total Operating Revenues	2,777,057	7,445	220,356	4,191	4,439	(6,772)	3,006,716
Operating Expenses:							
Depreciation	199,093	4,766	11,632	25	23	-	215,539
All Other Operating Expenses	3,209,726	1,454	198,446	8,060	5,701	(1,458)	3,421,929
Total Operating Expenses	3,408,819	6,220	210,078	8,085	5,724	(1,458)	3,637,468
Operating Income (Loss)	(631,762)	1,225	10,278	(3,894)	(1,285)	(5,314)	(630,752)
Non-Operating Revenue (Expense)	817,572	(2,661)	1,630	-	-	1,046	817,587
Capital Contribution (Distribution)	(5,471)	478	-	4,223	1,275	(505)	-
Increase (Decrease) in Net Position	180,339	(958)	11,908	329	(10)	(4,773)	186,835
Net Position, Beginning of Year	4,668,202	9,929	144,529	26	368	70,577	4,893,631
Net Position, End of Year	\$ 4,848,541	\$ 8,971	\$ 156,437	\$ 355	\$ 358	\$ 65,804	\$ 5,080,466

Condensed Statement of Cash Flows

Condensed Statement of Cash Flows	2019						
	University	MREC	Medical Alliance	CSS	CFMS	Eliminations	Total
Net Cash Flows Provided by (Used in) Operating Activities	\$ (322,745)	\$ 2,850	\$ 19,956	\$ (4,254)	\$ (1,524)	\$ (4,532)	\$ (310,249)
Net Cash Flows Provided by (Used in) Noncapital Financing Activities	612,674	-	596	-	-	-	613,270
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	(243,775)	(4,510)	(13,284)	4,223	1,275	4,532	(251,539)
Net Cash Flows Provided by (Used in) Investing Activities	(29,812)	-	(10,741)	-	-	-	(40,553)
Net Increase in Cash and Cash Equivalents	16,342	(1,660)	(3,473)	(31)	(249)	-	10,929
Cash and Cash Equivalents, Beginning of Year	512,185	3,063	32,684	223	472	-	548,627
Cash and Cash Equivalents, End of Year	\$ 528,527	\$ 1,403	\$ 29,211	\$ 192	\$ 223	\$ -	\$ 559,556

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

16. OPERATING EXPENSES BY FUNCTION

The operating expenses of the University are presented based on natural expenditure classifications. The University's operating expenses by functional classification are as follows:

Table 16.1 - Operating Expenses by Functional and Natural Classifications *(in thousands)*

Fiscal Year Ended June 30, 2020	Salaries and Wages	Benefits	Supplies, Services and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 396,871	\$ 159,338	\$ 84,379	\$ -	\$ -	\$ 640,588
Research	106,197	40,247	70,572	-	-	217,016
Public Service	90,623	40,677	57,940	-	-	189,240
Academic Support	86,702	40,139	33,209	-	-	160,050
Student Services	51,946	24,154	26,403	-	-	102,503
Institutional Support	122,634	58,488	(46,913)	-	-	134,209
Operation and Maintenance of Plant	35,646	19,526	71,457	-	-	126,629
Auxiliary Enterprises	793,287	222,740	779,753	-	-	1,795,780
Scholarships and Fellowships	-	-	-	82,274	-	82,274
Depreciation	-	-	-	-	218,429	218,429
Total Operating Expenses	\$ 1,683,906	\$ 605,309	\$ 1,076,800	\$ 82,274	\$ 218,429	\$ 3,666,718

Fiscal Year Ended June 30, 2019	Salaries and Wages	Benefits	Supplies, Services and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 404,196	\$ 163,907	\$ 123,147	\$ -	\$ -	\$ 691,250
Research	102,771	37,898	68,696	-	-	209,365
Public Service	83,686	36,341	60,062	-	-	180,089
Academic Support	84,593	36,569	39,882	-	-	161,044
Student Services	49,314	20,185	34,467	-	-	103,966
Institutional Support	120,100	56,005	(30,015)	-	-	146,090
Operation and Maintenance of Plant	34,781	15,639	71,218	-	-	121,638
Auxiliary Enterprises	769,828	212,841	758,722	-	-	1,741,391
Scholarships and Fellowships	-	-	-	67,096	-	67,096
Depreciation	-	-	-	-	215,539	215,539
Total Operating Expenses	\$ 1,649,269	\$ 579,385	\$ 1,126,179	\$ 67,096	\$ 215,539	\$ 3,637,468

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

17. FIDUCIARY FUNDS – PENSION AND OPEB TRUST FUNDS COMBINING STATEMENTS

Combining financial statements for the Fiduciary Funds – Pension and OPEB Trust Funds are as follows:

Table 17.1 - Statement of Fiduciary Net Position *(in thousands)*

	2020			2019		
	Retirement	OPEB	Total	Retirement	OPEB	Total
Assets						
Cash and Cash Equivalents	\$ 460,259	\$ 41,108	\$ 501,367	\$ 429,948	\$ 40,246	\$ 470,194
Investment of Cash Collateral	146,540	-	146,540	106,182	-	106,182
Investment Settlements Receivable	159,008	-	159,008	71,124	-	71,124
Other Assets	-	467	467	-	443	443
Investments:						
Debt Securities	434,205	-	434,205	395,616	-	395,616
Equity Securities	242,497	-	242,497	223,235	-	223,235
Commingled Funds	1,806,816	-	1,806,816	1,989,092	-	1,989,092
Nonmarketable Alternative Investments	866,355	-	866,355	816,533	-	816,533
Total Assets	4,115,680	41,575	4,157,255	4,031,730	40,689	4,072,419
Liabilities						
Accounts Payable and						
Accrued Liabilities	1	2,209	2,210	92	2,263	2,355
Collateral Held for						
Securities Lending	146,540	-	146,540	106,182	-	106,182
Investment Settlements Payable	314,395	-	314,395	168,043	-	168,043
Total Liabilities	460,936	2,209	463,145	274,317	2,263	276,580
Net Position Restricted for						
Retirement and OPEB	\$ 3,654,744	\$ 39,366	\$ 3,694,110	\$ 3,757,413	\$ 38,426	\$ 3,795,839

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Table 17.2 - Statement of Changes in Fiduciary Net Position *(in thousands)*

	2020			2019		
	Retirement	OPEB	Total	Retirement	OPEB	Total
Additions						
Investment Income:						
Interest and Dividend Income	\$ 33,599	\$ 920	\$ 34,519	\$ 24,545	\$ 1,469	\$ 26,014
Net Appreciation (Depreciation) in						
Fair Value of Investments	4,863	-	4,863	166,693	-	166,693
Less Investment Expense	(7,401)	-	(7,401)	(4,884)	-	(4,884)
Net Investment Income	31,061	920	31,981	186,354	1,469	187,823
Contributions:						
University	118,234	20,672	138,906	115,980	23,363	139,343
Members	16,484	17,763	34,247	15,989	17,378	33,367
Total Contributions	134,718	38,435	173,153	131,969	40,741	172,710
Total Additions	165,779	39,355	205,134	318,323	42,210	360,533
Deductions						
Administrative Expenses	2,457	2	2,459	2,528	1	2,529
Payments to Retirees and Beneficiaries	265,991	38,413	304,404	241,020	40,584	281,604
Total Deductions	268,448	38,415	306,863	243,548	40,585	284,133
Increase (Decrease) in Net Position Restricted for Retirement and OPEB	(102,669)	940	(101,729)	74,775	1,625	76,400
Net Position Restricted for						
Retirement & OPEB, Beginning of Year	3,757,413	38,426	3,795,839	3,682,638	36,801	3,719,439
Net Position Restricted for Retirement and OPEB, End of Year	\$ 3,654,744	\$ 39,366	\$ 3,694,110	\$ 3,757,413	\$ 38,426	\$ 3,795,839

18. FINANCIAL IMPACTS FROM COVID-19 AND CARES ACT FUNDING

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of COVID-19 (COVID-19) as a global pandemic. Higher education, patient volumes and the related revenues were significantly affected by COVID-19 as various policies were implemented by federal, state, and local governments in response to the pandemic that led many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective procedures by health care facilities.

Impact to Operations – The University suspended all in-person classes and closed residence halls at all four campuses effective March 16, 2020. In addition, all sports activities and travel abroad programs were suspended. As a health care provider, MU Health Care was affected significantly by the COVID-19 pandemic. Effects ranged from general concerns from residents about going to

hospitals to the limitation of elective surgeries. Elective surgeries were temporarily stopped and the volumes at the hospital dropped significantly. This led to decreased revenues and increased operating costs. As restrictions eased, nonessential medical and surgical procedures and suspended elective procedures resumed during the final quarter of the fiscal year.

While some of these policies have been eased, some restrictions remain in place, and some state and local governments are re-imposing certain restrictions due to increasing rates of COVID-19 cases.

COVID-19 Planning, Execution and Response - The University's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. The University has taken precautionary steps to enhance its operational and financial flexibility, and react to the risks the COVID-19 pandemic presents to its operations while

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

maintaining a focus on the following priorities and the resources necessary to achieve them.

- Ensuring students receive a high-quality education
- Supporting retention and recruitment of students
- Continuing research and scholarships, especially related to the public health crisis and precision health
- Supporting the University's response to the public health crisis and other engagement activities
- Supporting activities that sustain or grow revenues for the University
-

The University took significant actions to manage both personnel and non-personnel costs, including:

- A hiring and promotion freeze
- A freeze on raises, including merit raises
- A freeze on non-essential capital spending and real estate purchases
- Limits on travel, food, and discretionary purchases, unless related to the priorities listed above

The University's health care leaders, staff, and faculty worked to develop and execute comprehensive plans to answer the challenges created by Covid-19, which included the following:

- Incident Command System – Created to meet the challenges of the pandemic in the state and community.
- Testing – Created a drive-up sample acquisition location to provide local testing of acquired samples within 24 hours.
- Communications – Collaborated with government officials to provide timely and accurate information to communicate with the public on a myriad of aspects of Covid-19.

In addition, the University was granted CARES Act funding of \$34 million for higher education and \$20 million for healthcare operations. For the higher education funding, \$17 million must be provided as aid directly to students in need. As of June 30, 2020, \$47.3 million was recognized as government subsidies revenue.

Ongoing Impact - The extent of the COVID-19 pandemic's adverse effect on the University's operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond the University's control and ability to forecast. Such factors include, but are not limited to, the scope and duration of social distancing measures, business closures and restrictions, and

government-imposed or recommended suspensions of elective procedures; as well as economic fallout from higher rates of unemployment.

Because of these and other uncertainties, the University cannot estimate the length or severity of the effect of the pandemic on its operations. Decreases in cash flows and results of operations may have an effect on debt covenant compliance and on the inputs and assumptions used in significant accounting estimates, including estimated bad debts and contractual adjustments related to uninsured and other patient accounts. The ongoing pandemic may also impact the drivers of operating results, including but not limited to, tuition, health care revenue, research funding, investment returns and state funding on a forward basis.

Like many higher education institutions around the country, the University is involved in litigation related to its decision to suspend in-person operations and transition to remote learning in response to COVID-19. The plaintiffs in this litigation seek refunds of tuition and fees for the spring and summer 2020 semesters on behalf of all University students, along with other alleged damages and attorney's fees. The University has denied liability and moved to dismiss the claims. This litigation is at an early stage, and the University is unable to estimate the possibility or scope of future losses at this time.

19. SUBSEQUENT EVENTS

In August 2020, the University signed an agreement to participate in federal subsidy programs as part of the CARES Act, which are flowing through the State for the Coronavirus Relief Fund (CRF) and Governor's Emergency Education Relief (GEER) funds. These funds are to be used to cover expenses necessary for the public health emergency with respect to COVID-19. The total allocated to the University was \$49 million.

On October 11, 2020, the University announced the start of a new foundation, the Kummer Institute Foundation, that will benefit the University's science and technology campus. A donation of \$300 million from an external donor was given to the foundation, which will support a new school for innovation, entrepreneurship and economic development; provide scholarships and fellowships; as well as supporting research.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
For the Years Ended June 30, 2020 and 2019
(unaudited)

Schedule of Changes in the Net Pension Liability and Related Ratios - Last Ten Fiscal Years *(in thousands)*

	Fiscal Year End June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total pension liability										
Service cost	\$66,239	\$62,845	\$63,624	\$66,269	\$68,328	\$70,574	\$71,995			
Interest	323,553	312,921	305,781	296,885	288,438	275,762	263,566			
Differences between expected and actual experience	68,943	23,046	11,704	(22,741)	(38,227)	13,226	--			(Historical information prior to
Changes of assumptions	--	--	257,616	--	--	--	--			implementation
Benefit payments, including refunds of employee contributions	(265,991)	(241,020)	(233,083)	(211,036)	(203,300)	(182,488)	(169,992)			of GASB 67/68 is not required)
Net change in total pension liability	192,744	157,792	405,642	129,377	115,239	177,074	165,569			
Total pension liability - beginning	4,571,623	4,413,831	4,008,189	3,878,812	3,763,573	3,586,499	3,420,930			
Total pension liability - ending (a)	\$4,764,367	\$4,571,623	\$4,413,831	\$4,008,189	\$3,878,812	\$3,763,573	\$3,586,499			
Plan fiduciary net position										
Contributions - employer	\$118,234	\$115,980	\$92,200	\$96,631	\$99,454	\$103,895	\$113,688			(Historical information prior to
Contributions - employee	16,484	15,989	15,299	15,218	14,976	14,486	14,113			implementation
Net investment income	28,604	183,826	322,297	364,486	6,646	36,412	458,884			of GASB 67/68 is not required)
Benefit payments, including refunds of employee contributions	(265,991)	(241,020)	(233,083)	(211,036)	(203,300)	(182,488)	(169,992)			
Other	--	--	--	--	--	(2,150)	(2,554)			
Net change in fiduciary net position	(102,669)	74,775	196,713	265,299	(82,224)	(29,845)	414,139			
Plan fiduciary net position - beginning	3,757,413	3,682,638	3,485,925	3,220,626	3,302,850	3,332,695	2,918,556			
Plan fiduciary net position - ending (b)	\$3,654,744	\$3,757,413	\$3,682,638	\$3,485,925	\$3,220,626	\$3,302,850	\$3,332,695			

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
For the Years Ended June 30, 2020 and 2019
(unaudited)

Schedule of Changes in the Net Pension Liability and Related Ratios – Last Ten Fiscal Years *(in thousands)*

	Fiscal Year End June 30,										
	2020	2019	2018**	2017	2016	2015	2014	2013	2012	2011	
Net pension liability – ending: (a)-(b)	\$1,109,623	\$814,210	\$731,193	\$522,264	\$658,186	\$460,723	\$ 253,804				
Plan's fiduciary net position as a percentage of the total pension liability	76.71%	82.19%	83.43%	86.97%	83.03%	87.76%	92.92%	(Historical information prior to implementation of GASB 67/68 is not required)			
Covered-employee payroll*	\$1,227,342	\$1,187,435	\$1,146,836	\$1,144,412	\$1,129,784	\$1,109,431	\$1,078,347				
Net pension liability as a percentage of covered-employee payroll	90.41%	68.57%	63.76%	45.64%	58.26%	41.53%	23.54%				

*Covered-employee payroll as reported in the October 1, 201X funding valuation report

**Discount rate changed from 7.75% to 7.20%

Schedule of Contributions – Last Ten Fiscal Years *(in thousands)*

Fiscal Year Ended June 30,	Covered Employee Payroll		Actuarially determined contribution**		Contributions made	Contributions as % of covered-employee payroll**		Actuarially determined contribution as a Percentage of Payroll**		Contributions in relation to the actuarially determined contribution**		Contribution deficiency (excess)
			Level 1	Level 2		Level 1	Level 2	Level 1	Level 2	Level 1	Level 2	
	Level 1	Level 2	Level 1	Level 2	Level 1 and Level 2	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2	Level 1 and Level 2
2020	\$ 641,902	\$ 585,440	\$ 73,177	\$ 45,430	\$ 118,234	11.40%	7.76%	11.40%	7.76%	11.40%	7.76%	-
2019	687,612	499,823	76,737	37,287	115,980	11.16%	7.46%	11.16%	7.46%	11.16%	7.46%	-
2018	733,289	413,547	68,856	22,662	92,200	9.39%	5.48%	9.39%	5.48%	9.39%	5.48%	-
2017	794,108	350,304	75,678	19,652	96,631	9.53%	5.61%	9.53%	5.61%	9.53%	5.61%	-
2016	857,918	271,866	82,446	15,442	99,454	9.61%	5.68%	9.61%	5.68%	9.61%	5.68%	-
2015	928,088	181,343	92,716	10,971	103,895	9.99%	6.05%	9.99%	6.05%	9.99%	6.05%	-
2014	984,787	93,560	106,160	6,334	113,688	10.78%	6.77%	10.78%	6.77%	10.78%	6.77%	-
2013	1,046,075	-	92,891	-	94,176	8.88%	4.87%	8.88%	4.87%	8.88%	4.87%	-
2012	1,031,891	-	72,955	-	74,618	7.07%	-	7.07%	-	7.07%	-	-
2011	979,888	-	56,246	-	57,541	5.74%	-	5.74%	-	5.74%	-	-

* Covered-employee payroll as reported in the October 1 funding valuation report

** Net of employee contributions

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
For the Years Ended June 30, 2020 and 2019
(unaudited)

Schedule of Annual Money-Weighted Rate of Return on Pension Plan Investments - Last Ten
Fiscal Years

	Fiscal Year End June 30,										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2007
Money-Weighted Rate of Return	0.6%	5.2%	10.2%	11.0%	0.3%	0.7%	16.2%	(Historical information prior to implementation of GASB 67/68 is not required)			

Notes to Required Supplementary Information for Contributions

Valuation Date	Actuarial determined contribution rates are calculated as of September 30, 21 months prior to the end of the fiscal year in which contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, Closed
Amortization Period	24 years for 2020, 25 years for 2019
Asset Valuation Method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.
Actuarial Assumptions:	The actuarial assumptions used in the October 1, 2019 and October 1, 2018 actuarial valuations were based on the results of an experience study for the period September 20, 2012 to September 30, 2016.
Investment Rate of Return	7.20%, net of expenses
Inflation	2.20%
Projected Salary Increases	4.5% average (including inflation) for academic and administrative; 3.6% average (including inflation) for clerical and service
Cost-of-living Adjustments	No future retiree ad-hoc increases assumed
Retirement Age	Retirement rates vary between 4% at 55 to 100% at age 80.
Mortality:	
Healthy Non-annuitant lives	RP-2014 Employee Mortality Table projected on a generational basis using Scale MP-2017
Healthy Annuitant lives	RP-2014 Healthy Annuitant Mortality Table projected on a generational basis using Scale MP-2017
Disabled lives	RP-2014 Disabled Annuitant Mortality Table projected on a generational basis using Scale MP-2017

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
For the Years Ended June 30, 2020 and 2019
(unaudited)

Schedule of Changes in the Net OPEB Liability and Related Ratios - Last Ten Fiscal Years *(in thousands)*

	Fiscal Year End June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB liability										
Service cost	\$4,019	\$4,124	\$4,991	\$9,414	--					
Interest	17,004	18,248	17,434	14,557	--					
Differences between expected and actual experience	(4,425)	31,459	--	--	--	(Historical information prior to implementation of GASB 74/75 is not required)				
Changes of assumptions	(81,032)	(17,565)	(18,998)	(23,880)	--					
Benefit payments	(20,652)	(23,206)	(22,828)	(24,934)	--					
Net change in total OPEB liability	(85,086)	13,060	(19,401)	(24,843)	--					
Total OPEB liability - beginning	492,066	479,006	498,407	523,250	--					
Total OPEB liability - ending (a)	\$406,980	\$492,066	\$479,006	\$498,407	\$523,250					
Plan fiduciary net position										
Contributions - employer	20,672	23,363	18,590	21,394	--					
Contributions - employee	17,763	17,378	16,480	14,750	--					
Net investment income	920	1,469	790	914	--	(Historical information prior to implementation of GASB 74/75 is not required)				
Benefit payments, including refunds of employee contributions	(38,413)	(40,584)	(35,031)	(35,871)	--					
Other	(2)	(1)	(172)	(188)	--					
Net change in fiduciary net position	940	1,625	657	999	--					
Plan fiduciary net position - beginning	38,426	36,801	36,144	35,145	--					
Plan fiduciary net position - ending (b)	\$39,366	\$38,426	\$36,801	\$36,144	\$35,145					
Net OPEB Liability - ending (a) - (b)	\$367,614	\$453,640	\$442,205	\$462,263	\$488,105					
Plan's fiduciary net position as a percentage of the total OPEB liability	9.67%	7.81%	7.68%	7.25%	6.72%	(Historical information prior to implementation of GASB 74/75 is not required)				
Covered-employee payroll	612,694	677,089	721,517	787,104	1,157,156					
Net OPEB liability as a percentage of covered-employee payroll	60.00%	67.00%	61.29%	58.73%	42.18%					

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
For the Years Ended June 30, 2020 and 2019
(unaudited)

Notes to Required Supplementary Information for Net OPEB Liability

Changes of assumptions: Based on past experience and future expectations, the following actuarial assumptions were changed:

- Claims and trends for all plans were revised to reflect future expectations as of the June 30, 2020 measurement date.
- Claims and trends for all the Base and Buyup Medicare advantagee plans were revised to reflect future expectations as of the June 30, 2019 measurement date.
- The 75% pre-65 medical participation assumption was split to 90% in Retiree Health PPO Plan and 10% in the Healthy Savings Plan. The 90% post-65 participation assumption was split to 33% in the Base Plan and 67% in the BuyUp Plan at the January 1, 2017 effective date.

Discount Rate Changes: Discount Rates used in determining the Net OPEB Liability at June 30 measurement dates are as follows:

2020	2.21%
2019	3.50%
2018	3.87%
2017	3.58%

Statistical Section



University of Missouri System

COLUMBIA | KANSAS CITY | ROLLA | ST. LOUIS

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Assets						
Current Assets						
Cash and Cash Equivalents	\$ 351,825	\$ 357,065	\$ 360,053	\$ 241,516	\$ 216,149	\$ 268,211
Restricted Cash and Cash Equivalents	206,514	197,824	189,988	155,693	130,246	116,703
Short-Term Investments	41,548	39,172	226,215	118,958	128,932	105,587
Restricted Short-Term Investments	11,786	16,338	31,991	18,249	26,222	26,762
Investment of Cash Collateral	1,261	3,616	5,012	7,437	28,225	43,902
Accounts Receivable, Net	382,464	401,968	335,551	333,862	314,908	277,373
Pledges Receivable, Net	23,483	21,846	17,039	16,450	15,035	16,958
Investment Settlements Receivable	400,674	279,696	68,024	108,385	130,513	185,576
Notes Receivable, Net	7,854	8,489	9,060	9,016	8,659	8,781
Due To Component Units	-	-	-	-	-	(9,469)
Inventories	42,648	41,155	40,433	39,037	39,892	37,872
Prepaid Expenses and Other Current Assets	28,689	29,501	43,729	37,910	37,818	30,695
Total Current Assets	1,498,746	1,396,670	1,327,095	1,086,513	1,076,599	1,108,951
Noncurrent Assets						
Restricted Cash and Cash Equivalents	4,699	4,667	4,597	2,582	1,457	-
Pledges Receivable, Net	40,125	40,677	38,106	44,550	31,092	34,845
Notes Receivable, Net	51,948	64,638	69,842	69,494	76,380	79,418
Deferred Charges and Other Assets	12,413	18,352	17,587	17,683	16,666	2,379
Long-Term Investments	2,485,362	2,457,590	2,021,932	2,058,102	1,873,378	1,614,799
Restricted Long-Term Investments	1,688,180	1,525,301	1,456,071	1,378,250	1,262,504	1,321,810
Capital Assets, Net	3,623,529	3,466,439	3,383,075	3,412,410	3,364,972	3,198,011
Total Noncurrent Assets	7,906,256	7,577,664	6,991,210	6,983,071	6,626,449	6,251,262
Deferred Outflows of Resources	486,517	335,808	339,146	137,888	292,836	97,615
Total Assets and Deferred Outflows of Resources	\$ 9,891,519	\$ 9,310,142	\$ 8,657,451	\$ 8,207,472	\$ 7,995,884	\$ 7,457,828
Liabilities						
Current Liabilities						
Accounts Payable	\$ 157,046	\$ 194,885	\$ 130,776	\$ 141,313	\$ 144,640	\$ 110,231
Accrued Liabilities	187,488	183,942	177,169	175,466	168,100	187,149
Deferred Revenue	92,516	93,268	95,144	90,495	86,090	90,554
Funds Held for Others	-	-	91,539	89,440	78,895	77,021
Investment Settlements Payable	758,856	455,975	187,438	188,038	236,823	216,510
Collateral Held for Securities Lending	1,261	3,616	5,012	7,437	28,225	43,902
Commercial Paper and Current Portion of Long-Term Debt	16,882	399,074	228,078	232,821	224,254	71,022
Long-Term Debt Subject to Remarketing	78,755	82,540	86,185	89,695	93,070	96,320
Total Current Liabilities	1,292,804	1,413,300	1,001,341	1,014,705	1,060,097	892,709
Noncurrent Liabilities						
Unearned Revenue	14,445	15,119	15,792	16,465	17,137	13,119
Asset Retirement Obligation	62,433	62,433	62,433	-	-	-
Long-Term Debt	1,765,871	1,199,968	1,344,815	1,386,017	1,405,916	1,527,661
Derivative Instrument Liability	45,958	35,542	27,570	38,116	55,332	42,353
Net Other Postemployment Benefits Liability	367,614	453,640	442,205	462,263	212,572	209,793
Net Pension Liability	1,109,623	814,210	731,193	522,264	658,186	460,723
Other Noncurrent Liabilities	92,177	85,771	80,419	84,799	69,532	67,073
Total Noncurrent Liabilities	3,458,121	2,666,683	2,704,427	2,509,924	2,418,675	2,320,722
Deferred Inflows Resources	133,851	83,480	83,289	79,506	32,052	-
Total Liabilities and Deferred Inflows of Resources	\$ 4,884,776	\$ 4,163,463	\$ 3,789,057	\$ 3,604,135	\$ 3,510,824	\$ 3,213,431
Net Position						
Net Investment in Capital Assets	1,882,134	1,801,977	1,746,995	1,728,982	1,692,629	1,613,846
Restricted						
Nonexpendable - Endowment	1,270,680	1,257,588	1,200,514	1,109,498	993,760	1,010,357
Expendable - Scholarship, Research, Instruction & Other	442,225	433,282	394,577	367,009	356,156	367,832
Loans	79,000	82,217	83,567	85,145	84,509	83,546
Capital Projects	41,205	66,364	64,381	57,723	54,298	39,461
Unrestricted	1,291,499	1,439,038	1,378,360	1,254,980	1,303,708	1,129,355
Total Net Position	5,006,743	5,080,466	4,868,394	4,603,337	4,485,060	4,244,397
Total Liabilities & Net Position	\$ 9,891,519	\$ 9,243,929	\$ 8,657,451	\$ 8,207,472	\$ 7,995,884	\$ 7,457,828

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Operating Revenues						
Tuition and Fees, Net	\$ 873,335	\$ 857,833	\$ 861,913	\$ 868,784	\$ 898,906	\$ 870,637
Less: Scholarship Allowances	285,387	266,738	226,434	219,567	226,632	217,648
Net Tuition and Fees	587,948	591,095	635,479	649,217	672,274	652,989
Federal Grants and Contracts	173,869	165,427	157,587	158,414	155,134	155,797
State and Local Grants and Contracts	90,723	89,386	59,966	60,934	57,690	53,926
Private Grants and Contracts	88,134	85,583	74,782	70,527	67,348	70,296
Sales and Services of Educational Activities	20,682	19,489	26,193	26,492	25,406	25,074
Auxiliary Enterprises -						
Patient Medical Services, Net	1,505,424	1,510,024	1,400,335	1,323,006	1,205,084	944,161
Housing and Dining Services, Net	89,917	102,603	100,837	106,468	115,351	114,361
Bookstores	31,410	38,348	41,429	47,598	54,590	55,941
Other Auxiliary Enterprises, Net	296,555	307,046	295,451	293,407	274,817	263,135
Other Operating Revenues	75,998	97,715	59,119	63,680	74,663	66,849
Total Operating Revenues	2,960,660	3,006,716	2,851,178	2,799,743	2,702,357	2,402,529
Operating Expenses						
Salaries and Wages	1,683,906	1,649,269	1,591,397	1,583,221	1,522,480	1,407,428
Benefits	605,309	579,385	475,748	456,370	461,209	396,886
Supplies, Services and Other Operating Expenses	1,076,800	1,126,179	1,006,586	975,232	970,963	858,939
Scholarships and Fellowships	82,274	67,096	68,047	69,289	70,353	66,860
Depreciation	218,429	215,539	213,477	210,226	201,691	194,075
Total Operating Expenses	3,666,718	3,637,468	3,355,255	3,294,338	3,226,696	2,924,188
Operating Loss before State Appropriations	(706,058)	(630,752)	(504,077)	(494,595)	(524,339)	(521,659)
State Appropriations	364,412	408,797	401,705	417,912	438,813	435,511
Operating Income (Loss) after State Appropriations, Before Nonoperating Revenues (Expenses)						
	(341,646)	(221,955)	(102,372)	(76,683)	(85,526)	(86,148)
Nonoperating Revenues (Expenses)						
Federal Appropriations	27,108	27,026	26,665	27,128	27,041	28,399
Federal Pell Grants	54,480	56,594	55,400	52,875	57,313	59,072
Investment and Endowment Income (Losses), Net	32,285	199,243	199,040	283,263	22,696	38,187
Private Gifts	71,179	94,743	77,883	71,249	80,972	68,615
Interest Expense	(64,696)	(66,585)	(71,043)	(70,037)	(65,061)	(67,651)
Other Nonoperating Revenues (Expenses)	61,003	139	(307)	959	(3,514)	13,972
Net Nonoperating Revenues (Expenses)	181,359	311,160	287,638	365,437	119,447	140,594
Income (Loss) before Capital Contributions, Additions to Permanent Endowments, Extraordinary and Special Items						
	(160,287)	89,205	185,266	288,754	33,921	54,446
State Capital Appropriations	-	-	29,765	49,519	29,166	3,610
Capital Gifts and Grants	40,648	67,106	21,083	34,371	15,990	21,083
Private Gifts for Endowment Purposes	45,916	30,524	46,851	31,358	29,477	30,288
Extraordinary Item:						
Loss on asset impairment	-	-	(17,908)	-	-	-
Increase (Decrease) in Net Position	(73,723)	186,835	265,057	404,002	108,554	109,427
Net Position, Beginning of Year	5,080,466	4,868,394	4,603,337	4,485,060	4,244,397	4,134,970
Cumulative Effect of Change in Accounting Principles	-	25,237	-	(285,725)	132,109	-
Net Position, Beginning of Year, as Adjusted	5,080,466	4,893,631	4,603,337	4,199,335	4,376,506	4,134,970
Net Position, End of Year	5,006,743	5,080,466	4,868,394	4,603,337	4,485,060	\$ 4,244,397

CHANGES IN NET POSITION

(% increase / decrease from prior year)

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Operating Revenues						
Tuition and Fees, Net	1.8%	-0.5%	-0.8%	-3.4%	3.2%	4.9%
Less: Scholarship Allowances	7.0%	17.8%	3.1%	-3.1%	4.1%	7.4%
Net Tuition and Fees	-0.5%	-7.0%	-2.1%	-3.4%	3.0%	4.1%
Federal Grants and Contracts	5.1%	5.0%	-0.5%	2.1%	-0.4%	-3.0%
State and Local Grants and Contracts	1.5%	49.1%	-1.6%	5.6%	7.0%	8.9%
Private Grants and Contracts	3.0%	14.4%	6.0%	4.7%	-4.2%	-8.5%
Sales and Services of Educational Activities	6.1%	-25.6%	-1.1%	4.3%	1.3%	3.9%
Auxiliary Enterprises -						
Patient Medical Services, Net	-0.3%	7.8%	5.8%	9.8%	27.6%	8.1%
Housing and Dining Services, Net	-12.4%	1.8%	-5.3%	-7.7%	0.9%	7.1%
Bookstores	-18.1%	-7.4%	-13.0%	-12.8%	-2.4%	2.7%
Other Auxiliary Enterprises, Net	-3.4%	3.9%	0.7%	6.8%	4.4%	6.1%
Other Operating Revenues	-22.2%	65.3%	-7.2%	-14.7%	11.7%	4.4%
Total Operating Revenues	-1.5%	5.5%	1.8%	3.6%	12.5%	5.1%
Operating Expenses						
Salaries and Wages	2.1%	3.6%	0.5%	4.0%	8.2%	3.2%
Benefits	4.5%	21.8%	4.2%	-1.0%	16.2%	14.6%
Supplies, Services and Other Operating Expenses	-4.4%	11.9%	3.2%	0.4%	13.0%	3.0%
Scholarships and Fellowships	22.6%	-1.4%	-1.8%	-1.5%	5.2%	-0.1%
Depreciation	1.3%	1.0%	1.5%	4.2%	3.9%	5.9%
Total Operating Expenses	0.8%	8.4%	1.8%	2.1%	10.3%	4.7%
Operating Loss before State Appropriations	-11.9%	-25.1%	-1.9%	5.7%	-0.5%	-2.6%
State Appropriations	10.9%	-1.8%	3.9%	4.8%	0.8%	5.5%
Operating Income (Loss) after State Appropriations, Before Nonoperating Revenues (Expenses)						
	-53.9%	-116.8%	-33.5%	10.3%	0.7%	10.0%
Nonoperating Revenues (Expenses)						
Federal Appropriations	0.3%	1.4%	-1.7%	0.3%	-4.8%	2.6%
Federal Pell Grants	-3.7%	2.2%	4.8%	-7.7%	-3.0%	-1.2%
Investment and Endowment Income (Losses), Net	-83.8%	0.1%	-29.7%	1148.1%	-40.6%	-86.5%
Private Gifts	-24.9%	21.6%	9.3%	-12.0%	18.0%	2.7%
Interest Expense	-2.8%	-6.3%	1.4%	7.6%	3.8%	-12.9%
Other Nonoperating Revenues (Expenses)	43787.1%	-145.3%	-132.0%	-127.3%	-125.2%	846.0%
Net Nonoperating Revenues (Expenses)	-41.7%	8.2%	-21.3%	205.9%	-15.0%	-62.8%
Income (Loss) before Capital Contributions, Additions to Permanent Endowments and Extraordinary Item						
State Capital Appropriations	-279.7%	-51.9%	-35.8%	751.3%	-37.7%	-80.7%
Capital Gifts and Grants	0.0%	-100.0%	-39.9%	69.8%	707.9%	100.0%
Private Gifts for Endowment Purposes	-39.4%	218.3%	-38.7%	115.0%	-24.2%	43.2%
Extraordinary Item:						
Loss on asset impairment	50.4%	-34.8%	49.4%	6.4%	-2.7%	-36.1%
	0.0%	-100.0%	-100.0%	-	-	-
Increase (Decrease) in Net Position	-139.5%	-29.5%	-34.4%	272.2%	-0.8%	-68.2%
Net Position, Beginning of Year						
Cumulative Effect of Change in Accounting Principles	4.4%	5.8%	2.6%	5.7%	2.6%	-3.9%
	-100.0%	-100.0%	100.0%	316.3%	100.0%	100.0%
Net Position, Beginning of Year, as Adjusted	3.8%	6.3%	9.6%	-4.0%	5.8%	9.1%
Net Position, End of Year	-1.5%	4.4%	5.8%	2.6%	5.7%	2.6%

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
+ Primary Reserve Ratio	0.50	0.54	0.55	0.52	0.54	0.54
/ Conversion Factor	0.133	0.133	0.133	0.133	0.133	0.133
= Strength Factor	3.73	4.04	4.16	3.90	4.07	4.06
x Weighting Factor	35%	35%	35%	35%	35%	35%
= Ratio Subtotal	1.31	1.41	1.45	1.36	1.42	1.42

Primary Reserve Ratio - measures the financial strength of the institution by indicating how long the institution could function using its expendable reserves to cover operations should additional net position not be available. A positive ratio and an increasing amount over time denotes strength.

+ Return on Net Position Ratio	-1.5%	3.7%	5.6%	9.2%	2.4%	2.6%
/ Conversion Factor	0.020	0.020	0.020	0.020	0.020	0.020
= Strength Factor	(0.73)	1.87	2.80	4.59	1.22	1.31
x Weighting Factor	20%	20%	20%	20%	20%	20%
= Ratio Subtotal	(0.15)	0.37	0.56	0.92	0.24	0.26

Return on Net Position Ratio - measures total economic return. While an increasing trend reflects strength, a decline may be appropriate and even warranted if it represents a strategy on the part of the institution to fulfill its mission.

+ Net Operating Revenues Ratio	-1.1%	2.4%	4.9%	5.2%	5.3%	5.1%
/ Conversion Factor	0.013	0.013	0.013	0.013	0.013	0.013
= Strength Factor	(0.83)	1.83	3.75	3.98	4.06	3.95
x Weighting Factor	10%	10%	10%	10%	10%	10%
= Ratio Subtotal	(0.08)	0.18	0.38	0.40	0.41	0.40

Net Operating Revenues Ratio - measures whether the institution is living within available resources. A positive ratio and an increasing amount over time generally reflects strength.

+ Viability Ratio	0.97	1.16	1.12	1.00	1.01	0.93
/ Conversion Factor	0.417	0.417	0.417	0.417	0.417	0.417
= Strength Factor	2.34	2.79	2.68	2.40	2.43	2.24
x Weighting Factor	35%	35%	35%	35%	35%	35%
= Ratio Subtotal	0.82	0.98	0.94	0.84	0.85	0.78

Viability Ratio - measures the ability of the institution to cover its debt as of the balance sheet date, should the institution need to do so. A positive ratio greater than 1.00 generally denotes strength.

Composite Financial Index	1.90	2.95	3.33	3.52	2.93	2.86
Composite Financial Index - Three Year Average	2.72	3.26	3.26	3.10	3.06	3.32

Composite Financial Index (CFI) - provides a methodology for a single overall financial measurement of the institution's health based on the four core ratios. The CFI uses a reasonable weighting plan and allows for a weakness or strength in a specific ratio to be offset by another ratio result, which provides a more balanced measure. The CFI provides a more holistic approach to understanding the financial health of the institution. The CFI scores are not intended to be precise measures; they are indicators of ranges of financial health that can be indicators of overall institutional well-being when combined with non-financial indicators.

*Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report*Primary Reserve Ratio (*Expendable Financial Resources to Operations*)

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Net Position - Unrestricted	\$ 1,291,499	\$ 1,439,038	\$ 1,378,360	\$ 1,254,980	\$ 1,303,708	\$ 1,129,355
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	442,225	433,282	394,577	367,009	356,156	367,832
Net Position - Restricted Expendable - Loans	79,000	82,217	83,567	85,145	84,509	83,546
Expendable Net Position	\$ 1,812,724	\$ 1,954,537	\$ 1,856,504	\$ 1,707,134	\$ 1,744,373	\$ 1,580,733
Operating Expenses	\$ 3,666,718	\$ 3,637,468	\$ 3,355,255	\$ 3,294,338	\$ 3,226,696	\$ 2,924,188
Less: Scholarships & Fellowships Expense	(82,274)	(67,096)	(68,047)	(69,289)	(70,353)	(66,860)
Interest Expense	64,696	66,585	71,043	70,037	65,061	67,651
Adjusted Total Operating Expense	\$ 3,649,140	\$ 3,636,957	\$ 3,358,251	\$ 3,295,086	\$ 3,221,404	\$ 2,924,979
Expendable Net Position	\$ 1,812,724	\$ 1,954,537	\$ 1,856,504	\$ 1,707,134	\$ 1,744,373	\$ 1,580,733
Adjusted Total Operating Expense	\$ 3,649,140	\$ 3,636,957	\$ 3,358,251	\$ 3,295,086	\$ 3,221,404	\$ 2,924,979
Primary Reserve Ratio	0.50	0.54	0.55	0.52	0.54	0.54

Return on Net Position Ratio

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Change in Net Position	\$ (73,723)	\$ 186,835	\$ 265,057	\$ 404,002	\$ 108,554	\$ 109,427
Average Net Position	\$ 5,043,605	\$ 4,987,049	\$ 4,735,866	\$ 4,401,336	\$ 4,430,783	\$ 4,189,684
Return on Net Position Ratio	-1.5%	3.7%	5.6%	9.2%	2.4%	2.6%

Net Operating Revenues Ratio (*Annual Operating Margin*)

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Operating Inc (Loss) After State Appropriations	\$ (341,646)	\$ (221,955)	\$ (102,372)	\$ (76,683)	\$ (85,526)	\$ (86,148)
Federal Appropriations	27,108	27,026	26,665	27,128	27,041	28,399
Federal Pell Grants	54,480	56,594	55,400	52,875	57,313	59,072
Normalized Investment Income	214,440	198,919	185,694	175,081	164,675	156,107
Private Gifts	71,179	94,743	77,883	71,249	80,972	68,615
Interest Expense	(64,696)	(66,585)	(71,043)	(70,037)	(65,061)	(67,651)
Net Operating Surplus (Deficit)	\$ (39,135)	\$ 88,742	\$ 172,227	\$ 179,613	\$ 179,414	\$ 158,394
Total Operating Revenues	\$ 2,960,660	\$ 3,006,716	\$ 2,851,178	\$ 2,799,743	\$ 2,702,357	\$ 2,402,529
Less: Scholarship & Fellowships Expense	(82,274)	(67,096)	(68,047)	(69,289)	(70,353)	(66,860)
State Appropriations	364,412	408,797	401,705	417,912	438,813	435,511
Federal Appropriations	27,108	27,026	26,665	27,128	27,041	28,399
Federal Pell Grants	54,480	56,594	55,400	52,875	57,313	59,072
Normalized Investment Income (a)	214,440	198,919	185,694	175,081	164,675	156,107
Private Gifts	71,179	94,743	77,883	71,249	80,972	68,615
Total Operating Revenues	\$ 3,610,005	\$ 3,725,699	\$ 3,530,478	\$ 3,474,699	\$ 3,400,818	\$ 3,083,373

(a) Normalized investment income is equal to 5% of the rolling average balance of total cash and investments over the previous three fiscal years.

Net Operating Surplus (Deficit)	\$ (39,135)	\$ 88,742	\$ 172,227	\$ 179,613	\$ 179,414	\$ 158,394
Total Operating Revenues	\$ 3,610,005	\$ 3,725,699	\$ 3,530,478	\$ 3,474,699	\$ 3,400,818	\$ 3,083,373
Net Operating Revenues Ratio	-1.1%	2.4%	4.9%	5.2%	5.3%	5.1%

Viability Ratio (*Expendable Financial Resources to Direct Debt*)

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Net Position - Unrestricted	\$ 1,291,499	\$ 1,439,038	\$ 1,378,360	\$ 1,254,980	\$ 1,303,708	\$ 1,129,355
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	442,225	433,282	394,577	367,009	356,156	367,832
Net Position - Restricted Expendable - Loans	79,000	82,217	83,567	85,145	84,509	83,546
Expendable Net Position	\$ 1,812,724	\$ 1,954,537	\$ 1,856,504	\$ 1,707,134	\$ 1,744,373	\$ 1,580,733
Expendable Net Position	\$ 1,812,724	\$ 1,954,537	\$ 1,856,504	\$ 1,707,134	\$ 1,744,373	\$ 1,580,733
Total Direct Debt	\$ 1,861,508	\$ 1,681,582	\$ 1,659,078	\$ 1,708,533	\$ 1,723,240	\$ 1,695,003
Viability Ratio	0.97	1.16	1.12	1.00	1.01	0.93

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Net Tuition per Student

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Gross Tuition and Fees	\$ 873,335	\$ 857,833	\$ 861,913	\$ 868,784	\$ 898,906	\$ 870,637
Less: Scholarship Discounts / Allowances	(285,387)	(266,738)	(226,434)	(219,567)	(226,632)	(217,648)
Less: Scholarship / Fellowship Expenses	(82,274)	(67,096)	(68,047)	(69,289)	(70,353)	(66,860)
Net Tuition	\$ 505,674	\$ 523,999	\$ 567,432	\$ 579,928	\$ 601,921	\$ 586,129
Net Tuition	\$ 505,674	\$ 523,999	\$ 567,432	\$ 579,928	\$ 601,921	\$ 586,129
Number of Students - Fall Semester (FTEs)	52,609	53,510	55,351	57,785	59,816	59,565
Net Tuition per Student	\$ 9,612	\$ 9,793	\$ 10,252	\$ 10,036	\$ 10,063	\$ 9,840

State Appropriations per Student

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
State Appropriations	\$ 364,412	\$ 408,797	\$ 401,705	\$ 417,912	\$ 438,813	\$ 435,511
Number of Students - Fall Semester (FTEs)	52,609	53,510	55,351	57,785	59,816	59,565
State Appropriations per Student	\$ 6,927	\$ 7,640	\$ 7,257	\$ 7,232	\$ 7,336	\$ 7,312

Educational Expenses per Student

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Total Operating Expenses	\$ 3,666,718	\$ 3,637,468	\$ 3,355,255	\$ 3,294,338	\$ 3,226,696	\$ 2,924,188
Less: Scholarships / Fellowships Expense	(82,274)	(67,096)	(68,047)	(69,289)	(70,353)	(66,860)
Less: Auxiliary Operating Expenses	(1,860,131)	(1,790,379)	(1,418,469)	(1,360,986)	(1,270,059)	(1,205,871)
Less: Grants and Contracts Expenses	(352,726)	(340,396)	(292,335)	(289,875)	(280,172)	(280,019)
Interest Expense	64,696	66,585	71,043	70,037	65,061	67,651
Less: Auxiliary Interest Expense	(12,717)	(13,661)	(12,807)	(12,893)	(12,985)	(12,981)
Net Educational Expenses	\$ 1,423,566	\$ 1,492,521	\$ 1,634,640	\$ 1,631,332	\$ 1,658,188	\$ 1,426,108
Net Educational Expenses	\$ 1,423,566	\$ 1,492,521	\$ 1,634,640	\$ 1,631,332	\$ 1,658,188	\$ 1,426,108
Number of Students - Fall Semester (FTEs)	52,609	53,510	55,351	57,785	59,816	59,565
Educational Expenses per Student	\$ 27,059	\$ 27,892	\$ 29,532	\$ 28,231	\$ 27,721	\$ 23,942

Total Tuition Discount

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Scholarship Allowances	\$ 285,387	\$ 266,738	\$ 226,434	\$ 219,567	\$ 226,632	\$ 217,648
Scholarships / Fellowships Expense	82,274	67,096	68,047	69,289	70,353	66,860
Total Tuition Discounts (\$)	\$ 367,661	\$ 333,834	\$ 294,481	\$ 288,856	\$ 296,985	\$ 284,508
Total Tuition Discounts (\$)	\$ 367,661	\$ 333,834	\$ 294,481	\$ 288,856	\$ 296,985	\$ 284,508
Gross Tuition and Fees	\$ 873,335	\$ 857,833	\$ 861,913	\$ 868,784	\$ 898,906	\$ 870,637
Total Tuition Discount (%)	42.1%	38.9%	34.2%	33.2%	33.0%	32.7%

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Unrestricted Financial Resources to Direct Debt

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Current Portion of Long-Term Debt	\$ 16,882	\$ 399,074	\$ 228,078	\$ 232,821	\$ 224,254	\$ 71,022
Long-Term Debt Subject to Remarketing	78,755	82,540	86,185	89,695	93,070	96,320
Long-Term Debt	1,765,871	1,199,968	1,344,815	1,386,017	1,405,916	1,527,661
Total Direct Debt	\$ 1,861,508	\$ 1,681,582	\$ 1,659,078	\$ 1,708,533	\$ 1,723,240	\$ 1,695,003
Net Position - Unrestricted	\$ 1,291,499	\$ 1,439,038	\$ 1,378,360	\$ 1,254,980	\$ 1,303,708	\$ 1,129,355
Total Direct Debt	\$ 1,861,508	\$ 1,681,582	\$ 1,659,078	\$ 1,708,533	\$ 1,723,240	\$ 1,695,003

**Unrestricted Financial Resources
to Direct Debt**

0.69 0.86 0.83 0.73 0.76 0.67

Viability Ratio (*Expendable Financial Resources to Direct Debt*)

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Net Position - Unrestricted	\$ 1,291,499	\$ 1,439,038	\$ 1,378,360	\$ 1,254,980	\$ 1,303,708	\$ 1,129,355
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	442,225	433,282	394,577	367,009	356,156	367,832
Net Position - Restricted Expendable - Loans	79,000	82,217	83,567	85,145	84,509	83,546
Expendable Net Position	\$ 1,812,724	\$ 1,954,537	\$ 1,856,504	\$ 1,707,134	\$ 1,744,373	\$ 1,580,733
Expendable Net Position	\$ 1,812,724	\$ 1,954,537	\$ 1,856,504	\$ 1,707,134	\$ 1,744,373	\$ 1,580,733
Total Direct Debt	\$ 1,861,508	\$ 1,681,582	\$ 1,659,078	\$ 1,708,533	\$ 1,723,240	\$ 1,695,003

Viability Ratio

0.97 1.16 1.12 1.00 1.01 0.93

Total Financial Resources to Direct Debt

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Net Position - Unrestricted	\$ 1,291,499	\$ 1,439,038	\$ 1,378,360	\$ 1,254,980	\$ 1,303,708	\$ 1,129,355
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	442,225	433,282	394,577	367,009	356,156	367,832
Net Position - Restricted Expendable - Loans	79,000	82,217	83,567	85,145	84,509	83,546
Net Position - Restricted Nonexpendable	1,270,680	1,257,588	1,200,514	1,109,498	993,760	1,010,357
Total Financial Resources	\$ 3,083,404	\$ 3,212,125	\$ 3,057,018	\$ 2,816,632	\$ 2,738,133	\$ 2,591,090
Total Financial Resources	\$ 3,083,404	\$ 3,212,125	\$ 3,057,018	\$ 2,816,632	\$ 2,738,133	\$ 2,591,090
Total Direct Debt	\$ 1,861,508	\$ 1,681,582	\$ 1,659,078	\$ 1,708,533	\$ 1,723,240	\$ 1,695,003

**Total Financial Resources
to Direct Debt**

1.66 1.91 1.84 1.65 1.59 1.53

Direct Debt per Student

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Total Direct Debt	\$ 1,861,508	\$ 1,681,582	\$ 1,659,078	\$ 1,708,533	\$ 1,723,240	\$ 1,695,003
Number of Students - End of Fiscal Year (FTEs)	51,466	52,827	54,106	55,398	57,785	59,816

Direct Debt per Student

\$ 36,170 \$ 31,832 \$ 30,663 \$ 30,841 \$ 29,822 \$ 28,337

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Actual Debt Service to Operations

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Debt Service - Principal	\$ 52,473	\$ 36,441	\$ 36,587	\$ 37,251	\$ 29,855	\$ 19,090
Debt Service - Interest	64,696	66,585	71,043	70,037	65,061	67,651
Total Debt Service	\$ 117,169	\$ 103,026	\$ 107,630	\$ 107,288	\$ 94,916	\$ 86,741
Operating Expenses	\$ 3,666,718	\$ 3,637,468	\$ 3,355,255	\$ 3,294,338	\$ 3,226,696	\$ 2,924,188
Less: Scholarships & Fellowships Expense	(82,274)	(67,096)	(68,047)	(69,289)	(70,353)	(66,860)
Interest Expense	64,696	66,585	71,043	70,037	65,061	67,651
Adjusted Total Operating Expense	\$ 3,649,140	\$ 3,636,957	\$ 3,358,251	\$ 3,295,086	\$ 3,221,404	\$ 2,924,979
Total Debt Service	\$ 117,169	\$ 103,026	\$ 107,630	\$ 107,288	\$ 94,916	\$ 86,741
Adjusted Total Operating Expense	\$ 3,649,140	\$ 3,636,957	\$ 3,358,251	\$ 3,295,086	\$ 3,221,404	\$ 2,924,979

Actual Debt Service to Operations **3.2%** **2.8%** **3.2%** **3.3%** **2.9%** **3.0%**

Capital Expense to Operations

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Depreciation Expense	\$ 218,429	\$ 215,539	\$ 213,477	\$ 210,226	\$ 201,691	\$ 194,075
Interest Expense	64,696	66,585	71,043	70,037	65,061	67,651
Total Capital Expense	\$ 283,125	\$ 282,124	\$ 284,520	\$ 280,263	\$ 266,752	\$ 261,726
Operating Expenses	\$ 3,666,718	\$ 3,637,468	\$ 3,355,255	\$ 3,294,338	\$ 3,226,696	\$ 2,924,188
Less: Scholarships & Fellowships Expense	(82,274)	(67,096)	(68,047)	(69,289)	(70,353)	(66,860)
Interest Expense	64,696	66,585	71,043	70,037	65,061	67,651
Adjusted Total Operating Expense	\$ 3,649,140	\$ 3,636,957	\$ 3,358,251	\$ 3,295,086	\$ 3,221,404	\$ 2,924,979
Total Capital Expense	\$ 283,125	\$ 282,124	\$ 284,520	\$ 280,263	\$ 266,752	\$ 261,726
Adjusted Total Operating Expense	\$ 3,649,140	\$ 3,636,957	\$ 3,358,251	\$ 3,295,086	\$ 3,221,404	\$ 2,924,979

Capital Expense to Operations **7.8%** **7.8%** **8.5%** **8.5%** **8.3%** **8.9%**

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Unrestricted Financial Resources to Operations

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Net Position - Unrestricted	\$ 1,291,499	\$ 1,439,038	\$ 1,378,360	\$ 1,254,980	\$ 1,303,708	\$ 1,129,355
Operating Expenses	\$ 3,666,718	\$ 3,637,468	\$ 3,355,255	\$ 3,294,338	\$ 3,226,696	\$ 2,924,188
Less: Scholarships & Fellowships Expense	(82,274)	(67,096)	(68,047)	(69,289)	(70,353)	(66,860)
Interest Expense	64,696	66,585	71,043	70,037	65,061	67,651
Adjusted Total Operating Expense	\$ 3,649,140	\$ 3,636,957	\$ 3,358,251	\$ 3,295,086	\$ 3,221,404	\$ 2,924,979
Net Position - Unrestricted	\$ 1,291,499	\$ 1,439,038	\$ 1,378,360	\$ 1,254,980	\$ 1,303,708	\$ 1,129,355
Adjusted Total Operating Expense	\$ 3,649,140	\$ 3,636,957	\$ 3,358,251	\$ 3,295,086	\$ 3,221,404	\$ 2,924,979

Unrestricted Financial Resources
to Operations

0.35 0.40 0.41 0.38 0.40 0.39

Primary Reserve Ratio (Expendable Financial Resources to Operations)

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Net Position - Unrestricted	\$ 1,291,499	\$ 1,439,038	\$ 1,378,360	\$ 1,254,980	\$ 1,303,708	\$ 1,129,355
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	442,225	433,282	394,577	367,009	356,156	367,832
Net Position - Restricted Expendable - Loans	79,000	82,217	83,567	85,145	84,509	83,546
Expendable Net Position	\$ 1,812,724	\$ 1,954,537	\$ 1,856,504	\$ 1,707,134	\$ 1,744,373	\$ 1,580,733
Operating Expenses	\$ 3,666,718	\$ 3,637,468	\$ 3,355,255	\$ 3,294,338	\$ 3,226,696	\$ 2,924,188
Less: Scholarships & Fellowships Expense	(82,274)	(67,096)	(68,047)	(69,289)	(70,353)	(66,860)
Interest Expense	64,696	66,585	71,043	70,037	65,061	67,651
Adjusted Total Operating Expense	\$ 3,649,140	\$ 3,636,957	\$ 3,358,251	\$ 3,295,086	\$ 3,221,404	\$ 2,924,979
Expendable Net Position	\$ 1,812,724	\$ 1,954,537	\$ 1,856,504	\$ 1,707,134	\$ 1,744,373	\$ 1,580,733
Adjusted Total Operating Expense	\$ 3,649,140	\$ 3,636,957	\$ 3,358,251	\$ 3,295,086	\$ 3,221,404	\$ 2,924,979

Primary Reserve Ratio

0.50 0.54 0.55 0.52 0.54 0.54

Total Financial Resources per Student

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Net Position - Unrestricted	\$ 1,291,499	\$ 1,439,038	\$ 1,378,360	\$ 1,254,980	\$ 1,303,708	\$ 1,129,355
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	442,225	433,282	394,577	367,009	356,156	367,832
Net Position - Restricted Expendable - Loans	79,000	82,217	83,567	85,145	84,509	83,546
Net Position - Restricted Nonexpendable	1,270,680	1,257,588	1,200,514	1,109,498	993,760	1,010,357
Total Financial Resources	\$ 3,083,404	\$ 3,212,125	\$ 3,057,018	\$ 2,816,632	\$ 2,738,133	\$ 2,591,090
Total Financial Resources	\$ 3,083,404	\$ 3,212,125	\$ 3,057,018	\$ 2,816,632	\$ 2,738,133	\$ 2,591,090
Number of Students - End of Fiscal Year (FTE)	51,466	52,827	54,106	55,398	57,785	59,816
Total Financial Resources per Student	\$ 59,911	\$ 60,805	\$ 56,501	\$ 50,844	\$ 47,385	\$ 43,318

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Net Operating Revenues Ratio (Annual Operating Margin)

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Operating (Loss) After State Appropriations	\$ (341,646)	\$ (221,955)	\$ (102,372)	\$ (76,683)	\$ (85,526)	\$ (86,148)
Federal Appropriations	27,108	27,026	26,665	27,128	27,041	28,399
Federal Pell Grants	54,480	56,594	55,400	52,875	57,313	59,072
Normalized Investment Income	214,440	198,919	185,694	175,081	164,675	156,107
Private Gifts	71,179	94,743	77,883	71,249	80,972	68,615
Interest Expense	(64,696)	(66,585)	(71,043)	(70,037)	(65,061)	(67,651)
Net Operating Surplus (Deficit)	\$ (39,135)	\$ 88,742	\$ 172,227	\$ 179,613	\$ 179,414	\$ 158,394
Total Operating Revenues	\$ 2,960,660	\$ 3,006,716	\$ 2,851,178	\$ 2,799,743	\$ 2,702,357	\$ 2,402,529
Less: Scholarship & Fellowships Expense	(82,274)	(67,096)	(68,047)	(69,289)	(70,353)	(66,860)
State Appropriations	364,412	408,797	401,705	417,912	438,813	435,511
Federal Appropriations	27,108	27,026	26,665	27,128	27,041	28,399
Federal Pell Grants	54,480	56,594	55,400	52,875	57,313	59,072
Normalized Investment Income (a)	214,440	198,919	185,694	175,081	164,675	156,107
Private Gifts	71,179	94,743	77,883	71,249	80,972	68,615
Total Operating Revenues	\$ 3,610,005	\$ 3,725,699	\$ 3,530,478	\$ 3,474,699	\$ 3,400,818	\$ 3,083,373

(a) Normalized investment income is equal to 5% of the rolling average balance of total cash and investments over the previous three fiscal years.

Net Operating Surplus (Deficit)	\$ (39,135)	\$ 88,742	\$ 172,227	\$ 179,613	\$ 179,414	\$ 158,394
Total Operating Revenues	\$ 3,610,005	\$ 3,725,699	\$ 3,530,478	\$ 3,474,699	\$ 3,400,818	\$ 3,083,373

Net Operating Revenues Ratio **-1.1%** **2.4%** **4.9%** **5.2%** **5.3%** **5.1%**

Debt Service Coverage

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Total Debt Service	\$ 117,169	\$ 103,026	\$ 107,630	\$ 107,288	\$ 94,916	\$ 86,741
Net Operating Surplus (Deficit)	\$ (39,135)	\$ 88,742	\$ 172,227	\$ 179,613	\$ 179,414	\$ 158,394
Add Back: Interest Expense	64,696	66,585	71,043	70,037	65,061	67,651
Add Back: Depreciation Expense	218,429	215,539	213,477	210,226	201,691	194,075
Adjusted Net Operating Surplus (Deficit)	\$ 243,990	\$ 370,866	\$ 456,747	\$ 459,876	\$ 446,166	\$ 420,120
Adjusted Net Operating Surplus (Deficit)	\$ 243,990	\$ 370,866	\$ 456,747	\$ 459,876	\$ 446,166	\$ 420,120
Total Debt Service	\$ 117,169	\$ 103,026	\$ 107,630	\$ 107,288	\$ 94,916	\$ 86,741

Debt Service Coverage **2.08** **3.60** **4.24** **4.29** **4.70** **4.84**

Return on Net Position Ratio

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Change in Net Position	\$ (73,723)	\$ 186,835	\$ 265,057	\$ 404,002	\$ 108,554	\$ 109,427
Average Net Position	\$ 5,043,605	\$ 4,987,049	\$ 4,735,866	\$ 4,401,336	\$ 4,430,783	\$ 4,189,684

Return on Net Position Ratio **-1.5%** **3.7%** **5.6%** **9.2%** **2.4%** **2.6%**

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Contribution Ratios

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
State Appropriations	\$ 364,412	\$ 408,797	\$ 401,705	\$ 417,912	\$ 438,813	\$ 435,511
Tuition and Fees, Net of Scholarship Allow/Exp	505,674	523,999	567,432	579,928	601,921	586,129
Auxiliary Enterprises	417,882	447,997	437,717	447,473	444,758	433,437
Grants and Contracts	352,726	340,396	292,335	289,875	280,172	280,019
Federal Pell Grants	54,480	56,594	55,400	52,875	57,313	59,072
Gifts	71,179	94,743	77,883	71,249	80,972	68,615
Normalized Investment Income (a)	214,440	198,919	185,694	175,081	164,675	156,107
Patient Care	1,505,424	1,510,024	1,400,335	1,323,006	1,205,084	944,161
Other	123,788	144,230	111,977	117,300	127,110	120,322
Total	\$ 3,610,005	\$ 3,725,699	\$ 3,530,478	\$ 3,474,699	\$ 3,400,818	\$ 3,083,373
State Appropriations	10.1%	11.0%	11.2%	12.0%	12.9%	14.1%
Tuition and Fees, Net of Scholarship Allow/Exp	14.0%	14.1%	16.1%	16.7%	17.7%	19.0%
Auxiliary Enterprises	11.6%	12.0%	12.4%	12.9%	13.1%	14.1%
Grants and Contracts	9.8%	9.1%	8.3%	8.3%	8.2%	9.1%
Federal Pell Grants	1.5%	1.5%	1.6%	1.5%	1.7%	1.9%
Gifts	2.0%	2.5%	2.2%	2.1%	2.4%	2.2%
Normalized Investment Income (a)	5.9%	5.3%	5.3%	5.0%	4.8%	5.1%
Patient Care	41.7%	40.5%	39.7%	38.1%	35.4%	30.6%
Other	3.4%	4.0%	3.2%	3.4%	3.8%	3.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(a) Normalized investment income is equal to 5% of the rolling average balance of total cash and investments over the previous three fiscal years.

Operating Expenses by Functional Classifications

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Instruction	\$ 640,588	\$ 691,250	\$ 630,762	\$ 590,759	\$ 643,872	\$ 638,917
Research	217,016	209,365	193,568	181,649	194,245	189,339
Public Service	189,240	180,089	163,971	157,491	158,935	153,492
Academic Support	160,050	161,044	144,740	140,326	156,667	147,403
Student Services	102,503	103,966	101,151	90,698	99,132	92,629
Institutional Support	134,209	146,090	115,744	111,416	149,468	128,773
Operation and Maintenance of Plant	126,629	121,638	105,162	92,300	99,375	104,205
Auxiliary Enterprises	1,795,780	1,741,391	1,618,633	1,548,766	1,271,256	1,208,495
Scholarships and Fellowships	82,274	67,096	68,047	69,289	70,353	66,860
Depreciation	218,429	215,539	213,477	210,226	190,296	194,075
Total Operating Expenses	\$ 3,666,718	\$ 3,637,468	\$ 3,355,255	\$ 3,192,920	\$ 3,033,599	\$ 2,924,188
Instruction	17.5%	19.0%	18.8%	18.5%	21.2%	21.8%
Research	5.9%	5.8%	5.8%	5.7%	6.4%	6.5%
Public Service	5.2%	5.0%	4.9%	4.9%	5.2%	5.2%
Academic Support	4.4%	4.4%	4.3%	4.4%	5.2%	5.0%
Student Services	2.8%	2.9%	3.0%	2.8%	3.3%	3.2%
Institutional Support	3.7%	4.0%	3.4%	3.5%	4.9%	4.4%
Operation and Maintenance of Plant	3.5%	3.3%	3.1%	2.9%	3.3%	3.6%
Auxiliary Enterprises	49.0%	47.9%	48.2%	48.5%	41.9%	41.3%
Scholarships and Fellowships	2.2%	1.8%	2.0%	2.2%	2.3%	2.3%
Depreciation	6.0%	5.9%	6.4%	6.6%	6.3%	6.7%
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2019	2018	2017	2016	2015	2014
Undergraduate Students (Head Count)	53,370	54,106	55,877	58,385	59,418	58,489
Graduate Students (Head Count)	13,705	13,803	13,815	14,498	15,184	15,614
Professional Students (Head Count)	3,403	3,351	3,122	3,116	3,131	3,180
Total Students (Head Count)	70,478	71,260	72,814	75,999	77,733	77,283
Undergraduate Students (FTE)	41,575	42,406	44,248	46,202	47,840	47,443
Graduate Students (FTE)	7,672	7,795	8,029	8,505	8,889	8,986
Professional Students (FTE)	3,362	3,309	3,074	3,077	3,087	3,137
Total Students (FTE)	52,609	53,510	55,351	57,784	59,816	59,566
Acceptance Rate - First-time Freshmen	75%	72%	74%	71%	76%	75%
Acceptance Rate - Undergraduate Transfers	64%	63%	66%	66%	69%	68%
Matriculation - First-time Freshmen	32%	32%	35%	33%	38%	40%
Matriculation - Undergraduate Transfers	66%	66%	66%	66%	64%	68%

Demographics

Fall Semester	2019	2018	2017	2016	2015	2014
Male	47%	48%	48%	48%	49%	48%
Female	53%	52%	52%	52%	51%	52%
Undergraduate Residence - Missouri	83%	83%	82%	81%	79%	78%
Undergraduate Residence - Out of State	17%	17%	18%	19%	21%	22%
Undergraduate Full-Time	71%	72%	73%	73%	75%	76%
Undergraduate Part-Time	29%	28%	27%	27%	25%	24%
Graduate Full-Time	43%	45%	48%	50%	49%	49%
Graduate Part-Time	57%	55%	52%	50%	51%	51%
White	72.0%	72.5%	72.3%	72.2%	72.5%	72.5%
Black or African American	8.8%	8.8%	8.9%	9.2%	9.0%	9.4%
Non-Resident Alien	5.8%	6.2%	6.8%	7.5%	8.0%	8.0%
Asian / Pacific Is.	4.6%	4.4%	4.3%	4.0%	3.8%	3.8%
Hispanic	5.1%	4.7%	4.6%	4.2%	3.9%	3.7%
Other	3.7%	3.4%	3.1%	2.9%	2.8%	2.6%

Degrees Awarded

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Baccalaureate	10,855	11,401	11,669	11,546	11,654	11,360
Graduate Certificate	926	1,026	1,047	869	839	780
Master's	3,528	3,577	3,956	4,217	4,330	4,204
Educational Specialist	125	106	67	93	100	122
Doctoral	745	754	818	816	720	712
First Professional Degree	899	882	832	829	833	876
Total	17,078	17,746	18,389	18,370	18,476	18,054

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2019	2018	2017	2016	2015	2014
Undergraduate Students (Head Count)	22,589	22,484	23,799	25,877	27,791	27,642
Graduate Students (Head Count)	5,951	5,952	5,864	6,178	6,440	6,561
Professional Students (Head Count)	1,474	1,407	1,181	1,184	1,193	1,222
Total Students (Head Count)	30,014	29,843	30,844	33,239	35,424	35,425
Undergraduate Students (FTE)	20,525	20,566	21,974	23,864	25,600	25,371
Graduate Students (FTE)	3,362	3,403	3,498	3,694	3,894	3,959
Professional Students (FTE)	1,461	1,393	1,165	1,166	1,172	1,202
Total Students (FTE)	25,348	25,362	26,637	28,724	30,666	30,532
Acceptance Rate - First-time Freshmen	82%	78%	78%	75%	78%	78%
Acceptance Rate - Undergraduate Transfers	71%	65%	63%	62%	67%	65%
Matriculation - First-time Freshmen	34%	32%	32%	30%	36%	40%
Matriculation - Undergraduate Transfers	64%	60%	60%	57%	54%	60%

Demographics

Fall Semester	2019	2018	2017	2016	2015	2014
Male	45%	46%	47%	47%	47%	47%
Female	55%	54%	53%	53%	53%	53%
Undergraduate Residence - Missouri	78%	78%	76%	74%	72%	73%
Undergraduate Residence - Out of State	22%	22%	24%	26%	28%	27%
Undergraduate Full-Time	92%	92%	93%	93%	94%	94%
Undergraduate Part-Time	8%	8%	7%	7%	6%	6%
Graduate Full-Time	49%	53%	57%	58%	59%	59%
Graduate Part-Time	51%	47%	43%	42%	41%	41%
White	76.5%	76.5%	76.9%	76.9%	76.9%	77.4%
Black or African American	6.8%	7.0%	6.8%	7.0%	7.3%	7.3%
Non-Resident Alien	5.5%	6.2%	6.8%	7.2%	7.2%	6.9%
Asian / Pacific Is.	2.6%	2.4%	2.4%	2.3%	2.2%	2.3%
Hispanic	4.6%	4.3%	3.9%	3.6%	3.5%	3.3%
Other	4.0%	3.6%	3.2%	3.0%	2.9%	2.8%

Degrees Awarded

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Baccalaureate	5,641	6,314	6,512	6,331	6,283	5,995
Graduate Certificate	358	386	362	266	225	239
Master's	1,562	1,473	1,562	1,684	1,619	1,571
Educational Specialist	82	59	40	56	51	82
Doctoral	359	426	501	500	416	435
First Professional Degree	376	357	302	313	308	346
Total	8,378	9,015	9,279	9,150	8,902	8,668

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2019	2018	2017	2016	2015	2014
Undergraduate Students (Head Count)	11,301	11,319	11,372	11,704	11,243	10,453
Graduate Students (Head Count)	3,339	3,287	3,231	3,468	3,676	3,911
Professional Students (Head Count)	1,748	1,769	1,769	1,764	1,766	1,782
Total Students (Head Count)	16,388	16,375	16,372	16,936	16,685	16,146
Undergraduate Students (FTE)	7,744	7,853	7,989	7,990	7,798	7,575
Graduate Students (FTE)	1,871	1,831	1,854	2,080	2,202	2,218
Professional Students (FTE)	1,721	1,740	1,737	1,744	1,743	1,759
Total Students (FTE)	11,336	11,424	11,580	11,814	11,743	11,552
Acceptance Rate - First-time Freshmen	61%	56%	64%	62%	63%	64%
Acceptance Rate - Undergraduate Transfers	56%	56%	65%	66%	69%	68%
Matriculation - First-time Freshmen	33%	32%	37%	38%	37%	38%
Matriculation - Undergraduate Transfers	68%	65%	64%	66%	65%	73%

Demographics

Fall Semester	2019	2018	2017	2016	2015	2014
Male	42%	43%	43%	44%	45%	45%
Female	58%	57%	57%	56%	55%	55%
Undergraduate Residence - Missouri	77%	77%	77%	78%	77%	74%
Undergraduate Residence - Out of State	23%	23%	23%	22%	23%	26%
Undergraduate Full-Time	57%	58%	59%	57%	59%	65%
Undergraduate Part-Time	43%	42%	41%	43%	41%	35%
Graduate Full-Time	36%	37%	38%	44%	45%	43%
Graduate Part-Time	64%	63%	62%	56%	55%	57%
White	62.2%	63.7%	62.8%	62.8%	62.6%	62.2%
Black or African American	10.1%	9.6%	10.4%	11.0%	10.4%	11.2%
Non-Resident Alien	7.0%	7.0%	7.8%	8.9%	10.1%	10.2%
Asian / Pacific Is.	8.2%	7.6%	7.3%	6.7%	6.5%	6.7%
Hispanic	7.9%	7.5%	8.0%	7.2%	6.7%	6.1%
Other	4.6%	4.6%	3.7%	3.4%	3.7%	3.6%

Degrees Awarded

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Baccalaureate	1,903	1,778	1,753	1,824	1,741	1,812
Graduate Certificate	53	64	54	48	71	50
Master's	892	859	962	1,082	1,213	1,197
Educational Specialist	24	24	18	20	32	26
Doctoral	138	135	114	122	120	98
First Professional Degree	477	486	491	473	480	489
Total	3,487	3,346	3,392	3,569	3,657	3,672

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2019	2018	2017	2016	2015	2014
Undergraduate Students (Head Count)	6,454	6,843	6,919	6,906	6,839	6,520
Graduate Students (Head Count)	1,634	1,758	1,964	1,929	2,047	2,120
Professional Students (Head Count)	-	-	-	-	-	-
Total Students (Head Count)	8,088	8,601	8,883	8,835	8,886	8,640
Undergraduate Students (FTE)	5,739	6,123	6,193	6,234	6,216	5,947
Graduate Students (FTE)	986	1,113	1,257	1,224	1,273	1,332
Professional Students (FTE)	-	-	-	-	-	-
Total Students (FTE)	6,725	7,236	7,450	7,458	7,489	7,279
Acceptance Rate - First-time Freshmen	79%	84%	83%	77%	88%	86%
Acceptance Rate - Undergraduate Transfers	70%	74%	75%	70%	70%	70%
Matriculation - First-time Freshmen	29%	36%	44%	44%	47%	42%
Matriculation - Undergraduate Transfers	58%	65%	69%	72%	74%	75%

Note: Rolla's pre-application advising process encourages unqualified students to apply elsewhere, thereby producing misleading acceptance rate figures.

Demographics

Fall Semester	2019	2018	2017	2016	2015	2014
Male	76%	76%	77%	77%	77%	77%
Female	24%	24%	23%	23%	23%	23%
Undergraduate Residence - Missouri	86%	86%	85%	83%	80%	79%
Undergraduate Residence - Out of State	14%	14%	15%	17%	20%	21%
Undergraduate Full-Time	88%	89%	89%	90%	90%	89%
Undergraduate Part-Time	12%	11%	11%	10%	10%	11%
Graduate Full-Time	56%	60%	62%	63%	60%	61%
Graduate Part-Time	44%	40%	38%	37%	40%	39%
White	75.1%	75.5%	74.4%	73.6%	71.5%	70.0%
Black or African American	3.4%	3.1%	3.2%	3.4%	3.4%	3.5%
Non-Resident Alien	9.9%	10.5%	12.1%	13.4%	16.1%	18.2%
Asian / Pacific Is.	4.0%	3.7%	3.6%	3.6%	3.2%	2.9%
Hispanic	4.3%	3.8%	3.7%	3.3%	3.2%	3.1%
Other	3.3%	3.4%	3.0%	2.7%	2.6%	2.3%

Degrees Awarded

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Baccalaureate	1,423	1,388	1,416	1,320	1,378	1,307
Graduate Certificate	410	454	510	432	427	404
Master's	427	517	613	625	688	675
Educational Specialist	-	-	-	-	-	-
Doctoral	119	101	116	88	109	95
First Professional Degree	-	-	-	-	-	-
Total	2,379	2,460	2,655	2,465	2,602	2,481

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2019	2018	2017	2016	2015	2014
Undergraduate Students (Head Count)	13,026	13,460	13,787	13,898	13,545	13,874
Graduate Students (Head Count)	2,781	2,806	2,756	2,923	3,021	3,022
Professional Students (Head Count)	181	175	172	168	172	176
Total Students (Head Count)	15,988	16,441	16,715	16,989	16,738	17,072
Undergraduate Students (FTE)	7,568	7,865	8,092	8,113	8,228	8,550
Graduate Students (FTE)	1,452	1,448	1,420	1,508	1,520	1,477
Professional Students (FTE)	181	175	172	168	172	176
Total Students (FTE)	9,201	9,488	9,684	9,789	9,920	10,203
Acceptance Rate - First-time Freshmen	52%	52%	58%	54%	57%	56%
Acceptance Rate - Undergraduate Transfers	63%	69%	68%	68%	71%	69%
Matriculation - First-time Freshmen	25%	27%	32%	32%	38%	39%
Matriculation - Undergraduate Transfers	70%	72%	70%	71%	70%	68%

Demographics

Fall Semester	2019	2018	2017	2016	2015	2014
Male	41%	41%	41%	41%	40%	40%
Female	59%	59%	59%	59%	60%	60%
Undergraduate Residence - Missouri	94%	94%	94%	94%	93%	93%
Undergraduate Residence - Out of State	6%	6%	6%	6%	7%	7%
Undergraduate Full-Time	39%	40%	40%	39%	42%	44%
Undergraduate Part-Time	61%	60%	60%	61%	58%	56%
Graduate Full-Time	30%	30%	31%	30%	27%	25%
Graduate Part-Time	70%	70%	69%	70%	73%	75%
White	72.0%	72.2%	72.0%	71.3%	73.1%	72.8%
Black or African American	14.3%	14.2%	14.5%	15.0%	14.4%	15.2%
Non-Resident Alien	3.0%	2.9%	3.1%	3.5%	3.3%	3.2%
Asian / Pacific Is.	4.8%	5.0%	5.1%	5.1%	4.5%	4.5%
Hispanic	3.4%	3.2%	3.2%	3.0%	2.6%	2.5%
Other	2.5%	2.5%	2.2%	2.1%	2.1%	1.8%

Degrees Awarded

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Baccalaureate	1,888	1,921	1,988	2,071	2,252	2,246
Graduate Certificate	105	122	121	123	116	87
Master's	647	728	819	826	810	761
Educational Specialist	19	23	9	17	17	14
Doctoral	130	92	87	106	75	84
First Professional Degree	46	39	39	43	45	41
Total	2,835	2,925	3,063	3,186	3,315	3,233



University of Missouri System

COLUMBIA | KANSAS CITY | ROLLA | ST. LOUIS

Office of Finance

118 University Hall
Columbia, MO 65211

www.umsystem.edu