



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

FINANCIAL REPORT



2023

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Message from the President

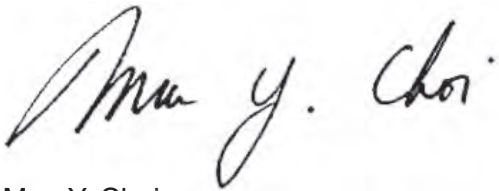
The University of Missouri System is dedicated to inspiring innovation, preparing students for incredible careers and training the next generation of state leaders. To realize these ambitious goals, our students, faculty and staff are exploring society's biggest challenges at each of our four universities and in Extension offices in every Missouri county. As we pursue a total commitment to excellence, we remain careful stewards of the resources entrusted to our community. I'm pleased to report that our university system's fiscal position is strong and stable.

In FY23, our universities focused on directing resources toward several key priorities:

- Advancing groundbreaking research that changes that world, delivers more impact to citizens and provides hands-on opportunities for our students
- Capital funding for facilities that drive excellence in research, teaching and meaningful engagement
- Expanding the University of Missouri Research Reactor and progressing towards a larger, state-of-the-art new research reactor, NextGen MURR
- Providing a world-class and affordable education at each of our four campuses
- Supporting student success through strong retention, graduation and job placement rates
- Engaging communities in every corner of Missouri and demonstrating our value to stakeholders
- Bolstering activities that sustain or grow revenues for the university, while streamlining operations

The following report shows our dedication to transparency, responsible financial management and continuous improvement. All four universities are progressing individually and collaboratively towards our goal of making a difference in Missouri and impacting lives around the world.

Sincerely,



Mun Y. Choi
President, University of Missouri



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
St. Louis



Robert D. Blitz
District 2
St. Louis



Jeanne Cairns Sinquefield
District 3
Westphalia



Robert Fry
District 4
Greenwood



Michael Williams
District 5
Kansas City



Todd P. Graves
District 6
Edgerton



Jeffrey L. Layman
District 7
Springfield



Keith A. Holloway
District 8
Cape Girardeau



Robin R. Wenneker
At-Large Member
Columbia



Vacant
Student Representative

University of Missouri System General Officers



Mun Y. Choi
President, University of Missouri



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



Ben Canlas
Interim Vice President for
Information Technology



Mohammad Dehghani
Chancellor,
Missouri University of
Science and Technology



Marsha B. Fischer
Vice President for
Human Resources



John Middleton
Associate Vice President
for Academic Affairs



Mark A. Menghini
General Counsel



Ryan D. Rapp
Executive Vice President of
Finance and Operations



Kristin Sobolik
Chancellor,
University of Missouri-
St. Louis

Finance Staff

Ryan D. Rapp, Executive Vice President of Finance and Operations

Kevin Hogg, Assistant Vice President of Treasury

Jessica Opie, Interim Controller

Thomas Richards, Chief Investment Officer

Ashley Rogers, Director of Finance and Accounting



University of Missouri-Columbia

Founded:
1839

The University of Missouri-Columbia (MU) was the first public university west of the Mississippi River. Today, MU has an enrollment of more than 30,000 students, with 12,000 full-time employees and 350,000 alumni worldwide, and is one of 63 public and private U.S. universities in the Association of American Universities.

Enrollment:
31,304*

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.

Alumni:
357,000+

**Enrollment numbers are reflective of 2022-2023 enrollment.*



University of Missouri-Kansas City

Founded:
1929

Enrollment:
15,703*

Alumni:
135,000+

The University of Missouri-Kansas City (UMKC) serves more than 15,000 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 2022-2023 enrollment.*



Missouri University of Science and Technology

Founded:
1870

Enrollment:
7,080*

Alumni:
69,000+

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 2022-2023 enrollment.*



University of Missouri-St. Louis

Founded:
1963

Enrollment:
15,181*

Alumni:
108,000+

The University of Missouri-St. Louis (UMSL) serves more than 15,000 students and employs more than 1,500 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 2022-2023 enrollment.*



University of Missouri Health

Founded:
1956

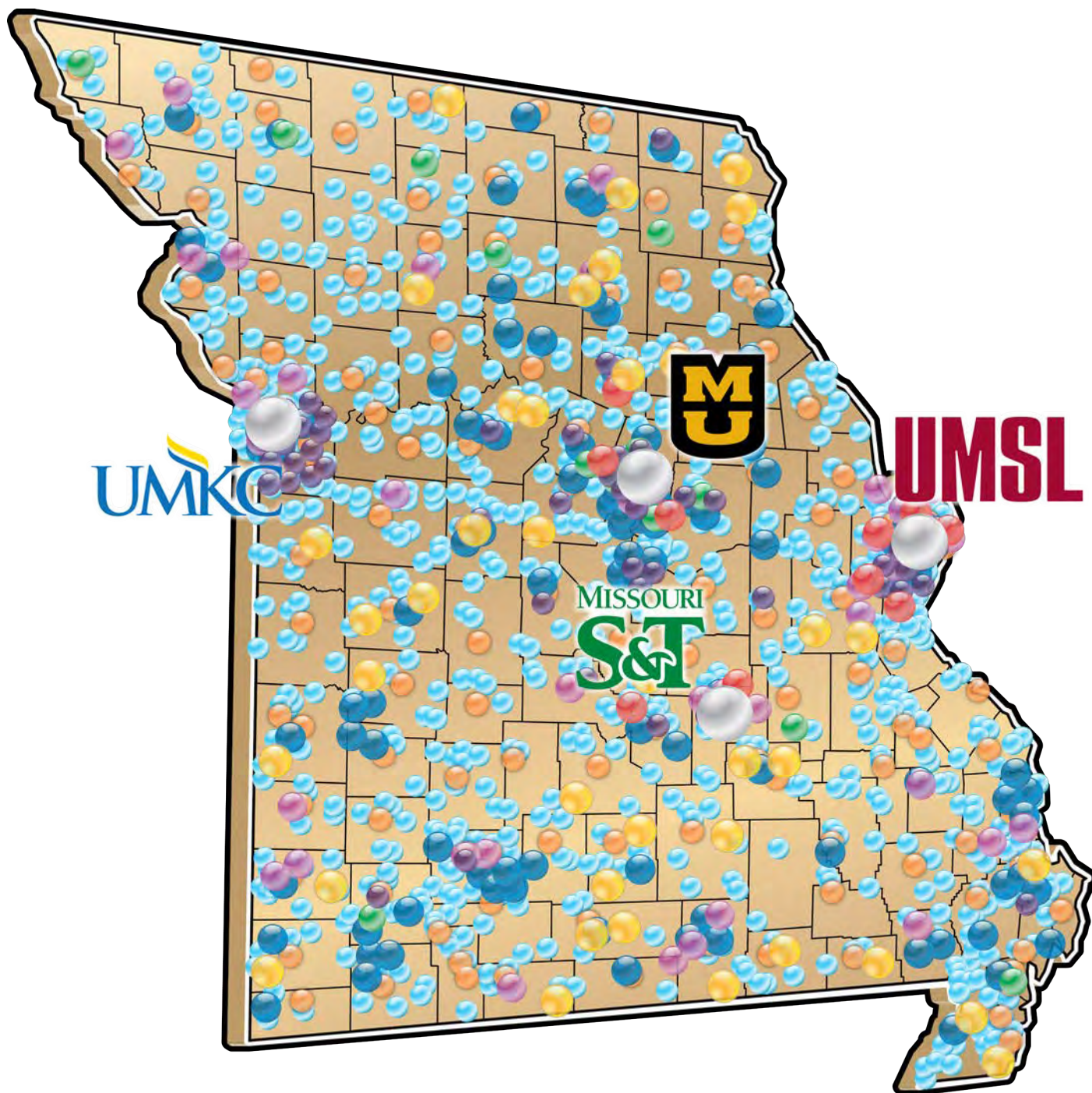
Based:
Columbia, MO

Patients served yearly:
240,000+

As part of the state's premier public 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 |

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MISSOURI

October 18, 2023

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 98, 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 Forvis 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. Forvis’ audit opinions are 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
Executive Vice President of Finance and Operations

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

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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, 2023 and 2022 (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, 2023 and 2022, 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 Annual Comprehensive Financial Report.

This report includes five financial statements.

- The three financial statements for the University of Missouri, its Blended Component Units, and its Discretely Presented Component Unit include the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows, where applicable.
- 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.

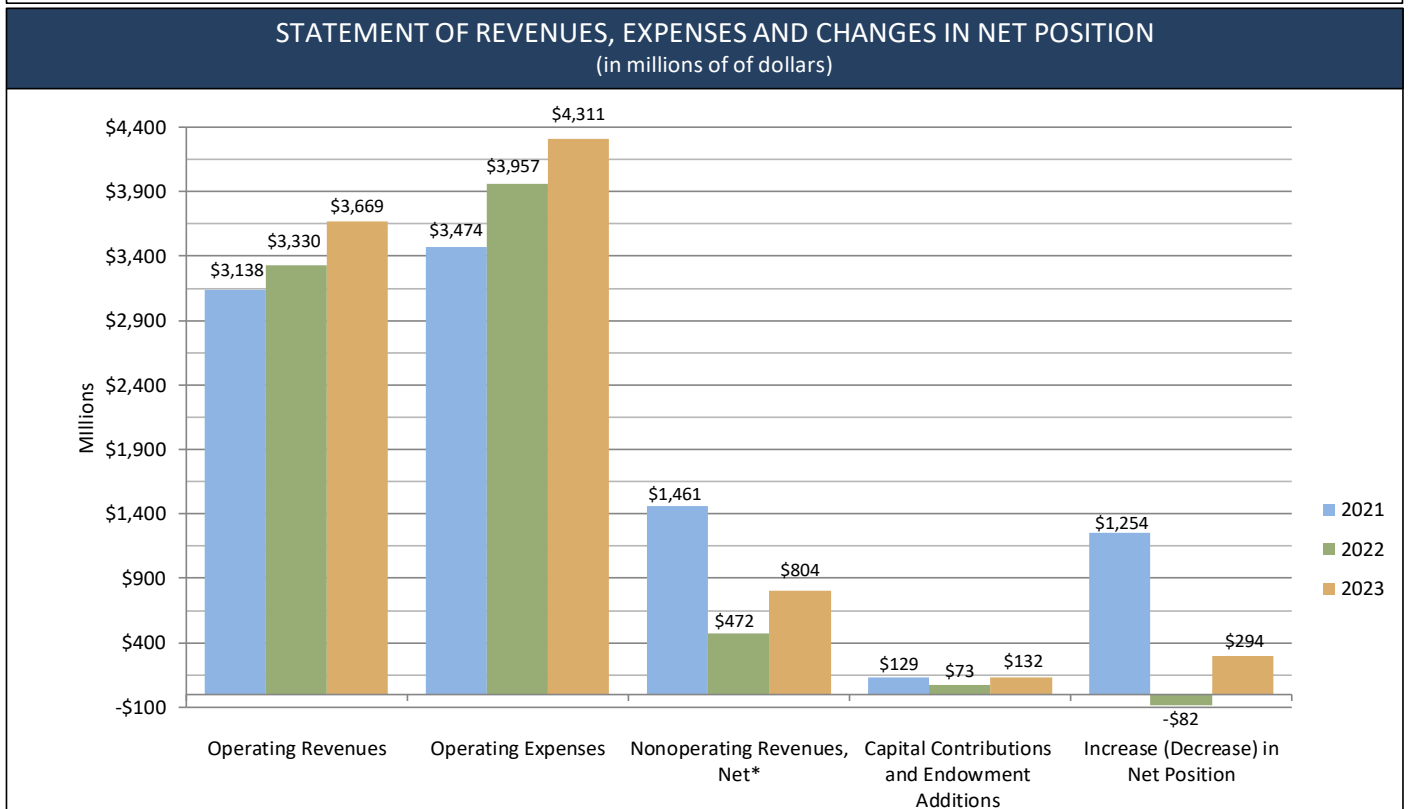
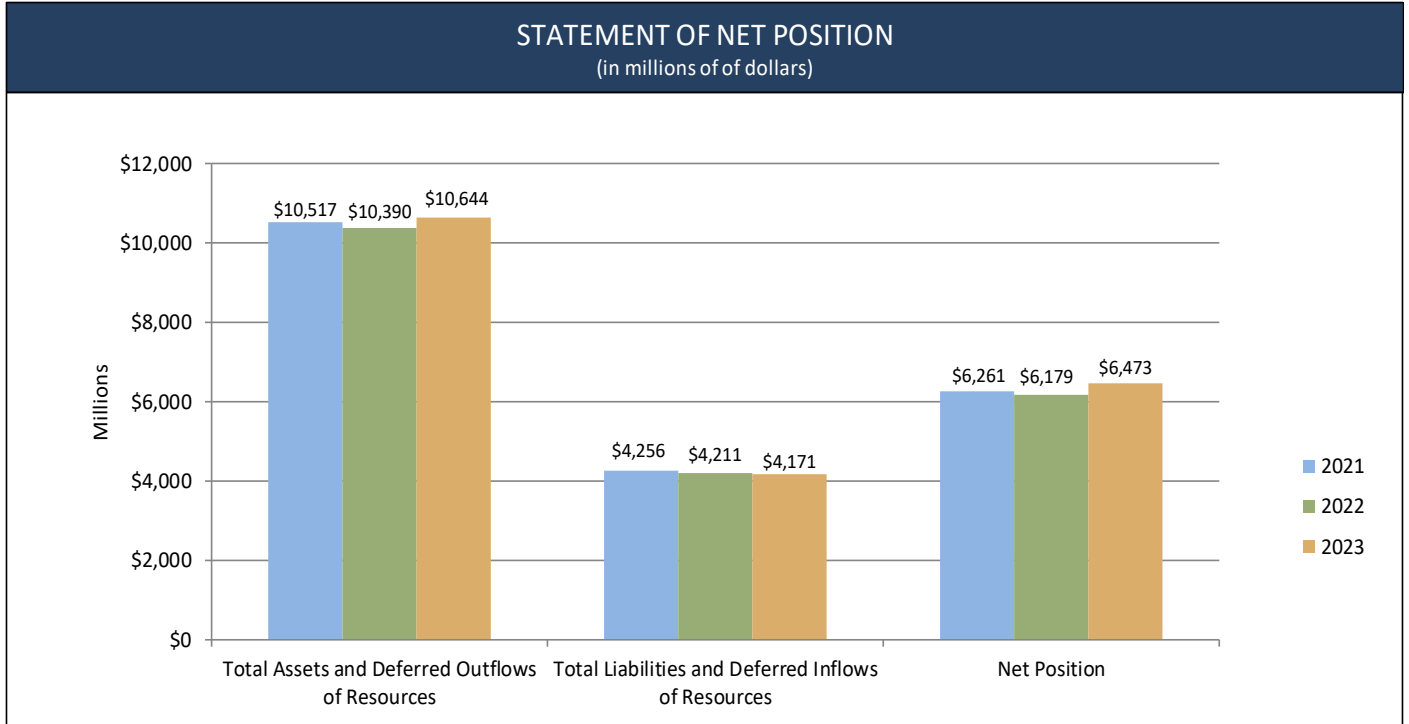
FINANCIAL HIGHLIGHTS

At June 30, 2023, the University's financial position remained solid, with Total Assets and Deferred Outflows of Resources of \$10.6 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 \$6.5 billion. When operating and non-operating changes are included, Net Position increased by approximately \$293.9 million as compared to fiscal year (FY) 2022, driven primarily by an increase in investment income of \$344.2 million after investment losses in FY 2022. Stimulus funds continued to decline during the year with a decrease in funding of \$96.5 million. However, State Appropriations and capital grants increased during the year reflecting increases of \$28.5 million and \$26.6 million, respectively. Net Position decreased between FY 2021 and FY 2022 by approximately \$81.5 million and was driven primarily by decrease in investment income of \$923.3 million after \$775.9 million in investment gains in FY 2021. Stimulus funds also began to decline during the year with a decrease in funding of \$51.1 million.

As discussed in Note 1 to the financial statements, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this statement increased ending Net Position of \$19,000 for fiscal year 2022. The FY 2021 information in this Management's Discussion and Analysis has not been restated for the adoption of this GASB statement.

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The following charts compare Total Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position at June 30, 2023, 2022 and 2021, and the major components of changes in Net Position for the years ended June 30, 2023, 2022 and 2021:



* Includes State Appropriations

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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023 and 2022 (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 amortization, 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, 2023, 2022, and 2021:

CONDENSED STATEMENTS OF NET POSITION (in thousands of dollars)			
As of June 30,	2023	2022 Restated	2021
Assets			
Current Assets	\$ 1,853,079	\$ 1,482,588	\$ 1,582,245
Noncurrent Assets			
Endowment and Other Long-Term Investments	4,271,226	4,558,388	4,830,138
Capital, Lease and Subscription Assets, Net	3,998,692	3,834,510	3,744,765
Other	94,432	110,545	140,750
Deferred Outflows of Resources	426,771	404,080	219,013
Total Assets and Deferred Outflows of Resources	\$ 10,644,200	\$ 10,390,111	\$ 10,516,911
Liabilities			
Current Liabilities			
Commercial Paper and Current Portion of Long-Term Debt	\$ 201,355	\$ 53,337	\$ 29,828
Long-Term Debt Subject to Remarketing Agreements	66,485	70,735	74,820
Other	526,408	612,695	892,773
Noncurrent Liabilities			
Long-Term Debt and Other Obligations	1,629,283	1,812,677	1,792,336
Other	1,587,012	1,411,853	736,986
Deferred Inflows of Resources	160,420	249,526	729,396
Total Liabilities & Deferred Inflows of Resources	4,170,963	4,210,823	4,256,139
Net Position			
Net Investment in Capital Assets	2,206,407	2,003,281	1,967,055
Restricted -			
Nonexpendable	1,628,024	1,582,260	1,659,825
Expendable	701,263	696,488	744,020
Unrestricted	1,937,543	1,897,259	1,889,872
Total Net Position	6,473,237	6,179,288	6,260,772
Total Liabilities and Net Position	\$ 10,644,200	\$ 10,390,111	\$ 10,516,911

UNIVERSITY OF MISSOURI SYSTEM
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ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Total Assets and Deferred Outflows of Resources increased by \$254.1 million, or 2.4%, to \$10.6 billion as of June 30, 2023 compared to the prior year. The increase during FY 2023 was driven by increases in **Capital, Lease, and Subscription Assets, net** of \$164.2 million as well as net accounts and pledges receivable of \$44.3 million. The decrease during FY 2022 was driven by a decrease in **Investments Settlements Receivable** of \$161.7 million, or 74.1% and a decrease in **Long-Term Investments** of \$271.8 million, or 5.6%.

At June 30, 2023, the University's working capital, which is current assets less current liabilities, was \$1.1 billion, an increase of \$313.0 million from the previous year. The increase is primarily driven by an increase in cash and short-term investments of \$366.4 million. At June 30, 2022, the University's working capital, which is current assets less current liabilities, was \$745.8 million, an increase of \$161.0 million from the previous year. The increase is primarily driven by a decrease in **Investment Settlements Payable**.

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 \$1.1 billion and \$816.6 million at June 30, 2023 and 2022, respectively, also expressed as Current Assets of 2.55 and 2.23 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,	2023	2022 Restated	2021
Current Assets	\$ 1,853,079	\$ 1,482,588	\$ 1,582,245
Current Liabilities	794,248	736,767	997,421
Working Capital	\$ 1,058,831	\$ 745,821	\$ 584,824
Ratio of Current Assets to Current Liabilities	2.33	2.01	1.59
Current Assets	1,853,079	1,482,588	1,582,245
Current Liabilities	794,248	736,767	997,421
Less: Long-Term Debt Subject to Remarketing	(66,485)	(70,735)	(74,820)
Current Liabilities, As Adjusted	727,763	666,032	922,601
Working Capital, As Adjusted	\$ 1,125,316	\$ 816,556	\$ 659,644
Ratio of Current Assets to Current Liabilities (As Adjusted)	2.55	2.23	2.40

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At June 30, 2023 and 2022, the University held \$722.9 million and \$855.4 million in **Cash and Cash Equivalents** in both University Funds and Custodial Funds combined. University funds consisted of **Cash and Cash Equivalents** of \$707.3 million, \$839.1 million, and \$811.9 million for fiscal years ended June 30, 2023, 2022, and 2021, respectively. The decrease in cash at June 30, 2023 was largely due a decrease in stimulus funding received as compared to the prior year. Increases in cash during FY 2022 was largely due to the receipt of patient care revenues.

Short-Term and Long-Term Investments for University and Custodial Funds totaled \$4.9 billion and \$4.7 billion as of June 30, 2023 and 2022. Investment performance varied greatly during the pandemic and began to normalize in FY 2022. Net realized and unrealized gains and losses increased by \$344.2 million, going from a net loss of \$147.4 million in FY 2022 to a net gain of \$196.8 million in FY 2023. The Endowment Pool and General Pool experienced a net gain of 4.1% and 3.2% in FY 2023. For comparison, the Endowment Pool and General Pool experienced a net loss of (0.7%) and (2.7%) in FY 2022, respectively.

Composition and returns of the University's various investment pools for the years ended June 30, 2023 and 2022 were as follows:

CASH, CASH EQUIVALENTS AND INVESTMENTS
(in thousands of dollars)

	June 30, 2023					June 30, 2022	
	Cash and Cash Equivalents	Short-Term and Long-Term Investments	Total	Total Return	Benchmark Index Return (A)	Total	Total Return
General Pool	\$ 293,030	\$ 2,515,558	\$ 2,808,588	3.2%	1.4%	\$ 2,955,666	-2.7%
Endowment Funds							
Endowment Pool	383,742	1,860,255	2,243,997	4.1%	4.4%	2,170,004	-0.7%
Other	46,124	488,575	534,699	N/A	N/A	386,659	N/A
Total	\$ 722,896	\$ 4,864,388	\$ 5,587,284			\$ 5,512,329	

(A) Benchmark index returns are calculated by independent investment consultants based on returns of market indices.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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At June 30, 2023, the University's investment in **Capital Assets** totaled \$3.9 billion compared to \$3.7 billion at June 30, 2022. The University increased capital assets by \$354.5 million, net of retirements, during FY 2023 offset by a net increase in accumulated depreciation of \$181.9 million for

an increase in Capital Asset, Net of \$172.5 million. FY 2022 capital asset additions of \$204.8 million, net of retirements, were offset by a net increase of accumulated depreciation of \$176.1 million for an increase in Capital Assets, Net of \$28.8 million.

Note 8 presents additional information by asset classification. Major capital projects either substantially completed in FY 2023 or ongoing are show in the following table.

SELECTED CAPITAL PROJECTS (Fiscal Year Ended June 30, 2023)			
Campus	Project Budget	Expenditures Through June 30, 2023	Source of Funding
Columbia:			
Thompson Center	\$ 55,000,000	\$ 678,000	Grant, gifts, reserves
Medical Science Building	51,000,000	1,914,000	Grant
Research Reactor - West Building Addition	36,000,000	-	Grant
Vet Diagnostic Laboratory	30,000,000	8,413,000	State appropriations, reserves
Hospital:			
Children's Hospital Facility	232,000,000	152,670,000	Reserves, debt
Kansas City:			
Health Sciences District Development	120,000,000	422,000	Grant, gifts, state appropriations, reserves
Missouri S&T:			
Systems Integration & Prototype Develop	105,000,000	13,474,000	Grant, gifts
St. Louis:			
Campus of the Future	60,000,000	3,855,000	Grants, state appropriations

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Total Liabilities and Deferred Inflows of Resources decreased by \$39.9 million during FY 2023 as compared to June 30, 2022, which was primarily driven by decreases in **Accounts Payable** of \$32.2 million, **Current and Long Term Debt and Other Obligations** of \$39.6 million, **Investment Settlements Payable** of \$71.2 million, and **Deferred Inflows of Resources Related to Pension and Other Post Employment Benefits** of \$89.8 million. The decreases in liabilities were caused by timing of payables as well as the repayment of debt. The decreases were partially offset by an increase in **Net Pension Liability** of \$199.0 million that is primarily attributed to investment returns falling below the assumed rate of return, plan demographics and participants salary.

Current Liabilities include long-term variable rate demand bonds subject to remarketing agreements totaling \$66.5 million, \$70.7 million and \$74.8 million at June 30, 2023, 2022 and 2021, 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. There were no issues of commercial paper during FY 2023 nor FY 2022.

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Noncurrent Liabilities represent those commitments beyond one year. For the FY 2023 financials, the University implemented GASB Statement No. 96, *Subscription-Based Technology Arrangements*, which added subscription obligations to the University's liabilities. Total subscription obligations during the years ending June 30, 2023 and 2022 were \$60.1 million and \$70.3 million, respectively. Prior to the implementation of this standard, these obligations were reported as expenditures as incurred.

During FY 2022 financials, the University implemented GASB Statement No. 87, *Leases*, which added the right-of-use (ROU) lease obligations to the University's liabilities. Total ROU Lease Obligations during for the years ending June 30, 2022 and 2021 were \$48.2 million and \$58.2 million, respectively. Prior to the implementation of this standard, these leases were reported as expenditures as incurred.

During FY 2021, \$28.6 million in Health Facilities Revenue Bonds were issued by the Capital Region Medical Center (CRMC), as reported in Medical Alliance.

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

LONG-TERM DEBT AND OTHER OBLIGATIONS			
(in thousands of dollars)			
As of June 30,	2023	2022 Restated	2021
System Facilities Revenue Bonds	\$ 1,641,390	\$ 1,657,060	\$ 1,662,440
Health Facilities Revenue Bonds (Medical Alliance)	39,467	41,677	47,633
Unamortized Premium	60,348	67,758	71,371
Total Bonds Payable	1,741,205	1,766,495	1,781,444
Notes Payable	2,033	2,039	2,480
Financed Purchase Obligations	45,088	49,776	54,869
ROU Lease & Subscription Obligations	108,797	118,439	58,191
Total Long-Term Debt	\$ 1,897,123	\$ 1,936,749	\$ 1,896,984
Contractual Maturities Within One Year			
Bonds Payable - Fixed Rate	\$ 165,729	\$ 13,795	\$ 3,592
Bonds Payable - Variable Rate Demand	4,250	4,085	3,935
Notes Payable	502	436	441
Financed Purchase Obligations	7,852	7,448	7,192
ROU Lease & Subscription Obligations	23,022	27,573	14,668
Total Contractual Maturities Within One Year	\$ 201,355	\$ 53,337	\$ 29,828

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2023 and 2022 (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, 2023							
	MU	UMKC	UMSL	Missouri S&T	University Health Care	Medical Alliance	Unallocated Bond Cost	Total
Athletics	\$ 128,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,448
Campus Utilities	113,444	-	-	24,581	-	-	-	138,025
Classroom & Research	126,870	20,753	38,072	12,529	-	-	-	198,224
Critical Repairs/Maintenance	13,710	5,845	3,608	4,042	-	-	-	27,205
Housing	262,565	68,580	14,277	63,771	-	-	-	409,193
Health Care	-	-	-	-	385,686	39,467	-	425,153
Parking	28,195	33,547	10,815	-	-	-	-	72,557
Recreational Facilities	20,238	5,714	30,060	133	-	-	-	56,145
Student Centers	20,964	32,076	8,455	6,866	-	-	-	68,361
Other	79	123	-	-	-	-	157,344	157,546
Unamortized Premium	-	-	-	-	-	-	60,348	60,348
Total	\$ 714,513	\$ 166,638	\$ 105,287	\$ 111,922	\$ 385,686	\$ 39,467	\$ 217,692	\$ 1,741,205

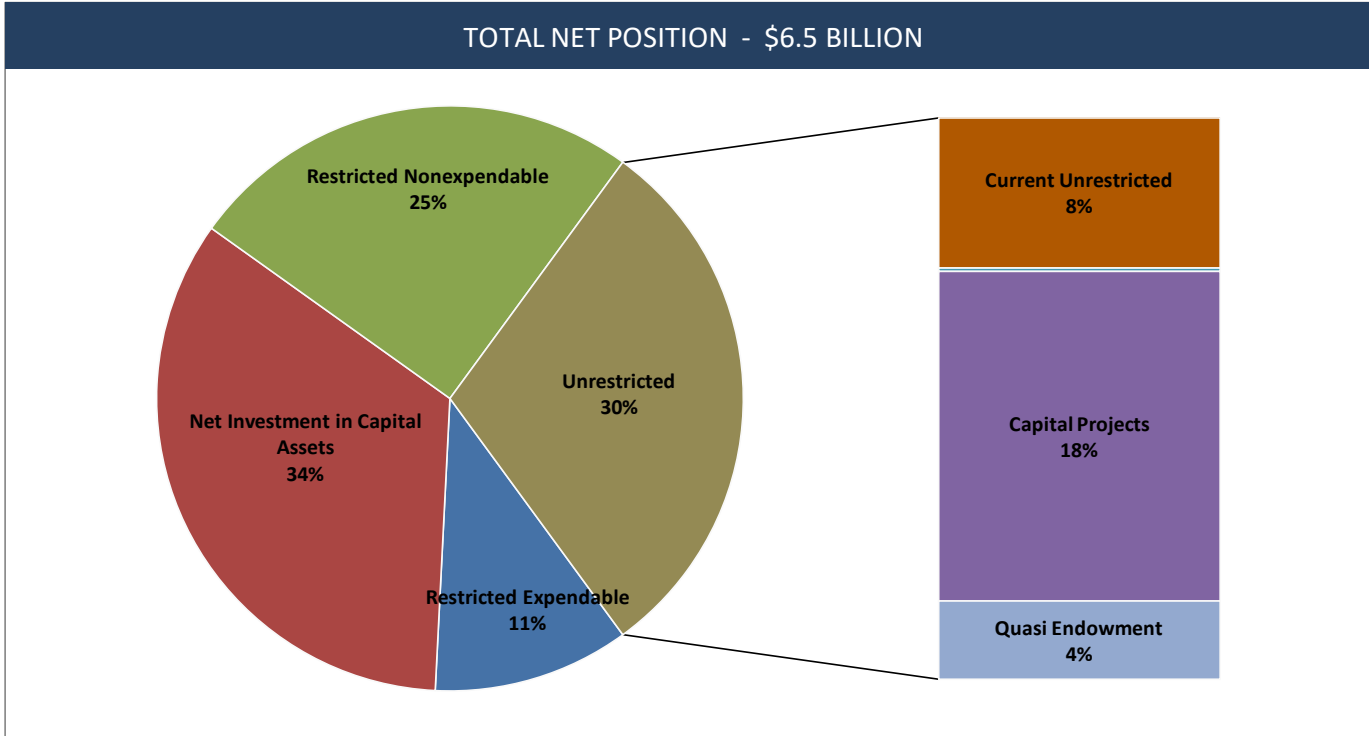
Deferred Inflows of Resources represent an acquisition of net position by the University that is applicable to a future period. During FY 2023, the University recognized \$160.4 million of deferred inflows of resources representing the University's remainder interest of charitable annuities and trusts, leases, changes in assumptions and net difference between projected and actual earnings for the other postemployment benefit and pension plans, and differences between actual and expected experience for the pension and other postemployment benefit plans. Deferred inflows of resources recognized during FY 2022 was \$249.5 million.

NET POSITION

Net Position represents the value of the University's assets after liabilities are deducted. The University's total **Net Position** decreased by \$81.5 million during the year ended June 30, 2022 to \$6.2 billion and increased by \$293.9 million to \$6.5 billion for the year ended June 30, 2023.

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The distribution of the Net Position balances, including additional details on unrestricted net position by fund type, as of June 30, 2023, 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 amortization and outstanding debt related to acquisition, construction or improvement of those assets. This category increased by \$203.1 million in FY 2023 and increased by \$36.2 million in FY 2022. The increase in FY 2023 was driven by purchases of capital assets while the increase in FY 2022 was primarily caused by the repayment of debt.

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 endowed gifts resulted in an increase in Restricted Nonexpendable Net Position of \$45.7 million or 2.9% during FY 2023. Investment losses during FY 2022 led to a decrease in Restricted Nonexpendable Net Position of \$77.6 million or 4.7%.

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 decreased during FY 2022 by \$47.5 million, or 6.4%, and increased by \$4.8million, or 0.7%, during FY 2023. As of June 30, 2023, this category includes:

- \$574.5 million of net position restricted for operations and giving purposes compared to \$550.8 million at June 30, 2022;
- \$70.6 million for student loan programs compared to \$74.0 million at June 30, 2022; and
- \$56.2 million for facilities compared to \$71.7 million at June 30, 2022.

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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 increased by \$45.8 million or 2.4% to \$1.9 billion in FY 2023 and increased \$7.4 million or 0.4% in FY 2022. 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, 2023, and 2022, University Health Care designated funds totaled

\$236.7 million and \$272.9 million, respectively; capital project-designated funds totaled \$1.1 billion and \$1.06 billion, respectively; student loan program-designated funds totaled \$10.0 million and \$9.9 million, respectively; and unrestricted funds functioning as endowments totaled \$270.5 million and \$270.3 million, respectively. The remaining Unrestricted Net Position is available for the University's instructional and public service missions and its general operations totaled \$282.8 million and \$284.1 million at June 30, 2023 and 2022, respectively.

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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)

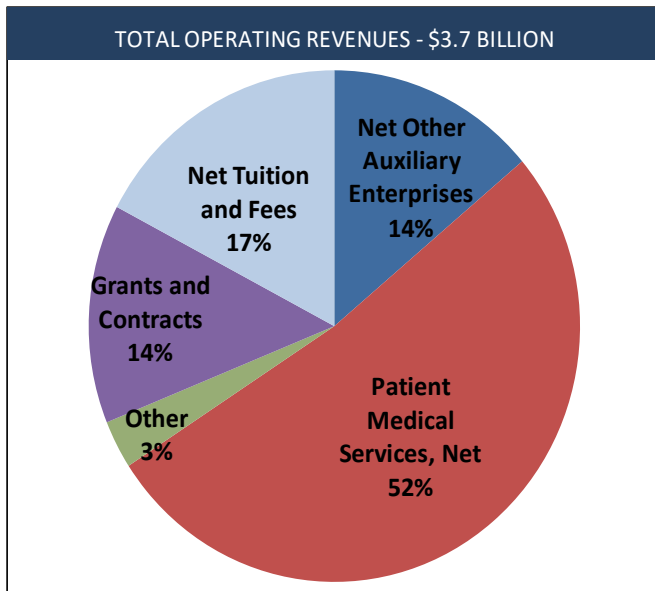
Fiscal Year Ended June 30,	2023	2022 Restated	2021
Operating Revenues			
Net Tuition and Fees	\$ 634,330	\$ 596,940	\$ 582,673
Grants and Contracts	508,279	433,718	371,909
Patient Medical Services, Net	1,906,047	1,733,615	1,643,468
Other Auxiliary Enterprises	508,330	472,978	451,422
Other Operating Revenues	112,051	93,163	88,797
Total Operating Revenues	3,669,037	3,330,414	3,138,269
Operating Expenses			
Salaries, Wages and Benefits	2,583,975	2,303,637	2,034,663
Supplies, Services and Other Operating Expenses	1,368,451	1,261,414	1,105,652
Other Operating Expenses	358,698	391,629	333,778
Total Operating Expenses	4,311,124	3,956,680	3,474,093
Operating Loss Before State Appropriations	(642,087)	(626,266)	(335,824)
State Appropriations	453,422	424,949	419,690
Income (Loss) after State Appropriations, before Nonoperating Revenues (Expenses)	(188,665)	(201,317)	83,866
Nonoperating Revenues (Expenses)			
Investment and Endowment Income , Net of Fees	196,801	(147,423)	775,901
Private Gifts	121,805	80,982	84,233
Interest Expense	(72,425)	(74,846)	(71,965)
Other Nonoperating Revenues, Net	103,960	188,233	253,079
Net Nonoperating Revenues (Expenses)	350,141	46,946	1,041,248
Income (Loss) before Capital Contributions, Additions to Permanent Endowments, and Extraordinary Item	161,476	(154,371)	1,125,114
State Capital Appropriations	3,646	682	-
Capital Gifts and Grants	87,781	30,528	67,825
Gifts and Grants for Endowment Purposes	41,046	41,677	61,029
Increase (Decrease) in Net Position	293,949	(81,484)	1,253,968
Net Position, Beginning of Year	6,179,288	6,260,772	5,006,804
Net Position, End of Year	\$ 6,473,237	\$ 6,179,288	\$ 6,260,772

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OPERATING REVENUES

Operating Revenues represent resources generated by the University in fulfilling its instruction, research, and public service missions. Total **Operating Revenues** increased \$338.6 million, or 10.2% in FY 2023 primarily due to an increase in **Patient Medical Services** of \$172.4 million, or 9.9%, and an increase in grants and contracts of \$74.6 million, or 17.2%.

The increase in **Patient Medical Services** was a result of a continued rebound in services provided after declines in services as the result of the pandemic. Grants and Contracts grew \$74.6 million during fiscal year 2023 as a result of an increased focus on grant funded research. The following is a graphic illustration of operating revenues by source for FY 2023:



Tuition and Fees, net of **Scholarship Allowances**, increased by \$37.4 million, or 6.3%, and increased \$14.3 million, or 2.4% in FY 2023 and FY 2022, respectively, over a total of \$582.7 million in FY 2021. The increase in FY 2023 was due to inflationary tuition rate increases as well as changes in student resident mix while the increase in FY 2022 was caused by an increase in tuition rates.

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 \$74.6 million, or 17.2%, in FY 2023 compared

to an increase of \$61.8 million, or 16.6%, in FY 2022 over a total of \$371.9 million in FY 2021.

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 increased by \$207.8 million, or 9.4% in FY 2023 and increased by \$111.7 million, or 5.3% in FY 2022 over a total of \$2.1 billion in FY 2021. **Patient Medical Services**, which includes fees for services provided by University Health Care and the Medical Alliance, increased \$172.4 million as a result of resuming normal operations in the wake of the delay in elective procedures during the pandemic. All other auxiliary enterprises experienced an increase of \$35.4 million or 7.5% as the result of a continuation of increased on-campus activities after campus shut downs of in person classes and activities due to COVID-19 in FY 2020.

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 increased by \$28.5 million, or 6.7% in FY 2023 and increased by \$5.3 million, or 1.3% in FY 2022 over a total of \$419.7 million in FY 2021. State support began to increase in FY2021 to pre-pandemic levels with a modest increase in FY 2022. The increase in FY 2023 of 6.7%, however, was the largest increase in the past several years as state funding for higher education was prioritized.

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 \$196.8 million in FY 2023 as compared to a net loss of \$147.4 million in FY 2022. As of June 30, 2021, Investment and Endowment Income was \$775.9 million.

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Gift income is reflected in three categories: **Private Gifts, Capital Gifts and Grants** (which are restricted for adding or improving capital assets) and **Gifts and Grants for Endowments** (which are restricted for establishing endowments). Private Gifts can fluctuate significantly from year to year due to the voluntary nature of donors' gifts. In FY 2023, the University received gifts and grants in the categories listed above totaling \$250.6 million, as compared to \$153.2 million and \$213.1 million for FY 2022 and FY 2021, respectively.

In FY 2023, **Other Nonoperating Revenues, Net** of \$104.0 million decreased \$84.3 million and \$64.8 million from FY 2022 and 2021, respectively. The University received stimulus relief, as shown as government subsidies, in the

amount of \$21.5 million, \$118.0 million, and \$169.0 million during FY 2023, FY 2022 and FY 2021, respectively. The COVID related stimulus funding provided relief to hospitals and higher education institutions in response to the negative economic impacts of the pandemic. The University saw a drop in stimulus funding during fiscal years 2022 and 2023 as the temporary funding started to come to an end and governments started to give out less funding for COVID relief.

Nonoperating Expenses mainly consists of interest expense. Total interest incurred for the years ended June 30, 2023, 2022 and 2021 was \$72.4 million, \$74.8 million, and \$72.0 million, respectively.

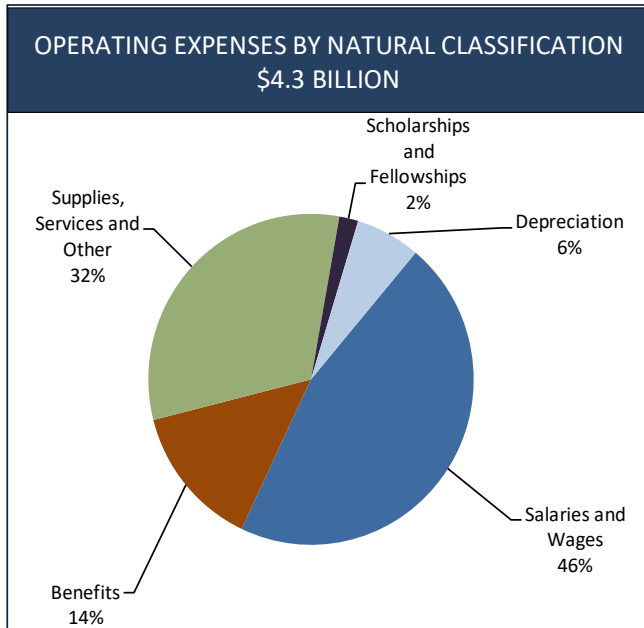
The following is a summary of interest expense associated with Long-Term Debt:

INTEREST EXPENSE (in thousands of dollars)			
Fiscal Year Ended June 30,	2023	2022 Restated	2021
System Facilities Revenue Bonds	\$ 63,626	\$ 63,234	\$ 62,839
Health Facilities Revenue Bonds	1,188	1,250	1,104
Net Payment on Interest Rate Swaps	3,385	6,000	6,021
Total Revenue Bonds	68,199	70,484	69,964
Lease & Subscription Obligations	4,173	4,281	1,889
Notes Payable	53	81	112
Total Interest Expense	\$ 72,425	\$ 74,846	\$ 71,965

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OPERATING EXPENSES

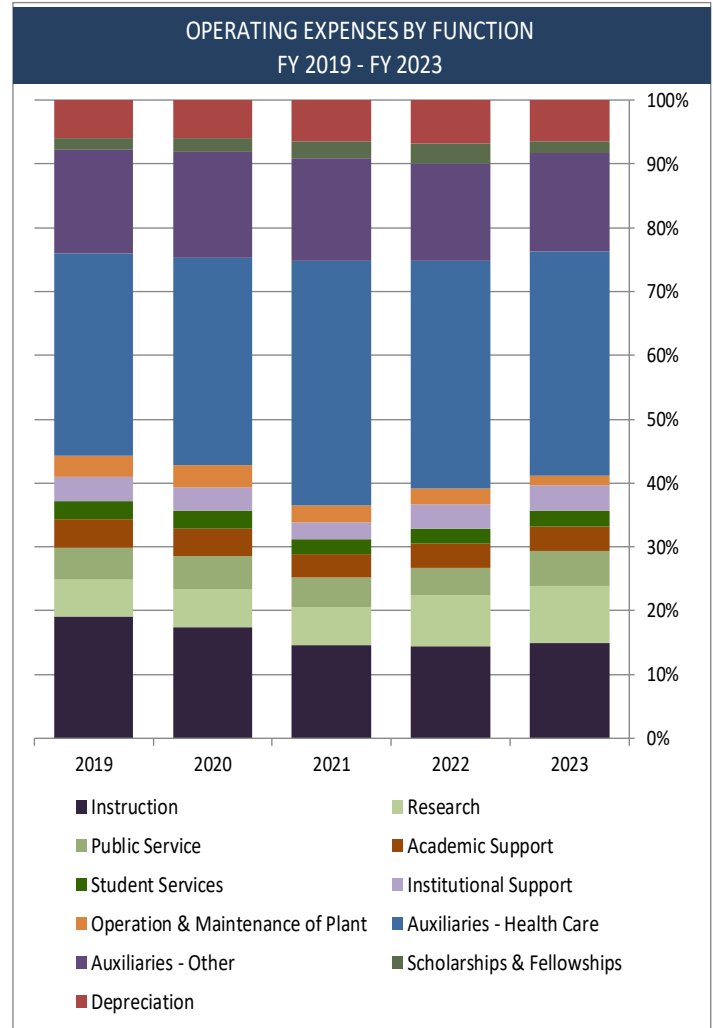
Total Operating Expenses increased by \$354.4 million, or 9.0% and \$482.6 million, or 13.9%, in FY 2023 and FY 2022, respectively. The increase in total operating expenses in FY 2023 was primarily due increases in **Salaries and Wages and Benefits**. The following graph illustrates the University's operating expenses by natural classification for FY 2023:



During FY 2023, **Salaries, Wages and Benefits** increased by approximately 12.2% as compared to a 13.2% increase in the prior fiscal year. Salaries and Wages increased by \$182.6 million, or 10.2%, increases in faculty and staff for positions as well as market and merit increases. Staff Benefits increased by \$97.8 million, or 19.3%, in fiscal year 2023 primarily due an increase in pension expense of \$88.4 million.

In FY 2023, the University's **Supplies, Services, and Other Operating** expenses of \$1.4 billion increased by \$107.0 million, or 8.5%. While expenses in FY 2022 totaled \$1.3 billion and increased \$155.8 million, or 14.1%, over the prior fiscal year.

The following illustrates the University's operating expenses by function for FY 2019 through FY 2023:



University Health Care, included in auxiliary, constitutes the highest proportion of Operating Expenses at 35.2% for FY 2023 and 35.8% for FY 2022. The core missions of instruction, research, and public service account for the next largest proportion of Operating Expenses at 35.6% and 32.9% for FY 2023 and FY 2022, respectively. Excluding University Health Care, instruction, research, scholarships, and public service account for 45.2% of Operating Expenses for FY 2023. Institutional support, which represents the core administrative operations of the University, was less than 4 cents of each dollar spent during this 5-year period.

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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, 2023, 2022 and 2021:

CONDENSED STATEMENTS OF CASH FLOWS (in thousands of dollars)			
Fiscal Year Ended June 30,	2023	2022 Restated	2021
Net Cash Used in Operating Activities	\$ (346,402)	\$ (362,941)	\$ (179,922)
Net Cash Provided from Noncapital Financing Activities	680,977	757,841	789,177
Net Cash Used in Capital and Related Financing Activities	(431,187)	(356,679)	(301,557)
Net Cash Used in Investing Activities	(35,175)	(11,015)	(58,824)
Net Increase (Decrease) in Cash and Cash Equivalents	(131,787)	27,206	248,874
Cash and Cash Equivalents, Beginning of Year	839,118	811,912	563,038
Cash and Cash Equivalents, End of Year	\$ 707,331	\$ 839,118	\$ 811,912

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 2023, cash used in operating activities decreased by \$16.5 million primarily due to increases in receipts from tuition and fees, grants and patient care revenues outpacing increased payments to suppliers, employees and benefits. In FY 2022, cash used in operating activities increased by \$183.0 million. The increase in the amount used was primarily due to an increase in payments to employees and benefits related to the discontinuing of temporary pay decreases and hiring freezes as well as returning to an annual merit pool for staff.

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 \$681.0 million, \$757.8 million, and \$789.2 million in FY 2023, FY 2022, and FY 2021, respectively, directly offset the additional cash needs resulting from operations.

Net Cash Used In Capital and Related Financing Activities increased by \$74.5 million in FY 2023 due to a decline in capital asset proceeds from retirement. In FY 2022, Net Cash Used in Capital and Related Financing Activities increased by \$55.1 million in FY 2022 due an increase in capital asset purchases.

Net Cash Used in Investing Activities reflects a net outflow of \$35.2 million, \$11.0 million, and \$58.8 million, in FY 2023, FY 2022 and FY 2021, respectively.

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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 groundbreaking research, educating more than 69,000 students, delivering quality healthcare to the citizens of Missouri, and providing extension services throughout the state.

Overall, enrollment remained stable with a 1% decline during FY 2023 following the 2% increase during FY 2022 across the four campuses. Freshman enrollment saw a rebound in FY 2023 with an increase of 4% after declines during fiscal years 2022 and 2021 of 5% and 4%, respectively. Enrollment is expected to remain stable into FY 2024. For FY 2024, the University implemented a new differential tuition model that increases price transparency for students. Legislation passed in 2021 gave the University flexibility to price tuition to align with the market for and cost to deliver a specific degree. Differential tuition is charged as a single rate for all and eliminates individual supplemental course fees. Simplifying the tuition process is expected to create efficiencies in the billing and financial aid processes and provide students with a more predictable model.

Demographic headwinds and inflation present pressures on the University's business model, and leadership continues to actively focus on these risks. Leadership remains focused on generating positive outcomes in student success, research and creative works, engagement and outreach, inclusivity, and stewardship of the University's financial resources. The University remains committed to balancing its budget and maintaining financial performance to support its mission. Sustained inflation will continue to put pressure on the University to continue to find operating efficiencies.

State appropriations for operations grew by 7% in FY 2023, which was the largest single year increase in twenty years. Growth in State appropriations is a result of regained budget stability at the State after several years of budget pressures during the pandemic resulting in budget cuts to higher education. State appropriations for capital purposes

also increased during FY 2023 and additional capital appropriation and capital grants funding are continued to grow over the next few fiscal years. Capital spend will increase as a result and allow the University to improve upon the condition of its buildings and infrastructure utilizing appropriation and grant funding; providing the University the ability to prioritize operating needs separate from capital needs.

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, to support the clinic, education and research missions and its long-term vision to become the premier academic health system for Missouri. MU Health Care continues to evaluate new growth opportunities within the State and will be working closely with Capital Region Medical Center to integrate the community hospital into the MU Health Care academic medical center operations during FY 2024. MU Health Care strives to improve patient outcomes and access to care, share best practices, create efficiencies, and manage health care costs.

Health care reimbursement is a continually changing landscape. Considering such, reimbursement for services will remain under inflationary pressure, as many contractual increases are tied to fixed percentage increases that were developed under periods of low inflation. MUHC is focused on managing expenses within available revenues and continues to regularly monitor state and federal health care programs to analyze the impact of ongoing legislation on reimbursement and the delivery of health care.

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 economic pressures from the pandemic, the University remained flexible during the downfall of the pandemic and is returning pre-pandemic operations. Inflationary pressure remains and will present an on-going challenge. The University will actively manage budgetary challenges by finding cost efficiencies and increasing revenues in line with inflation to continue to support its mission and strategic goals.

Independent Auditor's Report

The Board of Curators
University of Missouri System

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, the discretely presented component unit, and the fiduciary activities of University of Missouri System, collectively a component unit of the State of Missouri, as of and for the years ended June 30, 2023 and 2022, 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.

In our opinion, based on our report and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the fiduciary activities of the University of Missouri System, as of June 30, 2023 and 2022, 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.

We did not audit the financial statements of the Kummer Institute Foundation, which is the sole discretely presented component unit of the University, as of and for the year ended June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Kummer Institute Foundation is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the University of Missouri System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in *Note 1* to the financial statements, in 2023, the University of Missouri System adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of Missouri System's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a

material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of University of Missouri System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about University of Missouri System's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

Kansas City, Missouri
October 18, 2023

UNIVERSITY OF MISSOURI SYSTEM
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STATEMENTS OF NET POSITION
As of June 30, 2023 and 2022 (in thousands)

	University		Discretely Presented	
	Restated		Component Unit	
	2023	2022	2023	2022
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 331,177	\$ 444,294	\$ 25,276	\$ 2,303
Restricted Cash and Cash Equivalents	375,126	387,505	-	-
Short-Term Investments	447,368	11,099	-	-
Restricted Short-Term Investments	64,886	9,283	-	-
Investment of Cash Collateral	787	4,477	-	-
Accounts Receivable, Net	478,576	442,878	-	-
Pledges Receivable, Net	45,521	29,999	-	-
Investment Settlements Receivable	10,600	56,506	-	-
Notes Receivable, Net	6,062	6,719	-	-
Leases Receivable, Net	2,124	2,018	-	-
Inventories	51,786	52,511	-	-
Prepaid Expenses and Other Current Assets	39,066	35,299	-	-
Total Current Assets	1,853,079	1,482,588	25,276	2,303
Noncurrent Assets				
Restricted Cash and Cash Equivalents	1,028	7,319	-	-
Pledges Receivable, Net	32,771	39,686	-	-
Notes Receivable, Net	31,774	35,314	-	-
Leases Receivable, Net	12,307	13,310	-	-
Other Assets	11,773	10,122	-	-
Restricted Other Assets	4,779	4,794	-	-
Long-Term Investments	2,383,052	2,649,131	331,940	428,913
Restricted Long-Term Investments	1,888,174	1,909,257	-	-
Capital, Lease and Subscription Assets, Net	3,998,692	3,834,510	-	-
Total Noncurrent Assets	8,364,350	8,503,443	331,940	428,913
Deferred Outflows of Resources				
Deferred Outflows Related to Debt	8,781	13,412	-	-
Deferred Outflows Related to Asset Retirement Obligations	47,449	49,946	-	-
Deferred Outflows Related to Other Post Employment Benefits	26,087	14,477	-	-
Deferred Outflows Related to Pensions	344,454	326,245	-	-
Total Deferred Outflows of Resources	426,771	404,080	-	-
Total Assets and Deferred Outflows of Resources	\$ 10,644,200	\$ 10,390,111	\$ 357,216	\$ 431,216
Liabilities				
Current Liabilities				
Accounts Payable	\$ 170,287	\$ 202,527	\$ 2,526	\$ 1,337
Accrued Liabilities	229,417	210,950	16	-
Unearned Revenue	111,010	108,681	-	-
Investment Settlements Payable	14,907	86,060	-	-
Collateral Held for Securities Lending	787	4,477	-	-
Current Portion of Long-Term Debt and Other Obligations	201,355	53,337	-	-
Long-Term Debt Subject to Remarketing Agreements	66,485	70,735	-	-
Total Current Liabilities	794,248	736,767	2,542	1,337

(continued)

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
STATEMENTS OF NET POSITION
As of June 30, 2023 and 2022 (in thousands)

	University		Discretely Presented	
	2023	Restated 2022	Component Unit 2023	2022
Liabilities, Continued				
Noncurrent Liabilities				
Unearned Revenue	13,471	13,719	-	-
Asset Retirement Obligation	62,433	62,433	-	-
Long-Term Debt and Other Obligations	1,629,283	1,812,677	-	-
Derivative Instrument Liability	8,454	16,248	-	-
Net Other Postemployment Benefits Liability	148,746	159,780	-	-
Net Pension Liability	1,254,814	1,055,765	-	-
Other Noncurrent Liabilities	99,094	103,908	-	-
Total Noncurrent Liabilities	3,216,295	3,224,530	-	-
Deferred Inflows of Resources				
Deferred Inflows for Charitable Annuities	14,808	13,093	-	-
Deferred Inflows for Leases	13,996	15,012	-	-
Deferred Inflows Related to Other Postemployment Benefits	127,199	188,223	-	-
Deferred Inflows Related to Pensions	4,417	33,198	-	-
Total Deferred Inflows of Resources	160,420	249,526	-	-
Total Liabilities and Deferred Inflows of Resources	4,170,963	4,210,823	2,542	1,337
Net Position				
Net Investment in Capital Assets	2,206,407	2,003,281	-	-
Restricted				
Nonexpendable -				
Endowment	1,628,024	1,582,260	-	-
Expendable -				
Scholarship, Research, Instruction and Other	574,519	550,796	-	-
Loans	70,579	73,990	-	-
Capital Projects	56,165	71,702	-	-
Unrestricted	1,937,543	1,897,259	354,674	429,879
Total Net Position	6,473,237	6,179,288	354,674	429,879
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 10,644,200	\$ 10,390,111	\$ 357,216	\$ 431,216

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, 2023 and 2022 (in thousands)

	University		Discretely Presented	
	2023	Restated 2022	2023	2022
Operating Revenues				
Tuition and Fees (Net of Provision for Doubtful				
Accounts of \$22,024 in 2023 and \$25,841 in 2022)	\$ 985,282	\$ 931,616	\$ -	\$ -
Less Scholarship Allowances	350,952	334,676	-	-
Net Tuition and Fees	634,330	596,940	-	-
Federal Grants and Contracts	233,777	207,374	-	-
State and Local Grants and Contracts	169,017	126,388	-	-
Private Grants and Contracts	105,485	99,956	-	-
Sales and Services of Educational Activities	23,908	22,513	-	-
Auxiliary Enterprises -				
Patient Medical Services, Net	1,906,047	1,733,615	-	-
Housing and Dining Services (Net of Scholarship Allowance of				
\$2,180 in 2023 and \$1,656 in 2022)	118,236	108,868	-	-
Bookstores	31,302	31,444	-	-
Other Auxiliary Enterprises (Net of Scholarship Allowance of				
\$10,863 in 2023 and \$9,841 in 2022)	358,792	332,666	-	-
Other Operating Revenues	88,143	70,650	-	-
Total Operating Revenues	3,669,037	3,330,414	-	-
Operating Expenses				
Salaries and Wages	1,979,873	1,797,287	-	-
Benefits	604,102	506,350	-	-
Supplies, Services and Other Operating Expenses	1,368,451	1,261,414	16,468	3,268
Scholarships and Fellowships	81,191	123,109	-	-
Depreciation and Amortization	277,507	268,520	-	-
Total Operating Expenses	4,311,124	3,956,680	16,468	3,268
Operating Income (Loss) before State Appropriations	(642,087)	(626,266)	(16,468)	(3,268)
State Appropriations	453,422	424,949	-	-
Operating Income (Loss) after State Appropriations,				
 before Nonoperating Revenues (Expenses)	(188,665)	(201,317)	(16,468)	(3,268)
Nonoperating Revenues (Expenses)				
Federal Appropriations	29,273	28,290	-	-
Federal Pell Grants	55,221	53,034	-	-
Investment and Endowment Income, Net of Fees	196,801	(147,423)	(58,737)	95,292
Private Gifts	121,805	80,982	-	-
Interest Expense	(72,425)	(74,846)	-	-
Government Subsidies	21,464	117,956	-	-
Other Nonoperating Revenues (Expenses)	(1,998)	(11,047)	-	-
Net Nonoperating Revenues	350,141	46,946	(58,737)	95,292

(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, 2023 and 2022 (in thousands)

	University		Discretely Presented	
	2023	Restated 2022	2023	2022
Income (Loss) before Capital Contributions, Additions to Permanent				
Endowments, and Extraordinary Items	161,476	(154,371)	(75,205)	92,024
State Capital Appropriations	3,646	682	-	-
Capital Gifts and Grants	87,781	30,528	-	-
Gifts and Grants for Endowment Purposes	41,046	41,677	-	-
Increase (Decrease) in Net Position	293,949	(81,484)	(75,205)	92,024
Net Position, Beginning of Year	6,179,288	6,260,772	429,879	337,855
Net Position, End of Year	\$ 6,473,237	\$ 6,179,288	\$ 354,674	\$ 429,879

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, 2023 and 2022 (in thousands)

	University	
	2023	Restated 2022
Cash Flows from Operating Activities		
Tuition and Fees	\$ 616,472	\$ 592,393
Federal, State and Private Grants and Contracts	519,802	430,825
Sales and Services of Educational Activities and Other Auxiliaries	373,317	305,575
Patient Care Revenues	1,912,831	1,752,080
Student Housing Fees	118,039	108,962
Bookstore Collections	31,370	31,472
Payments to Suppliers	(1,429,387)	(1,258,099)
Payments to Employees	(1,962,529)	(1,788,734)
Payments for Benefits	(535,711)	(490,021)
Payments for Scholarships and Fellowships	(81,191)	(123,109)
Student Loans Issued	(3,922)	(3,778)
Student Loans Collected	5,735	6,849
Student Loan Interest and Fees	3,979	1,081
Other Receipts, Net	84,793	71,563
Net Cash Used in Operating Activities	(346,402)	(362,941)
Cash Flows from Noncapital Financing Activities		
State Educational Appropriations	453,422	424,949
Federal Appropriations and Pell Grants	84,866	83,338
Private Gifts	95,861	94,175
Endowment and Similar Funds Gifts and Grants	41,013	41,476
Direct Lending Receipts	242,069	240,741
Direct Lending Disbursements	(242,069)	(240,741)
PLUS Loan Receipts	93,235	88,423
PLUS Loan Disbursements	(93,235)	(88,423)
Other Receipts, Net	5,815	113,903
Net Cash Provided by Noncapital Financing Activities	680,977	757,841
Cash Flows from Capital and Related Financing Activities		
Capital Gifts and Grants	82,511	26,509
Proceeds from Sales of Capital Assets	11,169	152,101
Purchase of Capital Assets	(394,872)	(408,534)
Proceeds from Issuance of Capital Project Notes, Net	485	-
Principal Payments on Capital Debt	(18,371)	(7,867)
Principal Payments on Leases and Subscriptions	(36,597)	(37,288)
Interest Payments on Capital Debt and Other Obligations	(79,158)	(81,600)
State Capital Appropriations	3,646	-
Net Cash Used in Capital and Related Financing Activities	(431,187)	(356,679)

(continued)

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022 (in thousands)

	University	
	2023	Restated 2022
Cash Flows from Investing Activities		
Interest and Dividends on Investments, Net	69,715	(474,501)
Proceeds from Investments	58,351,147	22,944,032
Purchases of Investments	(58,456,037)	(22,480,546)
Net Cash Used in Investing Activities	(35,175)	(11,015)
Net Increase (Decrease) in Cash and Cash Equivalents	(131,787)	27,206
Cash and Cash Equivalents, Beginning of Year	839,118	811,912
Cash and Cash Equivalents, End of Year	\$ 707,331	\$ 839,118
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating Loss	\$ (642,087)	\$ (626,266)
Adjustments to Net Cash Used in Operating Activities		
Depreciation and Amortization Expense	277,507	268,520
Changes in Assets and Liabilities:		
Accounts Receivable, Net	(14,611)	(40,934)
Inventory, Prepaid Expenses and Other Assets	(4,678)	(1,560)
Notes, Leases Receivable and Deferred Inflows	4,078	3,956
Deferred Outflows of Resources for Pension and OPEB	(29,819)	(195,751)
Accounts Payable	(53,726)	(10,419)
Accrued Liabilities	13,577	26,465
Unearned Revenue	5,147	968
Pension Liability	199,049	740,822
OPEB Liability	(11,034)	(54,037)
Deferred Inflows of Resources for Pension and OPEB	(89,805)	(474,705)
Net Cash Used in Operating Activities	\$ (346,402)	\$ (362,941)
Supplemental Disclosure of Noncash Activities		
Net Increase (Decrease) in Fair Value of Investments	\$ 123,217	\$ (314,389)
Noncash Gifts	9,380	7,895
Accounts Payable Incurred From Purchase of Capital Assets	55,706	34,580
Assets Acquired Through Leases and Subscription Arrangements	19,015	13,978
Capital Assets Acquired Through Financed Purchases	3,252	2,399
Lease and Subscription Obligations Incurred	22,267	16,325

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, 2023 and 2022 (in thousands)

	Fiduciary Component Units			
	Retirement and OPEB		Custodial Funds	
	2023	2022	2023	2022
Assets				
Cash and Cash Equivalents	\$ 509,715	\$ 770,157	\$ 15,565	\$ 16,312
Investment of Cash Collateral	18,392	31,802	-	-
Investment Settlements Receivable	25,599	35,870	-	-
Other Assets	923	914	322	301
Investments:				
Debt Securities	(2,745)	75,175	-	-
Equity Securities	405,588	228,630	-	-
Commingled Funds	2,255,888	1,996,345	-	-
Nonmarketable Alternative Investments	1,157,194	1,289,517	-	-
Pooled Investments	-	-	80,908	78,129
Total Assets	4,370,554	4,428,410	96,795	94,742
Liabilities				
Accounts Payable and Accrued Liabilities	1,853	1,832	1,476	264
Collateral Held for Securities Lending	18,392	31,802	-	-
Investment Settlements Payable	30,635	68,705	-	-
Total Liabilities	50,880	102,339	1,476	264
Restricted Net Position	\$ 4,319,674	\$ 4,326,071	\$ 95,319	\$ 94,478

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, 2023 and 2022 (in thousands)

	Fiduciary Component Units			
	Retirement and OPEB		Custodial Funds	
	2023	2022	2023	2022
Additions				
State Appropriations	\$ -	\$ -	\$ 3,784	\$ 3,263
Gift Income	-	-	1,314	2,433
Other Revenues	-	-	1,952	3,756
Investment Income (Loss):				
Interest & Dividend Income	32,244	31,238	-	-
Net Appreciation (Depreciation) in Fair Value of Investments	140,958	(127,885)	3,244	(505)
Less investment expense	(8,836)	(7,912)	-	-
Net Investment Income (Loss)	164,366	(104,559)	10,294	8,947
Contributions:				
University	147,555	130,845	-	-
Members	30,823	31,563	-	-
Total Contributions	178,378	162,408	-	-
Total Additions	342,744	57,849	10,294	8,947
Deductions				
Administrative Expenses	4,986	3,219	7,735	6,687
Capital Expenses	-	-	-	15
Payments to Retirees and Beneficiaries	344,155	325,195	1,718	2,740
Total Deductions	349,141	328,414	9,453	9,442
Increase (Decrease) in Restricted Net Position	(6,397)	(270,565)	841	(495)
Restricted Net Position, Beginning of Year	4,326,071	4,596,636	94,478	94,973
Restricted Net Position, End of Year	\$ 4,319,674	\$ 4,326,071	\$ 95,319	\$ 94,478

See notes to the financial statements

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UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

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, 2023 and 2022

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, 2022, MREC dissolved and equity was transferred to the University. Separately audited financial statements for MREC are not available. Combining financial statements are presented in Note 15.

The Kummer Institute Foundation 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 discrete component unit in the University's financial statements. The Foundation is a 509(a)(3) supporting organization that promotes education on the Missouri Science and Technology campus with a focus in science, technology, engineering and mathematics as well as promoting research and economic development within

the state. The Foundation is a legally separate entity that elects its own board members and is independently managed. The University determined that the Foundation was misleading to exclude from its financial statements due to the size of the gifts held by the Foundation for the benefit of the University. The financial statements presented for the Kummer Institute Foundation are as of December 31, 2022 and 2021. Financial statements for the Kummer Institute Foundation are available at the Missouri University of Science and Technology.

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 are 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 organizations.

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.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

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 with the exception of certain commingled funds and nonmarketable alternative investments, which are recorded at net asset value. Purchases and sales of 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, 2023 and 2022, the University used a discount rate of 3.97% and 3.04%, respectively. An allowance of \$21,033,000 and \$25,466,000 as of June 30, 2023 and 2022, 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.

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

Capital, Lease and Subscription Assets – If purchased, capital assets are carried at cost or, if donated, at acquisition 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. Assets utilized through lease or subscription obligations are amortized on the straight-line basis over the shorter period of the lease or subscription term or the estimated useful life of the asset. 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.

The University evaluates capital and lease assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or lease asset has occurred. If a capital or leased asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the value of that asset is decreased in the amount of the impairment loss. No asset impairment was recognized during the years ended June 30, 2023 and 2022.

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.

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.

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

Net Investment in Capital Assets represents capital, lease, and subscription assets, net of accumulated depreciation and amortization, and less lease and subscription liabilities 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, CFMS, and the Kummer Institute Foundation, 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.

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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.

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 \$10,707,000 and \$3,069,000 for the years ended June 30, 2023 and 2022, 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, 2023 and 2022, 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)

	2023	2022
Medicare	31%	32%
Medicaid	24%	20%
Managed Care/Commercial	35%	37%
Other Government	6%	7%
Self Pay	4%	4%
	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)

	2023	2022
Patient Medical Services		
Revenue, Gross	\$ 5,639,472	\$ 5,126,342
Deductions for Contractuals	(3,680,473)	(3,294,840)
Deductions for Bad Debt	(52,952)	(97,887)
Patient Medical Services		
Revenue, Net	\$ 1,906,047	\$ 1,733,615

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)

	2023	2022
Cost of Charity Care	\$ 17,293	\$ 24,346
Unreimbursed cost under state and local government assistance programs, net of Medicaid disproportionate share funding, less Medicaid provider taxes	70,945	41,182
Cost of uncollectible accounts	19,741	29,698
Total Uncompensated Care	\$ 107,979	\$ 95,226

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New Accounting Pronouncements – Effective for fiscal year 2023, the University adopted GASB Statement No. 91, *Conduit Debt Obligations*, which provides a single method of reporting conduit debt obligations by issuers. As a result of the adoption of this statement, there was no impact to the University’s financial statements.

Effective for fiscal year 2023, the University adopted 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 has adopted the standard and there was no significant impact on the University’s financial statements.

Effective for fiscal year 2023, the University adopted 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 adoption of this statement in fiscal year 2023 resulted in the recognition of approximately \$76,118,000 of subscription-based information technology (SBITA) assets and liabilities as of July 1, 2021 on the Statement of Net Position. As of June 30, 2022, there were SBITA assets of \$70,269,000 and SBITA liabilities of \$70,250,000 that were not previously recognized on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position for fiscal year 2022 included increases in interest expense of \$2,202,000, amortization of \$13,497,000, a reduction supplies, services and other of \$15,718,000. There was no impact to net position as of July 1, 2021.

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.

In April 2022, GASB issued GASB Statement No. 99, *Omnibus 2022*, which was issued to enhance comparability in accounting and financial reporting in various areas including derivatives, leases, public-private and public-public partnerships, subscription-based information technology arrangements, as well as others. The University will adopt this statement in line with the dates as outlined in the standard, which varies depending on the applicable paragraph beginning in fiscal year 2022 through fiscal year 2024. The University has not fully determined the impact of implementing GASB Statement No. 99 will have on its financial statements.

In June 2022, GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections*, which prescribes the accounting and reporting for each type of accounting change and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The University will adopt this standard in fiscal year 2024 and has not fully determined the impact of implementing GASB Statement No. 100.

In June 2022, GASB issued GASB Statement No. 101, *Compensated Absences*, which aligns the recognition and measurement guidance for compensated absences to a unified model. The standard is effective for fiscal year 2025 and the University has not fully determined the impact of implementing GASB Statement No. 101.

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.

Reclassifications – Certain reclassifications have been made to prior year amounts in the notes to the financial statements related to investments groupings in note 3 and investment fair value valuations in note 4. The reclassifications did not have an impact to the financial statement line items.

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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, 2023 and 2022, respectively.

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; real estate, 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 3.2% and (2.7%) for the years ended June 30, 2023 and 2022, 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.

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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 4.1% and (0.7%) for the years ended June 30, 2023 and 2022, 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 (depreciation) of approximately \$102,311,000 and (\$168,343,000) in fiscal years 2023 and 2022, 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% distribution was phased in between FY18 and FY23 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.

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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 3.9% and (1.8%) for the years ended June 30, 2023 and 2022, respectively. The Retirement Trust held \$4,277,264,000 and \$4,286,149,000 of net position at June 30, 2023 and 2022, respectively.

The OPEB Trust held \$42,410,000 and \$39,922,000 of net position at June 30, 2023 and 2022, 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.

DISCRETELY PRESENTED COMPONENT UNIT

The Kummer Institute Foundation invests in various investment securities through mutual funds and exchange-traded funds. Investment securities are exposed to a level of various risks such as interest rate, market and credit risks. The amount held as of December 31, 2022 and 2021 was \$331,940,000 and \$428,913,000, respectively.

Table 3.1 - Investments by Type (in thousands)

As of June 30,	University of Missouri		University of Missouri Pension and OPEB Trust Funds	
	2023	2022	2023	2022
Debt Securities:				
U.S. Treasury Obligations	\$ 410,477	\$ 515,222	\$ (2,825)	\$ (2,488)
U.S. Agency Obligations	2,171	2,418	-	-
Asset-Backed Securities	75,341	306,036	-	69,282
Government - Foreign	452,127	12,499	-	(287)
Corporate - Domestic	25,822	92,165	-	9,000
Corporate - Foreign	2,110	2,432	80	(332)
Equity Securities:				
Domestic	128,910	94,268	143,241	110,442
Foreign	116,393	76,791	262,347	118,188
Commingled Funds:				
Absolute Return	595,938	475,867	955,700	1,037,969
Risk Balanced	748,469	640,860	596,702	379,198
Debt Securities - Domestic	589,545	795,951	-	96,733
Equity Securities - Domestic	33,459	49,614	30,742	237,432
Equity Securities - Foreign	39,511	14,384	69,825	-
Equity Securities - Global	259,790	296,628	534,319	232,109
Real Estate	31,177	33,717	49,514	12,904
Commodities	8,180	-	19,086	-
Nonmarketable Alternative Investments:				
Real Estate	158,063	121,525	398,139	1,008,779
Private Equity/Debt	821,354	825,800	759,055	280,738
Other	365,551	300,722	-	-
Total Investments	4,864,388	4,656,899	3,815,925	3,589,667
Money Market Funds	703,157	685,341	482,011	538,077
Other	19,739	170,089	27,704	232,080
Total Cash and Cash Equivalents	722,896	855,430	509,715	770,157
Total Investments and Cash and Cash Equivalents	\$ 5,587,284	\$ 5,512,329	\$ 4,325,640	\$ 4,359,824
Less: Custodial Funds Held for Others	(96,473)	(94,441)	-	-
Total University Funds Investments and Cash and Cash Equivalents	\$ 5,490,811	\$ 5,417,888	\$ 4,325,640	\$ 4,359,824

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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.

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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, 2023 and 2022, of the University's total investments and cash and cash equivalents were 7.3% and 9.3%, respectively, in issues of U.S. Treasury Notes. As of June 30, 2023 and 2022, the Pension Trust Fund's total investments and cash and cash equivalents were (0.1%) and (0.1%), 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, 2023 and 2022.

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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, 2023 and 2022, 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	
	2023	2022	2023	2022
U.S. Treasury Obligations	\$ 410,477	\$ 515,222	\$ (2,825)	\$ (2,488)
U.S. Agency Obligations	2,171	2,418	-	-
Asset-Backed Securities				
Mortgage Backed Securities Guaranteed				
by U.S. Agencies				
Aaa/AAA	10,418	66,879	-	(10,412)
Aa/AA	30,130	56,438	-	37,725
A/A	3,477	12,456	-	12,543
Aa/BBB	300	2,977	-	593
Ba/BB and lower	662	5,905	-	-
Unrated	24,244	81,614	-	581
Government - Foreign	6,110	79,767	-	28,252
Aaa/AAA	-	(143)	-	(287)
Aa/AA	-	719	-	-
A/A	-	-	-	-
Baa/BBB	-	3,026	-	-
Ba/BB and lower	1,036	8,897	-	-
Unrated	451,091	-	-	-
Corporate - Domestic				
Aaa/AAA	985	1,484	-	1,627
Aa/AA	2,684	3,567	-	2,556
A/A	4,633	18,326	-	-
Baa/BBB	11,863	46,936	-	7,239
Ba/BB and lower	4,506	20,637	-	976
Unrated	1,151	1,215	-	(3,398)
Corporate - Foreign				
Baa/BBB	301	204	-	-
Ba/BB and lower	1,291	2,113	-	-
Unrated	518	115	80	(332)
Total	\$ 968,048	\$ 930,772	\$ (2,745)	\$ 75,175

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.

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Table 3.3 presents the modified durations of the University's and Pension Trust Funds' debt securities as of June 30, 2023 and 2022, respectively:

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

As of June 30,	University of Missouri					
	Duration (in years)					
	2023			2022		
U.S. Treasury Obligations	\$	410,477	5.6	\$	515,222	6.3
U.S. Agency Obligations		2,171	5.7		2,418	4.9
Asset-Backed Securities		75,341	3.0		306,036	2.8
Government - Foreign		452,127	2.5		12,499	6.5
Corporate - Domestic		25,822	5.8		92,165	6.1
Corporate - Foreign		2,110	4.6		2,432	0.9
Total Debt Securities	\$	968,048	4.0	\$	930,772	5.1

As of June 30,	University of Missouri Pension and OPEB Trust					
	Duration (in years)					
	2023			2022		
U.S. Treasury Obligations	\$	(2,825)	4.8	\$	(2,488)	6.8
Asset-Backed Securities		-	-		69,282	2.0
Government - Foreign		-	-		(287)	7.3
Corporate - Domestic		-	-		9,000	5.6
Corporate - Foreign		80	-		(332)	-
Total Debt Securities	\$	(2,745)	4.9	\$	75,175	2.3

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, 2023 and 2022, 15.2% and 7.1%, respectively, of the University's total investments and cash and cash equivalents were denominated in foreign currencies. At June 30, 2023 and 2022, 16.0% and 7.7%, respectively, of the Pension Trust Funds' total investments and cash equivalents were denominated in foreign currencies.

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The University's and Pension Trust Funds' exposure to foreign exchange risk as of June 30, 2023 and 2022:

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

As of June 30,	University of Missouri		University of Missouri Pension and OPEB Trust Funds	
	2023	2022	2023	2022
Debt Securities				
British Pound Sterling	1,037	4,920	-	896
Canadian Dollar	-	(143)	-	(287)
Danish Krone	-	563	-	1,627
Euro	5,864	16,765	80	14,870
Japanese Yen	451,091	-	-	-
Peruvian Nuevo Sol	-	2,358	-	-
South African Rand	-	6,155	-	-
Other	-	128	-	-
	457,992	30,746	80	17,106
Equity Securities				
Australian Dollar	331	720	619	1,349
Brazil Real	1,067	1,380	2,107	2,619
British Pound Sterling	6,896	7,205	13,643	13,951
Canadian Dollar	1,732	2,457	3,564	4,583
Danish Krone	1,897	1,880	3,794	3,711
Euro	10,743	10,858	21,093	20,887
Hong Kong Dollar	5,103	6,347	10,088	12,260
Japanese Yen	7,112	6,558	13,954	12,530
Norwegian Krone	894	1,362	1,723	2,588
South African Rand	323	305	645	501
South Korean Won	790	158	1,528	296
Swedish Krona	2,061	1,966	4,059	3,778
Swiss Franc	1,313	1,313	2,545	2,502
Other	2,957	2,109	5,626	4,302
	43,219	44,618	84,988	85,857
Commingled Funds				
Various currency denominations:				
Equity Securities - Global	259,790	296,628	534,319	232,109
Equity Securities - Foreign	39,511	14,384	69,825	-
	299,301	311,012	604,144	232,109
Cash and Cash Equivalents				
Argentine Peso	380	781	-	-
Australian Dollar	2	135	-	262
Brazil Real	47	(862)	(32)	-
British Pound Sterling	118	892	273	854
Canadian Dollar	186	279	242	(204)
Euro	195	1,097	272	1,196
Japanese Yen	46,825	(91)	46	(169)
Mexican Peso	-	34	-	28
South African Rand	1	188	-	37
Other	318	295	109	266
	48,072	2,748	910	2,270
Total Exposure to Foreign Exchange Risk	\$ 848,584	\$ 389,124	\$ 690,122	\$ 337,342

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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 0-27% of the total investment of the respective pools. As of June 30, 2023, the portable alpha portfolio was 22.2% and 24.2% 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, 2023, 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, 2023 and 2022, there were a total of \$19,076,000 and \$15,642,000, respectively, of securities out on loan to borrowers. The value of collateral received from the borrower for these securities consisted of \$787,000 and \$4,477,000 cash at June 30, 2023 and June 30, 2022, respectively, and \$18,773,000 and \$11,960,000 noncash collateral at June 30, 2023 and June 30, 2022, respectively.

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For the Pension Trust Funds, at June 30, 2023 and 2022, there was a total of \$31,831,000 and \$37,849,000 of securities out on loan to borrowers. The value of collateral received from the borrower for these securities consisted of \$18,392,000 and \$31,802,000 in cash and \$14,418,000 and \$7,853,000 noncash collateral at June 30, 2023 and 2022, 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, 2023 and 2022, 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.

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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 debt securities within commingled 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 and commodities. 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.

Investments held by the Kummer Institute Foundation were at quoted prices in level 1.

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At June 30, 2023, the University had the following recurring fair value measurements.

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

As of June 30,	University of Missouri									
	2023	Fair Value Measurements Using				2022	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)			Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)
Investments by fair value level										
Debt Securities:										
U.S. Treasury Obligations	\$ 410,477	\$ 410,477	\$ -	\$ -	\$ 515,222	\$ 515,222	\$ -	\$ -		
U.S. Agency Obligations	2,171	-	2,171	-	2,418	-	2,418	-	-	
Asset-Backed Securities	75,341	-	75,341	-	306,036	-	306,036	-	-	
Government	452,127	-	452,127	-	12,499	-	12,499	-	-	
Corporate	27,932	-	27,932	-	94,597	-	94,597	-	-	
Equity Securities:										
Domestic	128,910	124,879	4,031	-	94,268	106,991	(12,723)	-	-	
Foreign	116,393	116,393	-	-	76,791	76,791	-	-	-	
Commingled Funds:										
Debt Securities	373,445	373,445	-	-	651,680	651,680	-	-	-	
Equity Securities	3,570	-	3,570	-	19,538	12,098	7,440	-	-	
Real Estate	1,724	1,724	-	-	2,376	2,376	-	-	-	
Other	359,527	-	-	359,527	294,269	-	-	-	294,269	
Investments measured at the net asset value (NAV)										
Commingled Funds:										
Absolute Return	595,938	-	-	-	475,867	-	-	-	-	
Risk Balanced	748,469	-	-	-	640,860	-	-	-	-	
Debt Securities	216,100	-	-	-	144,271	-	-	-	-	
Equity Securities	329,190	-	-	-	341,088	-	-	-	-	
Real Estate	29,453	-	-	-	31,341	-	-	-	-	
Commodities	8,180	-	-	-	-	-	-	-	-	
Nonmarketable Alternative Investments:										
Real Estate	158,063	-	-	-	121,525	-	-	-	-	
Private Equity/Debt	821,354	-	-	-	825,800	-	-	-	-	
Other	6,024	-	-	-	6,453	-	-	-	-	
Total investments by fair value level	4,864,388	1,026,918	565,172	359,527	4,656,899	1,365,158	410,267	294,269		
Interest Rate Swaps	(8,454)	-	(8,454)	-	(16,248)	-	(16,248)	-		
Total Investments and Financing										
Derivative Instruments	\$ 4,855,934	\$ 1,026,918	\$ 556,718	\$ 359,527	\$ 4,640,651	\$ 1,365,158	\$ 394,019	\$ 294,269		

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University of Missouri Pension Trust Funds

	Fair Value Measurements Using				Fair Value Measurements Using					
	Quoted Prices in Active Markets for Identical Assets (Level 1)			Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of June 30,	2023				2022					
Investments by fair value level										
Debt Securities:										
U.S. Treasury Obligations	\$ (2,825)	\$ (2,825)	\$ -	\$ -	\$ (2,488)	\$ (2,488)	\$ -	\$ -	\$ -	\$ -
Asset-Backed Securities	-	-	-	-	69,282	-	69,282	-	-	-
Government	-	-	-	-	(287)	-	(287)	-	-	-
Corporate	80	-	80	-	8,668	-	8,668	-	-	-
Equity Securities:										
Domestic	143,241	143,241	-	-	110,442	130,748	(20,306)	-	-	-
Foreign	262,347	262,347	-	-	118,188	118,188	-	-	-	-
Commingled Funds:										
Equity Securities	8,330	-	8,330	-	17,360	17,360	-	-	-	-
Investments measured at the net asset value (NAV)										
Commingled Funds:										
Absolute Return	955,700	-	-	-	1,037,969	-	-	-	-	-
Risk Balanced	596,702	-	-	-	379,198	-	-	-	-	-
Debt Securities	-	-	-	-	96,733	-	-	-	-	-
Equity Securities	626,556	-	-	-	452,181	-	-	-	-	-
Real Estate	49,514	-	-	-	12,904	-	-	-	-	-
Commodities	19,086	-	-	-	-	-	-	-	-	-
Nonmarketable Alternative Investments:										
Real Estate	398,139	-	-	-	280,738	-	-	-	-	-
Private Equity	759,055	-	-	-	1,008,779	-	-	-	-	-
Total investments by fair value level	\$ 3,815,925	\$ 402,763	\$ 8,410	\$ -	\$ 3,589,667	\$ 263,808	\$ 57,357	\$ -	\$ -	\$ -

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The following table presents investments as of June 30, 2023 that have been valued using the NAV as a practical expedient, classified by major investment category: category:

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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	\$ 595,938	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	748,469	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	216,100	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	329,190	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	29,453	Core real estate holdings in open-ended fund.	-	Open Ended	Quarterly redemption with 1 -30 days notice
Commodities	8,180	A Commodity exposure seeks to provide inflation protection and diversification from traditional asset classes.	-	Open Ended	Monthly, and Quarterly redemption with 1 - 90 days
Nonmarketable Alternative Funds (3):					
Real Estate	158,063	Diversified portfolio of longer-term private market funds focused on value-added and opportunistic real estate and/or real estate debt.	134,351	10 -12 years	Not applicable - no redemption ability
Private Equity/Debt	821,354	Investments in hedge funds, global equity, credit, real assets, natural resources, and other investments through private partnerships and holding companies	581,966	8 -15 years	Not applicable - no redemption ability

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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	\$ 955,700	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	596,702	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
Equity Securities	626,556	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	49,514	Core real estate holdings in open-ended fund.	-	Open Ended	Quarterly redemption with 1 -30 days notice
Commodities	19,086	A Commodity exposure seeks to provide inflation protection and diversification from traditional asset classes.	-	Open Ended	Weekly, Monthly, and Quarterly redemption with 1 - 90 days notice
Nonmarketable Alternative Funds (3):					
Real Estate	398,139	Diversified portfolio of longer-term private market funds focused on value-added and opportunistic real estate and/or real estate debt.	206,886	10 -12 years	Not applicable - no redemption ability
Private Equity/Debt	759,055	Investments in hedge funds, global equity, credit, real assets, natural resources, and other investments through private partnerships and holding companies	441,954	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.

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The unfunded commitments as of June 30, 2023 totaled \$716,317,000 and \$648,840,000 for the University and the Pension Trust Funds, respectively. The unfunded commitments as of June 30, 2022 totaled \$321,083,000 and \$500,337,000 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, 2022 to June 30, 2023.

5. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 and 2022, are summarized as follows:

Table 5.1 - Accounts Receivable *(in thousands)*

	2023	2022
Grants and Contracts	\$ 112,392	\$ 94,433
Federal Appropriations	-	372
Student Fees and Other		
Academic Charges	130,596	114,645
Patient Services, Net of		
Contractual Allowances	396,111	444,084
Subtotal	639,099	653,534
Less Provisions for Loss:		
Grants & Contracts	1,929	2,298
Student Fees and Other		
Academic Charges	28,796	31,874
University Health Care Patient Services	129,798	176,484
Subtotal	160,523	210,656
Total Accounts Receivable, Net	\$ 478,576	\$ 442,878

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, 2023 and 2022, are summarized as follows:

Table 6.1 - Notes Receivable *(in thousands)*

	2023	2022
Federal Health Profession Loans	\$ 17,874	\$ 17,938
Carl D. Perkins National Loans	7,695	12,092
University Loan Programs	13,488	13,367
Other	2,116	2,815
Subtotal	41,173	46,212
Less Provisions for Loss	3,337	4,179
Total Notes Receivable, Net	\$ 37,836	\$ 42,033

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7. LEASES RECEIVABLE

The University leases a portion of its property to various third parties, the terms of which expire in fiscal years 2024 through 2068. Certain leases increase regularly based upon the Consumer Price Index (CPI). Leases are measured based upon the Index at lease commencement.

Leases receivables generally consist of ground leases, farm land, cell phone towers, and ATMs as well as other space leases for food service providers. The amount of interest recognized in fiscal years 2023 and 2022 were \$495,000 and \$565,000, respectively. Lease revenue is recognized on a straight-line basis over the lease term with the amounts to be recognized in future periods reported as Deferred Inflows of Resources on the Statement of Net Position. The amount of lease revenue recognized in fiscal years 2023 and 2022 were \$2,575,000 and \$1,963,000, respectively.

The schedule of leases receivables at June 30, 2023 is as follows:

Table 7.1 - Leases Receivable *(in thousands)*

	Principal	Interest
2024	\$ 2,176	\$ 470
2025	1,514	401
2026	851	360
2027	651	334
2028	377	314
2029-2033	1,501	1,403
2034-2038	1,387	1,165
2039-2043	1,693	903
2044-2048	1,297	610
2049-2053	506	489
2054-2058	654	392
2059-2063	831	268
2064-2068	1,045	111
Subtotal	14,483	7,220
Less Provisions for Loss	52	-
Total Lease Receivable	\$ 14,431	\$ 7,220

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8. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2023 and 2022, is summarized as follows:

Table 8.1 - Capital Assets (in thousands)

Fiscal Year 2023	Beginning Balance	Additions/ Transfers	Retirements	Ending Balance
Capital Assets, Nondepreciable:				
Land	\$ 99,815	\$ 11,620	\$ (228)	\$ 111,207
Artwork and Historical Artifacts	16,561	6,857	-	23,418
Construction in Progress	214,277	157,714	-	371,991
Total Capital Assets, Nondepreciable	330,653	176,191	(228)	506,616
Capital Assets, Depreciable:				
Buildings and Improvements	5,090,826	106,926	(30,982)	5,166,770
Infrastructure	523,822	39,301	(1,984)	561,139
Equipment	1,006,807	99,875	(28,687)	1,077,995
Library Materials	287,595	3,148	(3,551)	287,192
Software and Other Intangibles	96,523	271	(5,811)	90,983
Total Capital Assets, Depreciable	7,005,573	249,521	(71,015)	7,184,079
Less Accumulated Depreciation:				
Buildings and Improvements	2,281,088	143,440	(24,692)	2,399,836
Infrastructure	308,028	19,569	(1,984)	325,613
Equipment	753,317	67,093	(28,185)	792,225
Library Materials	226,029	5,358	(1,923)	229,464
Software and Other Intangibles	51,483	8,479	(5,221)	54,741
Total Accumulated Depreciation	3,619,945	243,939	(62,005)	3,801,879
Total Capital Assets, Depreciable, Net	3,385,628	5,582	(9,010)	3,382,200
Total Capital Assets, Net	\$ 3,716,281	\$ 181,773	\$ (9,238)	\$ 3,888,816
<hr/>				
Fiscal Year 2022	Beginning Balance	Additions/ Transfers	Retirements	Ending Balance
Capital Assets, Nondepreciable:				
Land	\$ 98,977	\$ 3,202	\$ (2,364)	\$ 99,815
Artwork and Historical Artifacts	16,367	194	-	16,561
Construction in Progress	290,583	60,125	(136,431)	214,277
Total Capital Assets, Nondepreciable	405,927	63,521	(138,795)	330,653
Capital Assets, Depreciable:				
Buildings and Improvements	4,842,398	276,012	(27,584)	5,090,826
Infrastructure	523,383	1,473	(1,034)	523,822
Equipment	979,452	75,035	(47,680)	1,006,807
Library Materials	286,364	1,231	-	287,595
Software and Other Intangibles	93,878	2,909	(264)	96,523
Total Capital Assets, Depreciable	6,725,475	356,660	(76,562)	7,005,573
Less Accumulated Depreciation:				
Buildings and Improvements	2,153,618	140,759	(13,289)	2,281,088
Infrastructure	288,475	20,192	(639)	308,028
Equipment	738,216	61,835	(46,734)	753,317
Library Materials	220,740	5,289	-	226,029
Software and Other Intangibles	42,846	8,902	(265)	51,483
Total Accumulated Depreciation	3,443,895	236,977	(60,927)	3,619,945
Total Capital Assets, Depreciable, Net	3,281,580	119,683	(15,635)	3,385,628
Total Capital Assets, Net	\$ 3,687,507	\$ 183,204	\$ (154,430)	\$ 3,716,281

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Construction in Progress - The estimated cost to complete construction in progress at June 30, 2023, is \$999,016,000 of which \$327,221,000 is available from unrestricted net position. The remaining costs are expected to be funded from \$199,372,000 of gifts, \$330,424,000 of capital grants and \$141,999,000 of debt proceeds and state appropriations.

Capital assets include equipment and a building facility under financed purchase agreements of \$33,880,000 and \$23,105,000 and related accumulated depreciation of \$9,964,000 and \$4,966,000 at June 30, 2023 and 2022, 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 2023 and 2022 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 2023 and 2022 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, 2023 will be amortized over a remaining 19 years.

Lease and Software Subscription Assets – The University has the right to use the present service capacity of assets as a result of lease or subscription contracts. Assets are recorded at the initial measurement of the associated liability plus payments made at or before the commencement of the lease or contract term, less any incentives received from the lessor at or before the commencement of the lease or contract, plus initial direct costs that are ancillary to place the asset into service. Software Subscription assets recorded value also includes the cost of implementation of the software during the initial implementation stage, which includes configuration, coding, testing and installation. Assets are amortized on a straight-line basis over the shorter of the term of the lease or contract, or the useful life of the underlying assets. These assets are not owned by the University and are presented as Capital, Lease, and Subscription Assets, Net on the Statement of Net Position.

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Lease and subscription asset activity for the years ended June 30, 2023 and 2022, is summarized as follows:

Table 8.2 - Lease and Subscription Assets *(in thousands)*

Fiscal Year 2023	Beginning Balance	Additions	Retirements	Ending Balance
Buildings	66,153	15,767	(1,126)	80,794
Land	810	141	(173)	778
Equipment	9,698	840	(386)	10,152
Software Subscriptions	83,766	6,084	-	89,850
Total Lease and Subscription Assets	160,427	22,832	(1,685)	181,574
Less Accumulated Depreciation:				
Buildings	24,500	13,590	(1,097)	36,993
Land	208	150	(100)	258
Equipment	3,993	2,647	(374)	6,266
Software Subscriptions	13,497	14,684	-	28,181
Total Accumulated Amortization	42,198	31,071	(1,571)	71,698
Total Lease and Subscription Assets, Net	\$ 118,229	\$ (8,239)	\$ (114)	\$ 109,876

Fiscal Year 2022 - Restated	Beginning Balance	Additions	Retirements	Ending Balance
Buildings	62,208	4,533	(588)	66,153
Land	858	-	(48)	810
Equipment	8,037	1,797	(136)	9,698
Software Subscriptions	76,118	7,648	-	83,766
Total Lease and Subscription Assets	147,221	13,978	(772)	160,427
Less Accumulated Depreciation:				
Buildings	12,303	12,773	(576)	24,500
Land	102	106	-	208
Equipment	1,440	2,670	(117)	3,993
Software Subscriptions	-	13,497	-	13,497
Total Accumulated Amortization	13,845	29,046	(693)	42,198
Total Lease and Subscription Assets, Net	\$ 133,376	\$ (15,068)	\$ (79)	\$ 118,229

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9. ACCRUED SHORT-TERM LIABILITIES and OTHER NONCURRENT LIABILITIES

Accrued liabilities consists of employee salaries, benefits, self-insurance claims, and interest payable. Accrued liabilities that are generally paid within one year for the end of the fiscal year are reflected as short-term accrued liabilities on the Statement of Net Position. Accrued short-term liabilities at June 30, 2023 and 2022 are summarized as follows:

Table 9.1 - Accrued Liabilities *(in thousands)*

	2023	2022
Accrued Salaries, Wages & Benefits	\$ 99,536	\$ 89,413
Accrued Vacation	\$ 64,235	59,344
Accrued Self Insurance Claims	\$ 52,402	48,890
Accrued Interest Payable	\$ 13,244	13,303
Total Accrued Liabilities	\$ 229,417	\$ 210,950

Other noncurrent liabilities consist of charitable annuities and long-term portions of employee accrued vacation, self-insurance and other insurance claims.

The University's outstanding noncurrent accrued liabilities at June 30, 2023 and 2022, with corresponding activity, is as follows:

Table 9.2 - Other Noncurrent Liabilities *(in thousands)*

Fiscal Year 2023	Beginning of			Total End of		Less Current	Noncurrent
	Year	Additions	Payments	Year	Portion		End of Year
Accrued Vacation	\$ 87,463	\$ 59,775	\$ (52,554)	\$ 94,684	\$ (64,235)		\$ 30,449
Accrued Self-Insurance Claims	106,673	239,284	(241,604)	104,353	(52,402)		51,951
Accrued Other Insurance Claims	7,773	832	(2,279)	6,326	-		6,326
Charitable Annuity Obligations	10,233	1,935	(1,800)	10,368	-		10,368
	\$ 212,142	\$ 301,826	\$ (298,237)	\$ 215,731	\$ (116,637)		\$ 99,094

Fiscal Year 2022	Beginning of			Total End of		Less Current	Noncurrent
	Year	Additions	Payments	Year	Portion		End of Year
Accrued Vacation	\$ 86,089	\$ 53,011	\$ (51,637)	\$ 87,463	\$ (59,344)		\$ 28,119
Accrued Self-Insurance Claims	91,732	236,669	(221,728)	106,673	(48,890)		57,783
Accrued Other Insurance Claims	4,801	4,120	(1,148)	7,773	-		7,773
Charitable Annuity Obligations	12,989	517	(3,273)	10,233	-		10,233
	\$ 195,611	\$ 294,317	\$ (277,786)	\$ 212,142	\$ (108,234)		\$ 103,908

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's liability related to the lead interests were \$10,368,000 and \$10,233,000 at June 30, 2023 and 2022, respectively. The University's remainder interest is represented as Deferred Inflows of Resources on the Statement of Net Position and was \$14,808,000 and \$13,093,000 at June 30, 2023 and 2022, respectively.

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10. LONG-TERM DEBT AND LEASE OBLIGATIONS

The University's outstanding debt and lease obligations at June 30, 2023 and 2022, with corresponding activity, is as follows:

Table 10.1 - Long-Term Debt and Lease Obligations *(in thousands)*

As of June 30, 2023	Beginning			Ending	
	Balance	Additions	Reductions	Balance	Current Portion
System Facilities Revenue Bonds - Fixed	\$ 1,582,240	\$ -	\$ (11,585)	\$ 1,570,655	\$ 123,235
System Facilities Revenue Bonds - Variable	74,820	-	(4,085)	70,735	70,735
Unamortized Premium	64,346	-	(7,025)	57,321	-
Net System Facilities Revenue Bonds	1,721,406	-	(22,695)	1,698,711	193,970
Notes Payable	2,039	485	(491)	2,033	502
Financed Purchase Obligations	49,776	3,252	(7,940)	45,088	7,852
ROU Lease & Subscription Obligations	118,439	19,015	(28,657)	108,797	23,022
Subtotal	1,891,660	22,752	(59,783)	1,854,629	225,346
Health Facilities Revenue Bonds	41,677	-	(2,210)	39,467	39,467
Unamortized Premium	3,412	-	(385)	3,027	3,027
Total Long-Term Debt and Lease Obligations	\$ 1,936,749	\$ 22,752	\$ (62,378)	\$ 1,897,123	\$ 267,840

As of June 30, 2022 - Restated	Beginning			Ending	
	Balance	Additions	Reductions	Balance	Current Portion
System Facilities Revenue Bonds - Fixed	\$ 1,583,685	\$ -	\$ (1,445)	\$ 1,582,240	\$ 11,585
System Facilities Revenue Bonds - Variable	78,755	-	(3,935)	74,820	74,820
Unamortized Premium	71,371	-	(7,025)	64,346	-
Net System Facilities Revenue Bonds	1,733,811	-	(12,405)	1,721,406	86,405
Notes Payable	2,480	-	(441)	2,039	436
Financed Purchase Obligations	54,869	2,399	(7,492)	49,776	7,448
ROU Lease & Subscription Obligations	134,309	13,926	(29,796)	118,439	27,573
Subtotal	1,925,469	16,325	(50,134)	1,891,660	121,862
Health Facilities Revenue Bonds	43,824	-	(2,147)	41,677	2,210
Unamortized Premium	3,809	-	(397)	3,412	-
Total Long-Term Debt and Lease Obligations	\$ 1,973,102	\$ 16,325	\$ (52,678)	\$ 1,936,749	\$ 124,072

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.

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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 \$66,485,000 and \$70,735,000 at June 30, 2023 and 2022, respectively. The amount of current liabilities that represents the current principal maturities are \$4,250,000 and \$4,085,000 at June 30, 2023 and 2022, respectively.

At June 30, 2023, the University had no outstanding defeased bonds. The outstanding in-substance defeased bonds aggregated \$10,635,000 at June 30, 2022.

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 Capital Region Medical Center (CRMC), as reported in 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 CRMC. Under the terms of the Master Indenture, CRMC 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 CRMC, 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 June 30, 2023	Final Maturity	Original Issue	Balance June 30,	
					2023	2022
2009A (1)	Fixed	4.00%	11/1/2039	256,300	\$ 246,230	\$ 256,300
2010A (1)	Fixed	3.88%	11/1/2041	252,285	252,285	252,285
2013A	Fixed	2.75%	11/1/2023	11,325	1,590	3,105
2013B	Fixed	4.87%	11/1/2043	150,000	150,000	150,000
2014A	Fixed	3.16%	11/1/2035	294,510	180,350	180,350
2014B	Fixed	4.24%	11/1/2054	150,000	150,000	150,000
2020A	Fixed	1.98%	11/1/2050	400,000	400,000	400,000
2020B	Fixed	1.86%	11/1/2030	190,200	190,200	190,200
Total Fixed Rate Bonds				1,704,620	1,570,655	1,582,240
2007B (2)	Variable	0.88%	11/1/2031	102,250	70,735	74,820
Total Variable Rate Demand Bonds				102,250	70,735	74,820
Total System Facilities Revenue Bonds				\$ 1,806,870	\$ 1,641,390	\$ 1,657,060
2017 (3)	Fixed	3.10%	3/1/2032	20,000	12,777	14,027
2020 (3)	Fixed	4.60%	11/1/2040	28,585	26,690	27,650
Total Revenue Bonds				\$ 1,855,455	\$ 1,680,857	\$ 1,698,737

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

(2) As of June 30, 2023; 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.

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Interest Expense - Total interest expense incurred during the years ended June 30, 2023 and 2022 was \$72,425,000 and \$74,846,000, respectively. For the years ended June 30, 2023 and 2022, the University earned cash subsidy payments from the United States Treasury totaling \$9,809,000 and \$10,164,000, respectively, for designated Build America Bonds outstanding, which was recorded as Federal Appropriations on the Statements of Revenues, Expenses, and Changes in Net Position.

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, 2023.

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	\$ (3,843)	Aa2 / A+
Pay fixed; receive variable	41,120	12/14/2006	8/1/2026	Pay 3.902%; receive SIFMA Index	(920)	Aa1 / A+
Pay fixed; receive variable	70,735	7/26/2007	11/1/2031	Pay 3.798%; receive 68% of 1-Month LIBOR	(3,691)	Aa2 / A+
Total	\$ 151,855				\$ (8,454)	

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
	2023	2022			
2002 Swap - Investment Derivative	\$ (3,843)	\$ (5,752)	N/A	\$ 1,909	Investment and Endowment Income, Net
2006 Swap - Investment Derivative	(920)	(2,880)	N/A	1,960	Investment and Endowment Income, Net
2007 Swap - Cash Flow Hedge	(3,691)	(7,616)	N/A	3,925	Deferred Outflows of Resources
Total	\$ (8,454)	\$ (16,248)		\$ 7,794	

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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, 2023.

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 <i>(in thousands)</i>
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 did not exceed \$30,000,000 on June 30, 2023, which is the current fair value threshold for the University given its Moody's rating of Aa1. As a result, the University was not required to post collateral with the counterparty at June 30, 2023.

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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 4.01% at June 30, 2023.

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)*

	2023	2022
Swaps - Cash Flow Hedge	\$ 3,691	\$ 7,616
Loss on Bond Defeasance	5,090	5,796
Deferred Outflows of Resources	\$ 8,781	\$ 13,412

For the years ended June 30, 2023 and 2022 the amortization of the Loss on Bond Defeasance totaled \$706,000 and \$710,000, respectively, which increases interest expense.

Pledged Revenues and Debt Service Requirements - For fiscal years 2023 and 2022, annual debt service, including net payments on associated interest rate swaps, totaled \$129,972,000 and \$125,761,000, respectively. For fiscal years 2023 and 2022, System Facilities Pledged Revenue was fourteen and thirteen times greater than the annual debt service for the fiscal years ended June 30, 2023 and 2022, respectively. Net System Facilities Revenue was 153% and 121% of annual debt service for fiscal years 2023 and 2022, respectively. Table 10.7 provides the System Facilities pledged net revenues.

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

	2023	2022
Pledged Revenues:		
Net Patient Revenue	\$ 1,686,372	\$ 1,525,954
Housing and Food Service	118,236	108,868
Bookstores	31,302	31,444
Net Tuition and Fees	29,696	26,577
Other Operating Revenue	31,586	29,314
Pledged Revenues	1,897,192	1,722,157
Operating Expenses	1,697,709	1,569,410
Net Revenues	\$ 199,483	\$ 152,747

Capital Region Medical Center (CRMC), as reported in the Medical Alliance, is required to set aside funds into a mandatory sinking fund for its Series 2020 Health and Educational Facilities bonds as well as maintain a debt-service coverage ratio of at least 1.25 to 1. CRMC did not meet the historical debt-service coverage ratio for the fiscal years June 30, 2023 and 2022, respectively. Accordingly, the outstanding balance is classified as a current liability. CRMC engaged with a consultant and obtained a forbearance agreement for the bonds.

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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, 2023. 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 Derivatives, Net	Total Before Investment Derivatives	Investment Derivatives, Net	Total Future Debt Service
2024	166,952	83,381	189	199,306	(50)	199,256
2025	37,815	65,701	172	107,650	(47)	107,603
2026	139,355	63,196	151	206,665	(44)	206,621
2027	41,150	60,623	129	105,864	(63)	105,801
2028	130,230	57,821	107	192,123	(63)	192,060
2029-2033	351,685	240,968	261	609,495	(296)	609,199
2034-2038	123,405	182,481	-	317,628	(192)	317,436
2039-2043	290,265	120,889	-	418,195	(90)	418,105
2044-2048	150,000	49,173	-	199,173	-	199,173
2049-2053	100,000	38,648	-	138,648	-	138,648
2054-2058	150,000	9,533	-	159,533	-	159,533
	\$ 1,680,857	\$ 972,414	\$ 1,009	\$ 2,654,280	\$ (845)	\$ 2,653,435

Commercial Paper – 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. As of fiscal years ending June 30, 2023 and 2022, there were no Commercial Paper Notes outstanding.

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 2.75%.

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The future payments on all notes payable at June 30, 2023, are as follows:

Table 10.9 - Future Notes Payable Payments

Year Ending June 30	Amount <i>(in thousands)</i>
2024	550
2025	411
2026	269
2027	251
2028	251
2029-2030	464
Total Future Notes Payable Payments	2,196
Less: Amount Representing Interest	(163)
Future Notes Payable	
Principal Payments	\$ 2,033

Financed Purchase Obligations - The University finances various facilities and equipment through financed purchases. Facilities and equipment under financing arrangements are recorded at the present value of future minimum lease payments.

The future minimum payments on all financed purchases at June 30, 2023, are as follows:

Table 10.10 - Future Financed Payments

Year Ending June 30	Principal	Interest
2024	7,852	647
2025	7,868	836
2026	7,398	644
2027	7,324	476
2028	7,323	179
2029	7,323	92
Total Financed		
Purchase Payments	\$ 45,088	\$ 2,874

Right of Use (ROU) Leases - The University leases various facilities and equipment under agreements recorded as ROU leases. Certain leases increase regularly based upon the Consumer Price Index (CPI). Leases are measured based upon the Index at lease commencement. Changes in payments due to CPI adjustments after the lease commencement are expensed as incurred.

The University uses its internal borrowing rate of 3.40% and 3.44% for fiscal years ended June 30, 2023 and 2022, respectively. The internal borrowing rate reflects the University's weighted average cost of debt, to calculate the

present value and interest applied to each lease whenever a stated rate is unavailable. Lease interest recognized for the years ended June 30, 2023 and 2022 were \$1,724,000 and \$2,079,000, respectively. Future minimum payments on ROU leases at June 30, 2023, are as follows:

Table 10.11 - ROU Lease Obligation *(in thousands)*

	Principal	Interest
2024	\$ 10,633	\$ 1,507
2025	8,046	1,312
2026	6,369	1,041
2027	4,959	817
2028	3,801	633
2029-2033	7,687	1,876
2034-2038	3,812	915
2039-2043	3,384	275
2044-2048	32	-
Total Lease Obligation	\$ 48,723	\$ 8,376

Subscription Obligations - The University enters contracts for various subscription-based information technology arrangements for the right to use software and records the obligation as a subscription obligation. Certain subscription obligations increase regularly based upon the Consumer Price Index (CPI). Subscription obligations are measured based upon the Index at obligation commencement. Changes in payments due to CPI adjustments after the commencement of the obligation are expensed as incurred.

The university uses its internal borrowing rate of 3.40%, which reflects the University's weighted average cost of debt, to calculate the present value and interest applied to each subscription obligation whenever a stated rate is unavailable. Interest recognized on these obligations for the years ended June 30, 2023 and 2022 were \$2,372,000 and \$2,202,000, respectively. Future payments on all subscription obligations at June 30, 2023, are as follows:

Table 10.12 - Subscription Obligation *(in thousands)*

	Principal	Interest
2024	\$ 12,389	\$ 1,705
2025	12,208	1,359
2026	8,229	1,073
2027	7,300	820
2028	6,425	580
2029-2033	13,523	488
Total Subscription Obligation	\$ 60,074	\$ 6,025

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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, 2023 and 2022 of \$104,353,000 and \$106,673,000, respectively, represents the present value of amounts estimated to have been incurred by those dates, using discount rates ranging from 0.50% to 3.50%, based on expected future investment yield assumptions.

Changes in the self-insurance liability during fiscal years 2023 and 2022 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			End of Year
	Beginning of Year	Changes in Estimates	Claim Payments	
2023	\$ 106,673	\$ 239,284	\$ (241,604)	\$ 104,353
2022	\$ 91,732	\$ 236,669	\$ (221,728)	\$ 106,673

12. COMMITMENTS AND CONTINGENCIES

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, 2023, this contracted commitment for IT Works, excluding amounts recognized as a software subscription liability, totaled \$106,869,000 and will be paid in the following amounts: \$14,187,000 in 2024, \$14,660,000 in 2025, \$14,962,000 in 2026, \$15,274,000 in 2027, \$15,595,000 in 2028, and \$32,191,000 in 2029 through 2030.

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, 2023, this contracted commitment totaled \$12,063,000 and will be paid in the following amounts: \$5,961,000 in 2024, and \$6,102,000 in 2025.

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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 financed purchase obligation 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 – During fiscal year 2023, the University submitted a formal plan with the Nuclear Regulatory Commission (NRC) for the decommissioning of a University owned building. The estimated costs of the remediation and deconstruction of the building is recorded

as a liability of \$11,700,000. The NRC has two years to review and approve the plan. Once approved, the University plans to begin the remediation and deconstruction in fiscal year 2025.

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 and the Nuclear Regulatory Commission (NRC) on decommissioning the site. The University does not believe that the documents from the 2016 sampling support the decision to add the site to the University's NRC license due to an overestimated quantity of isotopes managed at the site. The University made a formal request to remove the site from the NRC license. If MDNR and the NRC find 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.

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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

	2023	2022
Active Members	11,615	13,409
Inactive Vested Members	6,513	6,098
Pensioners and Beneficiaries	11,746	11,479
Total Members	29,874	30,986

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.

The University closed the defined benefit plan to new entrants as of October 1, 2019. Employees starting on or after that date, are enrolled in a defined contribution plan. Vested defined benefit employees that are rehired on or after October 1, 2019 no longer receive creditable service credit within the defined benefit plan.

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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.

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 14.9% and 12.7% of covered payroll for the years ended June 30, 2023 and 2022, respectively. The ADC for those employees hired after September 30, 2012 through September 30, 2019, averaged 11.4% and 9.1% of covered payroll for the years ended June 30, 2023 and 2022,

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 \$132,849,000 and \$114,999,000 during the fiscal years ended June 30, 2023 and 2022, respectively.

Net Pension Liability – The University’s net pension liability was measured as of June 30, 2023 and 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2022 and 2021, respectively. Roll-forward procedures were used to measure the Retirement Plan’s total pension liability as of June 30, 2023 and 2022.

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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, 2022	\$5,341,914	\$4,286,149	\$1,055,765
Changes for the year:			
Service cost	57,272	-	57,272
Interest	367,007	-	367,007
Differences between expected and actual experience	78,356	-	78,356
Contributions – employer	-	132,849	(132,849)
Contributions – employee	-	13,866	(13,866)
Net investment income	-	156,871	(156,871)
Benefit payments, including refunds of employee contributions	(312,471)	(312,471)	-
Net changes	190,164	(8,885)	199,049
Balances at June 30, 2023	\$5,532,078	\$4,277,264	\$1,254,814
	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at July 1, 2021	\$4,872,088	\$4,557,145	\$314,943
Changes for the year:			
Service cost	60,290	-	60,290
Interest	343,730	-	343,730
Differences between expected and actual experience	114,655	-	114,655
Changes in assumptions	243,508	-	243,508
Contributions – employer	-	114,999	(114,999)
Contributions – employee	-	14,238	(14,238)
Net investment income	-	(107,876)	107,876
Benefit payments, including refunds of employee contributions	(292,357)	(292,357)	-
Net changes	469,826	(270,996)	740,822
Balances at June 30, 2022	5,341,914	4,286,149	1,055,765

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Actuarial Methods and Assumptions – The October 1, 2022 and 2021 actuarial valuations utilized the entry age actuarial cost method.

Actuarial assumptions for October 1, 2022 and 2021 included:

	2022	2021
Inflation	2.20%	2.20%
Rate of Investment Return net of administrative expenses (including inflation)	7.00%	7.00%
Projected salary increases (Including inflation)	3.5 - 4.1%	3.5 - 4.4%
Cost-of-living adjustments	0%	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 using a method that separately amortizes the initial unfunded liability as of October 1, 2021 over 20 years, the impact of the assumption changes over 20 years, and future experience gains and losses over 25 years and 15 years, respectively. Mortality rates were based on Pub-2010 Teacher Healthy Annuitant Mortality Table with generational projection using scale MP-2020 for academic and administrative members and Pub-2010 General Healthy Annuitant Mortality Table with generational projection using scale MP-2020 for clerical and service members.

The actuarial assumptions used in the October 1, 2022 and 2021 valuation were based on the results of the most recent quinquennial study based of the University's own experience covering 2016 to 2020.

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed 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 Pension Liability to Changes in the Discount
(in thousands)

	2023 Net Pension Liability	2022 Net Pension Liability
1% Decrease	\$1,959,956	\$1,726,811
Current Rate	1,254,814	1,055,765
1% Increase	672,695	492,627

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, 2023 and 2022 was 3.9% and (1.8%), respectively.

Table 13.4 - Asset Class Allocation

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Public equity	34.0%	4.4%
Private equity	13.0%	5.1%
Sovereign bonds	8.0%	1.0%
Inflation linked bonds	9.0%	1.1%
Private debt	6.0%	6.9%
Risk balanced	12.0%	7.0%
Commodities	5.0%	4.5%
Real estate	13.0%	6.0%
	<u>100%</u>	

Pension Expense- For the years ended June 30, 2023 and 2022, the Retirement Plan recognized pension expense of \$284,907,000 and \$196,499,000, 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.

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The pension expense for the years ended June 30, 2023 and 2022 is summarized as follows:

Table 13.5 Pension Expense (*in thousands*)

	2023	2022
Service cost	\$57,272	\$60,290
Interest	367,007	343,730
Recognized portion of current-period difference between expected and actual experience	22,084	29,406
Recognized portion of current-period difference for changes to assumptions	-	62,454
Contributions – employee	(13,866)	(14,238)
Projected earnings on pension plan investments	(294,229)	(321,365)
Recognized portion of current-period difference between projected and actual earnings on pension plan investments	27,471	85,848
Recognition of deferred outflows of resources	281,397	128,922
Recognition of deferred inflows of resources	(162,229)	(178,548)
Pension expense for fiscal year ended June 30,	\$284,907	\$196,499

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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, 2023 and 2022, 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
	2023	2023	2022	2022
As of June 30,				
Differences between expected and actual experience	130,984	4,417	122,369	6,725
Changes in assumptions	118,600	-	203,876	-
Net difference between projected and actual earnings on pension plan investments	94,870	-	-	26,473
Total	344,454	4,417	326,245	33,198

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
2024	127,152
2025	60,138
2026	125,275
2027	27,472
Total	340,037

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 \$47,846,000 and \$37,385,000 of expense net of forfeitures of \$6,162,000 and \$5,859,000 for the years ended June 30, 2023 and 2022, respectively.

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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 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 do not receive an insurance subsidy and are not eligible to participate in the University's plans.

As of June 30, 2023 and 2022, 8,261 and 8,360 retirees, respectively, were receiving benefits, and an estimated 6,594 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, 2023 and 2022, 115 and 119 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.

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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, 2023 and 2022, participants contributed \$16,957,000 and \$17,325,000, or approximately 53.6% and 52.2% respectively, of total premiums through their required contributions, which vary depending on the plan and coverage selection. In fiscal years 2023 and 2022, the University contributed \$14,706,000 and \$15,846,000, 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, 2023 and 2022 were measured as of June 30, 2023 and 2022, respectively, using actuarial valuations as of those dates.

Table 14.1 Net OPEB Liability (*in thousands*)

	Fiscal Year 2023	Fiscal Year 2022
Net OPEB Liability Components:		
Total OPEB Liability	\$ 191,156	\$ 199,702
Plan Fiduciary Net Position	42,410	39,922
Net OPEB Liability	148,746	159,780
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	22.19%	19.99%

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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, 2022	\$199,702	\$39,922	\$159,780
Changes for the year:			
Service cost	2,180	-	2,180
Interest	6,888	-	6,888
Differences between expected and actual experience	858	-	858
Changes in assumptions	20,161	-	20,161
Contributions – employer	-	14,706	(14,706)
Contributions – employee	-	16,957	(16,957)
Net investment income	-	2,509	(2,509)
Expected/Actual benefit payments, including refunds of employee contributions	(14,727)	(31,684)	16,957
Change in benefit terms	(23,906)	-	(23,906)
Net changes	(8,546)	2,488	(11,034)
Balances at June 30, 2023	\$191,156	\$42,410	\$148,746
	Total OPEB Liability (TOL) (a)	Fiduciary Net Position (FNP) (b)	Net OPEB Liability (NOL) (a) - (b)
Balances at July 1, 2021	\$253,308	\$39,491	\$213,817
Changes for the year:			
Service cost	4,380	-	4,380
Interest	5,399	-	5,399
Differences between expected and actual experience	(1,786)	-	(1,786)
Changes in assumptions	(46,087)	-	(46,087)
Contributions – employer	-	15,846	(15,846)
Contributions – employee	-	17,325	(17,325)
Net investment income	-	98	(98)
Expected/Actual benefit payments, including refunds of employee contributions	(15,512)	(32,838)	17,326
Net changes	(53,606)	431	(54,037)
Balances at June 30, 2022	\$199,702	\$39,922	\$159,780

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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, 2023 and June 30, 2022 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.

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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: 0.3% to 6.0% (including inflation) for academic and administrative; 0.2% to 3.1% (including inflation) for clerical and service
Discount Rate	3.65% for 2023 and 3.54% for 2022
Pre-65 Medical Plan trend rate	7.25% decreasing by 0.25% per year until an ultimate trend of 4.5% is reached
Pre-65 HSP Plan trend rate	6.5% decreasing by 0.25% per year until an ultimate trend of 4.5% is reached
Pre-65 Rx trend rate	8.25% decreasing by 0.25% per year until an ultimate trend of 4.5% is reached
Post-65 Medicare Base and Rx trend rate	3.02%, then 6.0% decreasing by 0.25% per year until an ultimate trend of 4.50% is reached.
Post-65 Medicare Buyup and Rx trend rate	11.5%, then 6.0% decreasing by 0.25% per year until an ultimate trend of 4.50% is reached.
Dental trend rates	2.00%
Administration expenses rate	3.00%
Healthy retiree mortality rates	For Academic and Administrative members: Pub-2010 Teacher Employee and Healthy Annuitant Headcount-Weighted Mortality tables, weighted 95% for males and 103% for females, with generational projection using Scale MP-2020. For Clerical and Service members: Pub 2010 General Employee and Healthy Annuitant Headcount-Weighted Mortality Tables, weighted 124% for males and 112% for females, with generational projection using Scale MP-2020.
Disabled retiree mortality rates	Pub-2010 Non-Safety Disabled Annuitant Headcount-Weighted Mortality Table, weighted 95% for males and females, with generational projection using Scale MP-2020.
Surviving spouse mortality rates	80% of the Pub-2010 Teacher Contingent Survivor Headcount-Weighted Tables and 20% of the Pub-2010 General Contingent Survivor Headcount-Weighted Tables projected generationally with Scale MP-2020.

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Development of Discount Rate – The discount rates used to measure the total OPEB liability were 3.65% and 3.54% as of fiscal year June 30, 2023 and June 30, 2022, 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 (2.65%)	Current Discount Rate (3.65%)	1% Increase in Discount Rate (4.65%)
Net OPEB Liability	\$173,859	\$148,746	\$127,910

	1% Decrease in Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$139,461	\$148,746	\$159,505

OPEB Expense- For the years ended June 30, 2023 and 2022, the University recognized an OPEB expense of (\$68,962,000) and (\$49,324,000), 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, 2023 and 2022 is summarized as follows:

Table 14.5 OPEB Expense *(in thousands)*

	2023	2022
Service cost	\$2,180	\$4,380
Interest	6,888	5,399
Recognized portion of current-period benefit changes	(23,906)	-
Recognized portion of current-period difference between expected and actual experience	210	(414)
Recognized portion of current-period difference for changes to assumptions	4,954	(10,668)
Recognized portion of current-period difference between projected and actual earnings on pension plan investments	(502)	(19)
Recognition of deferred outflows of resources	4,246	4,246
Recognition of deferred inflows of resources	(63,032)	(52,248)
OPEB expense for fiscal year ended June 30,	(\$68,962)	(\$49,324)

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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, 2023 and 2022, 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,	2023	2023	2022	2022
Changes of assumptions	15,208	116,523	-	175,218
Differences between expected and actual experience	10,879	8,421	14,477	12,258
Net difference between projected and actual earnings on plan investments	-	2,255	-	747
Total	26,087	127,199	14,477	188,223

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 outflows/(inflows) *(in thousands)*

Fiscal Year	Recognition
2024	(50,797)
2025	(42,538)
2026	(7,637)
2027	(140)
Total	(101,112)

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15. BLENDED COMPONENT UNITS

Condensed combining information for the University's blended component units as of and for the years ended June 30, 2023 and 2022 are presented as follows:

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

Condensed Statement of Net Position	2023					
	University	Medical Alliance	CSS	CFMS	Eliminations	Total
Assets:						
Current Assets	\$ 1,793,282	\$ 59,406	\$ 639	\$ 468	\$ (716)	\$ 1,853,079
Non Current Other Assets	4,328,032	37,626	-	-	-	4,365,658
Capital, Lease and Subscription Assets, Net	3,909,607	89,085	-	-	-	3,998,692
Deferred Outflows of Resources	426,771	-	-	-	-	426,771
Total Assets and Deferred Outflows of Resources	\$ 10,457,692	\$ 186,117	\$ 639	\$ 468	\$ (716)	\$ 10,644,200
Liabilities:						
Current Liabilities	\$ 720,318	\$ 74,280	\$ 3	\$ 363	\$ (716)	\$ 794,248
Noncurrent Liabilities	3,208,643	7,652	-	-	-	3,216,295
Deferred Inflows of Resources	160,420	-	-	-	-	160,420
Total Liabilities and Deferred Inflows of Resources	4,089,381	81,932	3	363	(716)	4,170,963
Net Position:						
Net Investment in Capital Assets	2,160,068	46,339	-	-	-	2,206,407
Restricted -						
Nonexpendable	1,628,024	-	-	-	-	1,628,024
Expendable	696,484	4,779	-	-	-	701,263
Unrestricted	1,883,735	53,067	636	105	-	1,937,543
Total Net Position	6,368,311	104,185	636	105	-	6,473,237
Total Liabilities and Net Position	\$ 10,457,692	\$ 186,117	\$ 639	\$ 468	\$ (716)	\$ 10,644,200
Condensed Statement of Revenues, Expenses and Changes in Net Position						
	2023					
	University	Medical Alliance	CSS	CFMS	Eliminations	Total
Operating Revenues:						
Other Operating Revenue	\$ 3,440,028	\$ 231,259	\$ 5	\$ 5	\$ (2,260)	\$ 3,669,037
Total Operating Revenues	3,440,028	231,259	5	5	(2,260)	3,669,037
Operating Expenses:						
Depreciation and Amortization	262,261	15,246	-	-	-	277,507
All Other Operating Expenses	3,787,570	248,429	44	861	(3,287)	4,033,617
Total Operating Expenses	4,049,831	263,675	44	861	(3,287)	4,311,124
Operating Income (Loss)	(609,803)	(32,416)	(39)	(856)	1,027	(642,087)
Non-Operating Revenue (Expense)	930,760	5,276	-	-	-	936,036
Capital Contribution (Distribution)	-	-	-	1,027	(1,027)	-
Increase (Decrease) in Net Position	320,957	(27,140)	(39)	171	-	293,949
Net Position, Beginning of Year	6,047,354	131,325	675	(66)	-	6,179,288
Net Position, End of Year	\$ 6,368,311	\$ 104,185	\$ 636	\$ 105	\$ -	\$ 6,473,237
Condensed Statement of Cash Flows						
	2023					
	University	Medical Alliance	CSS	CFMS	Eliminations	Total
Net Cash Flows Provided by (Used in) Operating Activities						
Net Cash Flows Provided by (Used in) Operating Activities	\$ (334,554)	\$ (11,912)	\$ (35)	\$ (928)	\$ 1,027	\$ (346,402)
Net Cash Flows Provided by (Used in) Noncapital Financing Activities						
Net Cash Flows Provided by (Used in) Noncapital Financing Activities	676,600	4,377	-	-	-	\$ 680,977
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities						
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	(430,045)	(1,142)	-	-	-	\$ (431,187)
Net Cash Flows Provided by (Used in) Investing Activities						
Net Cash Flows Provided by (Used in) Investing Activities	(25,958)	(9,217)	-	1,027	(1,027)	\$ (35,175)
Net Increase in Cash and Cash Equivalents	(113,957)	(17,894)	(35)	99	-	(131,787)
Cash and Cash Equivalents, Beginning of Year	807,076	31,432	516	94	-	839,118
Cash and Cash Equivalents, End of Year	\$ 693,119	\$ 13,538	\$ 481	\$ 193	\$ -	\$ 707,331

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

Condensed Statement of Net Position	2022						
	University	MREC	Medical Alliance	CSS	CFMS	Eliminations	Total
Assets:							
Current Assets	\$ 1,400,702	\$ -	\$ 80,968	\$ 677	\$ 241	\$ -	\$ 1,482,588
Non Current Other Assets	4,619,982	-	48,951	-	-	-	4,668,933
Capital, Lease and Subscription Assets, Net	3,740,363	-	94,147	-	-	-	3,834,510
Deferred Outflows of Resources	404,080	-	-	-	-	-	404,080
Total Assets and Deferred Outflows of Resources	\$ 10,165,127	\$ -	\$ 224,066	\$ 677	\$ 241	\$ -	\$ 10,390,111
Liabilities:							
Current Liabilities	\$ 695,724	\$ -	\$ 40,737	\$ 2	\$ 304	\$ -	\$ 736,767
Noncurrent Liabilities	3,172,523	-	52,004	-	3	-	3,224,530
Deferred Inflows of Resources	249,526	-	-	-	-	-	249,526
Total Liabilities and Deferred Inflows of Resources	4,117,773	-	92,741	2	307	-	4,210,823
Net Position:							
Net Investment in Capital Assets	1,954,483	-	48,798	-	-	-	2,003,281
Restricted -							
Nonexpendable	1,582,260	-	-	-	-	-	1,582,260
Expendable	691,694	-	4,794	-	-	-	696,488
Unrestricted	1,818,917	-	77,733	675	(66)	-	1,897,259
Total Net Position	6,047,354	-	131,325	675	(66)	-	6,179,288
Total Liabilities and Net Position	\$ 10,165,127	\$ -	\$ 224,066	\$ 677	\$ 241	\$ -	\$ 10,390,111

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

	2022						
	University	MREC	Medical Alliance	CSS	CFMS	Eliminations	Total
Operating Revenues:							
Other Operating Revenue	\$ 3,114,076	\$ -	\$ 216,291	\$ 45	\$ 2	\$ -	\$ 3,330,414
Total Operating Revenues	3,114,076	-	216,291	45	2	-	3,330,414
Operating Expenses:							
Depreciation and Amortization	253,669	-	14,851	-	-	-	268,520
All Other Operating Expenses	3,447,937	58	240,117	44	1,576	(1,572)	3,688,160
Total Operating Expenses	3,701,606	58	254,968	44	1,576	(1,572)	3,956,680
Operating Income (Loss)	(587,530)	(58)	(38,677)	1	(1,574)	1,572	(626,266)
Non-Operating Revenue (Expense)	495,578	(1,812)	7,527	-	-	1,812	503,105
Capital Contribution (Distribution)	45,561	(3,038)	-	-	1,572	(2,418)	41,677
Increase (Decrease) in Net Position	(46,391)	(4,908)	(31,150)	1	(2)	966	(81,484)
Net Position, Beginning of Year	6,093,745	4,908	162,475	674	(64)	(966)	6,260,772
Net Position, End of Year	\$ 6,047,354	\$ -	\$ 131,325	\$ 675	\$ (66)	\$ -	\$ 6,179,288

Condensed Statement of Cash Flows

	2022						
	University	MREC	Medical Alliance	CSS	CFMS	Eliminations	Total
Net Cash Flows Provided by (Used in) Operating Activities	\$ (313,875)	\$ (58)	\$ (48,771)	\$ (112)	\$ (1,697)	\$ 1,572	\$ (362,941)
Net Cash Flows Provided by (Used in) Noncapital Financing Activities	748,326	-	9,515	-	-	-	757,841
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	(353,962)	-	(2,717)	-	-	-	(356,679)
Net Cash Flows Provided by (Used in) Investing Activities	(41,152)	(3,409)	32,580	-	1,572	(606)	(11,015)
Net Increase in Cash and Cash Equivalents	39,337	(3,467)	(9,393)	(112)	(125)	966	27,206
Cash and Cash Equivalents, Beginning of Year	767,739	3,467	40,825	628	219	(966)	811,912
Cash and Cash Equivalents, End of Year	\$ 807,076	\$ -	\$ 31,432	\$ 516	\$ 94	\$ -	\$ 839,118

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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, 2023	Salaries and Wages	Benefits	Supplies, Services and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 463,014	\$ 151,268	\$ 29,859	\$ -	\$ -	\$ 644,141
Research	171,150	55,975	156,853	-	-	383,978
Public Service	98,275	35,916	100,325	-	-	234,516
Academic Support	83,804	33,191	52,328	-	-	169,323
Student Services	53,746	20,917	29,567	-	-	104,230
Institutional Support	137,682	54,841	(19,945)	-	-	172,578
Operation and Maintenance of Plant	38,297	17,841	6,963	-	-	63,101
Auxiliary Enterprises	933,905	227,293	1,019,361	-	-	2,180,559
Scholarships and Fellowships	-	-	-	81,191	-	81,191
Depreciation	-	-	-	-	277,507	277,507
Total Operating Expenses	\$ 1,979,873	\$ 597,242	\$ 1,375,311	\$ 81,191	\$ 277,507	\$ 4,311,124

Fiscal Year Ended June 30, 2022 Restated	Salaries and Wages	Benefits	Supplies, Services and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 444,034	\$ 120,100	\$ 6,377	\$ -	\$ -	\$ 570,511
Research	159,724	42,596	115,928	-	-	318,248
Public Service	77,129	24,227	66,436	-	-	167,792
Academic Support	74,780	25,314	53,386	-	-	153,480
Student Services	48,480	16,524	26,312	-	-	91,316
Institutional Support	122,086	41,172	(12,205)	-	-	151,053
Operation and Maintenance of Plant	34,473	14,278	45,400	-	-	94,151
Auxiliary Enterprises	836,581	222,139	959,780	-	-	2,018,500
Scholarships and Fellowships	-	-	-	123,109	-	123,109
Depreciation	-	-	-	-	268,520	268,520
Total Operating Expenses	\$ 1,797,287	\$ 506,350	\$ 1,261,414	\$ 123,109	\$ 268,520	\$ 3,956,680

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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)*

	2023			2022		
	Retirement	OPEB	Total	Retirement	OPEB	Total
Assets						
Cash and Cash Equivalents	\$ 466,375	\$ 43,340	\$ 509,715	\$ 729,317	\$ 40,840	\$ 770,157
Investment of Cash Collateral	18,392	-	18,392	31,802	-	31,802
Investment Settlements Receivable	25,599	-	25,599	35,870	-	35,870
Other Assets	-	923	923	-	914	914
Investments:						
Debt Securities	(2,745)	-	(2,745)	75,175	-	75,175
Equity Securities	405,588	-	405,588	228,630	-	228,630
Commingled Funds	2,255,888	-	2,255,888	1,996,345	-	1,996,345
Nonmarketable Alternative Investments	1,157,194	-	1,157,194	1,289,517	-	1,289,517
Total Assets	4,326,291	44,263	4,370,554	4,386,656	41,754	4,428,410
Liabilities						
Accounts Payable and Accrued Liabilities	-	1,853	1,853	-	1,832	1,832
Collateral Held for Securities Lending	18,392	-	18,392	31,802	-	31,802
Investment Settlements Payable	30,635	-	30,635	68,705	-	68,705
Total Liabilities	49,027	1,853	50,880	100,507	1,832	102,339
Net Position Restricted for Retirement and OPEB	\$ 4,277,264	\$ 42,410	\$ 4,319,674	\$ 4,286,149	\$ 39,922	\$ 4,326,071

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

	2023			2022		
	Retirement	OPEB	Total	Retirement	OPEB	Total
Additions						
Investment Income:						
Interest and Dividend Income	\$ 29,735	\$ 2,509	\$ 32,244	\$ 31,140	\$ 98	\$ 31,238
Net Appreciation (Depreciation) in						
Fair Value of Investments	140,958	-	140,958	(127,885)	-	(127,885)
Less Investment Expense	(8,836)	-	(8,836)	(7,912)	-	(7,912)
Net Investment Income	161,857	2,509	164,366	(104,657)	98	(104,559)
Contributions:						
University	132,849	14,706	147,555	114,999	15,846	130,845
Members	13,866	16,957	30,823	14,238	17,325	31,563
Total Contributions	146,715	31,663	178,378	129,237	33,171	162,408
Total Additions	308,572	34,172	342,744	24,580	33,269	57,849
Deductions						
Administrative Expenses	4,986	-	4,986	3,219	-	3,219
Payments to Retirees and Beneficiaries	312,471	31,684	344,155	292,357	32,838	325,195
Total Deductions	317,457	31,684	349,141	295,576	32,838	328,414
Increase (Decrease) in Net Position Restricted						
for Retirement and OPEB	(8,885)	2,488	(6,397)	(270,996)	431	(270,565)
Net Position Restricted for						
Retirement & OPEB, Beginning of Year	4,286,149	39,922	4,326,071	4,557,145	39,491	4,596,636
Net Position Restricted for						
Retirement and OPEB, End of Year	\$ 4,277,264	\$ 42,410	\$ 4,319,674	\$ 4,286,149	\$ 39,922	\$ 4,326,071

18. FINANCIAL IMPACTS FROM COVID-19 AND RELATED 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 during the early stages of the pandemic. As the pandemic continued, restrictions were eased and allowed for business to get closer to a pre-pandemic state.

During fiscal years 2022 and 2023, the University experienced increased in-person activity with growth in revenues as a result of the shift in the environment following the easing of restrictions. Spending started trending towards pre-pandemic levels with pandemic related freezes in employee pay and other limits on discretionary spending being lifted.

The University received stimulus funding of \$21.5 million and \$117.9 million in fiscal years 2022 and 2023, respectively from government agencies to help alleviate the fiscal burden caused during the pandemic. The University recognized the stimulus funding as government subsidies non-operating revenue on the Statement of Revenues, Expenses, and Changes in Net Position.

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Table 18.1 - COVID - 19 Funding Recognized *(in thousands)*

	2023	2022
<i>Higher Education Emergency Relief Funds - Round III</i>		
Student Aid	3,066	48,189
Institutional	3,066	47,767
<i>Provider Relief Funds</i>		
Healthcare	6,374	17,730
<i>Federal Emergency Management Agency (FEMA)</i>		
Healthcare	8,958	3,746
<i>Strengthening Institutions Program Award</i>	-	524
Government Subsidies Nonoperating Revenue	21,464	117,956

The funding received over fiscal years 2022 and 2023 are as outlined above, which were spent on providing student aid, refunds to students during lock downs, paying down student debt, course conversion to online learning, facility modifications, protective personal equipment, contract tracing and testing, cleaning and disinfecting supplies, COVID leave programs, internet and hardware for remote learning and work, as well as other similar costs related to remote learning and costs for reopening operations. A portion of the funds were also used for replacement of lost revenues, which primarily consisted of tuition and state appropriations. Provider Relief Funds and FEMA monies were received as a reimbursement of costs incurred by healthcare related to COVID.

18. SUBSEQUENT EVENTS

On June 30, 2023, the University entered into a reorganization agreement with The University of Missouri – Columbia Medical Alliance, CRMC Health Care, Inc. and Capital Region Medical Center (CRMC) to change the membership of CRMC effective July 1, 2023. As of the effective date, the Medical Alliance became the sole member of CRMC with the sole power to appoint and remove the board of directors of CRMC. The University of Missouri – Columbia Medical Alliance and CRMC are reported collectively as the blended component unit, Medical Alliance, in the University’s June 30, 2023 financial statements. The change in memberships and board appointments does not change the reporting entity within the University’s financial statements. However, the financial reporting standards utilized by CRMC will change from FASB to GASB accounting due to a governmental reporting entity appointing the board members of CRMC starting July 1, 2023.

On August 31, 2023, CRMC executed a tender of the Series 2020 bonds and full redemption of the Series 2017 bonds. The tender offer redeemed 79% of the Series 2020 bonds outstanding. In consideration of the integration of CRMC as part of the reorganization agreement, the University has agreed and funded a cash grant to CRMC for an amount necessary for the bond redemptions. The proceeds of the grant totaled approximately \$34,415,000, which was used for the redemption of Series 2017 and Series 2017 bonds on August 31, 2023. As of September 1, 2023, CRMC has \$5,605,000 in par value of Series 2020 bonds remaining.

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

	Fiscal Year End June 30,				
	2023	2022~	2021	2020	2019
Total pension liability					
Service cost	\$57,272	\$60,290	\$65,786	\$66,239	\$62,845
Interest	367,007	343,730	336,697	323,553	312,921
Differences between expected and actual experience	78,356	114,655	(10,821)	68,943	23,046
Changes of assumptions	--	243,508	--	--	--
Benefit payments, including refunds of employee contributions	(312,471)	(292,357)	(283,941)	(265,991)	(241,020)
Net change in total pension liability	190,164	469,826	107,721	192,744	157,792
Total pension liability - beginning	5,341,914	4,872,088	4,764,367	4,571,623	4,413,831
Total pension liability - ending (a)	\$5,532,078	\$5,341,914	\$4,872,088	\$4,764,367	\$4,571,623
Plan fiduciary net position					
Contributions - employer	\$132,849	\$114,999	\$115,006	\$118,234	\$115,980
Contributions - employee	13,866	14,238	14,981	16,484	15,989
Net investment income	156,871	(107,876)	1,056,355	28,604	183,826
Benefit payments, including refunds of employee contributions	(312,471)	(292,357)	(283,941)	(265,991)	(241,020)
Other	--	--	--	--	--
Net change in fiduciary net position	(8,885)	(270,996)	902,401	(102,669)	74,775
Plan fiduciary net position - beginning	4,286,149	4,557,145	3,654,744	3,757,413	3,682,638
Plan fiduciary net position - ending (b)	\$4,277,264	\$4,286,149	\$4,557,145	\$3,654,744	\$3,757,413
Net pension liability – ending: (a)-(b)					
	\$1,254,814	\$1,055,765	\$314,943	\$1,109,623	\$814,210
Plan's fiduciary net position as a percentage of the total pension liability	77.32%	80.24%	93.54%	76.71%	82.19%
Covered-employee payroll*	\$970,746	\$1,025,644	\$1,116,123	\$1,227,342	\$1,187,435
Net pension liability as a percentage of covered-employee payroll	129.26%	102.94%	28.22%	90.41%	68.57%

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

**Discount rate changed from 7.75% to 7.20%

~Discount rate changed from 7.20% to 7.00%

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REQUIRED SUPPLEMENTARY INFORMATION
For the Years Ended June 30, 2023 and 2022
(unaudited)

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

	Fiscal Year End June 30,				
	2018**	2017	2016	2015	2014
Total pension liability					
Service cost	\$63,624	\$66,269	\$68,328	\$70,574	\$71,995
Interest	305,781	296,885	288,438	275,762	263,566
Differences between expected and actual experience	11,704	(22,741)	(38,227)	13,226	--
Changes of assumptions	257,616	--	--	--	--
Benefit payments, including refunds of employee contributions	(233,083)	(211,036)	(203,300)	(182,488)	(169,992)
Net change in total pension liability	405,642	129,377	115,239	177,074	165,569
Total pension liability - beginning	4,008,189	3,878,812	3,763,573	3,586,499	3,420,930
Total pension liability - ending (a)	\$4,413,831	\$4,008,189	\$3,878,812	\$3,763,573	\$3,586,499
Plan fiduciary net position					
Contributions - employer	\$92,200	\$96,631	\$99,454	\$103,895	\$113,688
Contributions - employee	15,299	15,218	14,976	14,486	14,113
Net investment income	322,297	364,486	6,646	36,412	458,884
Benefit payments, including refunds of employee contributions	(233,083)	(211,036)	(203,300)	(182,488)	(169,992)
Other	--	--	--	(2,150)	(2,554)
Net change in fiduciary net position	196,713	265,299	(82,224)	(29,845)	414,139
Plan fiduciary net position - beginning	3,485,925	3,220,626	3,302,850	3,332,695	2,918,556
Plan fiduciary net position - ending (b)	\$3,682,638	\$3,485,925	\$3,220,626	\$3,302,850	\$3,332,695
Net pension liability – ending: (a)-(b)	\$731,193	\$522,264	\$658,186	\$ 460,723	\$253,804
Plan's fiduciary net position as a percentage of the total pension liability	83.43%	86.97%	83.03%	87.76%	92.92%
Covered-employee payroll*	\$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	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%

~Discount rate changed from 7.20% to 7.00%

UNIVERSITY OF MISSOURI SYSTEM
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Schedule of Contributions - Last Ten Fiscal Years *(in thousands)*

Fiscal Year Ended June 30,	Covered Employee Payroll*		Actuarially determined contribution**		Contributions made Level 1 and Level 2	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 and Level 2
	Level 1	Level 2	Level 1	Level 2		Level 1	Level 2	Level 1	Level 2	Level 1	Level 2	
2023	\$ 563,043	\$ 407,703	\$ 84,062	\$ 46,478	\$ 132,849	14.93%	11.40%	14.93%	11.40%	14.93%	11.40%	-
2022	577,882	447,762	73,160	40,791	114,999	12.66%	9.11%	12.66%	9.11%	12.66%	9.11%	-
2021	604,806	511,317	72,637	43,002	115,006	12.01%	8.41%	12.01%	8.41%	12.01%	8.41%	-
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%	-

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

** Net of employee contributions

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

	Fiscal Year End June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Money-Weighted Rate of Return	3.9%	(1.8%)	29.8%	0.6%	5.2%	10.2%	11.0%	0.3%	0.7%	16.2%

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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	Unfunded liability 19 years for 2023, 20 years for 2022 Impact of assumption changes over 20 years Experience gains and losses over 25 and 15 years, respectively
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, 2022 and October 1, 2021 actuarial valuation were based on the results of an experience study for the period October 1, 2016 to September 30, 2020.
Investment Rate of Return	7.0%, net of expenses
Inflation	2.20%
Projected Salary Increases	4.1% average (including inflation) for academic and administrative; 3.5% average (including inflation) for clerical and service
Cost-of-living Adjustments	No future retiree ad-hoc increases assumed
Retirement Age	Retirement rates vary between 5% at 55 to 100% at age 80.
Mortality:	
Healthy Non-annuitant lives	Pub-2010 Teacher Healthy Annuitant Mortality Table, weighted 95% for males and 103% for females, with generational projection using Scale MP-2020
Healthy Annuitant lives	Pub-2010 Non-Safety Disabled Annuitant Mortality Table, weighted 95% for males and females, with generational projection using Scale MP-2020
Disabled lives	Pub-2010 Teacher Employee Annuitant Mortality Table, weighted 95% for males and 103% for females, with generational projection using Scale MP-2020

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

	Fiscal Year End June 30,				
	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost	\$2,180	\$4,380	\$5,115	\$4,019	\$4,124
Interest	6,888	5,399	8,905	17,004	18,248
Changes of benefit terms	(23,906)	--	--	--	--
Differences between expected and actual experience	858	(1,786)	(14,091)	(4,425)	31,459
Changes of assumptions	20,161	(46,087)	(135,163)	(81,032)	(17,565)
Benefit payments	(14,727)	(15,512)	(18,438)	(20,652)	(23,206)
Net change in total OPEB liability	(8,546)	(53,606)	(153,672)	(85,086)	13,060
Total OPEB liability - beginning	199,702	253,308	406,980	492,066	479,006
Total OPEB liability - ending (a)	\$191,156	\$199,702	\$253,308	\$406,980	\$492,066
Plan fiduciary net position					
Contributions - employer	14,706	15,846	18,551	20,672	23,363
Contributions - employee	16,957	17,325	18,296	17,763	17,378
Net investment income	2,509	98	12	920	1,469
Benefit payments, including refunds of employee contributions	(31,684)	(32,838)	(36,734)	(38,413)	(40,584)
Other	-	-	-	(2)	(1)
Net change in fiduciary net position	2,488	431	125	940	1,625
Plan fiduciary net position - beginning	39,922	39,491	39,366	38,426	36,801
Plan fiduciary net position - ending (b)	\$42,410	\$39,922	\$39,491	\$39,366	\$38,426
Net OPEB Liability - ending (a) - (b)	\$148,746	\$159,780	\$213,817	\$367,614	\$453,640
Plan's fiduciary net position as a percentage of the total OPEB liability	22.19%	19.99%	15.59%	9.67%	7.81%
Covered-employee payroll	\$ 548,996	\$ 554,957	\$574,498	\$612,694	\$ 677,089
Net OPEB liability as a percentage of covered-employee payroll	27.09%	28.79%	37.22%	60.00%	67.00%

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

	Fiscal Year End June 30,				
	2018	2017	2016	2015	2014
Total OPEB liability					
Service cost	\$4,991	\$9,414			(Historical
Interest	17,434	14,557			information prior to
Differences between expected and actual experience	--	--			implementation of
Changes of assumptions	(18,998)	(23,880)			GASB 74/75 is not
Benefit payments	(22,828)	(24,934)			required)
Net change in total OPEB liability	(19,401)	(24,843)			
Total OPEB liability - beginning	498,407	523,250			
Total OPEB liability - ending (a)	\$479,006	\$498,407	\$523,250		
Plan fiduciary net position					
Contributions - employer	18,590	21,394	--		(Historical
Contributions - employee	16,480	14,750	--		information prior to
Net investment income	790	914	--		implementation of
Benefit payments, including refunds of employee contributions	(35,031)	(35,871)	--		GASB 74/75 is not
Other	(172)	(188)	--		required)
Net change in fiduciary net position	657	999	--		
Plan fiduciary net position - beginning	36,144	35,145	--		
Plan fiduciary net position - ending (b)	\$36,801	\$36,144	\$35,145		
Net OPEB Liability - ending (a) - (b)	\$442,205	\$462,263	\$488,105		
Plan's fiduciary net position as a percentage of the total OPEB liability	7.68%	7.25%	6.72%		(Historical
Covered-employee payroll	\$721,517	\$787,104	\$1,157,156		information prior to
Net OPEB liability as a percentage of covered-employee payroll	61.29%	58.73%	42.18%		implementation of
					GASB 74/75 is not
					required)

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Notes to Required Supplementary Information for Net OPEB Liability

Benefit changes:

The following plan changes were made effective January 1, 2023:

- Retiree health plan: in-network deductibles were increased and out-of-network out-of-pocket maximums were increased.
- Healthy savings plan: in-network deductibles and out-of-pocket maximums were increased and network coinsurance was decreased.

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 measurement date for fiscal years 2021-2023.
- Claims and trends for all the Base and Buyup Medicare advantage plans were revised to reflect future expectations as of the June 30, 2019 measurement date.
- New factors were used to estimate pre-65 individual retiree and spouse costs by age and gender based on a review of historical claims experience. The adjustment for morbidity or aging for post-65 per capital costs were eliminated.
- 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:

2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%
2017	3.58%

Statistical Section



University of Missouri System

COLUMBIA | KANSAS CITY | ROLLA | ST. LOUIS

STATEMENTS OF NET POSITION

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 331,177	\$ 444,294	\$ 490,771	\$ 351,825	\$ 357,065
Restricted Cash and Cash Equivalents	375,126	387,505	301,526	206,514	197,824
Short-Term Investments	447,368	11,099	26,123	41,548	39,172
Restricted Short-Term Investments	64,886	9,283	6,319	11,786	16,338
Investment of Cash Collateral	787	4,477	9,230	1,261	3,616
Accounts Receivable, Net	478,576	442,878	403,958	382,464	401,968
Pledges Receivable, Net	45,521	29,999	34,796	23,483	21,846
Investment Settlements Receivable	10,600	56,506	218,197	400,674	279,696
Notes Receivable, Net	6,062	6,719	7,598	7,854	8,489
Leases Receivable, Net	2,124	2,018	1,770	-	-
Inventories	51,786	52,511	49,567	42,648	41,155
Prepaid Expenses and Other Current Assets	39,066	35,299	32,390	28,689	29,501
Total Current Assets	1,853,079	1,482,588	1,582,245	1,498,746	1,396,670
Noncurrent Assets					
Restricted Cash and Cash Equivalents	1,028	7,319	19,615	4,699	4,667
Pledges Receivable, Net	32,771	39,686	51,075	40,125	40,677
Notes Receivable, Net	31,774	35,314	38,580	51,948	64,638
Leases Receivable, Net	12,307	13,310	15,465	-	-
Deferred Charges and Other Assets	16,552	14,916	16,015	12,413	18,352
Long-Term Investments	2,383,052	2,649,131	2,750,323	2,485,362	2,457,590
Restricted Long-Term Investments	1,888,174	1,909,257	2,079,815	1,688,180	1,525,301
Capital Assets, Net	3,998,692	3,834,510	3,744,765	3,623,529	3,466,439
Total Noncurrent Assets	8,364,350	8,503,443	8,715,653	7,906,256	7,577,664
Deferred Outflows of Resources	426,771	404,080	219,013	486,517	335,808
Total Assets and Deferred Outflows of Resources	\$ 10,644,200	\$ 10,390,111	\$ 10,516,911	\$ 9,891,519	\$ 9,310,142
Liabilities					
Current Liabilities					
Accounts Payable	\$ 170,287	\$ 202,527	\$ 206,727	\$ 157,046	\$ 194,885
Accrued Liabilities	229,417	210,950	194,217	187,488	183,942
Deferred Revenue	111,010	108,681	104,399	92,516	93,268
Funds Held for Others	-	-	-	-	-
Investment Settlements Payable	14,907	86,060	378,200	758,856	455,975
Collateral Held for Securities Lending	787	4,477	9,230	1,261	3,616
Commercial Paper and Current Portion of Long-Term Debt	201,355	53,337	29,828	16,882	399,074
Long-Term Debt Subject to Remarketing	66,485	70,735	74,820	78,755	82,540
Total Current Liabilities	794,248	736,767	997,421	1,292,804	1,413,300
Noncurrent Liabilities					
Unearned Revenue	13,471	13,719	13,967	14,445	15,119
Asset Retirement Obligation	62,433	62,433	62,433	62,433	62,433
Long-Term Debt	1,629,283	1,812,677	1,792,336	1,765,871	1,199,968
Derivative Instrument Liability	8,454	16,248	34,852	45,958	35,542
Net Other Postemployment Benefits Liability	148,746	159,780	213,817	367,614	453,640
Net Pension Liability	1,254,814	1,055,765	314,943	1,109,623	814,210
Other Noncurrent Liabilities	99,094	103,908	96,974	92,177	85,771
Total Noncurrent Liabilities	3,216,295	3,224,530	2,529,322	3,458,121	2,666,683
Deferred Inflows Resources	160,420	249,526	729,396	133,851	83,480
Total Liabilities and Deferred Inflows of Resources	\$ 4,170,963	\$ 4,210,823	\$ 4,256,139	\$ 4,884,776	\$ 4,163,463
Net Position					
Net Investment in Capital Assets	2,206,407	2,003,281	1,967,055	1,882,134	1,801,977
Restricted					
Nonexpendable -					
Endowment	1,628,024	1,582,260	1,659,825	1,270,680	1,257,588
Expendable -					
Scholarship, Research, Instruction & Other	574,519	550,796	558,475	442,225	433,282
Loans	70,579	73,990	76,084	79,000	82,217
Capital Projects	56,165	71,702	109,461	41,205	66,364
Unrestricted	1,937,543	1,897,259	1,889,872	1,291,499	1,439,038
Total Net Position	6,473,237	6,179,288	6,260,772	5,006,743	5,080,466
Total Liabilities & Net Position	\$ 10,644,200	\$ 10,390,111	\$ 10,516,911	\$ 9,891,519	\$ 9,243,929

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Operating Revenues					
Tuition and Fees, Net	\$ 985,282	\$ 931,616	\$ 883,315	\$ 873,335	\$ 857,833
Less: Scholarship Allowances	350,952	334,676	300,642	285,387	266,738
Net Tuition and Fees	634,330	596,940	582,673	587,948	591,095
Federal Grants and Contracts	233,777	207,374	186,052	173,869	165,427
State and Local Grants and Contracts	169,017	126,388	91,920	90,723	89,386
Private Grants and Contracts	105,485	99,956	93,937	88,134	85,583
Sales and Services of Educational Activities	23,908	22,513	19,821	20,682	19,489
Auxiliary Enterprises -					
Patient Medical Services, Net	1,906,047	1,733,615	1,643,468	1,505,424	1,510,024
Housing and Dining Services, Net	118,236	108,868	101,759	89,917	102,603
Bookstores	31,302	31,444	29,025	31,410	38,348
Other Auxiliary Enterprises, Net	358,792	332,666	320,638	296,555	307,046
Other Operating Revenues	88,143	70,650	68,976	75,998	97,715
Total Operating Revenues	3,669,037	3,330,414	3,138,269	2,960,660	3,006,716
Operating Expenses					
Salaries and Wages	1,979,873	1,797,287	1,661,296	1,683,906	1,649,269
Benefits	604,102	506,350	373,367	605,309	579,385
Supplies, Services and Other Operating Expenses	1,368,451	1,261,414	1,105,652	1,076,800	1,126,179
Scholarships and Fellowships	81,191	123,109	93,895	82,274	67,096
Depreciation	277,507	268,520	239,883	218,429	215,539
Total Operating Expenses	4,311,124	3,956,680	3,474,093	3,666,718	3,637,468
Operating Loss before State Appropriations	(642,087)	(626,266)	(335,824)	(706,058)	(630,752)
State Appropriations	453,422	424,949	419,690	364,412	408,797
Operating Income (Loss) after State Appropriations, Before Nonoperating Revenues (Expenses)					
Revenues (Expenses)	(188,665)	(201,317)	83,866	(341,646)	(221,955)
Nonoperating Revenues (Expenses)					
Federal Appropriations	29,273	28,290	27,964	27,108	27,026
Federal Pell Grants	55,221	53,034	55,539	54,480	56,594
Investment and Endowment Income (Losses), Net	196,801	(147,423)	775,901	32,285	199,243
Private Gifts	121,805	80,982	84,233	71,179	94,743
Interest Expense	(72,425)	(74,846)	(71,965)	(64,696)	(66,585)
Other Nonoperating Revenues (Expenses)	19,466	106,909	169,576	61,003	139
Net Nonoperating Revenues (Expenses)	350,141	46,946	1,041,248	181,359	311,160
Income (Loss) before Capital Contributions, Additions to Permanent Endowments, Extraordinary and Special Items					
Extraordinary and Special Items	161,476	(154,371)	1,125,114	(160,287)	89,205
State Capital Appropriations	3,646	682	-	-	-
Capital Gifts and Grants	87,781	30,528	67,825	40,648	67,106
Gifts and Grants for Endowment Purposes	41,046	41,677	61,029	45,916	30,524
Extraordinary Item:					
Loss on asset impairment	-	-	-	-	-
Increase (Decrease) in Net Position	293,949	(81,484)	1,253,968	(73,723)	186,835
Net Position, Beginning of Year	6,179,288	6,260,772	5,006,743	5,080,466	4,868,394
Cumulative Effect of Change in Accounting Principles					
	-	-	61	-	25,237
Net Position, Beginning of Year, as Adjusted	6,179,288	6,260,772	5,006,804	5,080,466	4,893,631
Net Position, End of Year	6,473,237	6,179,288	6,260,772	5,006,743	5,080,466

CHANGES IN NET POSITION

(% increase / decrease from prior year)

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Operating Revenues					
Tuition and Fees, Net	5.8%	5.5%	1.1%	1.8%	-0.5%
Less: Scholarship Allowances	4.9%	11.3%	5.3%	7.0%	17.8%
Net Tuition and Fees	6.3%	2.4%	-0.9%	-0.5%	-7.0%
Federal Grants and Contracts	12.7%	11.5%	7.0%	5.1%	5.0%
State and Local Grants and Contracts	33.7%	37.5%	1.3%	1.5%	49.1%
Private Grants and Contracts	5.5%	6.4%	6.6%	3.0%	14.4%
Sales and Services of Educational Activities	6.2%	13.6%	-4.2%	6.1%	-25.6%
Auxiliary Enterprises -					
Patient Medical Services, Net	9.9%	5.5%	9.2%	-0.3%	7.8%
Housing and Dining Services, Net	8.6%	7.0%	13.2%	-12.4%	1.8%
Bookstores	-0.5%	8.3%	-7.6%	-18.1%	-7.4%
Other Auxiliary Enterprises, Net	7.9%	3.8%	8.1%	-3.4%	3.9%
Other Operating Revenues	24.8%	2.4%	-9.2%	-22.2%	65.3%
Total Operating Revenues	10.2%	6.1%	6.0%	-1.5%	5.5%
Operating Expenses					
Salaries and Wages	10.2%	8.2%	-1.3%	2.1%	3.6%
Benefits	19.3%	35.6%	-38.3%	4.5%	21.8%
Supplies, Services and Other Operating Expenses	8.5%	14.1%	2.7%	-4.4%	11.9%
Scholarships and Fellowships	-34.0%	31.1%	14.1%	22.6%	-1.4%
Depreciation	3.3%	11.9%	9.8%	1.3%	1.0%
Total Operating Expenses	9.0%	13.9%	-5.3%	0.8%	8.4%
Operating Loss before State Appropriations	2.5%	-86.5%	52.4%	-11.9%	-25.1%
State Appropriations	6.7%	-1.3%	-15.2%	10.9%	-1.8%
Operating Income (Loss) after State Appropriations, Before Nonoperating Revenues (Expenses)					
Revenues (Expenses)	6.3%	340.0%	124.5%	-53.9%	-116.8%
Nonoperating Revenues (Expenses)					
Federal Appropriations	3.5%	1.2%	3.2%	0.3%	1.4%
Federal Pell Grants	4.1%	-4.5%	1.9%	-3.7%	2.2%
Investment and Endowment Income (Losses), Net	233.5%	-119.0%	2303.3%	-83.8%	0.1%
Private Gifts	50.4%	-3.9%	18.3%	-24.9%	21.6%
Interest Expense	-3.2%	4.0%	11.2%	-2.8%	-6.3%
Other Nonoperating Revenues (Expenses)	-81.8%	-37.0%	178.0%	43787.1%	-145.3%
Net Nonoperating Revenues (Expenses)	645.8%	-95.5%	474.1%	-41.7%	8.2%
Income (Loss) before Capital Contributions, Additions to Permanent Endowments and Extraordinary Item					
State Capital Appropriations	434.6%	0.0%	0.0%	0.0%	-100.0%
Capital Gifts and Grants	187.5%	-55.0%	66.9%	-39.4%	218.3%
Private Gifts for Endowment Purposes	-1.5%	-31.7%	32.9%	50.4%	-34.8%
Extraordinary Item:					
Loss on asset impairment	0.0%	0.0%	0.0%	0.0%	-100.0%
Increase (Decrease) in Net Position	460.7%	-106.5%	1800.9%	-139.5%	29.5%
Net Position, Beginning of Year	-1.3%	25.0%	-1.5%	4.4%	5.8%
Cumulative Effect of Change in Accounting Principles	0.0%	100.0%	100.0%	100.0%	100.0%
Net Position, Beginning of Year, as Adjusted	-1.3%	25.0%	-1.4%	3.8%	6.3%
Net Position, End of Year	4.8%	-1.3%	25.0%	-1.5%	4.4%

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Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
+ Primary Reserve Ratio	0.60	0.65	0.73	0.50	0.54
/ Conversion Factor	0.133	0.133	0.133	0.133	0.133
= Strength Factor	4.51	4.85	5.50	3.73	4.04
x Weighting Factor	35%	35%	35%	35%	35%
= Ratio Subtotal	1.58	1.70	1.92	1.31	1.41

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	4.6%	-1.3%	22.3%	-1.5%	3.7%
/ Conversion Factor	0.020	0.020	0.020	0.020	0.020
= Strength Factor	2.32	(0.66)	11.13	(0.73)	1.87
x Weighting Factor	20%	20%	20%	20%	20%
= Ratio Subtotal	0.46	(0.13)	2.23	(0.15)	0.37

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	4.6%	3.4%	10.6%	-1.1%	2.4%
/ Conversion Factor	0.013	0.013	0.013	0.013	0.013
= Strength Factor	3.57	2.60	8.12	(0.83)	1.83
x Weighting Factor	10%	10%	10%	10%	10%
= Ratio Subtotal	0.36	0.26	0.81	(0.08)	0.18

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	1.36	1.30	1.33	0.97	1.16
/ Conversion Factor	0.417	0.417	0.417	0.417	0.417
= Strength Factor	3.26	3.12	3.19	2.34	2.79
x Weighting Factor	35%	35%	35%	35%	35%
= Ratio Subtotal	1.14	1.09	1.12	0.82	0.98

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	3.54	2.92	6.08	1.90	2.95
Composite Financial Index - Three Year Average	3.61	3.63	3.64	2.72	3.26

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,	2023	2022	2021	2020	2019
Net Position - Unrestricted	\$ 1,937,543	\$ 1,897,259	\$ 1,889,872	\$ 1,291,499	\$ 1,439,038
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	574,519	550,796	558,475	442,225	433,282
Net Position - Restricted Expendable - Loans	70,579	73,990	76,084	79,000	82,217
Expendable Net Position	\$ 2,582,641	\$ 2,522,045	\$ 2,524,431	\$ 1,812,724	\$ 1,954,537
Operating Expenses	\$ 4,311,124	\$ 3,956,680	\$ 3,474,093	\$ 3,666,718	\$ 3,637,468
Less: Scholarships & Fellowships Expense	(81,191)	(123,109)	(93,895)	(82,274)	(67,096)
Interest Expense	72,425	74,846	71,965	64,696	66,585
Adjusted Total Operating Expense	\$ 4,302,358	\$ 3,908,417	\$ 3,452,163	\$ 3,649,140	\$ 3,636,957
Expendable Net Position	\$ 2,582,641	\$ 2,522,045	\$ 2,524,431	\$ 1,812,724	\$ 1,954,537
Adjusted Total Operating Expense	\$ 4,302,358	\$ 3,908,417	\$ 3,452,163	\$ 3,649,140	\$ 3,636,957
Primary Reserve Ratio	0.60	0.65	0.73	0.50	0.54

Return on Net Position Ratio

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Change in Net Position	\$ 293,949	\$ (81,484)	\$ 1,253,968	\$ (73,723)	\$ 186,835
Average Net Position	\$ 6,326,263	\$ 6,220,030	\$ 5,633,788	\$ 5,043,605	\$ 4,987,049
Return on Net Position Ratio	4.6%	-1.3%	22.3%	-1.5%	3.7%

Net Operating Revenues Ratio (Annual Operating Margin)

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Operating Inc (Loss) After State Appropriations	\$ (188,665)	\$ (201,317)	\$ 83,866	\$ (341,646)	\$ (221,955)
Federal Appropriations	29,273	28,290	27,964	27,108	27,026
Federal Pell Grants	55,221	53,034	55,539	54,480	56,594
Normalized Investment Income	264,427	250,791	227,911	214,440	198,919
Private Gifts	121,805	80,982	84,233	71,179	94,743
Interest Expense	(72,425)	(74,846)	(71,965)	(64,696)	(66,585)
Net Operating Surplus (Deficit)	\$ 209,636	\$ 136,934	\$ 407,548	\$ (39,135)	\$ 88,742
Total Operating Revenues	\$ 3,669,037	\$ 3,330,414	\$ 3,138,269	\$ 2,960,660	\$ 3,006,716
Less: Scholarship & Fellowships Expense	(81,191)	(123,109)	(93,895)	(82,274)	(67,096)
State Appropriations	453,422	424,949	419,690	364,412	408,797
Federal Appropriations	29,273	28,290	27,964	27,108	27,026
Federal Pell Grants	55,221	53,034	55,539	54,480	56,594
Normalized Investment Income (a)	264,427	250,791	227,911	214,440	198,919
Private Gifts	121,805	80,982	84,233	71,179	94,743
Total Operating Revenues	\$ 4,511,994	\$ 4,045,351	\$ 3,859,711	\$ 3,610,005	\$ 3,725,699
Net Operating Surplus (Deficit)	\$ 209,636	\$ 136,934	\$ 407,548	\$ (39,135)	\$ 88,742
Total Operating Revenues	\$ 4,511,994	\$ 4,045,351	\$ 3,859,711	\$ 3,610,005	\$ 3,725,699

(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 Revenues Ratio **4.6%** **3.4%** **10.6%** **-1.1%** **2.4%**

Viability Ratio (Expendable Financial Resources to Direct Debt)

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Net Position - Unrestricted	\$ 1,937,543	\$ 1,897,259	\$ 1,889,872	\$ 1,291,499	\$ 1,439,038
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	574,519	550,796	558,475	442,225	433,282
Net Position - Restricted Expendable - Loans	70,579	73,990	76,084	79,000	82,217
Expendable Net Position	\$ 2,582,641	\$ 2,522,045	\$ 2,524,431	\$ 1,812,724	\$ 1,954,537
Expendable Net Position	\$ 2,582,641	\$ 2,522,045	\$ 2,524,431	\$ 1,812,724	\$ 1,954,537
Total Direct Debt	\$ 1,897,123	\$ 1,936,749	\$ 1,896,984	\$ 1,861,508	\$ 1,681,582
Viability Ratio	1.36	1.30	1.33	0.97	1.16

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Net Tuition per Student

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Gross Tuition and Fees	\$ 985,282	\$ 931,616	\$ 883,315	\$ 873,335	\$ 857,833
Less: Scholarship Discounts / Allowances	(350,952)	(334,676)	(300,642)	(285,387)	(266,738)
Less: Scholarship / Fellowship Expenses	(81,191)	(123,109)	(93,895)	(82,274)	(67,096)
Net Tuition	\$ 553,139	\$ 473,831	\$ 488,778	\$ 505,674	\$ 523,999
Net Tuition	\$ 553,139	\$ 473,831	\$ 488,778	\$ 505,674	\$ 523,999
Number of Students - Fall Semester (FTEs)	51,906	51,905	51,967	52,609	53,510
Net Tuition per Student	\$ 10,657	\$ 9,129	\$ 9,406	\$ 9,612	\$ 9,793

State Appropriations per Student

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
State Appropriations	\$ 453,422	\$ 424,949	\$ 419,690	\$ 364,412	\$ 408,797
Number of Students - Fall Semester (FTEs)	51,906	51,905	51,967	52,609	53,510
State Appropriations per Student	\$ 8,735	\$ 8,187	\$ 8,076	\$ 6,927	\$ 7,640

Educational Expenses per Student

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Total Operating Expenses	\$ 4,311,124	\$ 3,956,680	\$ 3,474,093	\$ 3,666,718	\$ 3,637,468
Less: Scholarships / Fellowships Expense	(81,191)	(123,109)	(93,895)	(82,274)	(67,096)
Less: Auxiliary Operating Expenses	(1,958,318)	(1,958,318)	(1,958,318)	(1,860,131)	(1,790,379)
Less: Grants and Contracts Expenses	(508,279)	(433,718)	(371,909)	(352,726)	(340,396)
Interest Expense	72,425	74,846	71,965	64,696	66,585
Less: Auxiliary Interest Expense	(13,260)	(11,886)	(11,886)	(12,717)	(13,661)
Net Educational Expenses	\$ 1,822,501	\$ 1,504,495	\$ 1,110,050	\$ 1,423,566	\$ 1,492,521
Net Educational Expenses	\$ 1,822,501	\$ 1,504,495	\$ 1,110,050	\$ 1,423,566	\$ 1,492,521
Number of Students - Fall Semester (FTEs)	51,906	51,905	51,967	52,609	53,510
Educational Expenses per Student	\$ 35,112	\$ 28,986	\$ 21,361	\$ 27,059	\$ 27,892

Total Tuition Discount

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Scholarship Allowances	\$ 350,952	\$ 334,676	\$ 300,642	\$ 285,387	\$ 266,738
Scholarships / Fellowships Expense	81,191	123,109	93,895	82,274	67,096
Total Tuition Discounts (\$)	\$ 432,143	\$ 457,785	\$ 394,537	\$ 367,661	\$ 333,834
Total Tuition Discounts (\$)	\$ 432,143	\$ 457,785	\$ 394,537	\$ 367,661	\$ 333,834
Gross Tuition and Fees	\$ 985,282	\$ 931,616	\$ 883,315	\$ 873,335	\$ 857,833
Total Tuition Discount (%)	43.9%	49.1%	44.7%	42.1%	38.9%

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Unrestricted Financial Resources to Direct Debt

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Current Portion of Long-Term Debt	\$ 201,355	\$ 53,337	\$ 29,828	\$ 16,882	\$ 399,074
Long-Term Debt Subject to Remarketing	66,485	70,735	74,820	78,755	82,540
Long-Term Debt	1,629,283	1,812,677	1,792,336	1,765,871	1,199,968
Total Direct Debt	\$ 1,897,123	\$ 1,936,749	\$ 1,896,984	\$ 1,861,508	\$ 1,681,582
Net Position - Unrestricted	\$ 1,937,543	\$ 1,897,259	\$ 1,889,872	\$ 1,291,499	\$ 1,439,038
Total Direct Debt	\$ 1,897,123	\$ 1,936,749	\$ 1,896,984	\$ 1,861,508	\$ 1,681,582

**Unrestricted Financial Resources
to Direct Debt**
1.02 0.98 1.00 0.69 0.86

Viability Ratio (Expendable Financial Resources to Direct Debt)

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Net Position - Unrestricted	\$ 1,937,543	\$ 1,897,259	\$ 1,889,872	\$ 1,291,499	\$ 1,439,038
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	574,519	550,796	558,475	442,225	433,282
Net Position - Restricted Expendable - Loans	70,579	73,990	76,084	79,000	82,217
Expendable Net Position	\$ 2,582,641	\$ 2,522,045	\$ 2,524,431	\$ 1,812,724	\$ 1,954,537
Expendable Net Position	\$ 2,582,641	\$ 2,522,045	\$ 2,524,431	\$ 1,812,724	\$ 1,954,537
Total Direct Debt	\$ 1,897,123	\$ 1,936,749	\$ 1,896,984	\$ 1,861,508	\$ 1,681,582

Viability Ratio
1.36 1.30 1.33 0.97 1.16

Total Financial Resources to Direct Debt

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Net Position - Unrestricted	\$ 1,937,543	\$ 1,897,259	\$ 1,889,872	\$ 1,291,499	\$ 1,439,038
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	574,519	550,796	558,475	442,225	433,282
Net Position - Restricted Expendable - Loans	70,579	73,990	76,084	79,000	82,217
Net Position - Restricted Nonexpendable	1,628,024	1,582,260	1,659,825	1,270,680	1,257,588
Total Financial Resources	\$ 4,210,665	\$ 4,104,305	\$ 4,184,256	\$ 3,083,404	\$ 3,212,125
Total Financial Resources	\$ 4,210,665	\$ 4,104,305	\$ 4,184,256	\$ 3,083,404	\$ 3,212,125
Total Direct Debt	\$ 1,897,123	\$ 1,936,749	\$ 1,896,984	\$ 1,861,508	\$ 1,681,582

**Total Financial Resources
to Direct Debt**
2.22 2.12 2.21 1.66 1.91

Direct Debt per Student

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Total Direct Debt	\$ 1,897,123	\$ 1,936,749	\$ 1,896,984	\$ 1,861,508	\$ 1,681,582
Number of Students - End of Fiscal Year (FTEs)	51,627	51,627	51,906	51,466	52,827

Direct Debt per Student
\$ 36,747 \$ 37,514 \$ 36,547 \$ 36,170 \$ 31,832

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Actual Debt Service to Operations

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Debt Service - Principal	\$ 54,968	\$ 31,740	\$ 51,613	\$ 52,473	\$ 36,441
Debt Service - Interest	72,425	72,644	71,965	64,696	66,585
Total Debt Service	\$ 127,393	\$ 104,384	\$ 123,578	\$ 117,169	\$ 103,026
Operating Expenses	\$ 4,311,124	\$ 3,956,680	\$ 3,474,093	\$ 3,666,718	\$ 3,637,468
Less: Scholarships & Fellowships Expense	(81,191)	(123,109)	(93,895)	(82,274)	(67,096)
Interest Expense	72,425	74,846	71,965	64,696	66,585
Adjusted Total Operating Expense	\$ 4,302,358	\$ 3,908,417	\$ 3,452,163	\$ 3,649,140	\$ 3,636,957
Total Debt Service	\$ 127,393	\$ 104,384	\$ 123,578	\$ 117,169	\$ 103,026
Adjusted Total Operating Expense	\$ 4,302,358	\$ 3,908,417	\$ 3,452,163	\$ 3,649,140	\$ 3,636,957

Actual Debt Service to Operations **3.0%** **2.7%** **3.6%** **3.2%** **2.8%**

Capital Expense to Operations

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Depreciation Expense	\$ 277,507	\$ 268,520	\$ 239,883	\$ 218,429	\$ 215,539
Interest Expense	72,425	74,846	71,965	64,696	66,585
Total Capital Expense	\$ 349,932	\$ 343,366	\$ 311,848	\$ 283,125	\$ 282,124
Operating Expenses	\$ 4,311,124	\$ 3,956,680	\$ 3,474,093	\$ 3,666,718	\$ 3,637,468
Less: Scholarships & Fellowships Expense	(81,191)	(123,109)	(93,895)	(82,274)	(67,096)
Interest Expense	72,425	74,846	71,965	64,696	66,585
Adjusted Total Operating Expense	\$ 4,302,358	\$ 3,908,417	\$ 3,452,163	\$ 3,649,140	\$ 3,636,957
Total Capital Expense	\$ 349,932	\$ 343,366	\$ 311,848	\$ 283,125	\$ 282,124
Adjusted Total Operating Expense	\$ 4,302,358	\$ 3,908,417	\$ 3,452,163	\$ 3,649,140	\$ 3,636,957

Capital Expense to Operations **8.1%** **8.8%** **9.0%** **7.8%** **7.8%**

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Unrestricted Financial Resources to Operations

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Net Position - Unrestricted	\$ 1,937,543	\$ 1,897,259	\$ 1,889,872	\$ 1,291,499	\$ 1,439,038
Operating Expenses	\$ 4,311,124	\$ 3,956,680	\$ 3,474,093	\$ 3,666,718	\$ 3,637,468
Less: Scholarships & Fellowships Expense	(81,191)	(123,109)	(93,895)	(82,274)	(67,096)
Interest Expense	72,425	74,846	71,965	64,696	66,585
Adjusted Total Operating Expense	\$ 4,302,358	\$ 3,908,417	\$ 3,452,163	\$ 3,649,140	\$ 3,636,957
Net Position - Unrestricted	\$ 1,937,543	\$ 1,897,259	\$ 1,889,872	\$ 1,291,499	\$ 1,439,038
Adjusted Total Operating Expense	\$ 4,302,358	\$ 3,908,417	\$ 3,452,163	\$ 3,649,140	\$ 3,636,957

Unrestricted Financial Resources
to Operations

0.45 0.49 0.55 0.35 0.40

Primary Reserve Ratio (*Expendable Financial Resources to Operations*)

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Net Position - Unrestricted	\$ 1,937,543	\$ 1,897,259	\$ 1,889,872	\$ 1,291,499	\$ 1,439,038
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	574,519	550,796	558,475	442,225	433,282
Net Position - Restricted Expendable - Loans	70,579	73,990	76,084	79,000	82,217
Expendable Net Position	\$ 2,582,641	\$ 2,522,045	\$ 2,524,431	\$ 1,812,724	\$ 1,954,537
Operating Expenses	\$ 4,311,124	\$ 3,956,680	\$ 3,474,093	\$ 3,666,718	\$ 3,637,468
Less: Scholarships & Fellowships Expense	(81,191)	(123,109)	(93,895)	(82,274)	(67,096)
Interest Expense	72,425	74,846	71,965	64,696	66,585
Adjusted Total Operating Expense	\$ 4,302,358	\$ 3,908,417	\$ 3,452,163	\$ 3,649,140	\$ 3,636,957
Expendable Net Position	\$ 2,582,641	\$ 2,522,045	\$ 2,524,431	\$ 1,812,724	\$ 1,954,537
Adjusted Total Operating Expense	\$ 4,302,358	\$ 3,908,417	\$ 3,452,163	\$ 3,649,140	\$ 3,636,957

Primary Reserve Ratio

0.60 0.65 0.73 0.50 0.54

Total Financial Resources per Student

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Net Position - Unrestricted	\$ 1,937,543	\$ 1,897,259	\$ 1,889,872	\$ 1,291,499	\$ 1,439,038
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	574,519	550,796	558,475	442,225	433,282
Net Position - Restricted Expendable - Loans	70,579	73,990	76,084	79,000	82,217
Net Position - Restricted Nonexpendable	1,628,024	1,582,260	1,659,825	1,270,680	1,257,588
Total Financial Resources	\$ 4,210,665	\$ 4,104,305	\$ 4,184,256	\$ 3,083,404	\$ 3,212,125
Total Financial Resources	\$ 4,210,665	\$ 4,104,305	\$ 4,184,256	\$ 3,083,404	\$ 3,212,125
Number of Students - End of Fiscal Year (FTE)	51,627	51,627	51,906	51,466	52,827
Total Financial Resources per Student	\$ 81,559	\$ 79,499	\$ 80,612	\$ 59,911	\$ 60,805

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Net Operating Revenues Ratio (Annual Operating Margin)

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Operating (Loss) After State Appropriations	\$ (188,665)	\$ (201,317)	\$ 83,866	\$ (341,646)	\$ (221,955)
Federal Appropriations	29,273	28,290	27,964	27,108	27,026
Federal Pell Grants	55,221	53,034	55,539	54,480	56,594
Normalized Investment Income	264,427	250,791	227,911	214,440	198,919
Private Gifts	121,805	80,982	84,233	71,179	94,743
Interest Expense	(72,425)	(74,846)	(71,965)	(64,696)	(66,585)
Net Operating Surplus (Deficit)	\$ 209,636	\$ 136,934	\$ 407,548	\$ (39,135)	\$ 88,742
Total Operating Revenues	\$ 3,669,037	\$ 3,330,414	\$ 3,138,269	\$ 2,960,660	\$ 3,006,716
Less: Scholarship & Fellowships Expense	(81,191)	(123,109)	(93,895)	(82,274)	(67,096)
State Appropriations	453,422	424,949	419,690	364,412	408,797
Federal Appropriations	29,273	28,290	27,964	27,108	27,026
Federal Pell Grants	55,221	53,034	55,539	54,480	56,594
Normalized Investment Income (a)	264,427	250,791	227,911	214,440	198,919
Private Gifts	121,805	80,982	84,233	71,179	94,743
Total Operating Revenues	\$ 4,511,994	\$ 4,045,351	\$ 3,859,711	\$ 3,610,005	\$ 3,725,699

(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)	\$ 209,636	\$ 136,934	\$ 407,548	\$ (39,135)	\$ 88,742
Total Operating Revenues	\$ 4,511,994	\$ 4,045,351	\$ 3,859,711	\$ 3,610,005	\$ 3,725,699

Net Operating Revenues Ratio **4.6%** **3.4%** **10.6%** **-1.1%** **2.4%**

Debt Service Coverage

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Total Debt Service	\$ 127,393	\$ 104,384	\$ 123,578	\$ 117,169	\$ 103,026
Net Operating Surplus (Deficit)	\$ 209,636	\$ 136,934	\$ 407,548	\$ (39,135)	\$ 88,742
Add Back: Interest Expense	72,425	74,846	71,965	64,696	66,585
Add Back: Depreciation Expense	277,507	268,520	239,883	218,429	215,539
Adjusted Net Operating Surplus (Deficit)	\$ 559,568	\$ 480,300	\$ 719,396	\$ 243,990	\$ 370,866
Adjusted Net Operating Surplus (Deficit)	\$ 559,568	\$ 480,300	\$ 719,396	\$ 243,990	\$ 370,866
Total Debt Service	\$ 127,393	\$ 104,384	\$ 123,578	\$ 117,169	\$ 103,026

Debt Service Coverage **4.39** **4.60** **5.82** **2.08** **3.60**

Return on Net Position Ratio

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Change in Net Position	\$ 293,949	\$ (81,484)	\$ 1,253,968	\$ (73,723)	\$ 186,835
Average Net Position	\$ 6,326,263	\$ 6,220,030	\$ 5,633,788	\$ 5,043,605	\$ 4,987,049

Return on Net Position Ratio **4.6%** **-1.3%** **22.3%** **-1.5%** **3.7%**

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Contribution Ratios

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
State Appropriations	\$ 453,422	\$ 424,949	\$ 419,690	\$ 364,412	\$ 408,797
Tuition and Fees, Net of Scholarship Allow/Exp	553,139	473,831	488,778	505,674	523,999
Auxiliary Enterprises	508,330	472,978	451,422	417,882	447,997
Grants and Contracts	508,279	433,718	371,909	352,726	340,396
Federal Pell Grants	55,221	53,034	55,539	54,480	56,594
Gifts	121,805	80,982	84,233	71,179	94,743
Normalized Investment Income (a)	264,427	250,791	227,911	214,440	198,919
Patient Care	1,906,047	1,733,615	1,643,468	1,505,424	1,510,024
Other	141,324	121,453	116,761	123,788	144,230
Total	\$ 4,511,994	\$ 4,045,351	\$ 3,859,711	\$ 3,610,005	\$ 3,725,699
State Appropriations	10.0%	10.5%	10.9%	10.1%	11.0%
Tuition and Fees, Net of Scholarship Allow/Exp	12.3%	11.7%	12.7%	14.0%	14.1%
Auxiliary Enterprises	11.3%	11.7%	11.7%	11.6%	12.0%
Grants and Contracts	11.3%	10.7%	9.6%	9.8%	9.1%
Federal Pell Grants	1.2%	1.3%	1.4%	1.5%	1.5%
Gifts	2.7%	2.0%	2.2%	2.0%	2.5%
Normalized Investment Income (a)	5.9%	6.2%	5.9%	5.9%	5.3%
Patient Care	42.2%	42.9%	42.6%	41.7%	40.5%
Other	3.1%	3.0%	3.0%	3.4%	4.0%
Total	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,	2023	2022	2021	2020	2019
Instruction	\$ 644,141	\$ 570,511	\$ 506,739	\$ 640,588	\$ 691,250
Research	383,978	318,248	203,717	217,016	209,365
Public Service	234,516	167,792	158,967	189,240	180,089
Academic Support	169,323	153,480	129,833	160,050	161,044
Student Services	104,230	91,316	80,517	102,503	103,966
Institutional Support	172,578	151,053	90,697	134,209	146,090
Operation and Maintenance of Plant	63,101	94,151	92,409	126,629	121,638
Auxiliary Enterprises	2,180,559	2,018,500	1,877,436	1,795,780	1,741,391
Scholarships and Fellowships	81,191	93,895	93,895	82,274	67,096
Depreciation	277,507	268,520	239,883	218,429	215,539
Total Operating Expenses	\$ 4,311,124	\$ 3,927,466	\$ 3,474,093	\$ 3,666,718	\$ 3,637,468
Instruction	14.9%	14.5%	14.6%	17.5%	19.0%
Research	8.9%	8.1%	5.9%	5.9%	5.8%
Public Service	5.4%	4.3%	4.6%	5.2%	5.0%
Academic Support	3.9%	3.9%	3.7%	4.4%	4.4%
Student Services	2.4%	2.3%	2.3%	2.8%	2.9%
Institutional Support	4.0%	3.8%	2.6%	3.7%	4.0%
Operation and Maintenance of Plant	1.5%	2.4%	2.7%	3.5%	3.3%
Auxiliary Enterprises	50.6%	51.4%	54.0%	49.0%	47.9%
Scholarships and Fellowships	1.9%	2.4%	2.7%	2.2%	1.8%
Depreciation	6.4%	6.8%	6.9%	6.0%	5.9%
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2022	2021	2020	2019	2018
Undergraduate Students (Head Count)	51,837	52,437	51,466	53,370	54,106
Graduate Students (Head Count)	13,706	13,878	13,801	13,705	13,803
Professional Students (Head Count)	3,725	3,519	3,485	3,403	3,351
Total Students (Head Count)	69,268	69,834	68,752	70,478	71,260
Undergraduate Students (FTE)	40,290	40,781	40,951	41,575	42,406
Graduate Students (FTE)	7,734	7,650	7,567	7,672	7,795
Professional Students (FTE)	3,604	3,474	3,449	3,362	3,309
Total Students (FTE)	51,628	51,905	51,967	52,609	53,510
Acceptance Rate - First-time Freshmen	75%	76%	76%	75%	72%
Acceptance Rate - Undergraduate Transfers	66%	69%	67%	64%	63%
Matriculation - First-time Freshmen	29%	29%	29%	32%	32%
Matriculation - Undergraduate Transfers	59%	62%	63%	66%	66%

Demographics

Fall Semester	2022	2021	2020	2019	2018
Male	46%	46%	47%	47%	48%
Female	54%	54%	53%	53%	52%
Undergraduate Residence - Missouri	83%	83%	83%	83%	83%
Undergraduate Residence - Out of State	17%	17%	17%	17%	17%
Undergraduate Full-Time	71%	71%	73%	71%	72%
Undergraduate Part-Time	29%	29%	27%	29%	28%
Graduate Full-Time	46%	42%	40%	43%	45%
Graduate Part-Time	54%	58%	60%	57%	55%
White	70.7%	71.6%	72.4%	72.0%	72.5%
Black or African American	8.2%	8.5%	8.8%	8.8%	8.8%
Non-Resident Alien	6.3%	5.3%	4.8%	5.8%	6.2%
Asian / Pacific Is.	4.9%	4.9%	4.6%	4.6%	4.4%
Hispanic	6.1%	5.8%	5.5%	5.1%	4.7%
Other	3.8%	3.9%	3.9%	3.7%	3.4%

Degrees Awarded

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Baccalaureate	10,276	9,826	10,238	10,855	11,401
Graduate Certificate	1,096	1,046	1,017	926	1,026
Master's	4,249	3,645	3,657	3,528	3,577
Educational Specialist	95	121	130	125	106
Doctoral	708	714	744	745	754
First Professional Degree	965	980	953	899	882
Total	17,389	16,332	16,739	17,078	17,746

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2022	2021	2020	2019	2018
Undergraduate Students (Head Count)	23,745	23,696	23,383	22,589	22,484
Graduate Students (Head Count)	5,764	6,115	6,172	5,951	5,952
Professional Students (Head Count)	1,795	1,590	1,534	1,474	1,407
Total Students (Head Count)	31,304	31,401	31,089	30,014	29,843
Undergraduate Students (FTE)	21,900	21,702	21,298	20,525	20,566
Graduate Students (FTE)	3,172	3,345	3,449	3,362	3,403
Professional Students (FTE)	1,713	1,576	1,522	1,461	1,393
Total Students (FTE)	26,785	26,623	26,269	25,348	25,362
Acceptance Rate - First-time Freshmen	79%	77%	82%	82%	78%
Acceptance Rate - Undergraduate Transfers	69%	71%	69%	71%	65%
Matriculation - First-time Freshmen	31%	32%	31%	34%	32%
Matriculation - Undergraduate Transfers	65%	67%	64%	64%	60%

Demographics

Fall Semester	2022	2021	2020	2019	2018
Male	44%	44%	45%	45%	46%
Female	56%	56%	55%	55%	54%
Undergraduate Residence - Missouri	79%	79%	80%	78%	78%
Undergraduate Residence - Out of State	21%	21%	20%	22%	22%
Undergraduate Full-Time	93%	92%	91%	92%	92%
Undergraduate Part-Time	7%	8%	9%	8%	8%
Graduate Full-Time	45%	44%	48%	49%	53%
Graduate Part-Time	55%	56%	52%	51%	47%
White	77.4%	77.1%	77.0%	76.5%	76.5%
Black or African American	5.5%	6.3%	6.7%	6.8%	7.0%
Non-Resident Alien	4.5%	4.1%	4.3%	5.5%	6.2%
Asian / Pacific Is.	3.1%	3.0%	2.8%	2.6%	2.4%
Hispanic	5.3%	5.2%	5.0%	4.6%	4.3%
Other	4.2%	4.0%	4.2%	4.0%	3.6%

Degrees Awarded

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Baccalaureate	5,944	5,092	5,114	5,641	6,314
Graduate Certificate	464	450	381	358	386
Master's	1,598	1,568	1,423	1,562	1,473
Educational Specialist	63	76	91	82	59
Doctoral	321	329	366	359	426
First Professional Degree	437	462	426	376	357
Total	8,827	7,977	7,801	8,378	9,015

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2022	2021	2020	2019	2018
Undergraduate Students (Head Count)	10,179	10,698	11,027	11,301	11,319
Graduate Students (Head Count)	3,767	3,547	3,346	3,339	3,287
Professional Students (Head Count)	1,757	1,758	1,774	1,748	1,769
Total Students (Head Count)	15,703	16,003	16,147	16,388	16,375
Undergraduate Students (FTE)	6,700	7,079	7,453	7,744	7,853
Graduate Students (FTE)	2,298	2,105	1,871	1,871	1,831
Professional Students (FTE)	1,718	1,727	1,749	1,721	1,740
Total Students (FTE)	10,716	10,911	11,073	11,336	11,424
Acceptance Rate - First-time Freshmen	69%	76%	63%	61%	56%
Acceptance Rate - Undergraduate Transfers	65%	70%	65%	56%	56%
Matriculation - First-time Freshmen	32%	30%	30%	33%	32%
Matriculation - Undergraduate Transfers	57%	62%	64%	68%	65%

Demographics

Fall Semester	2022	2021	2020	2019	2018
Male	42%	42%	42%	42%	43%
Female	58%	58%	58%	58%	57%
Undergraduate Residence - Missouri	78%	79%	78%	77%	77%
Undergraduate Residence - Out of State	22%	21%	22%	23%	23%
Undergraduate Full-Time	55%	54%	55%	57%	58%
Undergraduate Part-Time	45%	46%	45%	43%	42%
Graduate Full-Time	49%	44%	34%	36%	37%
Graduate Part-Time	51%	56%	66%	64%	63%
White	55.3%	58.7%	61.9%	62.2%	63.7%
Black or African American	9.8%	10.2%	10.3%	10.1%	9.6%
Non-Resident Alien	11.5%	8.4%	5.8%	7.0%	7.0%
Asian / Pacific Is.	8.6%	8.4%	8.4%	8.2%	7.6%
Hispanic	10.0%	9.5%	8.5%	7.9%	7.5%
Other	4.8%	4.8%	5.1%	4.6%	4.6%

Degrees Awarded

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Baccalaureate	1,634	1,623	1,808	1,903	1,778
Graduate Certificate	87	100	72	53	64
Master's	1,498	1,042	1,102	892	859
Educational Specialist	12	14	16	24	24
Doctoral	132	136	135	138	135
First Professional Degree	484	481	480	477	486
Total	3,847	3,396	3,613	3,487	3,346

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2022	2021	2020	2019	2018
Undergraduate Students (Head Count)	5,498	5,696	6,083	6,454	6,843
Graduate Students (Head Count)	1,582	1,545	1,559	1,634	1,758
Professional Students (Head Count)	-	-	-	-	-
Total Students (Head Count)	7,080	7,241	7,642	8,088	8,601
Undergraduate Students (FTE)	4,951	5,078	5,471	5,739	6,123
Graduate Students (FTE)	932	867	874	986	1,113
Professional Students (FTE)	-	-	-	-	-
Total Students (FTE)	5,883	5,945	6,345	6,725	7,236
Acceptance Rate - First-time Freshmen	81%	85%	81%	79%	84%
Acceptance Rate - Undergraduate Transfers	82%	80%	83%	70%	74%
Matriculation - First-time Freshmen	22%	25%	25%	29%	36%
Matriculation - Undergraduate Transfers	46%	52%	54%	58%	65%

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

Demographics

Fall Semester	2022	2021	2020	2019	2018
Male	76%	77%	77%	76%	76%
Female	24%	23%	23%	24%	24%
Undergraduate Residence - Missouri	83%	84%	86%	86%	86%
Undergraduate Residence - Out of State	17%	16%	14%	14%	14%
Undergraduate Full-Time	89%	89%	89%	88%	89%
Undergraduate Part-Time	11%	11%	11%	12%	11%
Graduate Full-Time	65%	59%	50%	56%	60%
Graduate Part-Time	35%	41%	50%	44%	40%
White	73.1%	74.7%	75.7%	75.1%	75.5%
Black or African American	3.2%	3.4%	3.7%	3.4%	3.1%
Non-Resident Alien	11.1%	9.3%	8.5%	9.9%	10.5%
Asian / Pacific Is.	4.1%	4.2%	4.0%	4.0%	3.7%
Hispanic	5.3%	5.0%	4.7%	4.3%	3.8%
Other	3.2%	3.4%	3.4%	3.3%	3.4%

Degrees Awarded

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Baccalaureate	1,205	1,325	1,427	1,423	1,388
Graduate Certificate	360	347	429	410	454
Master's	475	400	413	427	517
Educational Specialist	-	-	-	-	-
Doctoral	89	113	118	119	101
First Professional Degree	-	-	-	-	-
Total	2,129	2,185	2,387	2,379	2,460

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2022	2021	2020	2019	2018
Undergraduate Students (Head Count)	12,415	12,347	10,973	13,026	13,460
Graduate Students (Head Count)	2,593	2,671	2,724	2,781	2,806
Professional Students (Head Count)	173	171	177	181	175
Total Students (Head Count)	15,181	15,189	13,874	15,988	16,441
Undergraduate Students (FTE)	6,739	6,924	6,730	7,568	7,865
Graduate Students (FTE)	1,331	1,333	1,372	1,452	1,448
Professional Students (FTE)	173	171	177	181	175
Total Students (FTE)	8,243	8,428	8,279	9,201	9,488
Acceptance Rate - First-time Freshmen	51%	57%	58%	52%	52%
Acceptance Rate - Undergraduate Transfers	61%	64%	63%	63%	69%
Matriculation - First-time Freshmen	22%	17%	21%	25%	27%
Matriculation - Undergraduate Transfers	57%	58%	64%	70%	72%

Demographics

Fall Semester	2022	2021	2020	2019	2018
Male	40%	40%	41%	41%	41%
Female	60%	60%	59%	59%	59%
Undergraduate Residence - Missouri	95%	94%	93%	94%	94%
Undergraduate Residence - Out of State	5%	6%	7%	6%	6%
Undergraduate Full-Time	34%	36%	45%	39%	40%
Undergraduate Part-Time	66%	64%	55%	61%	60%
Graduate Full-Time	30%	26%	27%	30%	30%
Graduate Part-Time	70%	74%	73%	70%	70%
White	71.5%	72.2%	72.1%	72.0%	72.2%
Black or African American	14.4%	13.9%	14.5%	14.3%	14.2%
Non-Resident Alien	2.6%	2.6%	2.6%	3.0%	2.9%
Asian / Pacific Is.	5.1%	5.4%	4.7%	4.8%	5.0%
Hispanic	3.9%	3.4%	3.4%	3.4%	3.2%
Other	2.5%	2.5%	2.7%	2.5%	2.5%

Degrees Awarded

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Baccalaureate	1,493	1,786	1,889	1,888	1,921
Graduate Certificate	185	149	135	105	122
Master's	678	635	719	647	728
Educational Specialist	20	31	23	19	23
Doctoral	166	136	125	130	92
First Professional Degree	44	37	47	46	39
Total	2,586	2,774	2,938	2,835	2,925

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