NEW ISSUE
BOOK-ENTRY ONLY

Ratings: Moody's: "Aa1"
Standard & Poor's: "AA+"
See "RATINGS."

In the opinion of Thompson Coburn LLP, Bond Counsel, conditioned on continuing compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 2013A Bonds is excluded from gross income for federal income tax purposes, while interest on the Series 2013B Bonds is not excluded from gross income for federal income tax purposes. Also in the opinion of Bond Counsel, interest on the Series 2013A Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax on corporations and other taxpayers, including individuals. Interest on the Series 2013A Bonds is included in a corporate taxpayer's adjusted current earnings for purposes of determining its federal alternative minimum tax liability. In the opinion of Bond Counsel, interest on the Series 2013A Bonds and the Series 2013B Bonds is exempt from income taxation by the State of Missouri. Also in the opinion of Bond Counsel, the Series 2013A Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(h)(3) of the Code (relating to financial institution deductibility of interest expense). See "TAX MATTERS" and the forms of opinion of Bond Counsel attached hereto as ***Appendix E****.*

$161,325,000
Aggregate Principal Amount
THE CURATORS OF THE UNIVERSITY OF MISSOURI
SYSTEM FACILITIES REVENUE BONDS
SERIES 2013

consisting of

$11,325,000 **System Facilities Revenue Bonds** **Series 2013A**	**$150,000,000** **Taxable System Facilities Revenue Bonds** **Series 2013B**

Dates, Interest Rates, Prices and Maturities as Shown on the Inside Front Cover

The Series 2013 Bonds are issuable in book-entry only form in denominations of $5,000 or any integral multiple thereof. Interest on the Series 2013 Bonds will be payable on each May 1 and November 1, beginning May 1, 2014.

The Series 2013 Bonds are subject to redemption prior to maturity as described herein.

The Series 2013 Bonds and the interest thereon are special, limited obligations of The Curators of the University of Missouri (the **"University"**). The Series 2013 Bonds are payable solely from, and secured as to the payment of principal of, redemption premium, if any, and interest on the Series 2013 Bonds by a first lien on and pledge of the System Revenues, as defined herein. The Series 2013 Bonds stand on a parity with and are equally and ratably secured with respect to the payment of principal and interest from the System Revenues and in all other respects with certain other outstanding revenue bonds of the University as described under **"SECURITY FOR THE SERIES 2013 BONDS - Outstanding Parity Bonds."** The Series 2013 Bonds are not obligations of the State of Missouri. The University has no power to tax.

The Series 2013 Bonds are offered when, as and if delivered by the University, and accepted by the Underwriters, subject to the approval of legality by Thompson Coburn LLP, St. Louis, Missouri, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the University by Phillip J. Hoskins, Esq., Acting General Counsel to the University, and by Gilmore & Bell, P.C., Kansas City, Missouri, Disclosure Counsel to the University, and for the Underwriters by Greenberg Traurig, LLP, Boston, Massachusetts. Prager & Co., LLC, New York, New York, serves as Financial Advisor to the University in this transaction. It is expected that the Series 2013 Bonds will be available for delivery through The Depository Trust Company on or about November 26, 2013.

Barclays **BofA Merrill Lynch**

George K. Baum & Company **Stifel** **Stern Brothers & Co.**

This Official Statement is dated November 12, 2013.

MATURITY SCHEDULE

$11,325,000
THE CURATORS OF THE UNIVERSITY OF MISSOURI
SYSTEM FACILITIES REVENUE BONDS
SERIES 2013A

Dated: Date of Issuance **Due: November 1, as shown below**

Maturity Nov. 1	Principal Amount	Interest Rate	Price	Yield	CUSIP†
2015	$ 530,000	3.000%	105.074%	0.360%	231266 KV8
2016	1,135,000	4.000	110.015	0.550	231266 KW6
2017	1,185,000	4.000	112.150	0.850	231266 KX4
2018	1,245,000	5.000	118.086	1.210	231266 KY2
2019	1,305,000	5.000	119.225	1.590	231266 KZ9
2020	1,375,000	5.000	119.252	2.010	231266 LA3
2021	100,000	3.000	104.677	2.350	231266 LB1
2021	1,345,000	5.000	119.070	2.350	231266 LE5
2022	1,515,000	5.000	119.367	2.560	231266 LC9
2023	1,590,000	5.000	119.434	2.750	231266 LD7

$150,000,000
THE CURATORS OF THE UNIVERSITY OF MISSOURI
TAXABLE SYSTEM FACILITIES REVENUE BONDS
SERIES 2013B

Dated: Date of Issuance **Due: November 1, 2043**

Principal Amount	Interest Rate	Price	Yield	CUSIP†
$150,000,000	4.874%	100.000%	4.874%	231266 LF2

† CUSIP Numbers have been assigned to this issue by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and are included solely for the convenience of the bondholders. Neither the University nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

REGARDING USE OF THIS OFFICIAL STATEMENT

The Series 2013 Bonds have not been registered with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has the Resolution been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. In making an investment decision, investors must rely on their own examinations of the University and the terms of the offering. The Series 2013 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

In connection with the offering of the Series 2013 Bonds, the Underwriters may over allot or effect transactions that stabilize or maintain the market prices of the Series 2013 Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesman or other person has been authorized by the University, the Underwriters or the Financial Advisor to give any information or to make any representations with respect to the Series 2013 Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2013 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the University and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Financial Advisor. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to its date.

FORWARD-LOOKING STATEMENTS

This Official Statement contains "forward-looking statements" which are unaudited. These forward-looking statements include statements about the University's future plans, strategies and projections, and other statements that are not historical in nature. These forward-looking statements are based on the current expectations of management of the University. When used in this Official Statement, the words "estimate," "intend," "expect," "projected" and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve future risks and uncertainties that could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in forward-looking statements. These future risks and uncertainties include (i) risks associated with decreases in State appropriations for the University in the 2014 fiscal year and in future years, (ii) risks associated with fluctuating student enrollment and any decrease in the demand for and revenues from the System Facilities, (iii) endowment and other investment risks, including any future decline in the value of the University's investments, (iv) risks associated with the operations of the University Health System, including the impact of the Affordable Care Act on the University Health System and the University, and (v) the other risks discussed in this Official Statement. The University undertakes no obligation to update any forward-looking statements contained in this Official Statement to reflect future events or developments.

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BOARD OF CURATORS
OF THE
UNIVERSITY OF THE STATE OF MISSOURI

GENERAL OFFICERS

Timothy M. Wolfe, President
Henry C. Foley, Executive Vice President for Academic Affairs
Thomas F. Richards, Interim Vice President for Finance and Treasurer
Gary K. Allen, Vice President for Information Technology and Chief Information Officer
Elizabeth Rodriguez, Vice President for Human Resources
Stephen C. Knorr, Vice President for University Relations
Brady J. Deaton, Chancellor, University of Missouri – Columbia
Stephen J. Owens, Interim Chancellor, University of Missouri – Columbia[1]
Leo E. Morton, Chancellor, University of Missouri – Kansas City
Cheryl B. Schrader, Chancellor, Missouri University of Science and Technology
Thomas F. George, Chancellor, University of Missouri – St. Louis

BOND COUNSEL

Thompson Coburn LLP
St. Louis, Missouri

DISCLOSURE COUNSEL

Gilmore & Bell, P.C.
Kansas City, Missouri

FINANCIAL ADVISOR

Prager & Co., LLC
New York, New York

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[1] Effective November 15, 2013. See **"General Officers"** in **Appendix A**.

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OFFICIAL STATEMENT

$161,325,000
Aggregate Principal Amount
THE CURATORS OF THE UNIVERSITY OF MISSOURI
SYSTEM FACILITIES REVENUE BONDS
SERIES 2013

consisting of

$11,325,000 System Facilities Revenue Bonds Series 2013A	$150,000,000 Taxable System Facilities Revenue Bonds Series 2013B

INTRODUCTION

The following introductory statement is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the Appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page, the inside cover page, and Appendices, should be considered in its entirety. All capitalized terms used in this Official Statement that are not otherwise defined herein shall have the meanings ascribed to them in ***Appendix D****.*

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to The Curators of the University of Missouri (the "***University***"), the University's System Facilities described below, the University's System Facilities Revenue Bonds, Series 2013A (the ***"Series 2013A Bonds"***) to be issued in the aggregate principal amount of $11,325,000 and the University's Taxable System Facilities Revenue Bonds, Series 2013B (the ***"Series 2013B Bonds"*** and together with the Series 2013A Bonds, the ***"Series 2013 Bonds"***) to be issued in the aggregate principal amount of $150,000,000. See **"PLAN OF FINANCE."**

The University

The University is a duly incorporated and created body politic and state educational institution existing under the Constitution and laws of the State of Missouri (the ***"State"***), and is governed by the Board of Curators of the University of the State of Missouri (the "***Board***"). The University consists of four campuses located in the following Missouri cities: Columbia, Kansas City, Rolla and St. Louis. The four-campus system administration is located in Columbia. The University includes 45 schools, colleges and divisions and had a Fall 2013 enrollment of more than 75,000 full and part-time students. The University is the only public institution in Missouri offering professional and doctoral degrees. Approximately one-fourth of its enrollment consists of professional and graduate students. The University owns and operates the University Health System, which is a system of hospitals and clinics serving the health care needs of central Missouri, and includes University Physicians, which is the organized practice plan for the faculty of the University of Missouri – Columbia School of Medicine. The University also administers a statewide cooperative extension service with centers located in nearly all of Missouri's 114 counties. See **Appendix A** for additional information about the University.

The Series 2013 Bonds

The Series 2013 Bonds are being issued pursuant to and in full compliance with the Constitution and Statutes of the State of Missouri, a Resolution adopted by the Board on October 23, 2013, and a Resolution adopted by the Executive Committee of the Board on November 12, 2013 (collectively, the "***Resolution***").

The Series 2013 Bonds are being issued for the purpose of (i) refunding the Refunded Bonds (defined below), (ii) paying a portion of the costs of acquiring, constructing, erecting, equipping and furnishing certain additions and improvements to the System Facilities (as defined below) (collectively, the ***"Projects"***), and (iii) paying the costs of issuance of the Series 2013 Bonds. See **"PLAN OF FINANCE."**

Sources of Revenue and Security for the Series 2013 Bonds

The Series 2013 Bonds and the interest thereon are special limited obligations of the University. The Series 2013 Bonds are payable solely from, and secured as to the payment of principal of, redemption premium, if any, and interest on the Series 2013 Bonds, by a first lien on and pledge of the gross income and revenues derived from the following (collectively, the ***"System Revenues"***): (i) the ownership or operation of certain facilities of the University described herein (the ***"System Facilities"***); (ii) the imposition and collection of certain specifically assessed student fees and stadium usage surcharges; and (iii) the portion of the tuition and fees collected from all students attending the University that is designated by the University as a ***"Student System Facilities Fee"*** in connection with the System Facilities in an amount equal to the Maximum Annual Debt Service on the Series 2013 Bonds, nine outstanding revenue bond issues of the University that are on a parity with the Series 2013 Bonds (the ***"Prior System Bonds"***), and any Additional Bonds hereafter issued by the University and secured on a parity with the Series 2013 Bonds. See **"SECURITY FOR THE SERIES 2013 BONDS."** One series of Prior System Bonds will be refunded with Series 2013A Bonds proceeds. See **"PLAN OF FINANCE – The Refunding."** The Series 2013 Bonds are not obligations of the State of Missouri. The University has no power to tax.

The following defined terms are used in this Official Statement and in the Resolution with respect to various series of revenue bonds payable from the System Revenues:

- ***"Series 2013 Bonds"*** means, collectively, the University's System Facilities Revenue Bonds, Series 2013A in the principal amount of $11,325,000 and the University's Taxable System Facilities Revenue Bonds, Series 2013B in the principal amount of $150,000,000.

- ***"Prior System Bonds"*** means the nine outstanding revenue bond issues of the University in the outstanding principal amount of $1,161,075,000 as of November 1, 2013, which are payable from the System Revenues on a parity with the Series 2013 Bonds. See **"Outstanding Parity Bonds"** in **Appendix A**.

- ***"Additional Bonds"*** means any series of revenue bonds hereafter issued by the University payable from the System Revenues on a parity with the Series 2013 Bonds, the Prior System Bonds and any other series of Additional Bonds then outstanding.

- ***"Bonds"*** means the Series 2013 Bonds, the Prior System Bonds and any Additional Bonds hereafter outstanding, all of which are payable from the System Revenues on a parity basis.

- ***"Refunded Bonds"*** means the University's System Facilities Revenue Bonds, Series 2003B, outstanding in the principal amount of $13,035,000, which will be refunded with a portion of the proceeds of the Series 2013A Bonds.

Additional Information

The references to and summaries of the Resolution, and other documents referred to herein and in **Appendix D**, and to the laws of the State, do not purport to be complete, and all such references are qualified in their entirety by reference to the complete provisions thereof. Copies of all documents referred to herein are on file with the Financial Advisor and the University and may be obtained, without charge, by written request.

PLAN OF FINANCE

The Series 2013 Bonds

The Series 2013 Bonds are being issued pursuant to and in full compliance with the Constitution and Statutes of the State of Missouri and the Resolution. The Series 2013 Bonds are being issued for the purpose of (i) refunding the Refunded Bonds defined below, (ii) paying a portion of the costs of the Projects described below, and (iii) paying the costs of issuance of the Series 2013 Bonds.

The Projects

A portion of the proceeds of the Series 2013B Bonds, along with other monies of the University, will be used by the University to pay all or a portion of the costs of acquisition, construction, improvement, renovation, furnishing or equipping of the Projects. The Projects to be financed, in whole or in part, out of proceeds of the Series 2013B Bonds include the following:

Columbia Campus – Construction of and renovations to residence halls, extension of the chilled water system, renovations to Memorial Stadium and construction of and renovations to other athletics projects.

St. Louis Campus – Construction of a wellness center and renovation of the Benton Stadler Science Complex.

Kansas City Campus – Construction of new student housing.

Missouri S&T Campus – Construction of a new academic building.

University Health System – Expansion of the Missouri Orthopaedic Institute.

All Campuses - Acquisition, construction, renovation, furnishing and equipping of the System Facilities and various facilities and equipment of the University, including housing, dining, bookstore, parking, recreational, athletic, health system, student center, laboratory, classroom, educational, research, office, administrative and other similar facilities.

To the extent any proceeds of the Series 2013B Bonds to be used to finance the Projects are not spent on the foregoing items, the unspent proceeds will be used by the University for other improvements to the System Facilities.

The Refunding

Within approximately 30 days of the sale and delivery of the Series 2013 Bonds, the University will use a portion of the proceeds of the Series 2013A Bonds to refund all of its System Facilities Refunding Revenue Bonds, Series 2003B (the ***"Refunded Bonds"***) in the outstanding principal amount of $13,035,000. The Refunded Bonds will be redeemed at a redemption price equal to 100% of the principal thereof plus accrued and unpaid interest to the redemption date.

Sources and Uses of Funds

The following is a summary of the estimated sources and uses of funds in connection with the issuance of the Series 2013 Bonds:

Sources of Funds:

Par amount of Series 2013A Bonds	$ 11,325,000
Par amount of Series 2013B Bonds	150,000,000
Original issue premium (Series 2013A Bonds)	1,888,891
Total sources of funds	$163,213,891

Uses of Funds:

Deposit to Projects Account	$148,922,157
Refunding of Refunded Bonds	13,127,012
Costs of Issuance (including Underwriters' discount)	1,164,722
Total uses of funds	$163,213,891

Prior System Bonds

The Prior System Bonds in the aggregate outstanding principal amount of $1,161,075,000 as of November 1, 2013 (which amount includes the Refunded Bonds), are secured by the System Revenues on a parity with the Series 2013 Bonds. See **"SECURITY FOR THE SERIES 2013 BONDS - Outstanding Parity Bonds."**

After the issuance of the Series 2013 Bonds, the University will have no outstanding long-term indebtedness other than the Series 2013 Bonds and the Prior System Bonds.

Commercial Paper Program

The University has established a commercial paper program authorizing the University to have outstanding commercial paper notes (***"CP Notes"***) at any one time up to a maximum principal amount of $375,000,000. The CP Notes are limited obligations of the University payable solely out of and secured by a pledge of the University's Unrestricted Revenues. ***"Unrestricted Revenues"*** means in any year state appropriations for general operations, student fee revenues, and all other operating revenues of the University other than System Facilities Revenues for such year plus any unencumbered balances from previous years.

As of November 1, 2013, the University had $174,033,000 principal amount of CP Notes outstanding. See **"Commercial Paper Program"** in **Appendix A.**

Future Financing Plans

The Board has approved approximately $330 million of capital projects for the University. The University anticipates that these capital project needs will be financed in two or more separate financings, including the Series 2013 Bonds. The University currently contemplates that a second financing may occur in Spring 2014 if market conditions are acceptable, which financing could consist of tax-exempt and taxable and fixed and variable rate debt. All indebtedness is presently contemplated to consist of Additional Bonds issued on a parity with the Series 2013 Bonds and the Prior System Bonds. The University may also fund capital projects on a short-term basis with proceeds of CP Notes.

THE SERIES 2013 BONDS

Authority and Purpose

The Series 2013 Bonds are being issued pursuant to and in full compliance with the Constitution and Statutes of the State of Missouri and the Resolution. The Series 2013 Bonds are being issued for the purpose of (i) refunding the Refunded Bonds, (ii) paying a portion of the costs of the Projects and (iii) paying the costs of issuance of the Series 2013 Bonds.

Description of the Series 2013 Bonds

The Series 2013 Bonds will be issuable in the form of fully registered bonds, without coupons, in the denomination of $5,000 or any integral multiple thereof. Purchasers will not receive certificates; the Series 2013 Bonds will be available in book-entry form only. The Series 2013 Bonds will be issued in the aggregate principal amount set forth on the cover page of this Official Statement, will be dated the date of original issuance and delivery thereof, and will mature in the years and in the principal amounts shown on the inside cover page of this Official Statement. The Series 2013 Bonds will bear interest from the date of issuance and delivery, computed on the basis of a 360-day year consisting of twelve 30-day months, at the rates per annum set forth on the inside cover page of this Official Statement, which interest will be payable semiannually on May 1 and November 1 in each year, beginning on May 1, 2014. Principal of, redemption premium, if any, and interest on the Series 2013 Bonds are payable at maturity or upon earlier redemption to the person in whose name the Bond is registered at maturity, or redemption date thereof, upon presentation and surrender of the Bond at the principal corporate trust office of Commerce Bank, Kansas City, Missouri (the ***"Paying Agent"***). Interest on the Series 2013 Bonds is payable (except on maturity or upon earlier redemption) by check or draft mailed by the Paying Agent to the person in whose name each Series 2013 Bond is registered on the 15th day of the month next preceding an interest payment date at such person's address as it appears on the bond registration books kept by the Paying Agent.

Redemption Provisions

Optional Redemption - Series 2013A Bonds. The Series 2013A Bonds are not subject to optional redemption prior to maturity.

Optional Redemption - Series 2013B Bonds. The Series 2013B Bonds are subject to optional redemption at the election of the University in whole or in part (if in part, such Series 2013B Bonds will be redeemed pro rata, as described below), at the "Make-Whole Redemption Price," plus accrued and unpaid interest on the Series 2013B Bonds to be redeemed on the date fixed for redemption.

The ***"Make-Whole Redemption Price"*** is the greater of (i) 100% of the principal amount of the Series 2013B Bonds to be redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2013B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2013B Bonds are to be redeemed, discounted to the date on which the Series 2013B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the "Treasury Rate" defined below, plus 15 basis points.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2013B Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2013B Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

If less than all of the Series 2013B Bonds are called for redemption, such Series 2013B Bonds will be redeemed in part on a pro rata basis; provided that, so long as the Series 2013B Bonds are held in book-entry only form, the selection for redemption of such Series 2013B Bonds will be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata basis, the Series 2013B Bonds will be selected for redemption in accordance with DTC procedures, by lot or in such other manner as is in accordance with applicable DTC operational arrangements.

Extraordinary Optional Redemption.

The Series 2013 Bonds are subject to redemption and payment prior to the stated maturity date thereof in whole or in part, at the option of the University, at any time at a redemption price of **100%** of the principal amount thereof, plus accrued interest thereon to the redemption date, upon or after the occurrence of any of the following conditions or events:

(1) if title to, or the use for a limited period of, all or a substantial portion of the System Facilities is condemned by any authority having the power of eminent domain;

(2) if title to all or a substantial portion of the System Facilities is found to be deficient or nonexistent to the extent, in the judgment of the University as reflected in a resolution of the Board or the Executive Committee, that the efficient utilization of a substantial portion of the System Facilities by the University is impaired;

(3) if all or a substantial portion of the System Facilities is damaged or destroyed by fire, flooding, tornadoes or other casualty; or

(4) if as a result of changes in the Constitution of the State of Missouri, or of legislative or administrative action by the State of Missouri or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Resolution shall become void or unenforceable, or, in the judgment of the University as reflected in a resolution of the Board or the Executive Committee, impossible of performance without unreasonable delay, or in any other way, in the judgment of the University as reflected in a resolution of the Board or the Executive Committee, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed on the University.

Notice of Redemption. Notice of the University's intent to redeem (including, when only a portion of the Series 2013 Bonds are to be redeemed, the numbers of such Series 2013 Bonds and the principal amounts thereof) shall be given by or on behalf of the University to the Paying Agent and Bond Registrar. Notice of the selection or call for redemption identifying the Series 2013 Bonds or portions thereof to be redeemed, shall be given by the Paying Agent and Bond Registrar by mailing a copy of the redemption notice by first class mail, not less than 30 nor more than 60 days prior to the date fixed for redemption, in each case to the Owner of each Series 2013 Bond to be redeemed in whole or in part at the address shown on the registration books; provided, however, that any defect in giving such notice by mailing as aforesaid shall not affect the validity of any proceeding for the redemption of any Series 2013 Bond. Any notice mailed as provided in the Resolution shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

Such notice may be conditioned upon moneys being on deposit with the Paying Agent and Bond Registrar on or prior to the redemption date in an amount sufficient to pay the redemption price plus premium, if any, on the redemption date. If such notice is conditional and moneys are not received, such notice shall be of no force and effect, the Paying Agent and Bond Registrar shall not redeem such Series 2013 Bonds and the Paying Agent and Bond Registrar shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Series 2013 Bonds will not be redeemed.

Selection of Bonds to be Redeemed. The Series 2013 Bonds may be redeemed in any order of maturity as directed by the University and only in the principal amount of $5,000 or any integral multiple thereof. Except as provided above with respect to the optional redemption of Series 2013B Bonds, when less than all of the outstanding Series 2013 Bonds of any maturity are to be redeemed and paid prior to maturity, such Series 2013 Bonds will be selected by the Paying Agent by lot in multiples of $5,000.

Effect of Redemption. Whenever any Series 2013 Bond is called for redemption and payment, all interest on such Series 2013 Bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price specified.

Registration, Transfer and Exchange

The Series 2013 Bonds will be issued only in fully registered form. Any Series 2013 Bond may be transferred only upon the surrender thereof to the principal corporate trust office of the Paying Agent duly endorsed for transfer or accompanied by a written instrument of transfer duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Paying Agent. The Paying Agent will charge the owner requesting any change in registration, exchange or transfer a fee covering any tax or other governmental charge in connection therewith.

The foregoing provisions for the registration, transfer and exchange of the Series 2013 Bonds will not be applicable to purchasers of the Series 2013 Bonds so long as the Series 2013 Bonds are subject to the DTC or other book-entry only system.

SECURITY FOR THE SERIES 2013 BONDS

General

The Series 2013 Bonds and the interest thereon constitute special, limited obligations of the University, payable solely from, and secured as to the payment of principal of, redemption premium, if any, and interest by a first lien on and pledge of the System Revenues, and the System Revenues (other than the Student System Facilities Fee) will be set aside for that purpose in a special fund held pursuant to the Resolution and identified therein as the System Facilities Revenue Account. See **"Appendix D - Definitions and Summary of the Resolution."** System Revenues consist of the gross income and revenues derived from the following: (1) the ownership or operation of System Facilities described herein, (2) the imposition and collection of certain specifically assessed student fees and stadium usage surcharges, and (3) the Student System Facilities Fee. Any amounts remaining in the Student Facilities Revenue Account after required deposits to the Principal and Interest Account may be used by the University for any lawful purpose. See **"Appendix D - Definitions and Summary of the Resolution – Application of Revenues."**

System Facilities -- Operating Units

The gross income and revenues derived from the ownership or operation of various System Facilities are pledged to the payment of the Series 2013 Bonds and the Prior System Bonds and included within the term "System Revenues." The System Facilities include:

Bookstores – the campus bookstores located on each of the four campuses of the University;

Housing – certain student residence halls, apartments and related dining and other facilities located on each of the four campuses of the University, but excluding University Meadows on the St. Louis Campus;

Parking – the existing parking and transportation systems located on each of the four campuses of the University, including revenues derived from parking fees and fines;

Student Centers – the Memorial Union and MU Student Center located on the Columbia Campus, the University Center and the Student Union on the Kansas City Campus, the Havener Center on the Missouri S&T Campus, and the University Center and the Student Center on the St. Louis Campus, including the dining and other student services located therein; and

University Health System – the facilities of the University Health System (the ***"University Health System"***), including the facilities of University Hospital located on the Columbia Campus (which now includes the Ellis Fischel Cancer Center); Women's and Children's Hospital, located in Columbia, Missouri; the Missouri Psychiatric Center, located in Columbia, Missouri; the Missouri Orthopaedic Institute located in Columbia, Missouri; the Missouri Rehabilitation Center, a long-term acute care hospital specializing in brain injury and other rehabilitation services located in Mt. Vernon, Missouri; and the other facilities and health care clinics of the University Health System, including the facilities of University Physicians, the organized practice plan for the faculty of the School of Medicine. The School of Medicine, the Sinclair School of Nursing and the School of Health Professions are not part of the University Health System, and none of the revenues of those Schools is included in the System Revenues.

The term "System Facilities" also includes various other facilities of the University, including:

Athletics – the Mizzou Arena and various athletic practice and competition facilities constituting the Sports Complex on the Columbia Campus, including the Hearnes Multi-Purpose Building, Memorial Stadium, Daniel J. Devine Pavilion, the Mizzou Athletics Training Complex, Simmons Field, the softball field and the track and field and soccer stadium;

Printing and Publications – the printing and publications facility of the University located in Columbia, Missouri;

Campus Utilities – the cogeneration power plant, chilled water plant, and storm sewer replacement on the Columbia Campus and central utilities performance contracting on the Kansas City Campus;

Research Reactor – the research reactor on the Columbia Campus;

Laboratory – the laboratory and related facilities at the School of Medicine and the Swine Research Center on the Columbia Campus; and

Miscellaneous – various miscellaneous facilities and equipment of the University located on each of the four campuses including classroom, educational, research, office, administrative and other similar facilities.

It is the intention of the University generally to include only revenue producing facilities within the System Facilities.

Under the Resolution, the University may sell at fair market value or abandon the use of the System Facilities, or any material part thereof, or any extension or improvement thereof, only if certain conditions set forth in the Resolution are satisfied. See **"Appendix D - Definitions and Summary of the Resolution – Particular Covenants of the University – Restriction on Mortgage, Sale or Disposition of the System Facilities."**

Student Fees and Usage Surcharges

The gross income and revenues derived from the imposition and collection of certain usage fees are also pledged to the payment of the Series 2013 Bonds, the Prior System Bonds and any Additional Bonds hereafter issued by the University in accordance with the Resolution. The usage fees that are pledged and included in the "System Revenues" include:

Recreational Facility Fees – (a) the Multi-Purpose Building Fee and the Student Recreational Facility Fee relating to the Hearnes Multipurpose Center and the Student Recreational Center, and the Student Activities Fee relating to Stankowski Field, paid by each enrolled student on the Columbia Campus, (b) the Recreational Center Fee relating to the Swinney Recreation Center paid by each enrolled student on the Kansas City Campus, (c) the Intramural Facility Fee relating to the Gale Bullman Multipurpose Building paid by each enrolled student on the Missouri S&T Campus, and (d) the

Wellness Center Fee and Recreational Facility Fee paid by each enrolled student on the St. Louis Campus;

Stadium Surcharges – separate admission surcharges, presently collected in the aggregate amount of $8.00 per paid admission to home regular season varsity football games of the University of Missouri - Columbia, relating to Memorial Stadium on the Columbia Campus; and

Student Center Fees – (a) the Student Union Fee paid by each enrolled student on the Columbia Campus, (b) the Student Center Building Fee paid by each enrolled student on the Kansas City Campus, (c) the Havener Center Building Fee paid by each enrolled student on the Missouri S&T Campus, and (d) the University Center Building Fee paid by each enrolled student on the St. Louis Campus.

Student System Facilities Fees

The Student System Facilities Fee consists of the portion of the Tuition and Fees collected from all students enrolled at the University that has been designated by the University as a student fee for the use of the System Facilities in an amount equal to the Maximum Annual Debt Service on the Bonds. The Student System Facilities Fee is included in the "System Revenues" and is pledged to the payment of the Series 2013 Bonds, the Prior System Bonds and any Additional Bonds hereafter issued by the University, but is not required to be deposited in the System Facilities Revenue Account established under the Resolution. Once all deposits to the Principal and Interest Account required under the Resolution have been made in any fiscal year, the University may expend the System Revenues, including the Student System Facilities Fee, for any lawful purpose, including the payment of the CP Notes and the interest thereon. The University may increase, but may not decrease, the amount of the Student System Facilities Fee as a percentage of Maximum Annual Debt Service.

Net Tuition and Fees for the fiscal year ended June 30, 2013 were $791,319,000. The total Student System Facilities Fee with respect to the Prior System Bonds for the fiscal year ended June 30, 2013 was $82,539,383.

Rate Covenant

Pursuant to the Resolution, the University covenants to continuously operate and maintain the System Facilities and continue to fix and maintain such reasonable rates and charges for the use of the System Facilities as will allow it to collect System Revenues sufficient to (a) provide and maintain the System Facilities Revenue Account and the Principal and Interest Account (as defined in the Resolution) in amounts adequate to pay promptly the principal of and interest on the Series 2013 Bonds, the Prior System Bonds and any Additional Bonds hereafter issued by the University and secured on a parity with the Series 2013 Bonds as and when the same become due; and (b) enable the University to have in each fiscal year System Revenues (excluding the Student System Facilities Fee) in an amount that will be not less than 200% of the Annual Debt Service required to be paid by the University in that fiscal year on account of both principal of and interest on all Bonds at the time Outstanding.

Outstanding Parity Bonds

In 1993, the University adopted resolutions that authorized the issuance of its System Facilities Revenue Bonds, Series 1993 (the ***"Series 1993 Bonds"***), none of which remain outstanding. The Series 1993 Bond resolution (the ***"Original Resolution"***) established a system facility financing program for the University, which included the Series 1993 Bonds and any Additional Bonds thereafter issued by the University in conformance with the provisions of the Original Resolution.

Since 1993, the University has issued various series of Prior System Bonds, which were outstanding in the aggregate principal amount of $1,161,075,000 as of November 1, 2013 (which amount includes the Refunded Bonds). See **"Outstanding Parity Bonds"** in **Appendix A**.

The Series 2013 Bonds are "Additional Bonds" within the meaning of the Prior System Bond resolutions and stand on a parity with and are equally and ratably secured with respect to the payment of principal and interest from the System Revenues derived by the University from the operation of the System Facilities and in all other respects with the Prior System Bonds, all as defined and provided in the Resolution. The Prior System Bonds specified above enjoy complete equality of lien on and claim against the System Revenues with the Series 2013 Bonds.

Additional Bonds

Prior Lien Bonds. The University covenants and agrees that so long as any of the Series 2013 Bonds remain outstanding and unpaid, the University will not issue any Additional Bonds or other debt obligations payable out of the System Revenues or any part thereof that are superior to the Series 2013 Bonds; provided, however, that nothing in the Resolution will preclude the University from issuing any Additional Bonds or other debt obligations to refund, in whole or in part, the Series 2013 Bonds.

Parity Lien Bonds. The University may issue one or more series of Additional Bonds to finance the acquisition, construction, improvement, renovation, furnishing or equipping of System Facilities Additions (see **"Appendix D - Definitions and Summary of the Resolution"**) or to refund indebtedness previously incurred to finance the acquisition, construction, improvement, renovation, furnishing or equipping of the System Facilities or System Facilities Additions, to be secured by a parity lien on and ratably payable from the System Revenues pledged to the Series 2013 Bonds and the Prior System Bonds, provided that all the following conditions are met:

(a) The University is not in default in the payment of principal of or interest on the Series 2013 Bonds, any Prior System Bonds or any Additional Bonds or in making any payment at the time required to be made into the respective funds and accounts created by and referred to in the Resolution; and

(b) The System Facilities Additions are made part of, if not already a part of, the System Facilities, and the System Revenues are pledged as security for the additional parity bonds and all Bonds Outstanding against the System Facilities; and

(c) The University obtains a certificate from its Controller (or other similar officer selected by the University), attesting to the accuracy of the calculations made by the University, that shows both of the following:

(1) The System Revenues (excluding the amount of any Student System Facilities Fee designated by the University) derived by the University for the fiscal year immediately preceding the issuance of Additional Bonds have been equal to at least 200% of the Maximum Annual Debt Service required to be paid out of the System Revenues in any current or future fiscal year on account of both principal and interest becoming due with respect to the Series 2013 Bonds, the Prior System Bonds and any Additional Bonds. In determining the System Revenues for the purpose described in this paragraph, System Revenues may be adjusted by adding thereto, in the event the University has made and put into effect any increase in the rates, charges or fees constituting the System Revenues and the increase has not been in effect during all the fiscal year immediately preceding the issuance of the Additional Bonds, the estimated amount of the additional System Revenues that would have resulted from the increase in the rates, charges or fees constituting the System Revenues during the preceding fiscal year had the rate increase been in effect for the entire period; and

(2) The estimated average annual System Revenues derived by the University (excluding the amount of any Student System Facilities Fee designated by the University) in connection with the issuance of the Additional Bonds for the two fiscal years immediately following the year in which the additional facilities for which the cost of acquisition, construction, improvement, renovation, furnishing or equipping of which is being financed by such Additional Bonds, are to be in operation, will be equal to at least 200% of the average Annual Debt Service required to be paid out of the System Revenues in any succeeding fiscal year following such operation on account of both principal and interest becoming due with respect to all Bonds, including the Additional Bonds proposed to be issued. In determining

the amount of estimated System Revenues for the purpose described in this paragraph, System Revenues may be adjusted by adding thereto any estimated increase in System Revenues resulting from any increase in the rates, charges or fees constituting the System Revenues that are economically feasible and reasonably considered necessary. The computation of estimates will be made by its Controller (or other similar officer selected by the University).

Additional Bonds of the University issued under the conditions set forth above will stand on a parity with the Series 2013 Bonds and the Prior System Bonds and will enjoy complete equality of lien on and claim against the System Revenues with the Series 2013 Bonds and the Prior System Bonds, and the University may make equal provision for paying the bonds and the interest thereon out of the System Facilities Revenue Account and may likewise provide for the creation of reasonable principal and interest accounts for the payment of the Additional Bonds and the interest thereon.

Special Additional Bonds. The University may also issue additional series of revenue bonds or provide for existing bonds or obligations to be secured by a parity lien on and ratably payable from the System Revenues with the Series 2013 Bonds and the Prior System Bonds and otherwise as set forth in **Article X** of the Resolution. See **"Appendix D - Definitions and Summary of the Resolution."**

Junior Lien Bonds. The University may issue one or more additional series of revenue bonds or other revenue obligations payable out of the System Revenues that are junior and subordinate to the Series 2013 Bonds and the Prior System Bonds provided at the time of the issuance of the additional revenue bonds or obligations all the following conditions are met:

(a) The University is not in default in the payment of principal of or interest on the Series 2013 Bonds, any Prior System Bonds or any Additional Bonds or in making any payment at the time required to be made into the respective funds and accounts created by and referred to in the Resolution; and

(b) Any System Facilities Additions financed with junior lien bonds are made a part of, if not already a part of, the System Facilities, and the System Revenues derived therefrom are pledged as security for the additional revenue bonds or other obligations and all Bonds and Additional Bonds outstanding against the System Facilities; and

(c) The University obtains a certificate from its Controller (or other similar officer selected by the University), attesting to the accuracy of the calculations made by the University, that demonstrates that the System Revenues (excluding the amount of any Student System Facilities Fee designated by the University) derived by the University for the fiscal year immediately preceding the issuance of additional revenue bonds or other obligations that are junior and subordinate to the Series 2013 Bonds are equal to at least 200% of the sum of (i) the average Annual Debt Service required to be paid out of the System Revenues in any succeeding fiscal year (other than the last year) on account of both principal and interest becoming due with respect to all revenue obligations payable out of the System Revenues, and (ii) the average Annual Debt Service required to be paid out of the System Revenues in any succeeding fiscal year on account of both principal and interest becoming due with respect to the additional junior lien bonds or other obligations proposed to be issued. In determining the System Revenues for the purpose described in this paragraph, System Revenues may be adjusted by adding thereto, if the University has made and put into effect an increase in the rates or charges constituting the System Revenues and the increase will not have been in effect during all of the fiscal year immediately preceding the issuance of additional revenue bonds or other obligations, the estimated amount of the additional System Revenues that would have resulted from the increase in the rates, charges or fees constituting the System Revenues during the preceding fiscal year had the rate increase been in effect for the entire period.

The additional revenue bonds or obligations will be junior and subordinate to the Series 2013 Bonds and the Prior System Bonds so that if at any time the University is in default in paying either interest on or principal of the Series 2013 Bonds, or if the University is in default in making any payments required to be made by it under the Resolution, the University will make no payments of either principal of or interest on the junior and subordinate revenue bonds or obligations until the default or defaults are cured. In the event of the issuance of any junior and subordinate revenue bonds or obligations, the University, subject to the provisions above, may make provision for paying the principal of and interest on the junior lien revenue bonds or obligations out of moneys in the System Facilities Revenue Account.

Refunding Bonds. The University will have the right, if it finds it desirable, to refund any of the Series 2013 Bonds or Prior System Bonds then subject to redemption or becoming due, under the provisions of any law then available. The Bonds or any part thereof may be refunded and the refunding bonds so issued will stand on a parity or enjoy complete equality of pledge upon the System Revenues with any Series 2013 Bonds and Prior System Bonds that are not refunded without complying with the provisions of the foregoing as to Additional Bonds as long as there are debt service savings to the University by virtue of the refunding. See **"Appendix D - Definitions and Summary of the Resolution."**

Type of Indebtedness. So long as the other covenants of the Resolution applicable to that indebtedness are met, the Additional Bonds or junior lien bonds may be issued on either a fixed rate or a variable rate basis, and the University may use derivative products.

Operation and Maintenance of System Facilities

The University intends to pay the cost of operation and maintenance of the System Facilities from excess System Revenues (excluding the Student System Facilities Fee) available for that purpose. The University also intends to pay the costs of operation and maintenance of the System Facilities financed by the Prior System Bonds from excess System Revenues available for that purpose should excess System Revenues exist. In the past, the System Revenues (excluding the Student System Facilities Fee) have been adequate to pay the costs of operation and maintenance of the System Facilities, including facilities financed by the Prior System Bonds.

The University has historically maintained reserves for repair and replacement relative to the System Facilities and intends to continue to maintain those reserves after the issuance of the Series 2013 Bonds. The existence of those reserves is not required by the Resolution, but is considered by the University to be a good business practice. The amount of reserves may change from time to time. As of June 30, 2013, the amounts held in the reserves for repair and replacement relative to the System Facilities aggregated $143,761,799, which amount is included in the unrestricted net position in the financial statements of the University.

Limited Obligations

The Series 2013 Bonds and the interest thereon are special, limited obligations of the University payable solely from, and secured as to the payment of principal, redemption premium, if any, and interest, by a first lien on and pledge of the System Revenues. The Series 2013 Bonds will not constitute an indebtedness or general obligation of the State of Missouri, the University, the Board, or any individual member of the Board. Under the Resolution, the Board will pledge and grant a continuing security interest in the System Revenues as long as the Series 2013 Bonds are outstanding. The owners of the Series 2013 Bonds will have no right to demand payment out of any other funds of the University.

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Changes to System Revenues or Facilities and Issuance of Additional Bonds or other Obligations

The University created a financing program for the System Facilities to be secured by the System Revenues in connection with the issuance of the Series 1993 Bonds and the Prior System Bonds. The Series 2013 Bonds are a part of that financing program. Under the Resolution and the resolutions authorizing the Prior System Bonds, the University may subsequently add other facilities and properties to the System Facilities, add other revenues to the System Revenues and secure other bonds or obligations by the System Revenues on a parity with the Series 2013 Bonds and the Prior System Bonds.

Under the Resolution, the University also has the right to do any or all of the following provided that, upon the occurrence of any of the following, the Bonds retain a rating from any national rating service then rating the Bonds at the request of the University at least equal to that in effect immediately prior to the occurrence of the following:

(a) change the security for the Bonds (including the type of revenues, fees and reserves pledged) to add a new type of revenues, fees and reserves to or delete a type of revenues, fees and reserves from the System Revenues or the System Facilities;

(b) add or delete new types of facilities or properties of the University to the System Facilities financed by Bonds;

(c) secure any other bonds or obligations of the University, whether issued prior or subsequent to the date of the Resolution, by the System Revenues as long as any other security for such other bonds or obligations also secure the Bonds; or

(d) issue Additional Bonds secured by the System Revenues and other security described in paragraph (a), (b) or (c) without meeting the requirements of the Resolution for the issuance of Additional Bonds on a parity with the Bonds.

See **"Appendix D - Definitions and Summary of the Resolution - Potential Modification of (1) Security for the Series 2013 Bonds; (2) Bonds as to Which System Revenues Provide Security; and (3) Parity Lien Bond Test."**

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DEBT SERVICE REQUIREMENTS

The following table sets forth the future annual debt service requirements relating to the System Facilities, consisting of the Series 2013 Bonds and the Prior System Bonds, calculated on a fiscal year basis and rounded to the nearest dollar. The University issued the Series 2010A Bonds and the Series 2009A Bonds as "Build America Bonds." For purposes of the table below, interest included in the Prior System Bonds for the Series 2010A Bonds and the Series 2009A Bonds is the gross interest expense on those two series of Bonds before the 35% interest subsidy payments that the University originally expected to receive from the U.S. Treasury as a result of the qualification of those two series of Bonds as "Build America Bonds" under the Code. For purposes of the Resolution and the Prior System Bond resolutions, however, "Annual Debt Service" and "Maximum Annual Debt Service" on the Bonds are computed after giving effect to (i.e. deducting) the interest subsidy payments received or expected to be received by the University from the U.S. Treasury with respect to any series of Bonds designated as Build America Bonds. The University is obligated to pay the interest on the Series 2010A Bonds and the Series 2009A Bonds at the stated interest rates thereon irrespective of whether the University receives any interest subsidy payments from the U.S. Treasury. See the discussion under **"*Outstanding Parity Bonds*"** in **Appendix A** regarding reductions in the interest subsidy payments in fiscal 2014. The table does not include debt service on the outstanding CP Notes and does not give effect to any outstanding interest rate swaps.

Fiscal Year Ending June 30,	Prior System Bonds Principal and Interest [1] [2]	Series 2013 Bonds Principal	Series 2013 Bonds Interest	Total Debt Service Relating to System Facilities
2014	$ 84,923,649		$3,376,180	$ 88,299,829
2015	84,345,153		7,841,450	92,186,603
2016	87,857,181	$ 530,000	7,833,500	96,220,681
2017	87,580,773	1,135,000	7,802,850	96,518,623
2018	84,606,783	1,185,000	7,756,450	93,548,233
2019	82,915,800	1,245,000	7,701,625	91,862,425
2020	185,599,091	1,305,000	7,637,875	194,541,966
2021	69,851,987	1,375,000	7,570,875	78,797,862
2022	69,835,511	1,445,000	7,501,375	78,781,886
2023	71,711,776	1,515,000	7,428,375	80,655,151
2024	71,505,537	1,590,000	7,350,750	80,446,287
2025	80,800,813	-	7,311,000	88,111,813
2026	80,555,115	-	7,311,000	87,866,115
2027	80,289,214	-	7,311,000	87,600,214
2028	67,555,423	-	7,311,000	74,866,423
2029	63,690,320	-	7,311,000	71,001,320
2030	63,411,791	-	7,311,000	70,722,791
2031	63,103,457	-	7,311,000	70,414,457
2032	62,797,367	-	7,311,000	70,108,367
2033	52,859,862	-	7,311,000	60,170,862
2034	52,541,094	-	7,311,000	59,852,094
2035	52,200,537	-	7,311,000	59,511,537
2036	51,855,225	-	7,311,000	59,166,225
2037	51,498,204	-	7,311,000	58,809,204
2038	51,123,835	-	7,311,000	58,434,835
2039	34,945,930	-	7,311,000	42,256,930
2040	116,203,735	-	7,311,000	123,514,735
2041	91,401,174	-	7,311,000	98,712,174
2042	86,530,391	-	7,311,000	93,841,391
2043		-	7,311,000	7,311,000
2044	-	150,000,000	3,655,500	153,655,500
Total	$2,184,096,728	$161,325,000	$222,365,805	$2,567,787,533

(1) Prior System Bonds in the outstanding principal amount of $100,330,000 as of June 30, 2013 bear interest at variable rates that are set daily or weekly in accordance with the Prior System Bond resolutions. For purposes of the preceding table, the University has assumed that all the outstanding variable rate Prior System Bonds bear interest at a fixed rate of 4.0% per annum throughout the maturity of each series of variable rate bonds.

(2) Excludes the debt service on the Refunded Bonds to be refunded with proceeds of the Series 2013A Bonds.

PLEDGED REVENUES OF THE SYSTEM

The Series 2013 Bonds are payable solely from, and secured as to the payment of principal of, redemption premium, if any, and interest on the Series 2013 Bonds, by a first lien on and pledge of the System Revenues, which consist of revenues derived from (i) the ownership or operation of the System Facilities; (ii) the imposition and collection of certain specifically assessed student fees and stadium usage surcharges; and (iii) the Student System Facilities Fee. See **"SECURITY FOR THE SERIES 2013 BONDS."**

The following table sets forth the historical System Revenues pledged to secure the outstanding Bonds for the five fiscal years ended June 30, 2013.

Historical Pledged System Revenues
($ in thousands)

	Fiscal Years Ended June 30,				
	2009	**2010**	**2011**	**2012**	**2013**
Operating Revenues					
Specifically Assessed Student Fees	$ 17,428	$ 18,180	$ 24,950	$ 26,117	$ 26,670
Bookstore	61,640	59,288	58,382	57,634	55,645
Housing and Food Service, Net	81,724	89,744	93,744	100,284	106,435
Parking	15,113	17,564	16,656	14,960	14,895
Patient Medical Services, Net	685,207	718,687	745,010	793,876	844,747
Other	19,881	18,140	20,258	20,248	24,485
Total	880,993	921,603	959,000	1,013,119	1,072,878
Student System Facilities Fee (1)	61,742	78,752	88,058	82,554	82,539
Total	$942,735	$1,000,355	$1,047,058	$1,095,673	$1,155,417

(1) The Student System Facilities Fee is included in the System Revenues and is pledged to the payment of the Series 2013 Bonds, the Prior System Bonds and any Additional Bonds hereafter issued by the University. The University is not, however, required to deposit the Student System Facilities Fee in the System Facilities Revenue Account. Once all deposits to the Principal and Interest Account required under the Resolution have been made in any fiscal year, the University may expend the System Revenues, including the Student System Facilities Fee, for any lawful purpose.

The Series 2013 Bonds are special, limited obligations of the University payable solely from, and secured as to the payment of principal and interest by a first lien on and pledge of, the System Revenues, which (other than the Student System Facilities Fee) are to be set aside for that purpose in a special fund, known as the System Facilities Revenue Account, held pursuant to the Resolution. The University covenants and agrees in the Resolution that as long as any of the Series 2013 Bonds remain Outstanding and unpaid, all System Revenues, other than the Student System Facilities Fee, will be credited to the System Facilities Revenue Account. All moneys then held in the System Facilities Revenue Account are required to be applied first to the Principal and Interest Account for the Series 2013 Bonds and all Prior System Bonds, on a parity basis (and to any subaccounts established with respect to any Additional Bonds hereafter issued by the University), to the extent necessary for the payment of all principal of and interest on the Bonds. All amounts paid and credited to the Principal and Interest Account are required to be used by the University for the sole purpose of paying the interest on and principal of the Bonds as and when the same become due and the payment of any fees of the respective paying agent and bond registrars in connection with the Bonds. Once required deposits have been made to the Principal and Interest Account for each fiscal year, the University may use the amounts on deposit in the System Facilities Revenue Account for any lawful purpose, including the payment of principal of and interest on the CP Notes.

TAX MATTERS

Series 2013A Bonds

Tax Exemption. The opinion of Thompson Coburn LLP, Bond Counsel, to be delivered upon the issuance of the Series 2013A Bonds and a form of which is attached hereto in **Appendix E** will state that, under existing law, interest on the Series 2013A Bonds is excluded from gross income for federal income tax purposes.

Bond Counsel's opinion will be subject to the condition that the University comply with all requirements of the Code that must be satisfied in order that interest on the Series 2013A Bonds be, and continue to be, excluded from gross income for federal income tax purposes. The University is to covenant in the Resolution and the Tax Compliance Agreement to comply with all such requirements. In addition, Bond Counsel will rely on representations by the University and others, with respect to matters solely within their knowledge, which Bond Counsel has not independently verified. Failure to comply with the requirements of the Code (including due to the foregoing representations or report being determined to be inaccurate or incomplete) may cause interest on the Series 2013A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2013A Bonds. Bond Counsel has not been retained to monitor compliance with requirements such as described above subsequent to the issuance of the Series 2013A Bonds. In addition, the Resolution does not require the University to redeem the Series 2013A Bonds or to pay any additional interest or penalty in the event that interest on the Series 2013A Bonds becomes taxable.

In addition, the opinion of Bond Counsel will state that, under existing law, interest on the Series 2013A Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax on corporations and other taxpayers, including individuals. However, interest on the Series 2013A Bonds is included in a corporate taxpayer's adjusted current earnings for purposes of determining its federal alternative minimum tax liability. Furthermore, the opinion of Bond Counsel will state that, under existing law, the Series 2013A Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense).

The opinion of Bond Counsel will state that, under existing law, interest on the Series 2013A Bonds is exempt from income taxation by the State of Missouri.

Except as stated above, the opinion of Bond Counsel will express no opinion as to any federal, state or local tax consequences arising with respect to the Series 2013A Bonds.

Bond Counsel's opinions are based on Bond Counsel's knowledge of facts as of the date thereof. Further, Bond Counsel's opinions are based on existing legal authorities, cover certain matters not directly addressed by such authorities and represent Bond Counsel's legal judgment as to the proper treatment of the Series 2013A Bonds for federal and State of Missouri income tax purposes. Such opinions are not a guarantee of result and are not binding on the Service or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the University, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the "***Service***"). Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur.

The Service has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. No assurance can be given that the Service will not commence an audit of the Series 2013A Bonds resulting in a negative determination with respect to the Series 2013A Bonds causing the loss to the owners thereof of the tax exemption of the interest on the Series 2013A Bonds for federal income tax purposes. Owners of the Series 2013A Bonds are advised that, if an audit of the Series 2013A Bonds were commenced, in accordance with its current published procedures, the Service is likely to treat the

University as the taxpayer, and the owners of the Series 2013A Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Series 2013A Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Premium. An amount equal to the excess of the purchase price of a Series 2013A Bond over its stated redemption price at maturity constitutes amortizable bond premium on such Series 2013A Bond. A purchaser of a Series 2013A Bond generally must amortize any premium over such Series 2013A Bond's term using constant yield principles, based on the purchaser's yield on the Series 2013A Bond to maturity; provided that the premium must be amortized over the period to a call date with respect to the Series 2013A Bond, based on the purchaser's yield on the Series 2013A Bond to such call date, if the call by the University on such date would minimize the purchaser's yield on the Series 2013A Bond. As premium is amortized, the purchaser's basis in such Series 2013A Bond (and the amount of tax-exempt stated interest received) will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal and State of Missouri income tax purposes upon a sale or disposition of such Series 2013A Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal or State of Missouri income tax deduction is allowed.

Owners of Series 2013A Bonds who purchase at a premium (whether at the time of initial issuance or subsequent thereto) should consult their own tax advisors with respect to the determination and treatment of premium for federal and State of Missouri income tax purposes and with respect to other federal, state, local and foreign tax consequences of owning or disposing of such Series 2013A Bonds.

Market Discount. If a Series 2013A Bond is purchased at any time for a price that is less than the Series 2013A Bond's stated redemption price at maturity, the purchaser will be treated as having purchased such Series 2013A Bond at a "market discount," unless such market discount is less than a statutory *de minimis* amount. Under the market discount rules, an owner of a Series 2013A Bond will be required to treat any principal payment on, or any gain realized on the sale, exchange, retirement or other disposition (including certain nontaxable dispositions such as gifts) of, such Series 2013A Bond as ordinary income to the extent of the market discount which has previously not been included in gross income and is treated as having accrued on such Bond at the time of such payment or disposition. An owner of a Series 2013A Bond may instead elect to include market discount in gross income each taxable year as it accrues with respect to all debt instruments (including a Series 2013A Bond) acquired in the taxable year for which the election is made. Such election would apply to the taxable year for which it is made and for all subsequent taxable years and could be revoked only with the consent of the Service. The accrued market discount on a Series 2013A Bond is generally determined on a ratable basis, unless the owner of the Series 2013A Bond elects with respect to such Series 2013A Bond to determine accrued market discount under a constant yield method similar to that applicable to original issue discount.

The applicability of the market discount rules may adversely affect the liquidity or secondary market price of a Series 2013A Bond. Owners of Series 2013A Bonds should consult their own tax advisors regarding the potential implications of the market discount rules with respect to the Series 2013A Bonds.

Collateral Tax Consequences. Prospective purchasers of the Series 2013A Bonds should be aware that the ownership of the Series 2013A Bonds may result in other federal and State of Missouri income tax consequences to certain taxpayers, including, without limitation, financial institutions, insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers who have incurred or continued indebtedness to purchase or carry, or have paid or incurred certain expenses allocated to, the Series 2013A Bonds, individuals who may be eligible for the earned income credit, owners who dispose of any Series 2013A Bond prior to its stated maturity (whether by sale or otherwise) and owners who purchase any Series 2013A Bond at a price different from its initial offering price. All prospective purchasers of the Series 2013A Bonds should consult their own tax advisors as to the applicability and the impact of any other tax consequences (which may depend upon their particular tax status or other tax items), as well as to the treatment of interest on the Series 2013A Bonds under state or local laws other than those of the State of Missouri.

Under the Code, all taxpayers are required to report on their federal income tax returns the amount of interest received or accrued during the year that is excluded from gross income for federal income tax purposes. This requirement applies to interest on all tax-exempt obligations, including, but not limited to, interest on the Series 2013A Bonds. Also, the Code requires the reporting by payors of tax-exempt interest in a manner similar to that for interest on taxable obligations. Generally, payors (including paying agents and other middlemen and nominees) of tax-exempt interest (such as interest on the Series 2013A Bonds) to non-corporate payees are subject to federal income tax information return and payee statement reporting and recordkeeping requirements. Also, as to payor reportable payments of tax-exempt interest (such as payments to non-corporate payees of interest on the Series 2013A Bonds), the general rules of federal income tax backup withholding will apply to such payments, unless the payor obtains from the payee a completed, certified Form W-9, Request for Taxpayer Identification Number and Certification.

Federal, state or local legislation, if enacted in the future, may cause interest on the Series 2013A Bonds to be subject, directly or indirectly, to federal or State of Missouri income taxation or otherwise adversely affect the federal, state or local tax consequences of ownership or disposition of, and, whether or not enacted, may adversely affect the value and liquidity of, the Series 2013A Bonds.

Series 2013B Bonds

The following is a summary of material federal and State of Missouri income tax consequences of purchasing, owning and disposing of the Series 2013B Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of Series 2013B Bond owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2013B Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to owners under any state, local or foreign tax laws. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of purchasing, owning and disposing of the Series 2013B Bonds.

Interest on Series 2013B Bonds – Federal Taxable and Missouri Tax-Exempt. The opinion of Thompson Coburn LLP, Bond Counsel, to be delivered upon the issuance of the Series 2013B Bonds and a form of which is attached hereto in **Appendix E** will state that, under existing law, interest on the Series 2013B Bonds is not excluded from gross income for federal income tax purposes, but interest on the Series 2013B Bonds is exempt from income taxation by the State of Missouri.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences arising with respect to the Series 2013B Bonds.

All prospective purchasers of the Series 2013B Bonds should consult their own tax advisors as to the applicability and the impact of any other tax consequences (which may depend upon their particular tax status or other tax items) as well as to the treatment of interest on the Series 2013B Bonds under state or local laws other than those of the State of Missouri.

Federal, state or local legislation, if enacted in the future, may adversely affect the federal, state or local tax consequences of ownership or disposition of, and, whether or not enacted, may adversely affect the value and liquidity of, the Series 2013B Bonds.

Certain Federal Tax Consequences. The Code contains a number of provisions relating to the federal taxation of taxable obligations such as the Series 2013B Bonds (including but not limited to the federal income tax treatment of and accounting for interest, premium, original issue discount and market discount thereon, gain from the sale, exchange or other disposition thereof and withholding and backup withholding tax on income therefrom) that may affect the taxation of certain Series 2013B Bond owners, depending on their particular tax situations. Bond Counsel expresses no opinion regarding the effect of such provisions.

Interest. Interest on the Series 2013B Bonds generally will be taxable to an owner as ordinary income for federal income tax purposes at the time such interest is accrued or received (in accordance with the owner's method of tax accounting). A cash basis Series 2013B Bond owner will generally include interest in gross income when received (or when made available for receipt, if earlier). An accrual basis Series 2013B Bond owner will generally include interest in gross income when all events necessary to establish the right to receive such interest have occurred.

Premium. If an owner purchases a Series 2013B Bond for an amount that is greater than the sum of all amounts payable on such Series 2013B Bond after the purchase date other than payments of qualified stated interest, such owner will be considered to have purchased such Series 2013B Bond at a "premium" and will not be required to include any original issue discount in income, and may elect to deduct the "amortizable bond premium." An owner may elect to amortize such premium using a constant yield method over the remaining term of such Series 2013B Bond and may offset interest otherwise required to be included in income in respect of such Series 2013B Bond during any taxable year by the amortized amount of such premium for the taxable year. The amount amortized in any year will be treated as a reduction of the owner's adjusted tax basis in such Series 2013B Bond. Any election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the owner of such Series 2013B Bond and may be revoked only with the consent of the Service. Bond premium on a Series 2013B Bond held by an owner that does not make such an election will decrease the gain or increase the loss otherwise recognized on disposition of such Series 2013B Bond.

Market Discount. If a Series 2013B Bond is purchased at any time for a price that is less than its stated redemption price at maturity such owner will be treated as having purchased such Bond at a "market discount," unless such market discount is less than a statutorily specified *de minimis* amount.

Under the market discount rules, an owner will be required to treat any partial principal payment on, or any gain realized on the sale, exchange, retirement or other disposition (including certain nontaxable dispositions such as gifts) of, such Series 2013B Bond as ordinary income for federal income tax purposes to the extent of the market discount which has not previously been included in gross income for federal income tax purposes and is treated as having accrued on such Series 2013B Bond at the time of such payment or disposition. An owner may instead elect to include market discount in gross income for federal income tax purposes each taxable year as it accrues with respect to all debt instruments (including a Series 2013B Bond) acquired in the taxable year for which the election is made. Such election would apply to the taxable year for which it is made and for all subsequent taxable years and could be revoked only with the consent of the Service.

Also, an owner who acquires a Series 2013B Bond with market discount may be required to defer, until the maturity of the Series 2013B Bond or its earlier disposition in a taxable transaction, the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry such Series 2013B Bond, unless an election is made to include in gross income market discount currently as it accrues as described above.

The accrued market discount on a Series 2013B Bond is generally determined on a ratable basis, unless the owner elects with respect to such Series 2013B Bond to determine accrued market discount under a constant yield method similar to that applicable to original issue discount.

Election to Treat All Interest as Original Issue Discount. Owners generally may elect, with respect to a Series 2013B Bond acquired in the taxable year for which such election is made, to include in gross income for federal income tax purposes each taxable year all interest, including stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium, that accrues on such Series 2013B Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions. Such election would apply to the taxable year for which it is made and for all subsequent taxable years and could be revoked only with the consent of the Service.

Redemption, Sale, Exchange or Other Disposition. Upon the redemption, sale, exchange or other disposition of a Series 2013B Bond, an owner generally will recognize taxable gain or loss for federal income tax purposes equal to the difference between the amount realized on the redemption, sale, exchange or other disposition (other than amounts representing accrued qualified stated interest which will be taxable as such) and such owner's adjusted tax basis in the Series 2013B Bond. Defeasance of the Series 2013B Bonds, as applicable, may result in a reissuance (or deemed exchange) thereof for federal income tax purposes, in which event an owner will recognize taxable gain or loss as described in the preceding sentence. An owner's adjusted tax basis in a Series 2013B Bond generally will equal such owner's initial investment in such Series 2013B Bond increased by any original issue discount included in such owner's gross income (and accrued market discount, if any, if the owner has included such market discount in such owner's gross income) and decreased by the amount of any payments received, other than qualified stated interest payments, and bond premium amortized with respect to such Series 2013B Bond by such owner. Subject to the market discount rules discussed above, such gain or loss generally will be long-term capital gain or loss if such Series 2013B Bond was held by such owner for more than one year. Also, the deductibility of capital losses is subject to certain limitations.

Required Reporting to Service. The Code generally requires the reporting to the Service by payors of taxable interest. Generally, payors (including paying agents and other middlemen and nominees) of taxable interest (such as interest on the Series 2013B Bonds) to non-corporate payees are subject to federal income tax annual information return and payee statement reporting and recordkeeping requirements. Also, as to payor reportable payments of taxable interest (such as payments to non-corporate payees of interest on the Series 2013B Bonds), the general rules of federal income tax backup withholding will apply to such payments, unless the payor obtains from the payee a completed, certified Form W-9, Request for Taxpayer Identification Number and Certification. These information reporting and backup withholding rules are also applicable to taxable original issue discount.

LEGAL MATTERS

Legal matters incident to the authorization, sale and delivery of the Series 2013 Bonds are subject to the approval of Thompson Coburn LLP, St. Louis, Missouri, Bond Counsel, whose approving opinions will be delivered with the Series 2013 Bonds. The proposed forms of opinion of Bond Counsel are attached hereto as **Appendix E**. Certain legal matters will be passed upon for the University by Phillip J. Hoskins, Esq., Acting General Counsel to the University, and by Gilmore & Bell, P.C., Kansas City, Missouri, as Disclosure Counsel to the University, and for the Underwriters by Greenberg Traurig, LLP, Boston, Massachusetts.

The various legal opinions to be delivered concurrently with the delivery of the Series 2013 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transactions opined upon, or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

CONTINUING DISCLOSURE

The University entered into an Omnibus Continuing Disclosure and Disclosure Dissemination Agreement, as amended (the ***"Continuing Disclosure Agreement"***) with Digital Assurance Certification, L.L.C., as dissemination agent (the ***"Dissemination Agent"***) in conjunction with the issuance of a series of Prior System Bonds in 2011. The Continuing Disclosure Agreement is for the benefit of the owners and Beneficial Owners of the Series 2013 Bonds and all outstanding Prior System Bonds and is made applicable to the Series 2013 Bonds in order to assist the Underwriters for the Series 2013 Bonds in complying with Rule 15c2-12, as amended, of the Securities and Exchange Commission (the ***"Rule"***). The University is the only "obligated person" with responsibility for continuing disclosure.

Annual Reports

Pursuant to the Continuing Disclosure Agreement, the University will, or will cause the Dissemination Agent to, not later than 180 days after the end of the University's fiscal year, file with the Municipal Securities Rulemaking Board (***"MSRB"***) through the Electronic Municipal Market Access system ***("EMMA")*** operated by the MSRB the following financial information and operating data (the ***"Annual Report"***):

(a) The audited financial statements of the University for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Governmental Accounting Standards Board. If the University's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to the Continuing Disclosure Agreement, the Annual Report will contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report when they become available.

(b) Updates as of the end of the prior fiscal year of certain financial information and operating data in substantially the same format contained in the following tables under the following headings in the final Official Statement:

Tables in Official Statement:

(1) PLEDGED REVENUES OF THE SYSTEM – Historical Pledged System Revenues;

Tables in Appendix A:

(2) MU Health Care Financial and Operating Data – MU Health Care Utilization Data;
(3) MU Health Care Financial and Operating Data – MU Health Care – Summary Financial Information;
(4) MU Health Care Financial and Operating Data – MU Health Care Sources of Patient Service Revenue;
(5) University Historical and Projected Enrollment – Enrollment (Full- and Part-Time);
(6) Student Applications, Acceptances and Matriculations;
(7) Student Quality Indicators;
(8) Full-Time Ranked Faculty – Full Time Ranked Faculty;
(9) University Investments – Endowment Pool – Asset Mix
(10) University Investments - University of Missouri System Endowment Pool;
(11) Undergraduate Student Fees;
(12) Financial Aid;
(13) Retirement Trust and OPEB Trust – Summary Financial Information of the Plan; and
(14) Retirement Trust and OPEB Trust – Plan Investments.

Quarterly Liquidity Information

In conjunction with the first issuance of CP Notes, the University amended the Continuing Disclosure Agreement to provide that for so long as any CP Notes are outstanding the University will provide to the Dissemination Agent for filing with the MSRB on EMMA not later than 60 days following the end of each fiscal quarter, certain unaudited liquidity information for the University as of the last business day of the preceding fiscal quarter, consisting generally of various liquidity categories and amounts as well as any corresponding liabilities supported by such internal liquidity. The University intends to make the same information available voluntarily with respect to the outstanding Bonds.

Voluntary University Health System Reporting

The University is not required by the Continuing Disclosure Agreement (or any previous continuing disclosure undertaking made by the University) to file any quarterly filings on EMMA of financial information or operating data with respect to the University or the System Facilities (including the University Health System). The University does, however, file voluntary quarterly filings with the MSRB on EMMA, of selected consolidated quarterly and year-to-date, actual, budgeted and actual compared to budget balance sheet information and statement of revenues, expenses and changes in net assets of the University Health System.

The University presently intends to continue to make voluntary filings on EMMA of this or similar financial information for the University Health System for the foreseeable future, but is not obligated to do so under the Continuing Disclosure Agreement or any similar undertaking or agreement by the University.

Event Notices

Pursuant to the Continuing Disclosure Agreement, the University also will give, or cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Series 2013 Bonds (***"Material Events"***):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2013A Bond, or other material events affecting the tax status of the Series 2013A Bonds;
(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Series 2013 Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the University;
(13) the consummation of a merger, consolidation, or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(14) appointment of a successor or additional trustee or the change of name of the trustee, if material; and

The University is required to file any required notice of a Material Event with the MSRB on EMMA, promptly after the occurrence of the Material Events listed above, but no later than 10 business days after the occurrence of the Material Event. If the University has not timely filed or caused to be filed an Annual Report, the Dissemination Agent has agreed to send notice to the MSRB disclosing such failure to file.

Other Terms

The University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

The Dissemination Agent is not responsible in any manner for the content of any notice or report prepared by the University pursuant to the Continuing Disclosure Agreement. The Dissemination Agent is Digital Assurance Certification, L.L.C.

Notwithstanding any other provision of the Continuing Disclosure Agreement, the University and the Dissemination Agent may amend the Continuing Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the University) and any provision of the Continuing Disclosure Agreement may be waived, provided Bond Counsel or other counsel experienced in federal securities law matters provides the Dissemination Agent with its opinion that the undertaking of the University, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to the Continuing Disclosure Agreement.

In the event of a failure of the University or the Dissemination Agent to comply with any provision of the Continuing Disclosure Agreement, any owner or Beneficial Owner of the Series 2013 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the University or the Dissemination Agent, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed an event of default under the Resolution and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the University or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Electronic Municipal Market Access System (EMMA)

All Annual Reports and notices of Material Events required to be filed by the University or the Dissemination Agent pursuant to the Continuing Disclosure Agreement must filed with the MSRB on EMMA. EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, material event notices, real-time municipal securities trade prices and MSRB education resources, available at *www.emma.msrb.org*. Nothing contained on EMMA relating to the University or any Prior System Bonds is incorporated by reference in this Official Statement.

The voluntary quarterly reports described above prepared by the University with respect to the University Health System are also filed by the University with the MSRB on EMMA and are available to all persons at the EMMA website.

Compliance with Prior Continuing Disclosure Undertakings

In the past five years, the University has not failed to comply in any material respect with any previous undertakings with regard to the Rule to provide annual reports or notices of material events. The University's operating data for the fiscal year ended June 30, 2012 (the "2012 Operating Data") was provided to the Dissemination Agent as required and posted on EMMA, but it was not properly linked by CUSIP numbers to one series of Prior System Bonds due to an administrative error. The University has remedied this error by re-filing the 2012 Operating Data under the omitted CUSIP numbers and is consulting with its Dissemination Agent to determine what systems are in place on EMMA or with the Dissemination Agent to ensure that future University continuing disclosure filings are submitted to EMMA under all then applicable CUSIP numbers.

Website Information

The University maintains a public website on which it posts:

- Audited Financial Statements of the University and the University Health System
- Summaries of University Debt
- Offering Documents relating to University Debt
- University Debt Policy
- Annual Operating Budgets
- Annual Appropriations Requests
- Endowment Fund Information
- Retirement Fund Information
- Finance & Administration Strategic Plan
- University Strategic Plan

Certain of the foregoing information is available on the webpage for the University of Missouri System, Office of the Treasurer, at www.umsystem.edu/ums/fa/treasurer. None of the information included on the University's website is incorporated by reference into this Official Statement.

FINANCIAL ADVISOR

The University has retained Prager & Co., LLC New York, New York, as Financial Advisor (the ***"Financial Advisor"***) for the sale of the Series 2013 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. In addition to providing financial advisory services, the Financial Advisor is also engaged in the business of underwriting, trading, and distribution of municipal and other public securities.

INDEPENDENT AUDITORS

The financial statements of the University of Missouri System for the fiscal years ended June 30, 2013 and 2012, included as **Appendix B** to this Official Statement have been audited by KPMG LLP, independent auditors, as stated in their reports, which also appear in **Appendix B**.

RATINGS

Standard & Poor's Ratings Services and Moody's Investors Service, Inc. have assigned the Series 2013 Bonds the ratings of "AA+" and "Aa1," respectively. These ratings reflect only the respective views of those organizations at the time the ratings were given. An explanation of the significance of those ratings may be obtained from the respective rating agencies.

The University furnished the rating agencies with certain information and materials relating to the Series 2013 Bonds and the University that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies.

There is no assurance that a particular rating will be maintained for any given period of time or that it will not be revised downward or withdrawn entirely by either or both rating agencies if, in the judgment of either or both, circumstances so warrant. Any downward change or withdrawal of the ratings may have an adverse effect on the market price and marketability of the Series 2013 Bonds.

UNDERWRITING

The Series 2013 Bonds are being purchased for reoffering by the underwriters named on the cover page (collectively, the ***"Underwriters"***), for whom Barclays Capital Inc. will act as representative, pursuant to a Bond Purchase Agreement between the University and the Underwriters. The Underwriters have agreed to purchase all, but not less than all, of the Series 2013A Bonds at a price of $13,185,748.09 (which gives effect to original issue premium of $1,888,891.05, and an underwriting discount in the amount of 28,142.96) and the Series 2013B Bonds at a price of $149,641,822.00 (reflecting an underwriting discount in the amount of $358,178.00) on the terms set forth in the Bond Purchase Agreement.

The Underwriters may offer and sell the Series 2013 Bonds to certain dealers (including dealers depositing the Series 2013 Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover page. The initial public offering prices may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the University, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the University.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MISCELLANEOUS

The references to and summaries of the Resolution, and other documents referred to herein and in **Appendix D**, and to the laws of the State, do not purport to be complete, and all such references are qualified in their entirety by reference to the complete provisions thereof. Copies of all documents referred to herein are on file with the Financial Advisor and the University and may be obtained, without charge, by written request. All estimates and other statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The attached appendices are integral parts of this Official Statement and must be read together with all of the foregoing statements.

The closing documents will include a certificate by the proper official of the University that, to the best of his or her knowledge and belief at the time of the acceptance of the delivery of the Series 2013 Bonds, this Official Statement and any information furnished by the University supplementary thereto did not and do not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made in light of the circumstances under which they were made, not misleading in any material respect.

(Remainder of page intentionally left blank.)

This Official Statement has been duly authorized and approved by the University and duly executed and delivered on its behalf by the official signing below.

THE CURATORS OF THE UNIVERSITY OF MISSOURI

By /s/ Thomas F. Richards
Interim Vice President for Finance and Treasurer

APPENDIX A

THE CURATORS OF THE UNIVERSITY OF MISSOURI

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THE CURATORS OF THE UNIVERSITY OF MISSOURI

History and Background

The Curators of the University of Missouri (the ***"University"***), created by the Geyer Act of the Tenth General Assembly of Missouri in 1839, is the oldest state university west of the Mississippi. The University was patterned after the ideals of Thomas Jefferson, a vigorous advocate of public higher education. After passage of the Morrill Act by Congress, the University became a land-grant institution in 1870.

The University had its beginnings in Columbia, Missouri. It remained a single-campus institution until 1870 when the Rolla campus (now known as the Missouri University of Science and Technology) was opened. Two campuses were added in 1963: an entirely new campus was started in St. Louis, Missouri and the private University of Kansas City in Kansas City, Missouri became the University of Missouri-Kansas City.

Board of Curators

Under the State Constitution, the University is governed by the Board of Curators of the University of the State of Missouri (the ***"Board"***). This nine-member Board is appointed by the Governor and confirmed by the State Senate, with each appointment being for a six-year term. No more than five members can be from the same political party, and at least one, but no more than two members, shall be from each of the eight congressional districts. The State Constitution provides that the Board has sole authority to govern the University. The State General Assembly has the responsibility to provide adequate funds to maintain the University.

The Board has the following standing committees that meet as business requires:

Executive Committee. The Executive Committee, when the Board is not in session, has the powers of the Board to take such action as the Executive Committee deems to be in the best interest of the University to the extent such action is in accordance with the bylaws of the University and the rules and regulations of the Board.

Academic, Student and External Affairs Committee. The Academic, Student and External Affairs Committee has referred to it matters relating to curricula, faculty and student affairs, government relations and external relations.

Audit Committee. The Audit Committee assists the Board in fulfilling its oversight responsibilities relating to the integrity of the University's financial statements, the systems of internal control, the performance of the University's independent auditors and internal audit function, the independent auditor's qualifications and independence, and the University's compliance with legal and regulatory requirements.

Compensation and Human Resources Committee. The Compensation and Human Resources Committee has referred to it matters relating to the compensation, benefits and other human resource functions of the University and associated programs and policies.

Finance Committee. The Finance Committee has referred to it matters relating to the fiscal and accounting functions of the University and associated programs and policies.

Governance, Resources and Planning Committee. The governance, resources and planning committee has a broad mandate from the Board to work with the Board Chair and the President of the University to help the Board function effectively, efficiently and with integrity, including (a) ensuring a substantive orientation process is in place for all new Board members, (b) overseeing, or determining with the Board Chair and President, the timing and process of periodic Board self-assessment, (c) encouraging Board members to participate periodically in in-service education opportunities, (d) ensuring the Board adheres to its rules of conduct, including conflict-of-interest and disclosure policies and otherwise maintains the highest levels of integrity in everything it does, and (e) periodically reviewing the adequacy of the Board's bylaws and other collected rules and regulations adopted by the Board that pertain to its internal operations.

Internal Audit and Enterprise Risk Management

The University has engaged an independent auditing firm to conduct internal audit projects under the direction of the Vice President for Finance. The internal auditing firm is not the same firm that regularly audits the University's financial statements. The internal auditing firm reports to the Audit Committee of the Board and the University President. The University initiated an Enterprise Risk Management pilot program in 2012 and is in the process of extending the program to each campus.

General Officers

The Board appoints the President of the University, who is the chief executive officer for the University's four-campus system. The Board, upon recommendation of the President, appoints a Chancellor to direct each campus, a Vice President for Finance, a Vice President for Academic Affairs, a Vice President for Information Technology, a Vice President for Human Resources, and a Vice President for University Relations, all of whom report to the President, and a General Counsel, who reports directly to the Board.

The following is summary biographical information relating to the President of the University, the Chancellor of each Campus of the University and the Vice President for Finance of the University:

Timothy M. Wolfe, 55, President of the University of Missouri System. Mr. Wolfe was selected as the 23rd President of the University effective February 15, 2012. Prior to assuming this role, Mr. Wolfe was President of the Americas at Novell, a leading provider of infrastructure software. Prior to that, Mr. Wolfe spent 20 years in various executive positions at IBM, working his way to vice president and general manager of the global distribution sector. Mr. Wolfe received a bachelor's of science in personnel management from the University of Missouri-Columbia.

Brady J. Deaton, 71, Chancellor of the University of Missouri-Columbia. Dr. Deaton became the 21st chief executive officer of the University of Missouri - Columbia on October 4, 2004. Dr. Deaton holds a bachelor's degree in agricultural economics and a master of arts in diplomacy and international commerce from the University of Kentucky, and a master of science and doctorate in agricultural economics from the University of Wisconsin. Prior to joining the University, Dr. Deaton served as an assistant and associate professor of agricultural economics and rural sociology at the University of Tennessee, and served for 12 years as a professor and coordinator of the rural development research and extension program at Virginia Polytechnic Institute and State University. He joined the University of Missouri-Columbia in 1989 and, prior to being named Chancellor, served the University as professor and chair in the Agricultural Economics Department, chief of staff in the Office of the Chancellor, deputy chancellor, provost, and executive vice chancellor for academic affairs. In June 2013, Dr. Deaton announced his retirement effective November 15, 2013. A committee has been formed to lead the search for a new chancellor. Steven J. Owens, General Counsel of the University, will serve as Interim Chancellor of the University of Missouri-Columbia from November 15, 2013 until the appointment of Dr. Deaton's successor.

Leo E. Morton, 68*, *Chancellor of the University of Missouri-Kansas City. Mr. Morton became Chancellor of the University of Missouri - Kansas City on December 15, 2008. Mr. Morton holds a bachelor's degree in engineering from Tuskegee University and a master's degree in management from the Massachusetts Institute of Technology. Prior to assuming the Chancellorship, Mr. Morton served as interim Chancellor and was employed with Aquila, Inc., in various executive positions, including senior vice president and chief administrative officer since

2000. Prior to Aquila, Inc., Mr. Morton's management career extended over 26 years in engineering and manufacturing with AT&T Microelectronics, Bell Laboratories, General Motors, Rust Engineering Company and Corning Glass. Mr. Morton was a trustee for the University of Missouri-Kansas City since 2000 and served as Chairman of the Board of Trustees prior to stepping down to serve as interim Chancellor.

Cheryl B. Schrader, 51, Chancellor of the Missouri University of Science and Technology. Dr. Schrader became the Chancellor of Missouri University of Science and Technology effective April 2, 2012. Prior to becoming Chancellor, Dr. Schrader was dean of engineering at Boise State University, where she also held the position of associate vice president for strategic research initiatives. Dr. Schrader began her teaching and research career at Notre Dame while undertaking internships and consulting work with McDonnell Douglas Astronautics Co. in the early 1980s and Chimera Research in the early 1990s. Following a brief period as an adjunct assistant professor at Rice University in 1991, Dr. Schrader moved to the University of Texas at San Antonio, where she rose to serve as a tenured professor of electrical engineering and served as associate dean at both the college of sciences and the college of engineering. Dr. Schrader earned a bachelor of science degree in electrical engineering from Valparaiso University in Valparaiso, Indiana, in 1984. Dr. Schrader earned a master of science and Ph.D. degrees in electrical engineering from Notre Dame in 1987 and 1991, respectively.

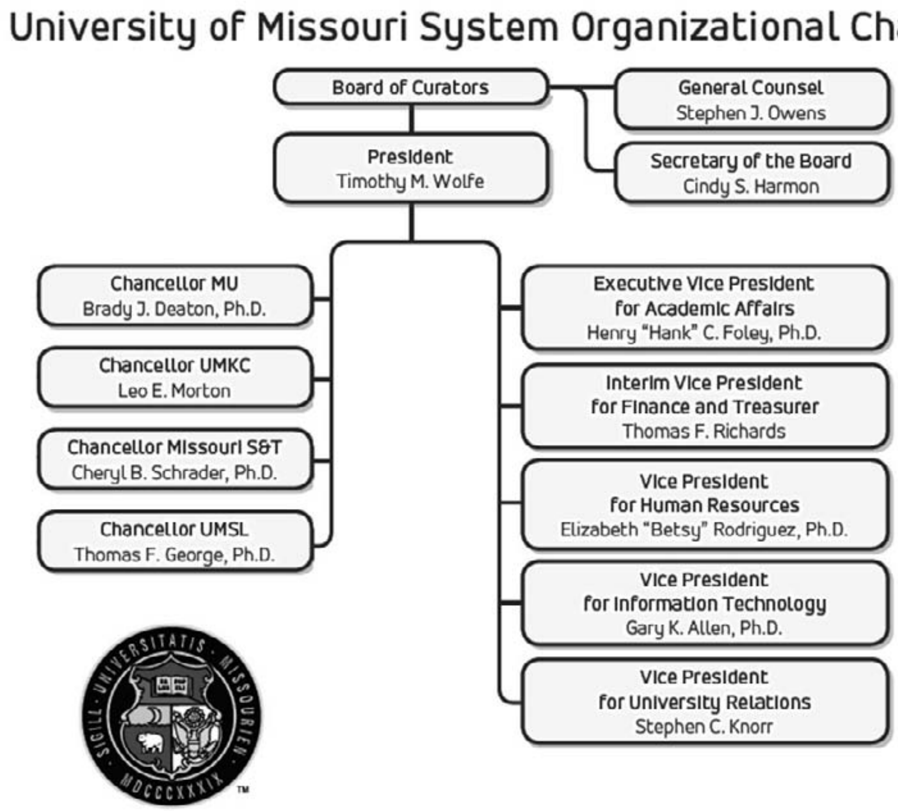
Thomas F. George, 66, Chancellor of the University of Missouri-St. Louis. Dr. George became Chancellor of the University of Missouri – St. Louis on September 1, 2003. Prior to joining the University, Dr. George served as chancellor of the University of Wisconsin-Stevens Point. Prior to coming to Stevens Point in 1996, he served for five years as provost and academic vice-president of Washington State University. Dr. George also worked at the State University of New York at Buffalo where he served as dean of the faculty of natural sciences and mathematics for six years, and at the University of Rochester where he was a professor of chemistry. Dr. George earned his bachelor's degree (Phi Beta Kappa) with a double major in chemistry (with honors) and mathematics (with honors) from Gettysburg College, his master's degree and doctoral degree in theoretical chemistry from Yale University, followed by postdoctoral appointments at the Massachusetts Institute of Technology and the University of California at Berkeley.

Stephen J. Owens, 58, Interim Chancellor of the University of Missouri-Columbia. Mr. Owens became General Counsel of the University in January 2008. On October 28, 2013, Mr. Owens was appointed by the President, with the approval of the Board, to serve as Interim Chancellor of the University of Missouri-Columbia from the date of Chancellor Deaton's retirement on November 15, 2013 until a new Chancellor is appointed. Mr. Owens served as Interim President of the University from January 7, 2011 to February 14, 2012, following the resignation of the then current President of the University. Prior to joining the University, Mr. Owens was a partner and Chairman of the Class Action and Complex Litigation Division of Stinson Morrison Hecker, LLP. Mr. Owens earned a bachelor of science degree in Public Administration from the University of Missouri-Columbia in 1977 and a law degree from Wake Forest University in 1980.

Phillip J. Hoskins, Deputy General Counsel of the University, has been appointed by the Board to serve as Acting General Counsel while Mr. Owens serves as Interim Chancellor of the University of Missouri - Columbia.

Thomas F. Richards, 44, Interim Vice President for Finance and Treasurer of the University of Missouri System. Mr. Richards became Interim Vice President for Finance on July 1, 2013 and Treasurer on January 31, 2011. Prior to joining the University, Mr. Richards served as the Chief Financial Officer of Landmark Bank, N.A. Prior to that, Mr. Richards served as an audit manager in the financial services practice of PricewaterhouseCoopers LLP in Indianapolis, Indiana. Mr. Richards, a CPA, earned his bachelor's degree from the University of Michigan. Mr. Richards received the Rising Star Award from the National Association of College and University Business Officers in 2013.

The chart on the following page shows the organizational structure and relationships among the Board, the President of the University, the Chancellors of each Campus of the University and the Vice Presidents of the University.



University System

The University currently includes four campuses with 45 schools, colleges and divisions, and a Fall 2013 enrollment of over 75,000 full- and part-time students. The four-campus system administration is located in Columbia. The University is the only public institution in Missouri offering professional and doctoral degrees, and approximately one-fourth of its enrollment consists of professional and graduate students. The University also administers a statewide cooperative extension service consisting of centers located in nearly all of Missouri's 114 counties. The extension service is aided by local extension councils in every Missouri county which help guide local educational programming.

Strategic Planning

The University initiated a system-wide, campus driven strategic planning process in June 2012. Pursuant to the strategic planning process, each campus has developed and will continue to refine a campus plan and a strategy statement designed to facilitate the implementation of its plan. The goal of the strategic planning process is for each campus and the System as a whole to develop a clear, focused strategy that articulates how it will use its unique strengths to overcome barriers in achieving its vision and delivering on its mission. The University intends to distribute any future increases in State support for operations among the System's four campuses based on a competitive process driven by the relative strength of strategic funding requests submitted by each campus. Previously, funding increases were distributed among the campuses pro rata.

In August 2013, the University announced that it will distribute more than $22 million in new State funding during fiscal year 2014 to the four campuses in furtherance of the campuses' respective strategic priorities. Each campus previously submitted strategic planning funding requests which were analyzed with input from the four Chancellors. Funding is based on the criteria for strategic financial investment agreed upon by the President and Chancellors in April 2013. Each campus request was evaluated based on whether it would have a measurable and significant impact on achieving the strategy, or return on investment; evidence that the campus is sharing the cost of the initiative and has made the difficult choices about what it will no longer do in order to free resources for strategic investment; the impact on student learning and success, including how the proposed action plan is tied to and directly impacts measurable student learning and success outcomes; and the extent to which the action plan and request for funding allows the actions being tested and implemented on one campus to be replicated on additional campuses.

Additional information about the University's strategic planning process is available at umsystem.edu/president/strategicplanning. None of the strategic plan information available through this webpage is incorporated by reference into this Official Statement, as such information is aspirational in nature and not intended to be predictive of future results of operations of the University.

Accreditations

The University of Missouri's four campuses are all fully accredited, and institutional accreditation is obtained through the North Central Association of Colleges and Schools. Individual schools and colleges are accredited by their respective professional accrediting bodies. In addition, the University of Missouri-Columbia is a member of the Association of American Universities, which is an association of 62 leading research universities in the United States and Canada.

The Columbia Campus

The University of Missouri – Columbia (the ***"Columbia Campus"*** or ***"UMC"***) is the largest campus in the University system with nearly one-half of the University's enrollment. The Columbia Campus had a Fall 2013 enrollment of 34,616 full- and part-time students. Established in 1839, the Columbia Campus has 20 schools and colleges offering over 275 degree programs and emphasis areas. The Columbia Campus is home of the world's first School of Journalism, the oldest agricultural experiment field west of the Mississippi River, and the nation's first electrical engineering department. It is one of only five institutions in the United States that has accredited programs located on one campus in agriculture, business, education, engineering, journalism, law, medicine, and veterinary medicine. The Columbia Campus is home to the University Health System, an integrated health network that includes five hospitals totaling 545 acute care beds, which support the teaching efforts of the Schools of Medicine, Nursing, and Health Professions. The Columbia Campus also includes a School of Natural Resources, a Graduate School, a College of Arts and Sciences, a School of Fine Arts, a School of Music, a School of Accountancy, a School of Information Science and Learning Technologies, a College of Human Environmental Sciences, a School of Social Work, and the Harry S. Truman School of Public Affairs, as well as various cooperative programs. UMC has been designated a Doctoral/Research Universities Extensive by the Carnegie Foundation for Advancement of Teaching. UMC is also a member of the National Association of State Universities and Land-Grant Colleges.

The Kansas City Campus

While the University of Missouri – Kansas City (the ***"Kansas City Campus"*** or ***"UMKC"***) has been a part of the University since 1963, classes began on the Kansas City Campus 30 years earlier as a private institution, the University of Kansas City. Three of the professional schools on the Kansas City Campus (dentistry, law and pharmacy) were founded in the nineteenth century and subsequently merged into the University of Kansas City. The Kansas City Campus also has a Graduate School, a College of Arts and Sciences, Schools of Biological Sciences, Business and Public Administration, Education, Interdisciplinary Computing and Engineering, Medicine and Nursing, the Conservatory of Music, and various cooperative programs. The Kansas City Campus had a Fall 2013 enrollment of 15,718 full- and part-time students. UMKC includes both the main Volker campus, located just south of the Country Club Plaza, and the Hospital Hill campus, located in midtown Kansas City. It is primarily a commuter campus, and 33% of its students are enrolled in graduate or professional programs, the highest ratio on any of the University's campuses.

The Missouri S&T Campus

The Missouri University of Science and Technology, formerly known as the University of Missouri – Rolla (the ***"Missouri S&T Campus"*** or ***"Missouri S&T"***), is located in the City of Rolla, which is approximately 100 miles southwest of St. Louis. Missouri S&T had a Fall 2013 enrollment of 8,129 full- and part-time students. The Campus was known as the Missouri School of Mines and Metallurgy from 1917 until 1964. On July 1, 2007 the campus restructured its academic administration. The School of Engineering, School of Management and Information Systems, School of Materials, Energy and Earth Resources and the College of Arts and Sciences were eliminated. Two new vice provost positions were created; one for graduate studies and one for academic affairs. This change was designed to enhance direct interaction among departments and the provost's office and remove the dividing lines between schools, thereby encouraging more interdisciplinary activities. The Campus is located on a site of 284 acres within the City of Rolla and provides off campus programs at the Graduate Engineering Center in St. Louis. Missouri S&T ranks nationally in the "top twenty-five" in number of engineering bachelors degrees granted. About one-half of the engineers educated in Missouri are Missouri S&T graduates.

The St. Louis Campus

From its beginning in 1963, the University of Missouri – St. Louis (the ***"St. Louis Campus"*** or ***"UMSL"***) has grown to become the third largest university in Missouri. The St. Louis Campus had a Fall 2013 enrollment of 16,809 full- and part-time students. The St. Louis Campus offers an academic structure consisting of a Graduate School, an Honors College, the School of Social Work, the Colleges of Arts and Sciences, Business Administration, Education, Fine Arts and Communication, Nursing and Optometry, and various cooperative programs. The St. Louis Campus serves primarily residents of the St. Louis metropolitan area.

University Health System

University Health System – General. Effective as of February 7, 2006, the University Health System and the facilities thereof became a part of the System Facilities. Accordingly, the revenues and expenses of the University Health System effectively became System Revenues and expenses for the fiscal year ended June 30, 2006.

The University Health System consists of the University of Missouri Health Care (***"MU Health Care"***), a system of hospitals and clinics serving the health care needs of central Missouri, and University Physicians, which is the organized practice plan for the faculty of the University of Missouri - Columbia School of Medicine (**"*UMC School of Medicine*"**), and various facilities utilized by University Physicians. The flagship hospital of MU Health Care is University Hospital, a 349-staffed bed hospital located on the Columbia Campus, which offers a wide spectrum of general and specialty care services and is the only Level I trauma center and helicopter service in central Missouri. University Hospital includes Missouri Psychiatric Center, an acute psychiatric center, for which MU Health Care assumed operational responsibility and the real and personal property from the State Department of Mental Health on July 1, 2009. Missouri Psychiatric Center has 61 acute psychiatric beds (included in the University Hospital total beds). A $54 million freestanding Missouri Orthopedic Institute was opened on the University Hospital campus in June 2010, with 20 inpatient beds (included in the University Hospital total beds) and five operating rooms.

MU Health Care also includes Women's and Children's Hospital, a 136-staffed bed acute-care facility located in Columbia; the Ellis Fischel Cancer Center, a specialty cancer facility now located in University Hospital, which became a part of MU Health Care in 1990; Missouri Rehabilitation Center, a 63-staffed bed long-term acute care hospital specializing in brain injury and other rehabilitation services located in Mt. Vernon; and numerous health care clinics. University Hospital previously included Children's Hospital, which was operated as a "hospital-within-a-hospital" within the facilities of University Hospital. In September 2010, the Children's Hospital at University Hospital was transferred to Columbia Regional Hospital, and Columbia Regional Hospital was renamed Women's and Children's Hospital. In March 2013, a $190 million patient tower was opened which includes a new $50 million Ellis Fischel Cancer Center, six operating rooms, and 90 private patient rooms. Ellis Fischel Cancer Center had previously been located in a separate facility in Columbia. MU Health Care also has partnerships with various health care providers. The UMC School of Medicine, the Sinclair School of Nursing and the School of Health Professions are not part of the University Health System, and none of the revenues of those Schools is included in the System Revenues.

MU Health Care treats patients from every county in the State and considers its primary service area to be seven counties in central Missouri (including Boone County, in which the principal MU Health Care facilities are located) and its secondary service area to be 18 surrounding counties. University Hospital (including Ellis Fischel), Women's and Children's Hospital and Missouri Rehabilitation Center are accredited by The Joint Commission.

In 2008, the University's health sciences-based delivery system in Columbia was realigned to enable it to meet future challenges, take advantage of new opportunities in the health care field, and better serve the people of the State by integrating the University's medical education, research and clinical missions. The Vice Chancellor for Health Sciences serves as the operating executive responsible for all academic, clinical and business operations for the hospitals, physician group and health-related schools and reports to the Chancellor of the University of Missouri-Columbia.

The Chief Executive Officer of MU Health Care and the deans of each of the Schools of Medicine, Nursing and Health Professions report to the Vice Chancellor for Health Sciences. In conjunction with the realignment, an advisory board (the ***"Health Care Advisory Board"***) was established to oversee MU Health Care. The Health Care Advisory Board consists of individuals external to the University who possess broad expertise and experience in financial, health-related and other fields. The President of the University chairs the Health Care Advisory Board and the Vice Chancellor of Health Sciences and the Chief Executive Officer of MU Health Care serve as ex-officio members.

Approximately 38% of the University's operating revenue for fiscal year 2013 was derived from the University's Health System, which includes MU Health Care. Future changes in the health care market and regulations, including health care reform and third party health care programs could adversely affect the financial condition and results of operations of the University. See **"MU Health Care Financial and Operating Data."**

University Health System - Biographical Information. The following is summary biographical information for the Vice Chancellor for Health Sciences, the Chief Executive Officer of MU Health Care and the Chief Financial Officer of MU Health Care:

Harold A. Williamson Jr., 63, MD, MSPH, Vice Chancellor for Health Sciences. Dr. Williamson was appointed Vice Chancellor for Health Sciences in March 2009 after having served as interim vice chancellor since September 2008. Prior to his appointment, Dr. Williamson served for 10 years as the chair of the University's Curtis W. and Ann H. Long Department of Family and Community Medicine, directed the University's family practice residency program, served as a visiting scholar at the University of Washington, where he studied rural health care services and quality, and served for 11 years as director of the University's Area Health Education Center. Dr. Williamson received his medical degree from Case Western Reserve University Medical School in Cleveland and completed his residency training at the University of Minnesota. Dr. Williamson received his master's degree in public health from the University of Missouri-Columbia.

Mitchell L. Wasden, Ed.D., 44, Chief Executive Officer and Chief Operating Officer, MU Health Care. Dr. Wasden became Chief Executive Officer of MU Health Care in January 2013. He served as Chief Operating Officer from June 2012 to January 2013. Prior to joining MU Health Care, Dr. Wasden served as Chief Executive Officer of Oschner Medical Center in Baton Rouge, Louisiana. Dr. Wasden's previous experience also includes chief operating officer and vice president of Tympany Medical, Inc. in Stafford, Texas and vice president of clinical services for Oschner Health Systems in New Orleans. A fellow of the American College of Healthcare Executives, Dr. Wasden holds a doctor of education degree from George Washington University in Washington D.C., a master's degree in health services administration from the University of Michigan in Ann Arbor and a bachelor's degree from Brigham Young University in Provo, Utah.

Kevin Necas, 66, Chief Financial Officer, MU Health Care and UMC School of Medicine. Mr. Necas became Chief Financial Officer of MU Health Care in September 2004 and of the UMC School of Medicine in March 2013. Prior to joining MU Health Care, Mr. Necas served as Senior Vice President and Chief Financial Officer for the Baylor College of Medicine in Houston, Texas. Prior to that, Mr. Necas served as Vice President and Chief Financial

Officer of Rush University Medical Center, Chicago, Illinois. Mr. Necas, a CPA, received an MBA with a concentration in Health Accounting from Northwestern University in Evanston, Illinois and a bachelor's degree from John Carroll University in Cleveland, Ohio. Mr. Necas is a member of the Healthcare Financial Management Association.

MU Health Care Financial and Operating Data

The table below summarizes selected utilization data for MU Health Care for each of the five fiscal years ended June 30, 2013.

MU Health Care Utilization Data

	2009	2010	2011	2012	2013
Acute Staffed Beds [1]	502	562	562	536	545
Patient Days [1]	113,218	127,822	123,572	120,985	126,142
Average Daily Census [2]	310.2	350.2	338.6	330.6	354.5
Length of stay (days)[2]	5.90	5.91	5.58	5.47	5.20
Discharges [2]	19,202	21,625	22,165	22,203	24,028
Outpatient Visits	689,624	715,409	741,535	779,683	829,947

(1) Effective July 1, 2009, the University Health System assumed operational responsibility and the real and personal property for a 61-bed psychiatric hospital previously operated by the State Department of Mental Health and now known as Missouri Psychiatric Center, in Columbia, Missouri.

(2) Excludes normal newborns.

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The following table summarizes certain financial information for MU Health Care for each of the five fiscal years ended June 30, 2013.

MU Health Care – Summary Financial Information
(in thousands)

	2009	2010	2011	2012	2013
Net patient service revenue	$559,602	$583,551	$594,517	$639,180	$684,621
Other operating revenues	17,153	16,855	22,125	17,861	21,497
Total operating revenues	576,755	600,406	616,642	657,041	706,118
Operating expenses	577,694	580,489	608,419	640,493	672,309
Operating income (loss)	19,061	19,917	8,223	16,548	33,809
Net non-operating revenues	11,009	36,120	31,536	8,181	11,226
Income before contributions and transfers(1)	$ 30,070	$ 56,037	$ 39,759	$ 24,729	$ 45,035

(1) Effective June 30, 2012, the operations of the University Physicians Practice Plan (University Physicians) are no longer combined with the hospital facilities of MU Health Care. The above financial information for fiscal years 2009 through 2012 has been restated to exclude University Physicians. The operations of the University Physicians continue to be included in the results of the University.

The following table summarizes the gross patient service revenue payor mix for the five fiscal years ended June 30, 2013.

MU Health Care
Sources of Patient Service Revenue

Source of Payment	2009	2010	2011	2012	2013
Medicare	33.6%	34.1%	32.9%	32.8%	34.3%
Medicaid	23.0	21.0	25.3	25.4	25.0
Managed Care / Commercial Insurance	32.0	33.6	29.9	29.4	29.4
Self Pay / Other	11.4	11.2	11.9	12.4	11.3
Total	100.0%	100.0%	100.0%	100.0%	100%

The payments to MU Health Care from third-party payors can vary depending upon a number of factors, including federal and State funding of Medicare and Medicaid, changes in reimbursement methodologies and changes to managed care and other insurance contracts with the Health System.

MU Health Care – Competition. MU Health Care's principal competitors are Boone Hospital Center, a 349-bed hospital located in Columbia, Missouri and affiliated with BJC Health System, headquartered in St. Louis, Missouri (***"Boone Hospital"***); and St. Mary's Health Center, a 167-bed hospital located in Jefferson City, Missouri and affiliated with SSM Health Care in St. Louis, Missouri (***"St. Mary's"***). Capital Region Medical Center, a 114-bed hospital also located in Jefferson City (***"Capital Region"***), is affiliated with the University Health System and is included in the audited financial statements of the University as a part of the University of Missouri – Columbia Medical Alliance which is a discretely presented component unit. See Note 1 of the Notes to Financial Statements included as **Appendix B.** Although Capital Region is not a part of the University Health System, MU Health Care does not consider Capital Region a competitor. The following table sets forth for the fiscal years ended June 30, 2011, 2012 and 2013, the market share of MU Health Care, Boone Hospital, St. Mary's and other facilities for the Combined Service Area of MU Health Care. The Combined Service Area of MU Health Care consists of 25 counties, including Boone County, surrounding Columbia, Missouri from which approximately 85% of MU Health Care's discharges historically originate.

Market Share – Combined Service Area

	Fiscal Years Ended June 30,					
	2011		**2012**		**2013**	
Combined Service Area	**Discharges**	**% Share**	**Discharges**	**% Share**	**Discharges**	**% Share**
MU Health Care	18,529	19.7%	18,646	20.2%	20,480	23.2%
Boone Hospital Center	16,109	17.2	16,288	17.6	15,176	17.2
St. Mary's Health Center	8,627	9.2	8,320	9.0	7,509	8.5
Other Facilities [2]	50,588	53.9	49,137	53.2	45,027	51.1
Total CSA	93,853	100.0%	92,391	100.0%	88,192	100.0%

[1] MU Health Care consists of University Hospital and Women's and Children's Hospital, formerly known as Columbia Regional Hospital.

[2] Includes Capital Region Medical Center, which is affiliated with the University.

Source: Missouri Hospital Association.

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University Historical and Projected Enrollment

The following table sets forth the historical and projected head count enrollment for the University. The projected enrollment figures provided below are prepared by each campus and are reviewed by the University system administration. Enrollment projections were prepared by each campus in April 2013 and have not been updated to reflect the effect of Fall 2013 enrollment on future projections.

Enrollment (Full- and Part-Time)

Historical Enrollment

Fall	Columbia	Kansas City	Missouri S&T	St. Louis	Total
2009	31,237	14,799	6,814	16,534	69,384
2010	32,341	15,259	7,205	16,791	71,596
2011	33,762	15,473	7,521	16,809	73,565
2012	34,704	15,990	7,645	16,705	75,044
2013	34,616	15,718	8,129	16,809	75,272

Projected Enrollment

Fall	Columbia	Kansas City	Missouri S&T	St. Louis	Total
2014	35,574	16,757	7,799	16,798	76,928
2015	35,838	17,125	7,912	16,798	77,673
2016	35,759	17,473	8,008	16,908	78,148
2017	35,842	17,805	8,076	16,908	78,631

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Student Applications, Acceptances, and Matriculations

The following table sets forth the numbers of applications, acceptances and matriculations for new undergraduate students of the University for the Fall semesters 2009 through 2013.

Campus	Fall	Category	Applications	Acceptances	Matriculations
Columbia	2009	Freshmen	16,455	13,659	5,593
		Transfers	3,107	2,154	1,423
	2010	Freshmen	17,491	14,597	6,089
		Transfers	3,173	2,133	1,415
	2011	Freshmen	18,125	14,924	6,138
		Transfers	3,464	2,323	1,434
	2012	Freshmen	20,564	16,752	6,501
		Transfers	3,437	2,308	1,407
	2013	Freshmen	20,956	16,743	6,201
		Transfers	3,091	2,040	1,208
Kansas City	2009	Freshmen	3,524	2,541	1,011
		Transfers	3,106	2,172	1,486
	2010	Freshmen	4,131	2,916	1,145
		Transfers	3,384	2,429	1,590
	2011	Freshmen	4,240	3,011	1,161
		Transfers	2,895	2,306	1,483
	2012	Freshmen	4,450	3,019	1,131
		Transfers	3,316	2,391	1,496
	2013	Freshmen	4,469	2,926	1,079
		Transfers	3,081	2,046	1,396
Missouri S&T	2009	Freshmen	2,702	2,393	1,132
		Transfers	552	411	293
	2010	Freshmen	2,865	2,497	1,170
		Transfers	636	429	342
	2011	Freshmen	2,836	2,489	1,101
		Transfers	671	452	326
	2012	Freshmen	2,903	2,551	1,125
		Transfers	703	456	345
	2013	Freshmen	3,041	2,657	1,263
		Transfers	829	552	427
St. Louis	2009	Freshmen	2,221	1,335	527
		Transfers	3,488	2,675	1,848
	2010	Freshmen	2,377	1,386	515
		Transfers	4,618	3,609	2,382
	2011	Freshmen	2,323	1,252	508
		Transfers	3,615	2,702	1,920
	2012	Freshmen	2,498	1,349	547
		Transfers	3,826	2,812	1,972
	2013	Freshmen	2,444	1,348	501
		Transfers	3,778	2,617	1,811

Degrees Granted

The following tables set forth the number of degrees awarded by campus and school/college therein during the 2012-2013 academic year.

Degrees Granted

Columbia

School/College	Bachelor	Professional	Master	Doctorate	Graduate Certificate	Education Specialist	Total
Agriculture, Food & Natural Resources	491	-	44	34	-	-	569
Arts and Sciences	2,046	-	168	106	-	-	2,320
Business	786	-	231	8	21	-	1,046
Education	284	-	464	117	-	63	928
Engineering	472	-	120	32	-	-	624
Health Professions	426	-	51	45	-	-	522
Human Environmental Sciences	309	-	28	9	-	-	346
Journalism	504	-	73	8	-	-	585
Law	-	133	14	-	41	-	188
Medicine	-	98	42	13	-	-	153
Natural Resources	121	-	22	10	-	-	153
Nursing	211	-	42	2	-	-	255
Social Work	42	-	87	1	-	-	130
Veterinary Medicine	-	101	5	2	-	-	108
Graduate School	-	-	124	24	163	-	311
Columbia Campus Total	5,692	332	1,515	411	225	63	8,238

Kansas City

School/College	Bachelor	Professional	Master	Doctorate	Graduate Certificate	Education Specialist	Total
Arts and Sciences	877	-	184	2	1	-	1,064
Biological Sciences	101	-	26	-	-	-	127
Computing and Engineering	118	-	122	-	1	-	241
Conservatory of Music and Dance	64	-	42	21	7	-	134
Dentistry	36	106	10	-	17	-	169
Education	108	-	156	9	-	24	297
Law	-	159	33	-	-	-	192
Management	231	-	263	1	-		495
Medicine	-	88	12	-	5	-	105
Nursing	217	-	106	15	-	-	338
Pharmacy	7	122	-	-	-	-	129
Graduate Studies	-	-	-	45	2	-	47
Kansas City Campus Total	1,759	475	954	93	33	24	3,338

Missouri S&T

School/College	Bachelor	Professional	Master	Doctorate	Graduate Certificate	Education Specialist	Total
Missouri S&T Campus Total	1,118	-	579	95	435	-	2,227

Degrees Granted (continued)

St. Louis

School/College	Bachelor	Professional	Master	Doctorate	Graduate Certificate	Education Specialist	Total
Arts and Sciences	795	-	237	29	27	-	1,088
Business Administration	440	-	189	-	7	-	636
Education	234	-	336	24	21	28	643
Fine Arts and Communications	225	-	4	-	-	-	229
Nursing	224	-	79	7	2	-	312
Optometry	-	40	1	1	-	-	42
Graduate School	-	-	25	-	31	-	56
Engineering	58	-	-	-	-	-	58
St. Louis Campus Total	1,976	40	871	61	88	28	3,064
University Total	10,545	847	3,919	660	781	115	16,867

Student Quality Indicators

The academic demands of the curriculum require that students admitted possess a satisfactory preparatory education. The following tables set forth the high school class rank of freshmen entering the University during the Fall 2013 term and the average ACT test scores for the last five years for incoming freshmen for each campus of the University, the State of Missouri, and the United States.

High School Class Rank of Incoming Freshmen, Fall 2013

High School Class Rank	Columbia	Kansas City	Missouri S&T	St. Louis
Top 10%	27%	26%	41%	30%
Top 20%	49	45	62	54
Top 40%	79	73	88	80

Average First Time Freshman ACT

Fall	Columbia	Kansas City	Missouri S&T	St. Louis	State of Missouri	National
2009	25.6	24.1	27.7	22.7	21.6	21.1
2010	25.6	23.9	27.7	23.5	21.6	21.0
2011	25.7	23.5	27.8	23.5	21.6	21.1
2012	25.7	23.7	27.9	24.1	21.6	21.1
2013	25.7	24.1	28.0	24.1	21.6	20.9

Demographics of Student Population

Although virtually every state and numerous foreign countries are represented in the University's on-campus student population, Missouri students represent over 71% of the student body in the Fall 2013 term. The following table summarizes the historical geographic origin of students attending the University at the commencement of the Fall semester for each of the last five academic years.

Student Geographic Origin

Campus	Fall	Missouri	Illinois, Iowa and Kansas	Other States	International
Columbia	2009	23,087	3,182	3,494	1,458
	2010	23,444	3,715	3,677	1,486
	2011	23,685	4,379	3,985	1,687
	2012	23,425	5,118	4,250	1,911
	2013	22,513	5,701	4,374	2,001
Kansas City	2009	10,287	2,682	964	866
	2010	10,606	2,786	1,031	835
	2011	10,718	2,944	1,026	785
	2012	11,084	2,986	1,117	803
	2013	10,554	3,048	1,155	958
Missouri S&T	2009	4,672	599	812	729
	2010	4,917	617	816	851
	2011	5,057	630	905	923
	2012	5,149	666	885	945
	2013	5,439	666	865	1,154
St. Louis	2009	14,742	767	466	505
	2010	15,024	693	488	531
	2011	14,872	763	583	578
	2012	14,736	820	579	570
	2013	14,915	823	523	539

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Full-Time Ranked Faculty

The following table sets forth for the last five fiscal years the number of full-time ranked faculty, and the percentages who are tenured and hold terminal degrees for each campus of the University.

Full-Time Ranked Faculty

Campus	Academic Year	Full-Time Ranked Faculty	Percentage of Faculty Tenured	Percentage of Faculty With Terminal Degrees*
Columbia	2008-2009	1,853	48%	91%
	2009-2010	1,862	49	91
	2010-2011	1,912	48	90
	2011-2012	1,972	48	91
	2012-2013	1,998	48	91
Kansas City	2008-2009	670	50%	83%
	2009-2010	687	53	83
	2010-2011	698	53	84
	2011-2012	701	52	95
	2012-2013	720	51	91
Missouri S&T	2008-2009	318	66%	98%
	2009-2010	314	69	98
	2010-2011	315	67	96
	2011-2012	329	63	95
	2012-2013	325	62	96
St. Louis	2008-2009	447	52%	80%
	2009-2010	443	50	79
	2010-2011	461	51	79
	2011-2012	456	51	81
	2012-2013	458	50	80

*Definition of terminal degree slightly modified in Academic Year 2011-2012.

Selected Financial Data of the University

The following table presents a summary of the Revenues, Expenses and Changes in Net Position of the University for the five fiscal years ended June 30, 2013, which is derived from the audited financial statements of the University, and with respect to the fiscal years ended June 30, 2013 and 2012, reference is made to the audited financial statements of the University attached as **Appendix B** to this Official Statement. In the opinion of the University's management, there has been no material adverse change in the financial condition of the University since June 30, 2013, the date of the last audited financial statements. The summary financial information in the following table excludes revenues, expenses and changes in net assets attributable to the University's discretely presented component unit and the pension trust funds.

Summary of Revenues, Expenses and
Changes in Net Position of the University
(in thousands)

	Fiscal Years Ended June 30,				
	2009	**2010**	**2011**	**2012**	**2013**
Operating Revenues:					
Tuition and Fees (net of provision for doubtful accounts)*	$ 601,742	$ 630,498	$ 671,419	$ 736,074	$ 791,319
Less: Scholarship Allowances	148,578	164,187	175,917	190,798	198,514
Net Tuition and Fees	453,164	466,311	495,502	545,276	592,805
Federal Grants and Contracts	172,669	183,885	196,122	184,882	183,654
State and Local Grants and Contracts	53,042	66,194	57,375	55,837	54,298
Private Grants and Contracts	71,034	68,044	67,025	71,023	71,731
Sales and Services of Educational Activities	22,088	22,560	21,671	23,106	24,129
Auxiliary Enterprises:					
Patient Medical Services, Net	702,424	736,799	759,734	795,302	847,681
Housing and Dining Services, Net*	81,939	89,743	93,724	99,667	105,794
Bookstores	62,113	59,288	58,591	57,566	55,582
Other Auxiliary Enterprises, Net*	190,315	198,748	220,162	217,590	250,975
Other Operating Revenues	53,681	49,250	55,811	55,312	58,179
Total Operating Revenues	**1,862,469**	**1,940,822**	**2,025,717**	**2,105,561**	**2,244,828**
Operating Expenses:					
Salaries and Wages	1,213,837	1,236,965	1,272,226	1,318,349	1,343,889
Benefits	299,586	303,300	328,340	359,595	385,767
Supplies, Services and Other Operating Expenses	672,711	676,362	716,044	762,700	766,624
Scholarships and Fellowships	48,456	55,469	58,790	60,380	62,461
Depreciation	131,167	146,753	155,103	160,915	167,796
Total Operating Expenses	**2,365,757**	**2,418,849**	**2,530,503**	**2,661,939**	**2,726,537**
Operating Income (Loss) before State Appropriations	**(503,288)**	**(478,027)**	**(504,786)**	**(556,378)**	**(481,709)**
State Appropriations	479,478	498,358	437,631	397,629	401,400
Operating Income (Loss) after State Appropriations, before Nonoperating Revenues (Expenses)	**(23,810)**	**20,331**	**(67,155)**	**(158,749)**	**(80,309)**
Nonoperating Revenues (Expenses):					
Federal Appropriations	14,858	21,455	28,416	28,222	29,154
Federal Pell Grants	31,649	48,281	57,951	62,311	59,917
Investment and Endowment Income, Net of Fees	(173,355)	172,833	266,633	30,855	147,433
Private Gifts	52,552	48,695	52,564	90,346	64,103
Interest Expense	(31,432)	(46,103)	(49,507)	(53,923)	(55,256)
Other Nonoperating Expenses	(3,930)	(1,659)	(3,279)	(10,214)	(4,822)
Net Nonoperating Revenues (Expenses)	**(109,658)**	**243,502**	**352,778**	**147,597**	**240,529**
Income (Loss) before Capital Contributions, Additions to Permanent Endowments, Special Item and Extraordinary Item	**(133,468)**	**263,833**	**285,623**	**(11,152)**	**160,220**
State Capital Appropriations and State Bond Funds	17,817	14,205	8,043	937	745
Capital Gifts and Grants	13,009	19,381	15,466	11,788	20,244
Private Gifts for Endowment Purposes	21,093	24,703	26,376	24,484	35,113
Special and Extraordinary Items	2,550	-	-	42,316	-
Increase (Decrease) in Net Position	**(78,999)**	**322,122**	**335,508**	**68,373**	**216,322**
Net Position, Beginning of Period	**3,430,442**	**3,364,777**	**3,680,736**	**4,016,244**	**4,084,617**
Cumulative Effect of Change in Accounting Principles	13,334	(6,163)	-	-	-
Net Position, Beginning of Period, as Adjusted	**3,443,776**	**3,358,614**	**3,680,736**	**4,016,244**	**4,084,617**
Net Position, End of Period	**$3,364,777**	**$3,680,736**	**$4,016,244**	**$4,084,617**	**$4,300,939**

* For various line items, the net amount is disclosed in the table above, and the offsetting amounts have been excluded for summary purposes.

State Appropriations

Article IV, Section 27 of the State Constitution authorizes the Governor to control the rate at which any appropriation is expended during the period of the appropriation by allotment or other means. This section also authorizes the Governor to reduce the expenditures of the State or any of its agencies below their appropriations whenever the actual revenues are less than the revenue estimates upon which the appropriations were based. The normal Governor's reserve from appropriated funds is 3%, and the University budgets with the expectation that the actual funds received by the University will always be 3% less than the amount appropriated due to the withholding of the normal Governor's reserve. The effect of the withholdings in any year is to reduce the State's overall budget.

The following table sets forth the State appropriations for general operations appropriated, withheld and received by the University for the current fiscal year and the preceding four fiscal years. The amount shown as received in fiscal year 2014 is the amount the University expects to receive during the current fiscal year.

State Appropriations for General Operations, University of Missouri System, FY 2010-FY 2014

Fiscal Year	Recurring State Appropriations	Recurring State Appropriations Withheld (Governor's reserve)	% Withholding	Recurring State Appropriations Received	Recurring Percent Increase/ Decrease
FY2010	$451,476,165	$13,544,285	3.0%	$437,931,880	0.0%
FY2011	427,957,662	12,838,730	3.0	415,118,932	-5.2
FY2012	405,634,997	20,900,069	5.2	384,734,928	-7.3
FY2013	400,000,626	12,000,019	3.0	388,000,607	0.8
FY2014	419,511,996	12,585,361	3.0	406,926,635	4.9

Reductions in recurring State appropriations received in fiscal years 2011 and 2012 were directly related to overall reductions in federal stabilization funds received by the State following the recession in 2008 and 2009. The State received federal stabilization funds of $1.639 billion for fiscal year 2010, $546.6 million for fiscal year 2011 and $0 in fiscal year 2012.

Specific to fiscal year 2012, the Governor placed additional spending restrictions on operations of $9.8 million, beyond the normal 3% withholding, in response to concerns over State revenue projections concurrent with the elimination of federal stabilization funds from the State's budget. Near the end of fiscal year 2012, $1.1 million of this additional spending restriction was released by the Governor, resulting in net operating appropriations for the University of $384.7 million for fiscal year 2012. This was a decline of 7.3% over fiscal year 2011.

For fiscal 2013, State appropriations received for University operations increased by $3.3 million or 0.8%. This stabilization of funding for University operations was consistent with the overall stabilization of the State's budget coming out of the recession in 2008 and 2009.

In fiscal year 2014, the extent of any increase in State operating appropriations for higher education institutions was determined in large part by the level of success in meeting certain performance funding metrics that had previously been identified by each institution. The University successfully met all five of its performance funding metrics and was thus eligible for the largest possible share of any increase in State appropriations for higher education. Additionally, legislation for fiscal year 2014 operating appropriations included a new $10 million recurring appropriation specifically for the expansion of the UMC School of Medicine, as part of an overall plan to provide more physicians across the State.

Upon signing the fiscal year 2014 State appropriations bill for higher education, the Governor made immediate across the board withholdings, beyond the normal 3%, that essentially held back any increases in State appropriations for higher education (in addition to other special withholdings throughout the State's budget). This was in response to concerns over State revenues, after the legislature had passed significant tax cut legislation. The Governor vetoed the tax cut legislation, but withheld these funds from the State's budget pending the outcome of a legislative veto session. In September 2013, the legislature was unable to override the Governor's veto of the tax cut legislation and the Governor subsequently released substantially all of the special withholdings, including those that specifically impacted the University.

University operating appropriations for fiscal year 2014 totaled $419.5 million and included a small core cut, $12.5 million in performance funding and $10 million for the UMC School of Medicine expansion. The University currently anticipates receiving $406.9 million for operations, net of the typical 3% withholding reserve, a 4.9% increase over fiscal year 2013.

Future revenue shortfalls for the State or increased spending pressures for the State in other areas, or a combination of the two, may adversely affect future State appropriations for the University.

University Investments

Investment policies are established by the Board. The policies ensure that funds are managed in accordance with the Revised Statutes of Missouri and prudent investment practices. The use of external investment managers has been authorized by the Board. Substantially all University cash and investments are managed centrally, primarily in the General Pool and Endowment Pool, each as described below.

General Pool. The General Pool represents the University's cash and reserves, including, but not limited to, operating funds, auxiliary funds, service operations funds, self-insurance funds, debt service funds, and plant funds. Approximately 61% of the General Pool consists of high-grade, short-duration, fixed income securities and commercial paper, primarily managed by the University, all of which are available to support the liquidity requirements of the University's variable rate bonds and commercial paper notes (for which the University provides self-liquidity). See **"University Self Liquidity."** The General Pool had a market value of approximately $1.7 billion as of June 30, 2013.

Endowment Pool. 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, currently managed by 46 investment managers, had the long-term target asset mix and actual asset mix as of June 30, 2013 as set forth on the following page.

Endowment Pool – Asset Mix

Investment Sectors	Target Asset Mix	Actual Asset Mix June 30, 2013
Global equity	49.0%	56.8%
Absolute return	12.0	11.9
Real estate	8.0	4.8
Global fixed income	5.0	4.9
Bank Loans	2.0	1.9
High yield	5.0	4.8
Inflation-linked bonds	2.0	1.6
Emerging markets debt	7.0	6.2
Cash	0.0	1.2
Private equity	10.0	6.0
Risk Parity	0.0	0.0

The market values of the Endowment Pool as of June 30 for the last five fiscal years are set forth below.

University of Missouri System Endowment Pool

As of June 30,	Market Value
2009	$ 780,793,000
2010	862,431,000
2011	1,013,787,000
2012	1,043,965,000
2013	1,135,525,000

At June 30, 2013, the Endowment Pool had a market value of approximately $1.1 billion, compared to $1.0 billion at June 30, 2012. The Endowment Pool includes true endowment and quasi endowment funds. The market value of certain investments in the Endowment Pool (primarily, absolute return, private equity, and real estate) is reported on a lagged basis of one to three months. For the fiscal year ended June 30, 2013, the Endowment Pool had an annual return of 12.6%.

The Endowment Pool's spending policy was revised in fiscal year 2012 to distribute 4.5% of the trailing 28-quarter average of the endowment's total market value. The change from 5% to 4.5% is being phased in over several years to minimize any impact on annual distributions. In addition, the University distributes 1% of the trailing 28-quarter average of the endowment's total market value to support internal endowment administration and development functions.

For additional information on the University's investments, see Note 3 of the Notes to Financial Statements included as **Appendix B**.

Capital Campaigns

Each of the four campuses of the University has recently completed or has an ongoing major capital campaign, as follows:

- The Columbia Campus completed a $1.0 billion capital campaign in 2008, raising $1.04 billion, and is currently in the quiet stage of a new campaign.
- The Kansas City Campus commenced a $250 million capital campaign in 2009 that is now in the public phase, with approximately $172 million raised as of August 2013.
- The Missouri S&T Campus completed a $200 million capital campaign in 2010, raising $211.8 million, and is currently in the planning stage for a new campaign.
- The St. Louis Campus launched a $100 million capital campaign in 2005, adjusted the target to $150 million, and completed the campaign in 2012, raising $154.2 million.

Total gifts for these capital campaigns and other giving to the University totaled $126.6 million in fiscal year 2012 and $119.4 million in fiscal year 2013.

Undergraduate Student Fees

The following table sets forth the total annual Academic, Educational and Required Fees charged to each full-time undergraduate student at the University who is a resident of Missouri for each of the four campuses for the academic years 2009-2010 through 2013-2014.

Academic Year	Columbia	Kansas City	Missouri S&T	St. Louis
2009-2010	$8,501	$8,272	$8,488	$8,595
2010-2011	8,501	8,602	8,528	8,631
2011-2012	8,989	9,029	9,084	9,038
2012-2013	9,257	9,299	9,350	9,314
2013-2014	9,415	9,456	9,510	9,474

The annual rate of increase in undergraduate tuition and required fees charged to all Missouri resident students is governed by Missouri Senate Bill 389 (SB389). SB389 limits annual tuition and required fee increases to a rate no greater than the consumer price index (CPI). If tuition and fees are increased by more than the CPI, the University could be subject to a penalty of up to 5% of the current year State operating appropriation, unless a waiver is granted by the Commissioner of the Missouri Department of Higher Education. Tuition rates for Missouri resident undergraduate students increased for fiscal year 2014 by 1.7% across all four campuses, the rate of inflation as defined by the CPI.

Financial Aid

The following table sets forth the total Financial Aid awarded by the University for fiscal year 2013, the number of students receiving financial aid and the average amount awarded per student.

Financial Aid

	Columbia	Kansas City	Missouri S&T	St. Louis	Total
Total Financial Aid Awarded[1]	$441,040,078	$200,758,744	$97,511,157	$137,047,740	$876,357,718
Aid from Institutional Sources	$173,242,844	$41,376,871	$44,099,771	$29,240,882	$287,960,367
Students Receiving Aid	28,459	11,866	7,066	12,125	59,516
Total Financial Aid Awarded Per Student	$15,497	$16,919	$13,800	$11,303	$14,725

(1) Financial Aid includes the Scholarships and Allowances included in the University's Statement of Revenues, Expenses and Changes in Net Position as well as student loans and federal aid.

Management's Discussion and Analysis

The following Management's Discussion and Analysis is excerpted from the financial statements of the University for the fiscal years ended June 30, 2013 and 2012. For the full discussion (which discussion is unaudited as noted therein), see the financial statements of the University for the fiscal years ended June 30, 2013 and 2012 included as ***Appendix B*** *to this Official Statement.*

Financial Position of the University

At June 30, 2013, the University's financial position remained solid, with Total Assets and Deferred Outflow of Resources of $6.5 billion. Net Position, which represents the residual value of the University's assets after deducting liabilities, totaled $4.3 billion. When operating, non-operating, and other changes are included, Net Position increased by approximately $216.3 million in fiscal year 2013, driven primarily by Investment and Endowment Income Net of Fees due to improved market conditions and increases in Patient Medical Services Revenue and Other Auxiliary Operations as compared to fiscal year 2012.

Total Assets and Deferred Outflow of Resources increased by $170.7 million, or 2.7%, to $6.5 billion as of June 30, 2013 compared to the prior year. The increase during fiscal year 2013 was driven primarily by the University continuing to expand Capital Assets across all of its campuses to meet housing, educational, and patient care needs. From fiscal year 2012 to fiscal year 2013, Total Assets increased by 2.7%, primarily due to strong performance of Investments and expansion of Capital Assets.

At June 30, 2013, the University's working capital, which is current assets less current liabilities, was $64.6 million, an increase of $59.2 million from the previous year. The largest driver of the increase was a $70.8 million decrease in Investment Settlements Payable for purchases of investments occurring on or before June 30, but settling after June 30.

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 $164.5 million at June 30, 2013, also expressed as Current Assets of 1.21 times Current Liabilities.

At June 30, 2013, the University held $258.5 million in Cash and Cash Equivalents, a decrease of $104.3 million from June 30, 2012. The June 30, 2012 cash balances of $362.8 million were $141.5 million higher than June 30, 2011. The decrease in cash at June 30, 2013 is largely due to timing differences as more working capital was invested at June 30, 2013 as compared to June 30, 2012. Short-Term and Long-Term Investments totaled $2.8 billion as of June 30, 2013, representing an increase of 6.5% over the prior year as compared to a 4.8% decrease from fiscal year 2011 to fiscal year 2012. The increase in investment balances during fiscal year 2013 is primarily offset by decreases in cash and cash equivalents due to an increased investment of working capital. The financial markets improved during fiscal year 2013; net realized and unrealized gains and losses increased by $124.0 million, going from a net loss of $27.5 million in fiscal year 2012 to a net gain of $96.5 million in fiscal year 2013. The overall change in investment returns was most evident in the Endowment Pool, which experienced a net gain of 12.6% in fiscal year 2013 as compared to a net loss of (0.9%) in fiscal year 2012.

At June 30, 2013, the University's Capital Assets totaled $3.0 billion compared to $2.8 billion at June 30, 2012. The University added $316.3 million in capital assets, net of retirements, during fiscal year 2013, offset by depreciation of $167.8 million for the year. Fiscal year 2012 capital asset additions of $367.7 million, net of retirements, were offset by $160.9 million in depreciation.

Total Liabilities were $45.6 million lower at June 30, 2013 as compared to June 30, 2012, and $157.6 million higher at June 30, 2012 as compared to June 30, 2011. Significant changes in Current Liabilities at June 30, 2013 include a $70.8 million decrease in Investment Settlements Payable for purchases of investments occurring on or before June 30, but settling after June 30; and a $20.1 million increase in Commercial Paper and Current Portion of Long-Term Debt.

Current Liabilities include long-term variable rate demand bonds subject to remarketing agreements totaling $99.9 million, $100.3 million and $220.9 million at June 30, 2013, 2012 and 2011, 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 bondholders.

Net Position represents the value of the University's assets after liabilities are deducted. The University's total Net Position increased by $216.3 million during the year ended June 30, 2013, after increasing by $68.4 million in the year ended June 30, 2012.

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

- *Net Investment in Capital Assets* represents the University's investment in capital assets, net of accumulated depreciation and outstanding debt related to acquisition, construction or improvement of those assets. This category increased by $91.1 million in fiscal year 2013 and $29.1 million in fiscal year 2012. This increase is largely driven by construction of the new Patient Tower for Health Care that is being partially funded with Unrestricted Net Position.

- *Restricted Nonexpendable Net Position* includes endowment and similar assets that are subject to externally imposed stipulations for the principal to be maintained in perpetuity by the University. Favorable market conditions contributed to an $87.7 million, or 11.4%, increase in Restricted Nonexpendable Net Position during fiscal year 2013. Unrealized market losses were largely responsible for a $17.7 million, or 2.2%, decrease during fiscal year 2012.

- *Restricted Expendable Net Position* represents resources that are subject to externally imposed stipulations regarding their use, but are not required to be maintained in perpetuity. This category increased by $26.1 million, or 6.7%, during fiscal year 2013 and $28.7 million, or 8.0%, in fiscal year 2012. As of June 30, 2013, this category includes:

    - $323.5 million of net position restricted for operations and giving purposes compared to $299.8 million at June 30, 2012;
    - $80.4 million for student loan programs compared to $79.1 million at June 30, 2012; and
    - $11.2 million for facilities compared to $10.1 million at June 30, 2012.

- *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 the Board. This category increased by $11.4 million, or 0.8%, to $1.4 billion at June 30, 2013 and $28.3 million, or 2.1%, in fiscal year 2012. Maintaining adequate levels of unrestricted net position is one of several key factors that have enabled the University to maintain its AA+/Aa1 credit rating. As of June 30, 2013 and 2012, University Health Care designated funds totaled $309.5 million and $339.5 million, respectively; capital project-designated funds totaled $238.2 million and $224.3 million, respectively; student loan program-designated funds totaled $8.7 million and $8.5 million, respectively; and unrestricted funds functioning as endowments totaled $177.9 million and $161.8 million, respectively. The remaining Unrestricted Net Position is available for the University's instructional and public service missions and its general operations totaled $656.4 million and $645.1 million at June 30, 2013 and 2012, respectively.

Changes in Financial Position of the University

Operating Revenues represent resources generated by the University in fulfilling its instruction, research, and public service missions. Total Operating Revenues increased $139.3 million, or 6.6%, in fiscal year 2013, and $79.8 million, or 3.9%, in fiscal year 2012. Net Tuition and Fees, Patient Medical Services and Other Auxiliary Enterprises contributed most significantly to the increased operating revenue in fiscal year 2013 while Net Tuition and Fees and Patient Medical Services had the largest increases in the previous year.

Tuition and Fees, net of Scholarship Allowances, increased by $47.5 million, or 8.7%, in fiscal year 2013 and by $49.8 million, or 10.0%, in fiscal year 2012. The increase in fiscal year 2013 was driven by a 2% growth in full-time equivalent enrollment and increases of 3% in resident and between 3% and 8.5% in non-resident tuition rates varying by campus. The fiscal year 2012 increase was primarily driven by increased student enrollment and an average increase of 5.5% in tuition and fee rates.

As a research institution, the University receives a substantial amount of funding through Federal, State and Private Grants and Contracts. Overall, sponsored funding decreased by $2.1 million, or 0.7%, in fiscal year 2013 compared to a decrease of 2.7% in fiscal year 2012.

Total State Appropriations received for University operations, University Health Care operations, and other special programs increased by $3.8 million, or 0.9%, in fiscal year 2013, and decreased by $40.0 million, or 9.1%, in fiscal year 2012. Although State appropriations (gross) were slightly higher in fiscal year 2012, a decrease in withholdings from 5.2% in fiscal year 2012 to 3% in fiscal year 2013 resulted in an increase in net State appropriations received in fiscal year 2013.

As one of the more volatile sources of nonoperating 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 $147.4 million in fiscal year 2013 as compared to a net gain of $30.9 million in fiscal year 2012, an increase of $116.5 million for the year ended June 30, 2013, as compared to a $235.8 million decrease for the year ended June 30, 2012.

Gift income is reflected in three categories: Private Gifts, Capital Gifts and Grants (which are restricted for adding or improving capital assets) and Private Gifts for Endowments (which are restricted for establishing endowments). Private Gifts and Grants can fluctuate significantly from year to year due to the voluntary nature of donors' gifts. In fiscal year 2013, the University received gifts totaling $119.5 million, as compared to $126.6 million and $94.4 million for fiscal year 2012 and fiscal year 2011, respectively.

Total Interest Expense for both years ended June 30, 2013 and 2012 was $64.5 million. Interest expense associated with financing projects during construction, net of any investment income earned on bond proceeds during construction, is capitalized. For the years ended June 30, 2013 and 2012, capitalization of interest earned on unspent bond proceeds totaled $9.2 million and $10.6 million, respectively, resulting in net interest expense of $55.3 million and $53.9 million, respectively.

In fiscal year 2013, Other Nonoperating Revenues (Expenses), Net of $84.2 million increased $3.9 million over fiscal year 2012. The increase is primarily due to a $9.8 million loss on 2006 swap related to the purchase of a housing and parking facility on the Kansas City campus in fiscal year 2012. In fiscal year 2013 and fiscal year 2012, Federal Appropriations include cash subsidy payments from the United States Treasury totaling $10.5 million for both years, for designated Build America Bonds outstanding. Pell Grants decreased by $2.4 million and were largely driven by eligibility changes enacted for fiscal year 2013.

During fiscal year 2013 and fiscal year 2012, Salaries, Wages and Benefits increased approximately 3.1% and 4.8%, respectively, over the prior fiscal year. Salaries and Wages in fiscal year 2013 increased by $25.5 million, or 1.9% over fiscal year 2012, driven by merit increases. Staff Benefits in fiscal year 2013 increased $26.2 million, or 7.3%, over fiscal year 2012 primarily due to an increase in the employer contributions rate for the retirement plan.

In fiscal year 2013 and fiscal year 2012, the University's Supplies, Services, and Other Operating expenses of $766.6 million and $762.7 million increased by $3.9 million, or 0.5%, and $46.7 million, or 6.5%, respectively, over the prior fiscal year. The reduction in growth for fiscal year 2013 was due to cost containment measures.

The core missions of instruction, research, and public service account for the largest proportion of Operating Expenses at 35.9% for fiscal year 2013. University Health Care constitutes the next highest proportion at 24.7% of expenses for fiscal year 2013. Excluding Health Care, instruction, research, and public service account for 47.6% of

Operating Expenses for fiscal year 2013. Institutional support, which represents the core administrative operations of the University, was less than five cents of each dollar spent during this 5-year period.

Statement of Cash Flows of the University

The Statement of Cash Flows provides information about the University's sources and uses of cash and cash equivalents during the fiscal year.

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 fiscal year 2013, cash used in operating activities decreased by $118.1 million as compared to fiscal year 2012 due primarily to increased cash inflows from tuition and fees and patient care receipts. In fiscal year 2012, cash used in operating activities increased by $36.5 million over fiscal year 2011.

The University's most significant source of cash, Net Cash Provided by Noncapital Financing Activities, includes funding from State and Federal appropriations, Pell grants and noncapital private gifts. Cash from these sources totaling $581.0 million, $620.9 million and $617.3 million in fiscal year 2013, fiscal year 2012 and fiscal year 2011, respectively, directly offset the additional cash needs resulting from operations.

Net Cash Used In Capital and Related Financing Activities decreased slightly by $31.5 million in fiscal year 2013 due largely to a decrease in the cash outflows for capital asset purchases. Net Cash Used in Capital and Related Financing Activities of $388.4 million in fiscal year 2012 was due largely to the spend down of bond proceeds for capital projects.

Net Cash (Used in) Provided by Investing Activities reflects a net cash outflow of $77.3 million in fiscal year 2013 as compared to a net cash inflow of $278.2 million in fiscal year 2012. This is largely driven by unsettled investment trades at the end of fiscal year 2012.

Discretely Presented Component Unit

The University operates the University of Missouri-Columbia Medical Alliance (the ***"Medical Alliance"***), a not-for-profit entity. The Medical Alliance is reflected in the financial statements of the University as a discretely presented component unit of the University. The Medical Alliance was established to facilitate the creation of an integrated healthcare delivery system for mid-Missouri. Capital Region Medical Center in Jefferson City, Missouri, operates as an affiliate of the Medical Alliance and provides inpatient, outpatient and emergency care services to the surrounding community. The Medical Alliance ended the fiscal year ended June 30, 2013 with a $5.7 million increase in net position compared to a $7.6 million increase in the fiscal year ended June 30, 2012.

Retirement Trust and OPEB Trust

The University operates the University of Missouri Retirement, Disability and Death Benefit Plan (the ***"Retirement Plan"***) and the University of Missouri Other Post-employment Benefits Plan (the ***"OPEB Plan"*** and, collectively with the University Retirement Plan, the ***"Plan"***), which are single employer, defined benefit plans. The assets of the Plan are held in trust and are restricted for use only to pay for benefits and expenses of the Plan. Therefore, the net position and changes in net position are reflected separately from the operations of the University.

The table below sets forth comparative summary financial statements for the Plan as of and for the three fiscal years ended June 30, 2013.

Summary Financial Information
of the Plan
(in thousands)

	Fiscal Years Ended June 30,		
Net Assets Held for Plan	**2011**	**2012**	**2013**
Assets:			
Cash and Cash Equivalents and Collateral for Securities Lending	$ 373,679	$ 156,056	$ 177,153
Investments and Related Receivables	2,795,142	2,833,026	2,898,487
Total Assets	3,168,821	2,989,082	3,075,640
Liabilities:			
Payables and Accrued Liabilities	152,176	207,149	59,240
Collateral for Securities Lending	257,463	50,023	48,560
Total Liabilities	409,639	257,172	107,800
Net Assets Held in Trust for Retirement and OPEB	$2,759,182	$2,731,910	$2,967,840
Changes in Plan Net Assets			
Net Revenues and Other Additions:			
Net Investment Income	$ 441,390	$ 27,041	$ 289,082
Contributions and other Revenues	114,478	128,633	141,911
Total Net Revenues and Other Additions	555,868	155,674	430,993
Expenses and Other Deductions:			
Administrative Expenses	2,621	2,630	2,652
Payments to Retirees and Beneficiaries	172,181	180,316	192,411
Total Expenses and Other Deductions	174,802	182,946	195,063
Increase (Decrease) in Net Position Held in Trust for Retirement and OPEB	381,066	(27,272)	235,930
Net Position Held in Trust for Retirement and OPEB, Beginning of Year	2,378,116	$2,759,182	2,731,910
Net Position Held in Trust for Retirement and OPEB, End of Year	$2,759,182	$2,731,910	$2,967,840

Net position held for the Plan increased $235.9 million, from $2.73 billion at fiscal year ended June 30, 2012 to $2.97 billion at fiscal year ended June 30, 2013. This increase is a result of a net investment income of $289.1 million, partially offset by the $53.2 million excess of payments of benefits to retirees and related expenses over the University's and employees' contributions.

For the year ended June 30, 2013, the Plan experienced a total investment return of 10.6% compared to 1.1% for the year ended June 30, 2012. The 10.6% investment return for the fiscal year ended June 30, 2013, compares to the benchmark index of 11.1%. The allocation of the Retirement Plan investments and the return on those investments for the fiscal year ended June 30, 2013 is shown in the following table:

Plan Investments
Fiscal Year ended June 30, 2013

	Asset Distribution	Total Return	Benchmark Index Return [1]
Global Equity	51.2%	18.5%	17.7%
Absolute Return	8.2	10.0	7.3
Real Estate	4.5	8.5	11.2
Global Fixed Income	6.9	(1.6)	(2.2)
Bank Loans	2.9	5.9	7.6
High Yield	10.6	6.6	9.6
Inflation-Linked Bonds	3.4	(6.9)	(7.2)
Emerging Markets Debt	5.5	2.3	0.1
Cash	1.4	0.0	0.0
Private Equity	5.3	5.8	17.6
Total (Composite)	-	10.6	11.1

(1) Benchmark index returns are calculated by independent investment consultants based on returns of similar security portfolios.

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 2.2% times the credit service years times the compensation base. The employee's average compensation for the five highest consecutive salary years determines the compensation base. Vested employees who are at least age 55 and have 10 years or more of credited service or age 60 with at least five years of service may choose early retirement with a reduced benefit. 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. See "Plan Description" in Note 12 of the Notes to Financial Statements of the University included as **Appendix B** for a further description of the Retirement Plan, including a table of Retirement Plan membership as of June 30, 2013 and 2012.

The Board of Curators approved a new retirement plan design for all new employees of the University as of October 1, 2012. The new retirement plan does not affect employees or retirees participating in or receiving benefits from the Retirement Plan as of October 1, 2012. A comparison of the new retirement with a defined benefit portion and a defined contribution portion to the prior retirement plan, is set forth on the following page.

Plan Design Elements	New Retirement Plan[1]	Prior Retirement Plan[2]
	Defined Benefit Portion	
Multiplier Formula	1% of Pay, average of 5 highest consecutive years of salary	2.2% of Pay, average of 5 highest consecutive years of salary
University Contribution	3.21% of salary	7.25% of salary
Vesting	5 years	5 years
Employee Mandatory DB Contribution	1% up to $50,000, 2% of amount above $50,000	1% up to $50,000, 2% of amount above $50,000
Minimum Value Accumulation	None	5% of pay per year with 7.5% interest
	Defined Contribution Portion	
University Automatic Contribution	2% of Pay	
University Match	100% up to an additional 3% of Pay	
Vesting	3 years (need not be consecutive)	
Estimated University Contribution	7.4% to 7.7% of Pay	7.25%

(1) For new employees hired on or after October 1, 2012.
(2) For employees and retirees hired on or before September 30, 2012.

The University obtains an actuarial valuation of the assets and liabilities of the Retirement Plan as of October 1 of each year. Key actuarial assumptions and methodologies used in that report include the following (which are consistent with assumptions and methodologies used by the Retirement Plan for the past five years):

- a net long-term rate of investment return, after expenses, of 8% per annum;
- for purposes of determining the actuarially required contributions, the actuarial value of assets is determined utilizing expected return asset valuation method, which smoothes unrecognized return (gain or loss) for each fiscal year over a five-year period, with actuarial value further adjusted, if necessary, to be within 20% of the market value;
- actuarial gains and losses resulting from differences between actual and assumed experience are recognized immediately in the Plan's actuarial accrued liabilities;
- unfunded actuarial liability is recognized for funding purposes assuming it is amortized on a level basis over a period of 20 years from the valuation date;
- wage and salary increases are assumed to average 5.3% for academic and administrative personnel and 4.5% for clerical and service personnel;
- mortality of covered employees for non-disabled members is 90% of the RP-2000 Combined Health Mortality Table projected to 2018 and for disabled members is the RP-2000 Disabled Retiree Mortality Table projected to 2018; and
- employee contributions are assumed to remain at 1% of salary up to $50,000 and 2% of salary in excess of $50,000 per calendar year.

The University reviews assumptions underlying the actuarial valuation of the assets and liabilities of the Retirement Plans no less often than once every five years in consultation with its consulting actuaries. It is undergoing that five-year review at this time. Changes in assumptions may have a significant effect on the actuarial valuation of the assets and liabilities of the Retirement Plan and thus on the annually required contributions to that plan.

The following table sets forth the schedule of funding progress for the Retirement Plan as of the five most recent actuarial valuation dates:

Retirement Plan – Schedule of Funding Progress
(unaudited; $ in thousands)

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL / (Excess Funding) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL (Excess) as a % of Covered Payroll ([b-a]/(c)
10/01/2008	$2,808,126	$2,733,032	$(75,094)	102.7%	$954,430	-7.9%
10/01/2009	2,843,422	2,819,524	(23,898)	100.8	970,060	-2.5
10/01/2010	2,851,957	2,960,832	108,875	96.3	979,888	11.1
10/01/2011	2,828,697	3,138,190	309,493	90.1	1,031,891	30.0
10/01/2012	2,790,622	3,308,967	518,345	84.3	1,046,075	49.6

As discussed above, the Retirement Plan uses actuarial asset value smoothing and recognizes investment gains and losses over five years for actuarial valuation purposes. Accordingly, the market value of Retirement Plan assets differs from the actuarial value of those assets. The following table compares the actuarial valuation of assets as of each of the five most recent valuation dates to the market value of the Retirement Plan assets as of those dates, in dollars, and the funded ratio of the Retirement Plan based on both actuarial value and market value as of those dates:

Retirement Plan – Actuarial Value of Assets Compared to Market Value
(unaudited; $ in thousands)

Date	Actuarial Value of Assets	Market Value of Assets	% of Actuarial Value to Market Value	Funded Ratio(1) (Actuarial Value)	Funded Ratio(2) (Market Value)
10/01/2008	$2,808,126	$2,427,134	115.7%	102.7%	88.8%
10/01/2009	2,843,422	2,369,519	120.0	100.8	84.0
10/01/2010	2,851,957	2,518,673	113.2	96.3	85.1
10/01/2011	2,828,697	2,504,265	113.0	90.1	79.8
10/01/2012	2,790,622	2,788,322	100.1	84.3	84.3

(1) Actuarial value of assets divided by actuarial accrued liability.
(2) Market value of assets divided by actuarial accrued liability.

The University's contributions to the Retirement Plan are equal to the actuarially determined employer contribution requirement, as a percent of payroll. Effective June 1, 2009, 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 to the Retirement Plan. The following table sets forth the University's annual required contributions, its annual pension cost and net pension obligation to the Retirement Plan, excluding the impact of employee contributions, for the last five fiscal years:

Five-Year Employer Contribution Information
(unaudited, $ in thousands)

Fiscal Year Ended	Annual Required Contribution (ARC)	Annual Pension Cost (APC)	Contributions Made	Percentages of APC Contributed	Net Pension Obligation
6/30/2009	$56,663	$56,663	$56,663	100%	-
6/30/2010	48,040	48,040	48,040	100	-
6/30/2011	57,541	57,541	57,541	100	-
6/30/2012	74,618	74,618	74,618	100	-
6/30/2013	94,176	94,176	94,176	100	-

For additional information relating to the Retirement Plan, see Notes 3, 12 and 16 of the Notes to Financial Statements of the University included as **Appendix B** and the unaudited Required Supplemental Information on page 69 of **Appendix B**.

Other Post-Employment Benefits

Under the OPEB Plan, the University provides post-employment benefits to eligible retirees and long-term disability claimants, including medical, dental, and life insurance benefits. The terms and conditions governing the post-employment benefits to which its employees are entitled are at the sole authority and discretion of the University's Board of Curators. Effective June 2008, the University established a trust, the assets of which are irrevocable and legally protected from creditors and dedicated to providing post-employment benefits in accordance with terms of the plan. Contribution requirements of employees and the University are established and may be amended by the University's management.

The Annual Required Contribution (ARC) represents a level of funding that an employer is projected to need in order to prefund its obligations for postemployment benefits over its employees' years of service. The University has no obligation to make contributions in advance of when insurance premiums or claims are due for payment and currently funds postemployment benefits at a level no less than the pay-as-you-go basis. In fiscal year 2013, the University contributed $19,177,000, or 37.6% of the ARC, which was $50,954,000 and represented 4.9% of annual covered payroll. In fiscal year 2012, the University contributed $25,477,000 or 50% of the ARC, which was $50,954,000 and represented 5.0% of annual covered payroll.

The University obtains an actuarial valuation of the OPEB Plan biannually as of July 1. The most recent actuarial valuation is as of July 1, 2011. The actuarial valuation as of July 1, 2013 is in process as of the date of this Official Statement. As of July 1, 2011, the OPEB Plan was 8.4% funded. The actuarial accrued liability (AAL) for postemployment benefits was $542,843,000 with $45,745,000 in actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $497,098,000. The covered payroll (annual payroll of active employees covered by the plan) was $1,041,413,000, and the ratio of UAAL to covered payroll was 47.7%.

For additional information relating to the OPEB Plan, see Notes 3, 13 and 16 of the Notes to Financial Statements of the University included as **Appendix B** and the unaudited Required Supplemental Information on page 69 of **Appendix B**.

Outstanding Parity Bonds

In 1993, the University adopted resolutions that authorized the issuance of its System Facilities Revenue Bonds, Series 1993 (the ***"Series 1993 Bonds"***), none of which remain outstanding. The Series 1993 Bond resolution (the ***"Original Resolution"***) established a system facility financing program for the University, which included the Series 1993 Bonds and any Additional Bonds thereafter issued by the University in conformance with the provisions of the Original Resolution.

Since 1993, the University has issued various series of Prior System Bonds, all of which constitute Additional Bonds under the Original Resolution. The University currently has outstanding the following series of Prior System Bonds, all of which stand on a parity with the Series 2013 Bonds. Principal amounts outstanding for all Prior System Bonds are as of November 1, 2013:

- System Facilities Refunding Revenue Bonds, Series 2003B, in the outstanding principal amount of $13,035,000, all of which will be refunded with proceeds of the Series 2013A Bonds;
- System Facilities Revenue Bonds, Series 2006A, in the outstanding principal amount of $127,540,000;
- System Facilities Revenue Bonds, Series 2007A, in the outstanding principal amount of $200,935,000;
- Variable Rate Demand System Facilities Revenue Bonds, Series 2007B, in the outstanding principal amount of $99,895,000;
- Taxable System Facilities Revenue Bonds, Series 2009A (Build America Bonds), in the outstanding principal amount of $256,300,000;
- System Facilities Revenue Bonds, Series 2009B, in the outstanding principal amount of $53,925,000;
- Taxable System Facilities Revenue Bonds, Series 2010A (Build America Bonds), in the outstanding principal amount of $252,285,000;
- System Facilities Revenue Bonds, Series 2011, in the outstanding principal amount of $52,005,000; and
- System Facilities Revenue Bonds, Series 2012A, in the outstanding principal amount of $105,155,000.

The bonds referred to above are collectively referred to as the ***"Prior System Bonds,"*** which were outstanding in the aggregate principal amount of $1,161,075,000 as of November 1, 2013 (which amount includes the Refunded Bonds).

The Series 2013 Bonds are "Additional Bonds" within the meaning of the Prior System Bond resolutions and stand on a parity with and are equally and ratably secured with respect to the payment of principal and interest from the System Revenues derived by the University from the operation of the System Facilities and in all other respects with the Prior System Bonds, all as defined and provided in the Resolution. The Prior System Bonds specified above enjoy complete equality of lien on and claim against the System Revenues with the Series 2013 Bonds.

The Series 2009A Bonds and the Series 2010A Bonds were designated "Build America Bonds" at the time of issuance. As such, under then current law, the University expected to receive interest subsidy payments from the U.S. Treasury in an amount equal to 35% of the interest payable by the University on the Series 2009A Bonds and the Series 2010A Bonds (assuming continuing compliance by the University with various Internal Revenue Code requirements relating to Build America Bonds). On March 1, 2013 sequestration took effect under the federal Budget Control Act of 2011, and the President issued an order canceling $85.3 billion in federal budgetary resources for the remainder of the federal fiscal year ending September 30, 2013. On September 30, 2013, the IRS announced that federal Interest Subsidy Payments to issuers of certain qualified bonds subject to sequestration (including the Build America Bonds) will be reduced by a rate of 7.2% for the federal fiscal year beginning October 1, 2013 (compared to the approximately 9% reduction in Interest Subsidy Payments as of March 1, 2013). Absent the reduction caused by sequestration, the University's Interest Subsidy Payment during its fiscal year ending June 30, 2014 would be approximately $10.4 million. Sequestration is currently scheduled to continue until the close of federal fiscal year 2021. Sequestration or other Congressional action may continue to reduce or eliminate entirely the expected Interest Subsidy Payments for the Series 2009A Bonds and Series 2010A Bonds in future years.

Commercial Paper Program

On October 20, 2011, the Board of Curators established the Commercial Paper Program pursuant to which the University is authorized to have outstanding at any one time up to $375,000,000 principal amount of commercial paper notes (***"CP Notes"***). The CP Notes are designated as Series A (Tax-Exempt) and Series B (Taxable) and may be issued from time to time for the purpose of (i) financing and refinancing the costs of certain capital projects approved by the University, (ii) providing funds for operational uses, capital management activities and other general cash uses of the University (i.e. working capital) and (iii) to pay the costs of issuance of the CP Notes. Only proceeds of the Series B (Taxable) CP Notes may be issued for working capital purposes. The CP Notes will mature on a business day that is not more than 270 days from the date of issue and are not subject to redemption prior to maturity.

The CP Notes are limited obligations of the University payable solely out of and secured by a pledge of the University's Unrestricted Revenues. ***"Unrestricted Revenues"*** means in any year State appropriations for general operations, student fee revenues, and all other operating revenues of the University other than System Facilities Revenues, for such year plus any unencumbered balances from previous years. The owners of the CP Notes have no right to demand payment out of any other funds of the University, including the System Facilities Revenues. The CP Notes and the interest thereon do not constitute an indebtedness of the State, and the CP Notes do not constitute an indebtedness of the University within the meaning of any constitutional or statutory limitation upon the incurring of indebtedness, but in each Fiscal Year will be payable solely out of the Unrestricted Revenues.

Unrestricted Revenues excludes the System Facilities Revenues, which secure solely the Series 2013 Bonds, the Prior System Bonds and any Additional Bonds hereafter issued by the University.

Liquidity support for the Commercial Paper Program is provided solely by the University. As of November 1, 2013, the University had $174,033,000 principal amount of CP Notes outstanding.

University Self-Liquidity

The University provides self-liquidity for all outstanding variable rate Prior System Bonds and for outstanding CP Notes. As a result, the University is obligated to repurchase, with funds of the University, any variable rate bonds that are tendered for remarketing and are not successfully remarketed, and to pay at maturity any CP Notes to the extent proceeds of a new issue of CP Notes are not available for such purpose. The University maintains substantial liquidity in its General Pool for the purpose of providing liquidity for its outstanding variable rate Prior System Bonds and for its Commercial Paper Program. Since the inception of the University's variable rate debt program over 13 years ago, variable rate Prior System Bond remarketings have been consistently successful and the University has never been called upon to provide self liquidity. The Commercial Paper Program was established in late Fall 2011, and the first issuance of CP Notes occurred in January 2012. The maturing CP Notes have typically been paid with proceeds of a new issuance of CP Notes. As of June 30, 2013, the University had approximately $1.7 billion in its General Pool, of which approximately 61% was in high-grade, short-duration, fixed income securities and commercial paper.

Swap Agreements

The University has entered into three interest rate swap agreements in an aggregate notional amount of $191.465 million as of June 30, 2013. Under the swap agreements, the University makes fixed rate payments and receives variable rate payments. The fixed swap rates are 3.95% ($40 million notional amount, with a maturity date of November 1, 2032), 3.798% (approximately $100.33 million notional amount, with a maturity date of November 1, 2031) and 3.902% (approximately $51.135 million notional amount, with a maturity date of August 3, 2026). The University receives variable rate payments on the $40 million and $51.135 million swaps equal to SIFMA, while it receives payments on the $100.33 million swap equal to 68% of one-month LIBOR. The $100.33 million swap specifically hedges the Series 2007B Bonds, the effectiveness of which has been determined using the synthetic instrument method under GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The $40 million and $51.135 million swaps do not specifically hedge any currently outstanding Bonds, but serve to reduce the overall exposure to interest rate risk on all outstanding variable debt obligations of the University. The counterparty to the $100.33 million and $40 million swap agreements is JPMorgan Chase Bank, N.A. The counterparty to the $51.135 million swap agreement is Bank of America, N.A.

The University's fixed rate payment obligations and termination payment obligations to the counterparty under the swap agreements are limited obligations of the University payable solely from System Revenues on a parity basis with the Series 2013 Bonds, the Prior System Bonds and any Additional Bonds hereafter issued by the University. Under the $100.33 million and $40 million swap agreements, the University and the counterparty are required to post collateral if the termination payment amount calculated on each valuation date exceeds a certain amount (which varies based on the credit rating of the party posting collateral). Under the $51.135 million swap agreement, the swap counterparty is required to post collateral with the University if the market value calculated on each valuation date exceeds a ratings-dependent threshold; the University is not required to post collateral with this swap counterparty. The market values of all three swaps are computed daily by the counterparty based on fluctuations in interest rates. The University may choose to terminate the swaps at any time, subject to payment of any applicable termination fees. See Note 9 of the Notes to Financial Statements included as **Appendix B** to this Official Statement.

As of June 30, 2013, the market value to the University of the $100.33 million and $40 million swaps was an aggregate of approximately ($31.35) million. The University is required to post collateral with the counterparty when the negative market value exceeds $30 million, based on the current long-term rating of the University. As of June 30, 2013, the University was posting collateral with the counterparty in accordance with the foregoing obligation.

As of June 30, 2013, the market value to the University of the $51.135 million swap was approximately ($8.52) million. The University is not required to post collateral with the $51.135 million swap counterparty.

Litigation

There is not now pending or, to the knowledge of the University, threatened any litigation (a) to restrain or enjoin the issuance or delivery of the Series 2013 Bonds, (b) challenging the proceedings or authority under which the Series 2013 Bonds are to be issued, (c) materially affecting the security for the Series 2013 Bonds, or (d) which would otherwise materially adversely affect the financial condition of the University.

The nature of the University's operations generates claims and litigation against the University arising in the ordinary course of its activities. At any given time, the University (including the University Health System) has a number of claims and lawsuits pending or threatened against it, including employment-related claims and those based on alleged medical malpractice. The University has been investigating allegations of improper billings for certain radiology services after learning that a federal investigation led by the U.S. Attorney's Office was under way. The University has also reviewed other potential federal health program reimbursement issues contemporaneously with the radiology investigation. As a result of its review, the University is in process of self-disclosure to the federal government relating to these matters. See Note 11 of the Notes to Financial Statements included as **Appendix B**. The University cannot predict the potential exposures for these health program reimbursement issues beyond the minimum estimates set forth in Note 11.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY OF MISSOURI SYSTEM FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

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University of Missouri System

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2013 FINANCIAL REPORT

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Message from the President

We educate the state’s workforce. We are your doctors, dentists, pharmacists and medical researchers. We drive innovation and help small businesses thrive. We deliver technology, health care to the underserved and experts in nearly every subject.

As the state’s premier public four-year research university and a vital driving force of the state’s economic health, we are committed to improving the well-being of all Missourians.

It is our responsibility to be good stewards of state resources. As you’ll note in the following pages, our fiscal position and health remains strong and sound. Despite the challenges generated by relatively flat state funding and limited tuition increases, the university has been able to maintain its strong financial position due to diversified revenue sources, systemwide cost containment measures and historically low borrowing costs.

At the same time, we recognize the challenges before us: uncertainty in state funding, enrollment growth, limited tuition increases and decreased investment returns. We know that in order to continue to thrive, we must chart a course that helps ensure our financial vitality well into the future. This requires strategic thinking about the university’s areas of focus and how to apply precious resources to those endeavors.

Earlier this year we announced substantial savings through efficiencies and increased effectiveness. With our strategic planning efforts fully implemented, we plan to continue to look for ways to be more efficient and effective in meeting our mission of teaching, research, service and economic development.

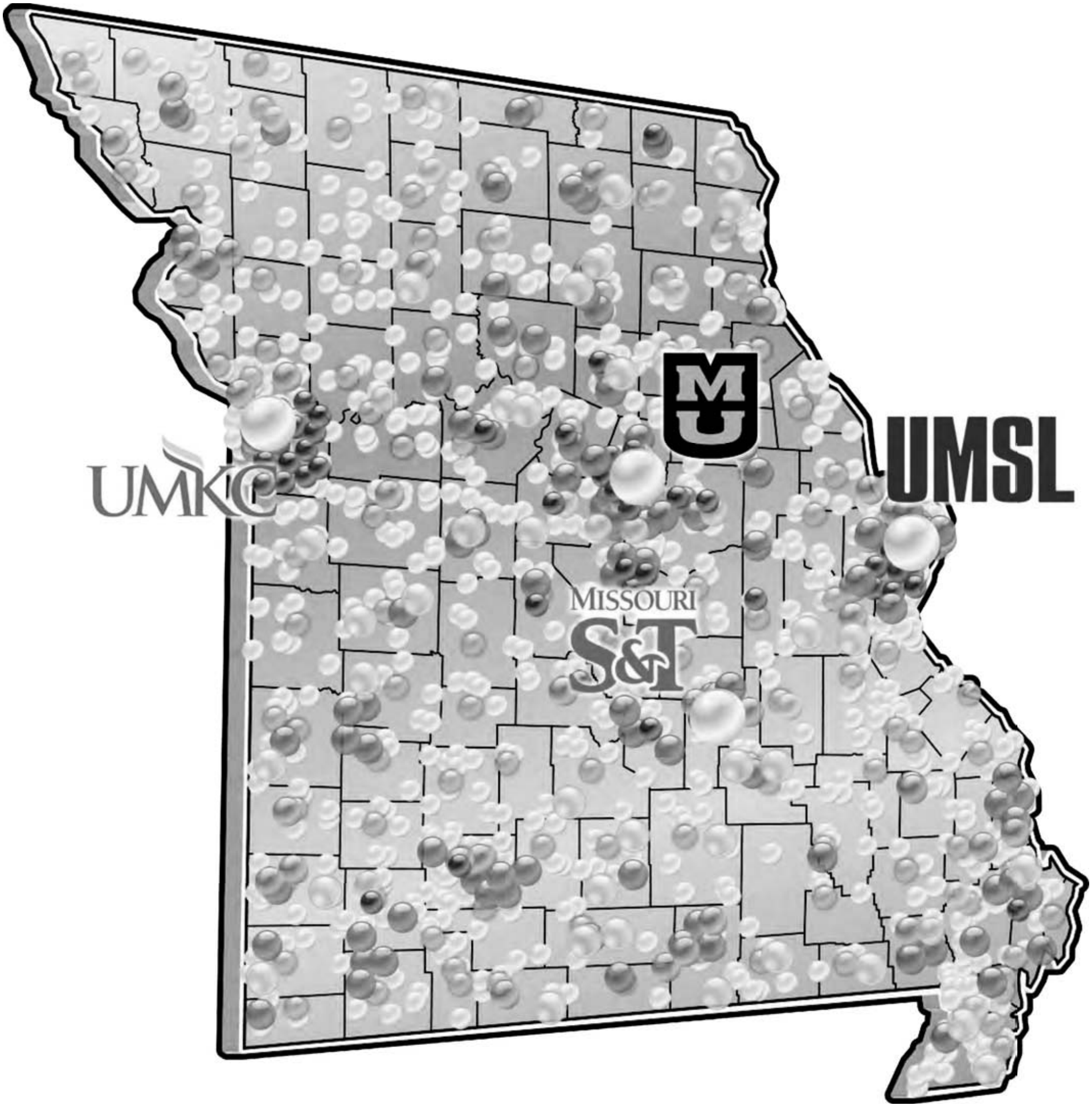
This information and more is available on our website at *www.umsystem.edu*. We invite you to peruse our successes, review our strategic priorities and interact with us online or through any number of social media channels.

Sincerely,

Timothy M. Wolfe

President, University of Missouri System

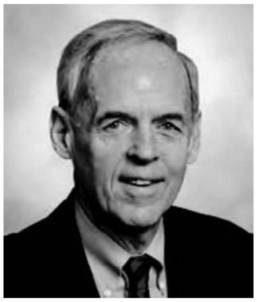
University of Missouri System Statewide Reach



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

Curators of the University of Missouri

The University of Missouri is governed by a nine-member board of curators, appointed by the Governor and confirmed by the Senate. Curators serve six-year terms. The student representative to the board of curators is appointed by the Governor and confirmed by the Senate. Student representatives serve two-year terms. No more than two curators shall be appointed from each congressional district, and no person shall be appointed a curator who shall not be a citizen of the United States, and who shall not have been a resident of the state of Missouri two years prior to his or her appointment. No more than five curators shall belong to any one political party.



Wayne Goode
St. Louis, Chairman
Term expires: Jan. 1, 2015

Don M. Downing
Webster Groves, Vice Chairman
Term expires: Jan. 1, 2015

David R. Bradley
St. Joseph
Term expires: Jan. 1, 2015

Ann Covington
Columbia
Term Expires: Jan. 1, 2019

Donald L. Cupps
Cassville
Term expires: Jan. 1, 2017

Pamela Quigg Henrickson
Jefferson City
Term expires: Jan. 1, 2017

John R. Phillips
Kansas City
Term expires: Jan. 1, 2019

J. Michael Ponder
Cape Girardeau
Term expires: Jan. 1, 2019

David L. Steward
St. Louis
Term expires: Jan. 1, 2017

Amy G. Johnson
Student Representative
to the Board of Curators, UMKC
Term expires: Jan. 1, 2014

University of Missouri System General Officers

Timothy M. Wolfe
President

Stephen J. Owens, JD
General Counsel

Gary K. Allen, DVM, PhD
Vice President for
Information Technology

Henry C. Foley, PhD
Executive Vice President for
Academic Affairs

Stephen C. Knorr
Vice President for
University Relations

Thomas Richards
Interim Vice President for
Finance & Treasurer

Elizabeth "Betsy" Rodriguez, PhD
Vice President for
Human Resources

Brady J. Deaton, PhD
Chancellor, University of Missouri-
Columbia

Thomas F. George, PhD
Chancellor, University of Missouri-
St. Louis

Leo E. Morton
Chancellor, University of Missouri-
Kansas City

Cheryl B. Schrader, PhD
Chancellor, Missouri University of
Science and Technology

University of Missouri System Finance Staff

Thomas Richards, Interim Vice President for Finance & Treasurer
Jane E. Closterman, Controller
Cuba Plain, Assistant Vice President for Budget Planning and Development

University of Missouri-Columbia

Considered one of the nation's top-tier institutions, the University of Missouri-Columbia has a reputation of excellence in teaching and research. It is one of only 34 public universities and the only public institution in Missouri to be selected for membership in the Association of American Universities. MU is one of only five universities nationwide with programs in law, medicine, veterinary medicine and a nuclear research reactor on one campus. The university is nationally recognized for its collaborative strengths in Food for the Future, Sustainable Energy, One Health/One Medicine, and Media of the Future.

University of Missouri-Kansas City

The University of Missouri-Kansas City celebrated its 80th anniversary in 2013. It is home to the nationally-ranked Institute for Entrepreneurship and Innovation in the Bloch School of Management and is ranked number one in the world for innovation management research. The university is widely known for KCSourceLink, a program that supports small business development. UMKC has long been at the heart of nurturing culture in the Kansas City region through renowned programs in music and dance, theater and visual arts. In addition, UMKC has four health science schools on one campus that provide outreach for community health needs and hands-on experience for students.

Missouri University of Science and Technology

Missouri University of Science and Technology in Rolla is one of the nation's most focused technological research universities. With 15 accredited undergraduate engineering programs, Missouri S&T provides more engineering degree options than MIT, Purdue, Illinois or Michigan. Missouri S&T graduates are highly sought by the business community, with the fifth highest starting salaries among all public universities in the nation. Missouri S&T is consistently ranked as a best investment university by numerous collegiate publications throughout the country.

UMSL

University of Missouri-St. Louis

The University of Missouri-St. Louis, the largest university in the St. Louis region, celebrated its 50th anniversary in 2013. UMSL boasts several nationally-ranked departments and programs, including the Department of Criminology and Criminal Justice and the International Business program. With the largest university alumni population in the region, UMSL is ranked 14th nationally in a survey of "Best College and University Civic Partnerships," which measures the economic, social and cultural impact of academic institutions on metropolitan regions.

University of Missouri Health Care

University of Missouri Health Care

University of Missouri Health Care touches the lives of Missourians across the state in myriad ways - through the quality care provided at its hospitals and clinics, the education of future health professionals offered by its health sciences schools, the specialty services delivered by University Physicians, and the life-saving research conducted. University of Missouri Health Care's state-of-the-art patient care tower implements technology developed in partnership with the Tiger Institute for Health Innovation. These advances earned the hospital recognition as one of the top ten hospitals in the nation for health care information technology. University of Missouri Health Care was the only hospital in central Missouri and one of only three hospitals in the state to make *U.S.News & World Report's* prestigious Most Connected Hospitals 2012-13 list.

University of Missouri System

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FINANCIAL INFORMATION

MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

October 10, 2013

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 30 to 70, 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 KPMG 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. KPMG's audit opinion is presented on pages 28-29.

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.

Thomas F. Richards
Interim Vice President for Finance & Treasurer

University of Missouri System COLUMBIA | KANSAS CITY | ROLLA | ST. LOUIS
215 University Hall . Columbia, MO 65211 . 573-882-3611 www.umsystem.edu

MISSOURI

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, 2013 and 2012, and should be read in conjunction with the financial statements and notes. The University is a component unit of the state of Missouri and an integral part of the state's Comprehensive Annual Financial Report.

This report includes five financial statements:

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

- The two financial statements for the University's fiduciary fund, which includes the Retirement and the Other Postemployment Benefits Trust Funds, are the Statement of Plan Net Position and the Statement of Changes in Plan Net Position.

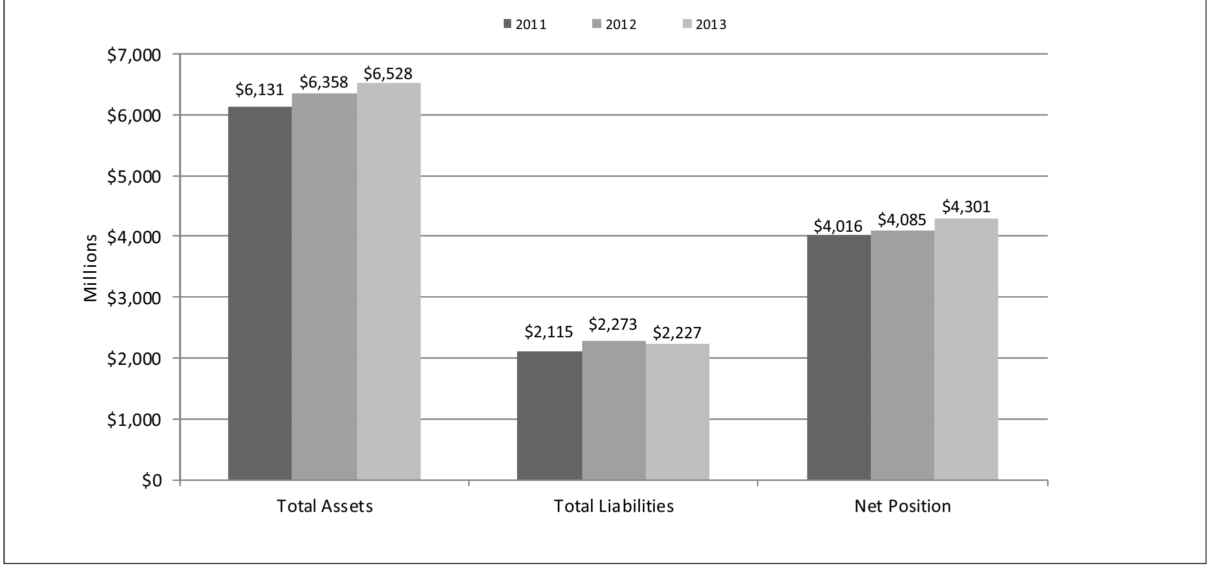
The University's financial statements are prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes financial reporting standards for public colleges and universities. The University's significant accounting policies are summarized in Note 1 to 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, 1000 W Nifong, Building 7, Suite 300, Columbia, MO 65211, and at www.umsystem.edu.

FINANCIAL HIGHLIGHTS

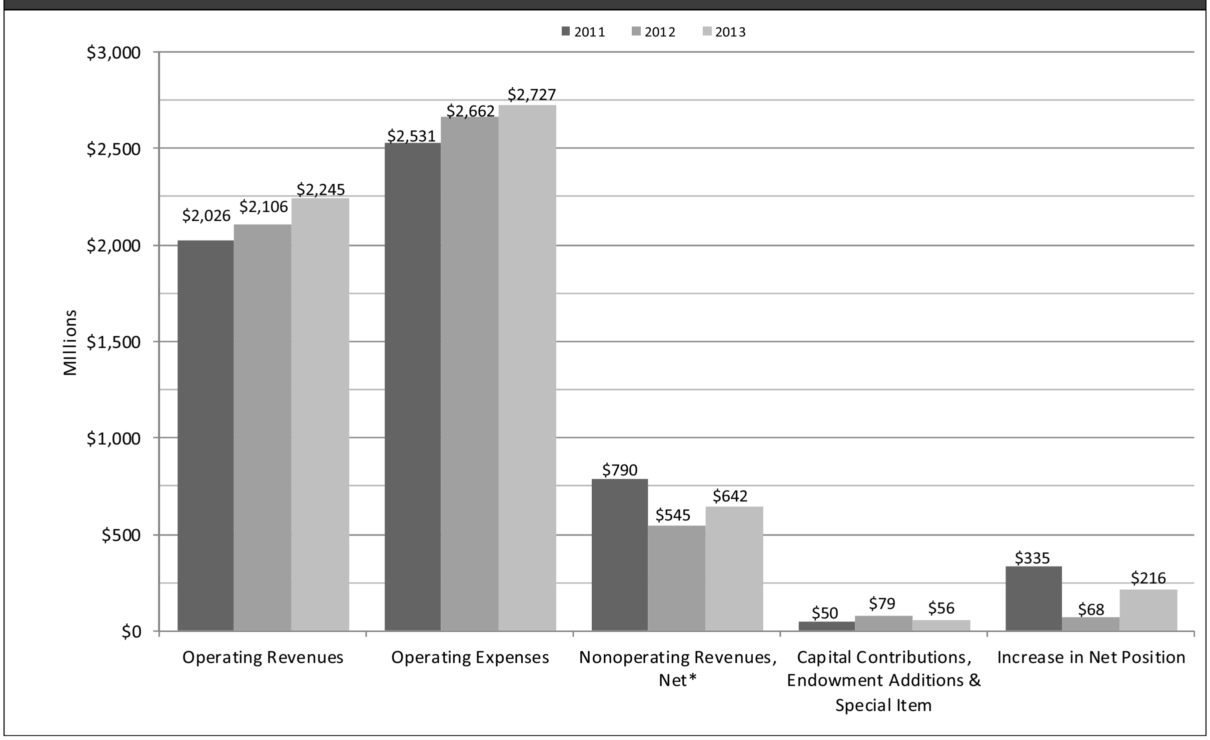
At June 30, 2013, the University's financial position remained solid, with Total Assets of $6.5 billion. Net Position, which represents the residual value of the University's assets after deducting liabilities, totaled $4.3 billion. When operating, non-operating, and other changes are included, Net Position increased by approximately $216.3 million in fiscal year (FY) 2013, driven primarily by Investment and Endowment Income Net of Fees due to improved market conditions and increases in Patient Medical Services Revenue and Other Auxiliary Operations as compared to FY 2012.

The following charts compare Total Assets, Liabilities, and Net Position at June 30, 2013, 2012 and 2011, and the major components of changes in Net Position for the years ended June 30, 2013, 2012 and 2011:

STATEMENT OF NET POSITION



STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION



*includes State Appropriations

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 liabilities of the University and 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 liabilities are generally measured using current values with certain exceptions, such as capital assets which are stated at cost less accumulated depreciation, and long-term debt which is stated at cost.

The following table summarizes the University's assets, liabilities and net position at June 30, 2013, 2012 and 2011:

CONDENSED STATEMENT OF NET POSITION
(in thousands of dollars)

As of June 30,	2013	2012	2011
Assets			
Current Assets	$ 950,039	$ 940,748	$ 869,091
Noncurrent Assets			
Endowment and Other Long-Term Investments	2,442,510	2,430,742	2,519,102
Capital Assets, Net	2,997,508	2,848,993	2,642,196
Other	116,475	106,659	82,128
Deferred Outflow of Resources	21,736	30,415	19,023
Total Assets and Deferred Outflow of Resources	**$ 6,528,268**	**$ 6,357,557**	**$ 6,131,540**
Liabilities			
Current Liabilities			
Commercial Paper and Current Portion of Long-Term Debt	$ 203,295	$ 183,226	$ 29,107
Long-Term Debt Subject to Remarketing Agreements	99,895	100,330	220,885
Other	582,292	651,831	563,676
Noncurrent Liabilities			
Long-Term Debt	1,103,004	1,122,312	1,140,934
Other	238,843	215,241	160,694
Total Liabilities	**2,227,329**	**2,272,940**	**2,115,296**
Net Position			
Net Investment in Capital Assets	1,636,334	1,545,227	1,516,095
Restricted -			
Nonexpendable	858,820	771,146	788,876
Expendable	415,128	389,029	360,343
Unrestricted	1,390,657	1,379,215	1,350,930
Total Net Position	**4,300,939**	**4,084,617**	**4,016,244**
Total Liabilities and Net Position	**$ 6,528,268**	**$ 6,357,557**	**$ 6,131,540**

ASSETS

Total Assets increased by $170.7 million, or 2.7%, to $6.5 billion as of June 30, 2013 compared to the prior year. The increase during FY 2013 was driven primarily by the University continuing to expand **Capital Assets** across all of its campuses to meet housing, educational, and patient care needs. From FY 2012 to FY 2013, Total Assets increased by 2.7%, primarily due to strong performance of Investments and expansion of Capital Assets.

At June 30, 2013, the University's working capital, which is current assets less current liabilities, was $64.6 million, an increase of $59.2 million from the previous year. The largest driver of the increase was a $70.8 million decrease in **Investment Settlements Payable** for purchases of investments occurring on or before June 30, but settling after June 30.

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 $164.5 million at June 30, 2013, also expressed as Current Assets of 1.21 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,	2013	2012	2011
Current Assets	$ 950,039	$ 940,748	$ 869,091
Current Liabilities	885,482	935,387	813,668
Working Capital	**$ 64,557**	**$ 5,361**	**$ 55,423**
Ratio of Current Assets to Current Liabilities	**1.07**	**1.01**	**1.07**
Current Assets	950,039	940,748	869,091
Current Liabilities	885,482	935,387	813,668
Less: Long-Term Debt Subject to Remarketing	(99,895)	(100,330)	(220,885)
Current Liabilities, As Adjusted	785,587	835,057	592,783
Working Capital, As Adjusted	**$ 164,452**	**$ 105,691**	**$ 276,308**
Ratio of Current Assets to Current Liabilities (As Adjusted)	**1.21**	**1.13**	**1.47**

At June 30, 2013, the University held $258.5 million in **Cash and Cash Equivalents**, a decrease of $104.3 million from June 30, 2012. The June 30, 2012 cash balances of $362.8 million were $141.5 million higher than June 30, 2011. The decrease in cash at June 30, 2013 is largely due to timing differences as more working capital was invested at June 30, 2013 as compared to June 30, 2012. **Short-Term and Long-Term Investments** totaled $2.8 billion as of June 30, 2013, representing an increase of 6.5% over the prior year as compared to a 4.8% decrease from FY 2011 to FY 2012. The increase in investment balances during FY 2013 is primarily offset by decreases in cash and cash equivalents due to an increased investment of working capital. The financial markets improved during FY 2013; net realized and unrealized gains and losses increased by $124.0 million, going from a net loss of $27.5 million in FY 2012 to a net gain of $96.5 million in FY 2013. The overall change in investment returns was most evident in the Endowment Pool, which experienced a net gain of 12.6% in FY 2013 as compared to a net loss of (0.9%) in FY 2012.

Composition and returns of the University's various investment pools for the years ended June 30, 2013 and 2012 were as follows:

CASH, CASH EQUIVALENTS AND INVESTMENTS

(in thousands of dollars)

	June 30, 2013					June 30, 2012	
	Cash and Cash Equivalents	Short-Term and Long-Term Investments	Total	Total Return	Benchmark Index Return (A)	Total	Total Return
General Pool	$ 218,911	$ 1,463,805	$ 1,682,716	-0.9%	0.9%	$ 1,712,662	2.4%
Endowment Funds							
Endowment Pool	27,077	1,108,448	1,135,525	12.6%	12.4%	1,043,965	-0.9%
Fixed Income Pool	595	72,774	73,369	3.5%	1.7%	77,785	5.1%
Other	11,869	113,409	125,278	N/A	N/A	117,256	N/A
Total	$ 258,452	$ 2,758,436	$ 3,016,888			$ 2,951,668	

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

At June 30, 2013, the University's investment in **Capital Assets** totaled $3.0 billion compared to $2.8 billion at June 30, 2012. The University added $316.3 million in capital assets, net of retirements, during FY 2013, offset by depreciation of $167.8 million for the year. FY 2012 capital asset additions of $367.7 million, net of retirements, were offset by $160.9 million in depreciation.

Note 6 presents additional information on changes by asset classification. Major capital projects either substantially completed in FY 2013 or ongoing are shown in the following table:

SELECTED CAPITAL PROJECTS

(Fiscal Year Ended June 30, 2013)

Campus	Project Budget	Expenditures Through June 30, 2013	Source of Funding
Columbia:			
Renovation of Mark Twain Hall	$ 21,700,000	$ 19,500,000	Revenue Bonds
Renovation of Johnston and Wolpers Halls	42,800,000	6,500,000	Revenue Bonds, Campus Reserves
Memorial Stadium	55,300,000	13,900,000	Revenue Bonds
Dobbs Dining Replacement Project	119,603,000	96,000	Revenue Bonds, Campus Reserves
Kansas City:			
Hospital Hill	24,800,000	4,960,000	Revenue Bonds
Missouri S&T:			
Geothermal Energy Project	32,400,000	17,900,000	Revenue Bonds
St. Louis:			
Wellness Center	36,000,000	980,000	Revenue Bonds
Benton Science Learning Building	30,000,000	970,000	Revenue Bonds, Campus Reserves

Total Liabilities were $45.6 million lower at June 30, 2013 as compared to June 30, 2012, and $157.6 million higher at June 30, 2012 as compared to June 30, 2011. Significant changes in **Current Liabilities** at June 30, 2013 include a $70.8 million decrease in **Investment Settlements Payable** for purchases of investments occurring on or before June 30, but settling after June 30; and a $20.1 million increase in **Commercial Paper and Current Portion of Long-Term Debt**.

Current Liabilities include long-term variable rate demand bonds subject to remarketing agreements totaling $99.9 million, $100.3 million and $220.9 million at June 30, 2013, 2012 and 2011, 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.

On October 21, 2011, the Board of Curators approved the University's Commercial Paper Program, which authorizes the periodic issuance of up to an aggregate outstanding principal amount of $375 million. During fiscal year 2013, the University issued $18.9 million of Commercial Paper to finance capital projects. During fiscal year 2012, the University issued $160.9 million of Commercial Paper to fund the purchase of a housing and parking facility on the Kansas City campus and refund System Facilities Revenue Bonds, Series 2000B, Series 2001A, and Series 2006B.

Noncurrent Liabilities represent those commitments beyond one year. No new bonds were issued in 2013. On May 2, 2012, the University issued $105.2 million in Series 2012A System Facilities Revenue Bonds. Proceeds from issuance of the Series 2012A Bonds were used to refund all or a portion of Series 2003A bonds, Series 2006A bonds, Series 2007A bonds, and paying cost of issuance of the Series 2012A bonds. The all-in-true interest cost of the Series 2012A bonds is 1.7%.

On August 3, 2011, the University issued $54.1 million in Series 2011 System Facilities Revenue Bonds. Proceeds from issuance of the Series 2011 bonds were used to refund all or a portion of Series 1998A bonds, 2001B bonds, Series 2003B Bonds, and paying the cost of issuance of the Series 2011 bonds. The all-in-true interest cost of the Series 2011 bonds is 3.2%.

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

LONG-TERM DEBT
(in thousands of dollars)

As of June 30,	2013	2012	2011
System Facilities Revenue Bonds	$ 1,185,400	$ 1,206,695	$ 1,367,925
Unamortized Premium and Loss on Defeasance	23,489	26,661	14,300
Total Bonds Payable	1,208,889	1,233,356	1,382,225
Notes Payable	14,130	4,961	1,296
Capital Lease Obligations	5,920	6,616	7,405
Commercial Paper	177,255	160,935	-
Total Long-Term Debt	**$ 1,406,194**	**$ 1,405,868**	**$ 1,390,926**
Contractual Maturities Within One Year			
Bonds Payable - Fixed Rate	$ 23,890	$ 20,875	$ 25,195
Bonds Payable - Variable Rate Demand	435	420	2,795
Notes Payable	960	300	328
Capital Lease Obligations	755	696	789
Commercial Paper	177,255	160,935	-
Total Contractual Maturities Within One Year	**$ 203,295**	**$ 183,226**	**$ 29,107**

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

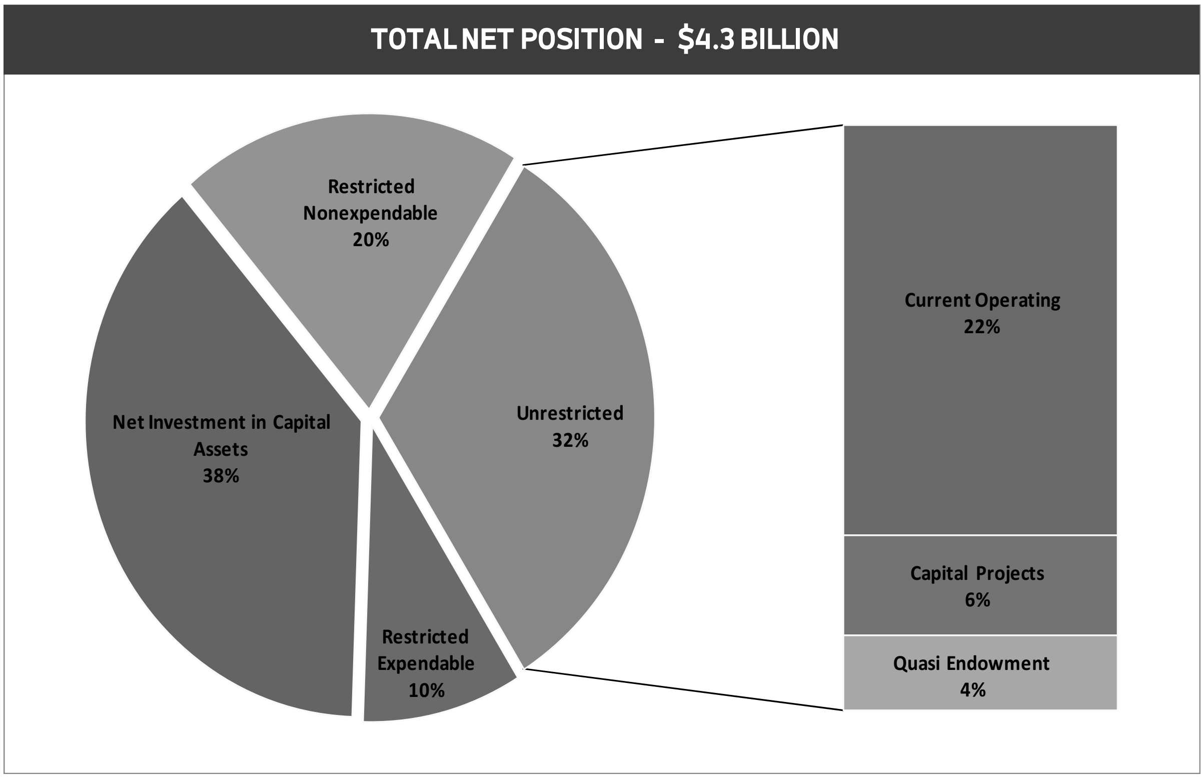
Revenue Bonds and Commercial Paper
(in thousands of dollars)

	June 30, 2013						
	MU	UMKC	UMSL	Missouri S&T	University Health Care	Unallocated	Total
Athletics	$ 40,084	$ -	$ -	$ -	$ -	$ -	$ 40,084
Campus Utilities	140,926	12,301	-	31,525	-	-	184,752
Classroom & Research	57,720	26,883	3,967	3,093	-	-	91,663
Critical Repairs/Maintenance	17,657	7,525	4,645	5,230	-	-	35,057
Housing	249,037	81,827	21,753	60,617	-	-	413,234
Health Care	-	-	-	-	315,218	-	315,218
Student Centers	28,443	41,149	18,172	10,198	-	-	97,962
Parking	47,484	45,657	21,516	-	-	-	114,657
Recreational Facilities	40,633	7,359	1,711	1,172	-	-	50,875
Other	882	1,085	-	-	-	17,186	19,153
Unamortized Premium	-	-	-	-	-	41,612	41,612
Unamortized Loss on Defeasance	-	-	-	-	-	(18,123)	(18,123)
Total	**$ 622,866**	**$ 223,786**	**$ 71,764**	**$ 111,835**	**$ 315,218**	**$ 40,675**	**$ 1,386,144**

NET POSITION

Net Position represents the value of the University's assets after liabilities are deducted. The University's total **Net Position** increased by $216.3 million during the year ended June 30, 2013, after increasing by $68.4 million in the year ended June 30, 2012.

The distribution of the Net Position balances, including additional details on unrestricted net position by fund type, as of June 30, 2013, are as follows:



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

Net Investment in Capital Assets, represents the University's investment in capital assets, net of accumulated depreciation and outstanding debt related to acquisition, construction or improvement of those assets. This category increased by $91.1 million in FY 2013 and $29.1 million in FY 2012. This increase is largely driven by construction of the new Patient Tower for University Health Care that is being partially funded with Unrestricted Net Position.

Restricted Nonexpendable Net Position includes endowment and similar assets that are subject to externally imposed stipulations for the principal to be maintained in perpetuity by the University. Favorable market conditions contributed to an $87.7 million, or 11.4%, increase in Restricted Nonexpendable Net Position during FY 2013. Unrealized market losses were largely responsible for a $17.7 million, or 2.2%, decrease during FY 2012.

Restricted Expendable Net Position represents resources that are subject to externally imposed stipulations regarding their use, but are not required to be maintained in perpetuity. This category increased by $26.1 million, or 6.7%, during FY 2013 and $28.7 million, or 8.0%, in FY 2012. As of June 30, 2013, this category includes:

- $323.5 million of net position restricted for operations and giving purposes compared to $299.8 million at June 30, 2012;

- $80.4 million for student loan programs compared to $79.1 million at June 30, 2012; and
- $11.2 million for facilities compared to $10.1 million at June 30, 2012.

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 $11.4 million, or 0.8%, to $1.4 billion at June 30, 2013 and $28.3 million, or 2.1%, in FY 2012. 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, 2013 and 2012, University Health Care designated funds totaled $309.5 million and $339.5 million, respectively; capital project-designated funds totaled $238.2 million and $224.3 million, respectively; student loan program-designated funds totaled $8.7 million and $8.5 million, respectively; and unrestricted funds functioning as endowments totaled $177.9 million and $161.8 million, respectively. The remaining Unrestricted Net Position is available for the University's instructional and public service missions and its general operations totaled $656.4 million and $645.1 million at June 30, 2013 and 2012, respectively.

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

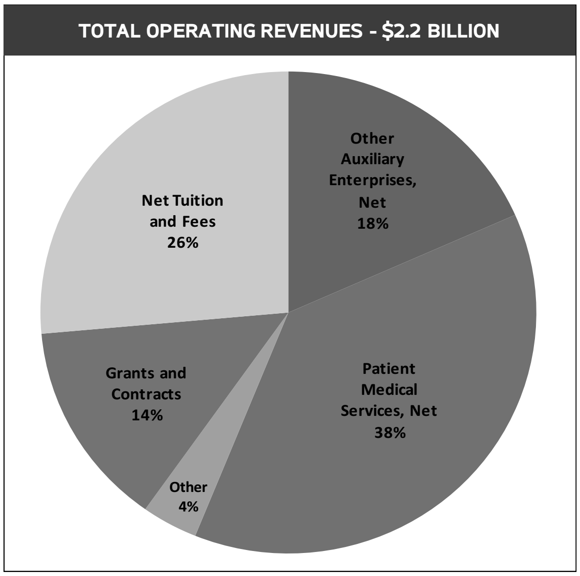
Fiscal Year Ended June 30,	2013	2012	2011
Operating Revenues			
Net Tuition and Fees	$ 592,805	$ 545,276	$ 495,502
Grants and Contracts	309,683	311,742	320,522
Patient Medical Services, Net	847,681	795,302	741,626
Other Auxiliary Enterprises	412,351	374,823	390,585
Other Operating Revenues	82,308	78,418	77,482
Total Operating Revenues	2,244,828	2,105,561	2,025,717
Operating Expenses			
Salaries, Wages and Benefits	1,729,656	1,677,944	1,600,566
Supplies, Services and Other Operating Expenses	766,624	762,700	716,044
Other Operating Expenses	230,257	221,295	213,893
Total Operating Expenses	2,726,537	2,661,939	2,530,503
Operating Loss Before State Appropriations	**(481,709)**	**(556,378)**	**(504,786)**
State Appropriations	401,400	397,629	437,631
Loss after State Appropriations, before Nonoperating Revenues (Expenses)	**(80,309)**	**(158,749)**	**(67,155)**
Nonoperating Revenues (Expenses)			
Investment and Endowment Income , Net of Fees	147,433	30,855	266,633
Private Gifts	64,103	90,346	52,564
Interest Expense	(55,256)	(53,923)	(49,507)
Other Nonoperating Revenues, Net	84,249	80,319	83,088
Net Nonoperating Revenues (Expenses)	240,529	147,597	352,778
Income (Loss) before Capital Contributions, Additions to Permanent Endowments and Special Item	**160,220**	**(11,152)**	**285,623**
State Capital Appropriations	745	937	8,043
Capital Gifts and Grants	20,244	11,788	15,466
Private Gifts for Endowment Purposes	35,113	24,484	26,376
Special Item	-	42,316	-
Increase in Net Position	**216,322**	**68,373**	**335,508**
Net Position, Beginning of Year	**4,084,617**	**4,016,244**	**3,680,736**
Net Position, End of Year	**$ 4,300,939**	**$ 4,084,617**	**$ 4,016,244**

REVENUES

Operating Revenues represent resources generated by the University in fulfilling its instruction, research, and public service missions. Total **Operating Revenues** increased $139.3 million, or 6.6%, in FY 2013, and $79.8 million, or 3.9%, in FY 2012. **Net Tuition and Fees, Patient Medical Services** and **Other Auxiliary Enterprises** contributed most significantly to the increased operating revenue in FY 2013 while **Net Tuition and Fees** and **Patient Medical Services** had the largest increases in the previous year.

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.

The following is a graphic illustration of operating revenues by source for FY 2013:



Operating Revenues

Tuition and Fees, net of **Scholarship Allowances,** increased by $47.5 million, or 8.7%, in FY 2013 and by $49.8 million, or 10.0%, in FY 2012. The increase in FY 2013 was driven by a 2% growth in full-time equivalent enrollment and increases of 3% in resident and between 3% and 8.5% in non-resident tuition rates varying by campus. The FY 2012 increase was primarily driven by increased student enrollment and an average increase of 5.5% in tuition and fee rates.

As a research institution, the University receives a substantial amount of funding through **Federal, State and Private Grants and Contracts**. Overall, sponsored funding decreased by $2.1 million, or 0.7%, in FY 2013 compared to a decrease of 2.7% in FY 2012.

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 $89.9 million, or 7.7% in FY 2013 as compared to an increase of $37.9 million, or 3.3%, in FY 2012. **Patient Medical Services**, which includes fees for services provided by University Health Care, had the largest increase in both FY 2013 and FY 2012 at $52.4 million, or 6.6%, and $53.7 million, or 7.2%, respectively. This was largely driven by growth in both inpatient and outpatient areas with increases in discharges, patient days, clinic visits and emergency room visits.

Nonoperating Revenues

Total **State Appropriations** received for University operations, University Health Care operations, and other special programs increased by $3.8 million, or 0.9%, in FY 2013, and decreased by $40.0 million, or 9.1%, in FY 2012. Although state appropriations (gross) were slightly higher in FY 2012, a decrease in withholdings from 5.2% in FY 2012 to 3% in FY 2013 resulted in an increase in net state appropriations received in FY 2013.

As one of the more volatile sources of nonoperating 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 $147.4 million in FY 2013 as compared to a net gain of $30.9 million in FY 2012, an increase of $116.5 million for the year ended June 30, 2013, as compared to a $235.8 million decrease for the year ended June 30, 2012.

Gift income is reflected in three categories: **Private Gifts, Capital Gifts and Grants** (which are restricted for adding or improving capital assets) and **Private Gifts for Endowments** (which are restricted for establishing endowments). Private Gifts and Grants can fluctuate significantly from year to year due to the voluntary nature of donors' gifts. In FY 2013, the University received gifts totaling $119.5 million, as compared to $126.6 million and $94.4 million for FY 2012 and FY 2011, respectively.

Total **Interest Expense** for both years ended June 30, 2013 and 2012 was $64.5 million. Interest expense associated with financing projects during construction, net of any investment income earned on bond proceeds during construction, is capitalized. For the years ended June 30, 2013 and 2012, capitalization of interest earned on unspent bond proceeds totaled $9.2 million and $10.6 million, respectively, resulting in net interest expense of $55.3 million and $53.9 million, respectively.

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

INTEREST EXPENSE
(in thousands of dollars)

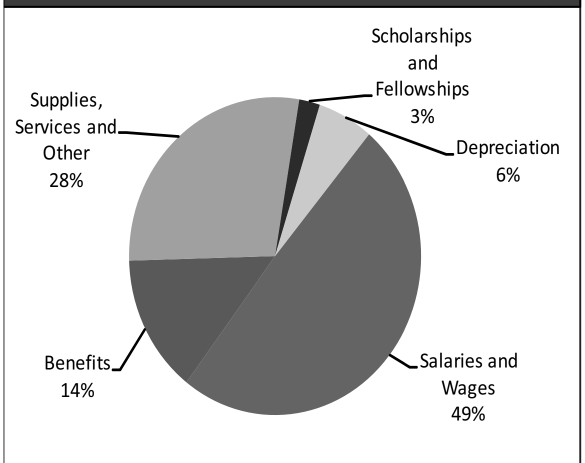
Fiscal Year Ended June 30,	**2013**	**2012**	**2011**
System Facilities Revenue Bonds	$ 56,208	$ 57,746	$ 53,563
Net Payment on Interest Rate Swaps	7,104	5,754	5,129
Total System Facilities Revenue Bonds	63,312	63,500	58,692
Capitalized Lease Obligations	867	929	986
Notes Payable	35	34	45
Commercial Paper	255	71	-
Total Interest Expense Before Capitalization of Interest	64,469	64,534	59,723
Capitalization of Interest, Net of Interest Earned on Unspent Bond Proceeds	(9,213)	(10,611)	(10,216)
Total Interest Expense	**$ 55,256**	**$ 53,923**	**$ 49,507**

In FY 2013, **Other Nonoperating Revenues, Net** of $84.2 million increased $3.9 million over FY 2012. The increase is primarily due to a $9.8 million loss on 2006 swap related to the purchase of a housing and parking facility on the Kansas City campus in FY 2012. In FY 2013 and FY 2012, Federal Appropriations include cash subsidy payments from the United States Treasury totaling $10.5 million for both years, for designated Build America Bonds outstanding. Pell Grants decreased by $2.4 million and were largely driven by eligibility changes enacted for fiscal year 2013.

OPERATING EXPENSES

Total Operating Expenses increased by $64.6 million, or 2.4%, in FY 2013 compared to an increase of $131.4 million, or 5.1%, in FY 2012. The following graph illustrates the University's operating expenses by natural classification for FY 2013:

OPERATING EXPENSES BY NATURAL CLASSIFICATION $2.7 BILLION

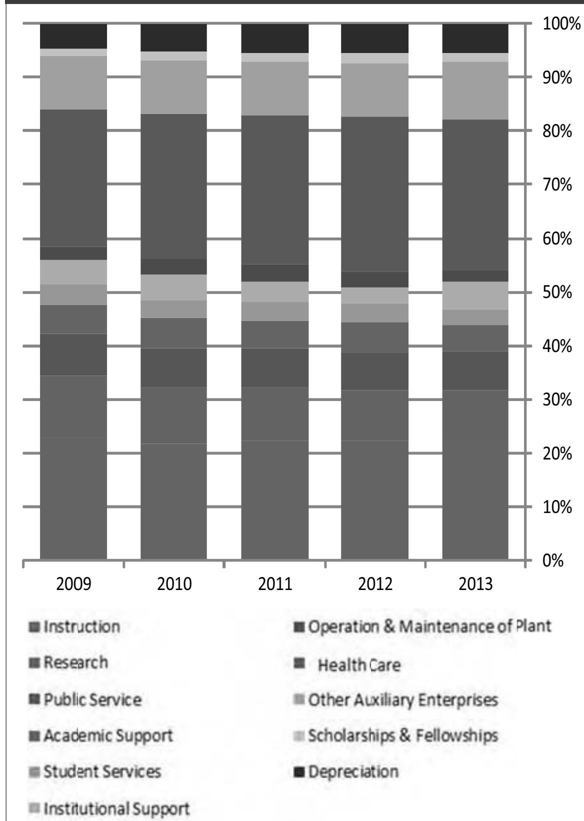


During FY 2013 and FY 2012, **Salaries, Wages and Benefits** increased approximately 3.1% and 4.8%, respectively, over the prior fiscal year. Salaries and Wages increased by $25.5 million, or 1.9%, driven by merit increases. Staff Benefits in FY 2013 increased $26.2 million, or 7.3%, over FY 2012 primarily due to an increase in the employer contributions rate for the retirement plan.

In FY 2013 and FY 2012, the University's **Supplies, Services, and Other Operating** expenses of $766.6 million and $762.7 million increased by $3.9 million, or 0.5%, and $46.7 million, or 6.5%, respectively, over the prior fiscal year. The reduction in growth for FY 2013 was due to cost containment measures.

The following illustrates the University's operating expenses by function for FY 2009 through FY 2013:

OPERATING EXPENSES BY FUNCTION FY 2009 - FY 2013



The core missions of instruction, research, and public service account for the largest proportion of Operating Expenses at 35.9% for FY 2013. University Health Care constitutes the next highest proportion at 24.7% of expenses for FY 2013. Excluding University Health Care, instruction, research, and public service account for 47.6% of Operating Expenses for FY 2013. Institutional support, which represents the core administrative operations of the University, was less than 5 cents of each dollar spent during this 5-year period.

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, 2013, 2012 and 2011:

CONDENSED STATEMENT OF CASH FLOWS
(in thousands of dollars)

Fiscal Year Ended June 30,	2013	2012	2011
Net Cash Used in Operating Activities	$ (251,188)	$ (369,270)	$ (332,797)
Net Cash Provided by Noncapital Financing Activities	581,032	620,913	617,306
Net Cash Used in Capital and Related Financing Activities	(356,843)	(388,389)	(64,886)
Net Cash Provided by (Used in) Investing Activities	(77,329)	278,239	(325,649)
Net Increase (Decrease) in Cash and Cash Equivalents	**(104,328)**	**141,493**	**(106,026)**
Cash and Cash Equivalents, Beginning of Year	**362,780**	**221,287**	**327,313**
Cash and Cash Equivalents, End of Year	**$ 258,452**	**$ 362,780**	**$ 221,287**

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 2013, cash used in operating activities decreased by $118.1 million as compared to FY 2012 due primarily to increased cash inflows from tuition and fees and patient care receipts. In FY 2012, cash used in operating activities increased by $36.5 million over FY 2011.

The University's most significant source of cash, **Net Cash Provided by Noncapital Financing Activities**, includes funding from State and Federal appropriations, Pell grants and noncapital private gifts. Cash from these sources totaling $581.0 million, $620.9 million and $617.3 million in FY 2013, FY 2012 and FY 2011, respectively, directly offset the additional cash needs resulting from operations.

Net Cash Used In Capital and Related Financing Activities decreased slightly by $31.5 million in FY 2013 due largely to a decrease in the cash outflows for capital asset purchases. Net Cash Used in Capital and Related Financing Activities of $388.4 million in FY 2012 was due largely to the spend down of bond proceeds for capital projects.

Net Cash Provided by (Used In) Investing Activities reflects a net cash outflow of $77.3 million in FY 2013 as to a net cash inflow of $278.2 million in FY 2012. This is largely driven by unsettled investment trades at the end of FY 2012.

ECONOMIC OUTLOOK

The University of Missouri is the state's premier public research university contributing to the economic development and vitality of the state through ground-breaking research, educating more than 75,000 students, delivering quality healthcare to the citizens of Missouri, and providing extension services throughout the state.

The University has experienced 23% enrollment growth over the past 10 years and is now educating 14,000 more students each year. Approximately 70% of the state's growth in undergraduate enrollment among four-year institutions over the last 10 years has occurred within the University of Missouri System. This growth has occurred during the challenging economy of the past decade without any growth in state support and modest annual average increases in tuition. In FY 2013 growth in Operating Revenue exceeded the growth in Operating Expense for the first time since FY 2010, indicating that the University is managing its costs while continuing to make strategic investments in its future, all within the constraints of relatively modest revenue growth over the past several years.

State appropriations for operations increased only slightly by 0.9% in FY 2013 and will likely increase by 4.9% in FY 2014. Without significant increases in general revenues, the state will continue to be challenged to increase funding for higher education for FY 2015 and beyond.

Despite the challenges generated by relatively flat state funding and limited tuition increases, the University has been able to maintain its strong financial position due to diversified revenue sources, system-wide cost containment measures and historically low borrowing costs.

The University is aware of its fiduciary responsibility to control costs in order to provide an affordable education for Missourians. The University has continued to implement shared services and business process redesign to achieve cost savings and efficiencies and to identify resources for strategic investment. This is an on-going process critical to future performance.

The University continues to maintain its strong research base. Research expenditures have continued to decline as the funding provided by the American Recovery and Reinvestment Act began to wane and the impacts of sequestration are felt. To offset these decreases the University is looking for other opportunities to stimulate research and economic development. This includes increased partnerships with private industry.

For FY 2013, University Health Care continues focus on advancing the health of all people, especially Missourians. For the future, University Health Care continues to pursue growth and its academic mission. During FY 2013, University Health Care completed an eight-story, 90 bed patient care tower, which includes a replacement of the Ellis Fischel Cancer Center. University Health Care has also begun construction on a new replacement outpatient facility in Columbia, with expected completion in FY 2015. The capital investments assist in providing quality care to patients, including a significant increase in private rooms, and enhanced facilities for physician recruitments.

The University continues to monitor the changing environment surrounding State and Federal health care programs and the corresponding legislation, including the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act, collectively referred to as 'Health Care Reform.' This legislation will significantly impact the future of healthcare. University Health Care management continues to review the effect that the legislation will have on the organization, but has not determined the full financial statement effect of this new Health Care Reform legislation.

Strong student demand, highly successful capital campaigns, robust research funding, economic development programs and a financially stable and growing healthcare system are all factors in the positive outlook for the University of Missouri. However, the state economy, limited increases in tuition, and flat state support will continue to pose budgetary challenges for the University in the future.

INDEPENDENT AUDITORS' REPORT

KPMG LLP
Suite 900
10 South Broadway
St. Louis, MO 63102-1761

The Board of Curators
University of Missouri System:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the University of Missouri System, a component unit of the State of Missouri, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the University of Missouri System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the University of Missouri System as of June 30, 2013 and 2012, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis on pages 13 through 27, and the schedules of employer contributions and the schedules of funding progress on pages 69 and 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University of Missouri System's basic financial statements. The introductory section and the statistical section presented on pages 2 through 12 and 72 through 86, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2013 on our consideration of the University of Missouri System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University of Missouri System's internal control over financial reporting and compliance.

KPMG LLP

St. Louis, Missouri
October 10, 2013

UNIVERSITY OF MISSOURI SYSTEM
STATEMENT OF NET POSITION
As of June 30, 2013 and 2012 (in thousands)

	University 2013	University 2012	Discretely Presented Component Unit 2013	Discretely Presented Component Unit 2012
Assets				
Current Assets				
Cash and Cash Equivalents	$ 177,722	$ 228,639	$ 6,956	$ 10,301
Restricted Cash and Cash Equivalents	80,730	134,141	-	-
Short-Term Investments	272,839	126,054	-	-
Restricted Short-Term Investments	43,087	32,092	-	-
Investment of Cash Collateral	24,428	32,032	-	-
Accounts Receivable, Net	255,081	274,100	17,631	17,417
Pledges Receivable, Net	14,803	11,898	-	-
Investment Settlements Receivable	16,176	37,316	-	-
Notes Receivable, Net	8,068	8,151	-	-
Due (To) From Component Unit	(7,826)	(7,029)	7,826	7,029
Inventories	37,398	36,022	3,322	3,486
Prepaid Expenses and Other Current Assets	27,533	27,332	2,184	1,837
Total Current Assets	950,039	940,748	37,919	40,070
Noncurrent Assets				
Restricted Cash and Cash Equivalents	-	-	4,540	4,318
Pledges Receivable, Net	43,911	41,708	-	-
Notes Receivable, Net	62,829	54,698	-	-
Deferred Charges and Other Assets	9,735	10,253	4,242	3,679
Restricted Other Assets	-	-	3,232	3,151
Long-Term Investments	1,338,894	1,363,827	71,924	63,522
Restricted Long-Term Investments	1,103,616	1,066,915	-	-
Capital Assets, Net	2,997,508	2,848,993	58,310	63,866
Total Noncurrent Assets	5,556,493	5,386,394	142,248	138,536
Deferred Outflow of Resources	21,736	30,415	-	-
Total Assets and Deferred Outflow of Resources	**$ 6,528,268**	**$ 6,357,557**	**$ 180,167**	**$ 178,606**
Liabilities				
Current Liabilities				
Accounts Payable	$ 131,410	$ 140,274	$ 3,766	$ 4,037
Accrued Liabilities	162,779	150,971	14,011	15,505
Deferred Revenue	85,323	84,923	-	-
Funds Held for Others	71,169	65,643	-	-
Investment Settlements Payable	107,183	177,988	-	-
Collateral Held for Securities Lending	24,428	32,032	-	-
Commercial Paper and Current Portion of Long-Term Debt	203,295	183,226	2,065	2,917
Long-Term Debt Subject to Remarketing Agreements	99,895	100,330	-	-
Total Current Liabilities	885,482	935,387	19,842	22,459

(continued)

UNIVERSITY OF MISSOURI SYSTEM
STATEMENT OF NET POSITION
As of June 30, 2013 and 2012 (in thousands)

	University		Discretely Presented Component Unit	
	2013	**2012**	**2013**	**2012**
Liabilities, Continued				
Noncurrent Liabilities				
Long-Term Debt	1,103,004	1,122,312	29,380	31,445
Derivative Instrument Liability	39,869	57,856	-	-
Other Postemployment Benefits Liability	142,209	109,496	-	-
Other Noncurrent Liabilities	56,765	47,889	3,782	3,209
Total Noncurrent Liabilities	1,341,847	1,337,553	33,162	34,654
Total Liabilities	**2,227,329**	**2,272,940**	**53,004**	**57,113**
Net Position				
Net Investment in Capital Assets	1,636,334	1,545,227	27,023	29,715
Restricted				
Nonexpendable -				
Endowment	858,820	771,146	-	-
Expendable -				
Scholarship, Research, Instruction and Other	323,473	299,789	3,232	3,151
Loans	80,436	79,091	-	-
Capital Projects	11,219	10,149	-	-
Unrestricted	1,390,657	1,379,215	96,908	88,627
Total Net Position	**4,300,939**	**4,084,617**	**127,163**	**121,493**
Total Liabilities and Net Position	**$ 6,528,268**	**$ 6,357,557**	**$ 180,167**	**$ 178,606**

See notes to the financial statements.

UNIVERSITY OF MISSOURI SYSTEM

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2013 and 2012 (in thousands)

	University		Discretely Presented Component Unit	
	2013	2012	2013	2012
Operating Revenues				
Tuition and Fees (Net of Provision for Doubtful Accounts of $7,324 in 2013 and $6,935 in 2012)	$ 791,319	$ 736,074	$ -	$ -
Less Scholarship Allowances	198,514	190,798	-	-
Net Tuition and Fees	592,805	545,276	-	-
Federal Grants and Contracts	183,654	184,882	-	-
State and Local Grants and Contracts	54,298	55,837	-	-
Private Grants and Contracts	71,731	71,023	-	-
Sales and Services of Educational Activities	24,129	23,106	-	-
Auxiliary Enterprises -				
Patient Medical Services, Net	847,681	795,302	159,885	168,311
Housing and Dining Services (Net of Scholarship Allowance of $670 in 2013 and $617 in 2012)	105,794	99,667	-	-
Bookstores	55,582	57,566	-	-
Other Auxiliary Enterprises (Net of Scholarship Allowance of $8,337 in 2013 and $8,339 in 2012)	250,975	217,590	-	-
Other Operating Revenues	58,179	55,312	-	-
Total Operating Revenues	**2,244,828**	**2,105,561**	**159,885**	**168,311**
Operating Expenses				
Salaries and Wages	1,343,889	1,318,349	67,231	70,227
Benefits	385,767	359,595	15,891	15,050
Supplies, Services and Other Operating Expenses	766,624	762,700	60,380	63,490
Scholarships and Fellowships	62,461	60,380	-	-
Depreciation	167,796	160,915	10,433	10,559
Total Operating Expenses	**2,726,537**	**2,661,939**	**153,935**	**159,326**
Operating Income (Loss) before State Appropriations	**(481,709)**	**(556,378)**	**5,950**	**8,985**
State Appropriations	401,400	397,629	-	-
Operating Income (Loss) after State Appropriations, before Nonoperating Revenues (Expenses)	**(80,309)**	**(158,749)**	**5,950**	**8,985**
Nonoperating Revenues (Expenses)				
Federal Appropriations	29,154	28,222	-	-
Federal Pell Grants	59,917	62,311	-	-
Investment and Endowment Income, Net of Fees	147,433	30,855	581	602
Private Gifts	64,103	90,346	-	-
Interest Expense	(55,256)	(53,923)	(1,218)	(1,519)
Other Nonoperating Revenues (Expenses)	(4,822)	(10,214)	357	(445)
Net Nonoperating Revenues (Expenses)	**240,529**	**147,597**	**(280)**	**(1,362)**

(continued)

UNIVERSITY OF MISSOURI SYSTEM

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2013 and 2012 (in thousands)

	University		Discretely Presented Component Unit	
	2013	2012	2013	2012
Income (Loss) before Capital Contributions, Additions to Permanent Endowments and Special Item	**160,220**	**(11,152)**	**5,670**	**7,623**
State Capital Appropriations	745	937	-	-
Capital Gifts and Grants	20,244	11,788	-	-
Private Gifts for Endowment Purposes	35,113	24,484	-	-
Special Item	-	42,316	-	-
Increase in Net Position	**216,322**	**68,373**	**5,670**	**7,623**
Net Position, Beginning of Year	**4,084,617**	**4,016,244**	**121,493**	**113,870**
Net Position, End of Year	**$ 4,300,939**	**$4,084,617**	**$ 127,163**	**$ 121,493**

UNIVERSITY OF MISSOURI SYSTEM
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2013 and 2012 (in thousands)

	2013	2012
Cash Flows from Operating Activities		
Tuition and Fees	$ 599,737	$ 541,629
Federal, State and Private Grants and Contracts	303,007	307,097
Sales and Services of Educational Activities and Other Auxiliaries	248,249	227,249
Patient Care Revenues	869,536	804,903
Student Housing Fees	105,806	99,775
Bookstore Collections	55,781	58,085
Payments to Suppliers	(747,534)	(760,592)
Payments to Employees	(1,335,113)	(1,309,080)
Payments for Benefits	(346,090)	(333,405)
Payments for Scholarships and Fellowships	(62,461)	(60,380)
Student Loans Issued	(9,441)	(8,711)
Student Loans Collected	8,706	8,559
Student Loan Interest and Fees	1,640	1,538
Other Receipts, Net	56,989	54,063
Net Cash Used in Operating Activities	**(251,188)**	**(369,270)**
Cash Flows from Noncapital Financing Activities		
State Appropriations	401,400	397,629
Federal Appropriations and Pell Grants	83,602	90,369
Private Gifts	58,995	64,009
Endowment and Similar Funds Gifts	35,113	24,484
Direct Lending Receipts	344,842	356,718
Direct Lending Disbursements	(344,842)	(356,718)
PLUS Loan Receipts	85,682	92,509
PLUS Loan Disbursements	(85,682)	(92,509)
Other Receipts, Net	(3,604)	41,730
Deposits (Receipts) of Affiliates	5,526	2,692
Net Cash Provided by Noncapital Financing Activities	**581,032**	**620,913**
Cash Flows from Capital and Related Financing Activities		
Capital State Appropriations	780	1,475
Capital Gifts and Grants	17,240	5,491
Proceeds from Sales of Capital Assets	1,282	4,035
Purchase of Capital Assets	(315,953)	(362,015)
Proceeds from Issuance of Capital Debt, Net	28,404	355,472
Principal Payments on Capital Debt	(24,210)	(25,603)
Payments on Capital Lease	(696)	(789)
Payments on Debt Defeasance	-	(310,911)
Payments of Bond Issuance Costs	(20)	(1,226)
Interest Payments on Capital Debt	(57,069)	(54,318)
Other Receipts, Net	(6,601)	-
Net Cash Used in Capital and Related Financing Activities	**(356,843)**	**(388,389)**

(continued)

UNIVERSITY OF MISSOURI SYSTEM

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2013 and 2012 (in thousands)

	2013	2012
Cash Flows from Investing Activities		
Interest and Dividends on Investments, Net	54,049	58,325
Purchase of Investments, Net of Sales and Maturities	(132,065)	221,535
Other Investing Activities	687	(1,621)
Net Cash Provided by (Used in) Investing Activities	**(77,329)**	**278,239**
Net Increase (Decrease) in Cash and Cash Equivalents	**(104,328)**	**141,493**
Cash and Cash Equivalents, Beginning of Year	**362,780**	**221,287**
Cash and Cash Equivalents, End of Year	**$ 258,452**	**$ 362,780**
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating Loss	$ (481,709)	$ (556,378)
Adjustments to Net Cash Used in Operating Activities		
Depreciation Expense	167,796	160,915
Changes in Assets and Liabilities:		
Accounts Receivable, Net	20,533	(18,682)
Inventory, Prepaid Expenses and Other Assets	(1,589)	(2,103)
Notes Receivable	(47)	411
Accounts Payable	(9,257)	7,575
Accrued Liabilities	52,685	31,979
Deferred Revenue	400	7,013
Net Cash Used in Operating Activities	**$ (251,188)**	**$ (369,270)**
Supplemental Disclosure of Noncash Activities		
Net Increase (Decrease) in Fair Value of Investments	$ 33,865	$ (105,689)
Noncash Gifts	12,758	12,878

See notes to the financial statements.

UNIVERSITY OF MISSOURI SYSTEM

STATEMENT OF PLAN NET POSITION

As of June 30, 2013 and 2012 (in thousands)

	2013	2012
Assets		
Cash and Cash Equivalents	$ 128,593	$ 106,033
Investment of Cash Collateral	48,560	50,023
Investment Settlements Receivable	41,450	83,396
Investments:		
Debt Securities	457,001	933,561
Equity Securities	715,580	505,512
Commingled Funds	1,429,374	1,085,669
Nonmarketable Alternative Investments	255,082	212,993
Other	-	11,895
Total Assets	3,075,640	2,989,082
Liabilities		
Accounts Payable and Accrued Liabilities	224	169
Collateral Held for Securities Lending	48,560	50,023
Investment Settlements Payable	59,016	206,980
Total Liabilities	**107,800**	**257,172**
Net Position Held in Trust for Retirement and OPEB	**$2,967,840**	**$2,731,910**

UNIVERSITY OF MISSOURI SYSTEM

STATEMENT OF CHANGES IN PLAN NET POSITION

For the Years Ended June 30, 2013 and 2012 (in thousands)

	2013	2012
Net Revenues and Other Additions		
Investment Income:		
Interest & Dividend Income, Net of Fees	$ 51,890	$ 58,589
Net Appreciation (Depreciation) in Fair Value of Investments	237,192	(31,548)
Net Investment Income	289,082	27,041
Contributions:		
University	113,353	100,095
Members	28,558	27,320
Total Contributions	141,911	127,415
Other Revenues	-	1,218
Total Net Revenues and Other Additions	**430,993**	**155,674**
Expenses and Other Deductions		
Administrative Expenses	2,652	2,630
Payments to Retirees and Beneficiaries	192,411	180,316
Total Expenses and Other Deductions	**195,063**	**182,946**
Increase (Decrease) in Net Position Held in Trust for Retirement and OPEB	**235,930**	**(27,272)**
Net Position Held in Trust for Retirement and OPEB, Beginning of Year	**2,731,910**	**2,759,182**
Net Position Held in Trust for Retirement and OPEB, End of Year	**$2,967,840**	**$2,731,910**

See notes to the financial statements.

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 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. The University is a component unit of the state of Missouri (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 discretely presented in the University's financial statements. The Medical Alliance, a not-for-profit corporation, 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 University Health Care. 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 organization that follows generally accepted accounting principles under the Financial Accounting Standards Board ("FASB"), is a discretely presented component unit of the Medical Alliance. The University appoints the Board of Directors of the Medical Alliance and can impose its will on the organization. Financial statements for the Medical Alliance are not available.

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, 2013, the University was the majority owner of MREC. Financial statements for MREC are not available. Condensed combining information regarding MREC is provided in Note 14.

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 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.

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

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

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

The financial statements for the Pension Trust Funds have been prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable. Investments are reported at fair value. Combining financial statements for these funds are presented in Note 16.

Cash, Cash Equivalents and Investments – Cash and cash equivalents consist of the University's bank deposits, repurchase agreements, money market funds, and other investments with original maturities of three months or less. Investment assets are carried at fair value based primarily on market quotations. Purchases and sales of 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. An allowance of $8,242,000 and $10,444,000 as of June 30, 2013 and 2012, 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 University Health Care's inventories, for which cost is determined using the first-in, first-out method.

Capital Assets – If purchased, these assets are carried at cost or, if donated, at fair value at the date of gift. 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. Net interest expense incurred during the construction of debt-financed facilities is included when capitalizing resulting assets. The University capitalizes works of art as these collections generally consist of historical artifacts and artworks, they are considered inexhaustible and not subject to depreciation. The University does not capitalize collections of historical treasures held for public exhibition, education, research, and public service. These collections are not disposed of for financial gain and, accordingly, are not capitalized for financial statement purposes. Proceeds from the sale, exchange, or other disposal of such items must be used to acquire additional items for the same collection. Land is considered inexhaustible and is not subject to depreciation.

Deferred Revenue – Deferred 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. Deferred revenues also include grant and contract amounts that have been received but not yet earned.

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

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

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

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

Unrestricted net position is not subject to externally imposed stipulations, but may be designated for specific purposes by the University's management or the Board of Curators. Unrestricted net position 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.

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

Patient Medical Services, Net – Patient medical services are primarily provided through University of Missouri Hospitals and Clinics, Ellis Fischel Cancer Research Center, Women's and Children's Hospital, Missouri Rehabilitation Center and University Physicians. 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 $934,000 and $320,000 for the years ended June 30, 2013, and 2012, 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, 2013 and 2012, the University 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)

	2013	2012
Medicare	27%	24%
Commercial Insurance	10%	12%
Medicaid	23%	22%
Self Pay & Other	18%	18%
Managed Care Agreements	22%	24%
	100%	100%

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

The Statement 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)*

	2013	2012
Patient Medical Services Revenue, Gross	$1,937,965	$ 1,797,072
Deductions for Contractuals	(1,011,128)	(922,418)
Deductions for Bad Debt	(79,156)	(79,352)
Patient Medical Services Revenue, Net	**$ 847,681**	**$ 795,302**

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)*

	2013	2012
Cost of Charity Care	$ 20,459	$ 14,158
Unreimbursed cost under state and local government assistance programs, net of Medicaid disproportionate share funding, less Medicaid provider taxes	(5,077)	446
Cost of uncollectible accounts	35,291	36,866
Patient Medical Services Revenue, Net	**$ 50,673**	**$ 51,470**

New Accounting Pronouncements – Effective for fiscal year 2013, the University adopted GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements,* which applies to service concession arrangements (SCAs) defined as public-private partnerships where the public institution retains specific control criteria. The University has evaluated this statement and does not currently have any SCAs that meet the criteria set forth. Adoption of GASB Statement No. 60 had no effect on the University's financial statements.

Effective for fiscal year 2013, the University adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*, which intends to improve financial reporting for a governmental financial reporting entity. The Statement amends the requirements of Statement No. 14. Adoption of GASB Statement No. 61 requires MREC to be presented as a blended component unit and requires a condensed combining schedule be presented that is provided in Note 14.

Effective for fiscal year 2013, the University adopted GASB Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which addresses how to report elements of financial statements that are deferrals, and explains that net position is the residual of all other elements presented in a statement of net position. Adoption of GASB Statement No. 63 has no effect on the University's financial statements other than renaming various report titles and certain line items. These changes have been incorporated in the University's financial statements presented.

In March 2012, GASB issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which intends to improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reports. The University has not yet determined the effect that adoption of GASB Statement No. 65 will have on its financial statements.

In June 2012, GASB issued GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, which intends to improve financial reporting by state and local governmental pension plans. Also, in June 2012, GASB issued GASB Statement No. 68, *Accounting and Financial Reporting* *for Pensions – an amendment to GASB Statement No. 27,* which will enhance accounting and financial reporting by state and local governments for pensions and improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The adoption of Statements No. 67 and No. 68 will require the University to record a Net Pension Liability on its Statement of Net Position. The University has determined adoption will have a significant impact on its financial statements and reduce its unrestricted net position when implemented.

Effective for fiscal year 2012, the University adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. Adoption of GASB Statement No. 62 had no effect on the University's financial statements.

Effective for fiscal year 2012, the University adopted GASB Statement No. 64, *Derivative Instruments: application of Hedge Accounting Termination Provisions – an amendment to GASB No. 53*, which provided clarification on determining if an effective hedging relationship still exists for derivative instruments. Adoption of GASB Statement No. 64 had no effect on the University's financial statements.

Use of Estimates – The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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 prior year amounts have been reclassified to conform to current year amounts.

DISCRETELY PRESENTED COMPONENT UNIT – MEDICAL ALLIANCE

Nature of Operations – The Curators of the University of Missouri, for and on behalf of University Health Care, and CRMC entered into an Affiliation Agreement dated August 5, 1997. Pursuant to the Affiliation Agreement, the University created the Medical Alliance. The Medical Alliance then became the sole member of CRMC. The Medical Alliance's purpose is to develop a network of healthcare providers to support the missions of University Health Care.

CRMC operates as a two-hospital system, which consists of the Southwest Campus and Madison Campus complemented by community medical clinics. CRMC primarily earns revenues by providing inpatient, outpatient, and emergency care services to patients in Jefferson City, Missouri. It also operates medical clinics in the surrounding communities. The operating results of the facilities and clinics are included in these financial statements. CRMC is served by a group of admitting physicians that account for a significant portion of CRMC's net revenues. Additionally, CRMC is also associated with the Capital Region Medical Foundation, which is intended to support the interest of CRMC through its fundraising activities.

Net Position – As a not-for-profit organization, the Medical Alliance records its 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 accompanying basic financial statements, the net position is redistributed amongst the net position components defined by GASB Statement No. 63.

Capital Assets – Capital Assets are recorded at cost and depreciated on a straight-line basis over the estimated useful life of each asset following guidelines of the American Hospital Association. Equipment under capital lease obligations is amortized on the straight-line basis over the shorter period of the lease term or the estimated useful life of the equipment. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a cost of acquiring those assets.

Net Patient Medical Service Revenue – Net patient medical service revenue is reported at the net amounts to be realized from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments for reimbursement agreements with third-party payers. Retroactive adjustments are estimated and accrued in the period the related services are provided, and these amounts are adjusted in future periods as final settlements are determined.

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. The University's cash deposits were fully insured or collateralized at June 30, 2013 and 2012, 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; 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, absolute return and risk parity strategies. The General Pool's total return (loss), including unrealized gains and losses, was (0.9%) and 2.4% for the years ended June 30, 2013 and 2012, respectively.

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, global fixed income, high-yield fixed income, floating rate bank loans, global inflation-linked bonds, emerging markets debt, and risk parity strategies. The Endowment Pool's total return (loss), including unrealized gains and losses, was 12.6% and (0.9%) for the years ended June 30, 2013 and 2012, respectively.

The Fixed Income Pool is an additional investment vehicle for endowment funds. The Fixed Income Pool, as required by investment policy, is invested in externally managed U.S. core plus bond funds. The Fixed Income Pool's total return, including unrealized gains and losses, was 3.5% and 5.1% for the years ended June 30, 2013 and 2012, respectively.

If a donor has not provided specific restrictions, state law permits the Board to appropriate an amount of the Endowment Funds' net appreciation, realized and unrealized, as the Board considers to be prudent. In establishing this amount, the Board is required to consider the University's long- and short-term needs, present and anticipated financial requirements, expected total return on investments, price level trends, and general economic conditions. Further, any expenditure of net appreciation is required to be for the purposes for which the endowment was established. Inclusive of both realized and unrealized gains and losses on investments, donor-restricted endowments experienced net appreciation of approximately $74,893,000 in fiscal year 2013, as compared to net depreciation of approximately $19,271,000 in fiscal year 2012.

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 2012 to distribute 4.5% of a trailing 28-quarter average of the endowment's total market value, with the understanding that this spending rate over the long term will not exceed the total real return (net of inflation). However, the change from 5% to 4.5% is being phased in over several years to ensure a decrease in distributions year over year is not due solely to the lower rate. In addition, the University distributes 1% of the trailing 28-quarter average of the endowment's total market value to support internal endowment and development administration.

PENSION 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, global fixed income, high-yield fixed income, floating rate bank loans, global inflation-like bonds, emerging markets debt and risk parity strategies. The Retirement Trust's total return, including unrealized gains and losses, was 10.6% and 1.1% for the years ended June 30, 2013 and 2012, respectively.

The OPEB Trust held $49,284,000 and $50,212,000 of assets at June 30, 2013 and 2012, 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.

At June 30, 2013 and 2012, the University and Pension Trust Funds held the following types of investments:

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

	University of Missouri		University of Missouri Pension Trust Funds	
As of June 30,	**2013**	**2012**	**2013**	**2012**
Debt Securities:				
U.S. Treasury Obligations	$ 189,011	$ 144,576	$ 29,292	$ 311,985
U.S. Agency Obligations	497,980	483,020	931	4,775
Asset-Backed Securities	159,085	542,545	47,043	110,024
Government - Foreign	34,443	126,409	127,304	154,885
Corporate - Domestic	248,894	153,815	163,158	202,649
Corporate - Foreign	120,650	115,155	89,273	149,243
Equity Securities:				
Domestic	196,146	189,488	392,647	278,584
Foreign	97,804	107,913	322,933	226,928
Commingled Funds:				
Absolute Return	149,216	60,359	244,847	133,702
Risk Parity	357,638	-	-	-
Debt Securities - Global	38,191	-	17,948	18,038
Debt Securities - Domestic	88,597	100,541	222,595	183,545
Debt Securities - Foreign	73,802	67,711	160,576	150,892
Equity Securities - Domestic	34,233	44,395	-	5,224
Equity Securities - Foreign	101,688	110,359	249,824	196,169
Equity Securities - Global	213,620	201,968	501,961	358,372
Real Estate	14,731	14,033	31,623	39,727
Nonmarketable Alternative Investments:				
Real Estate	44,970	43,430	155,423	91,243
Private Equity	67,639	52,413	99,659	121,750
Other	30,098	30,758	-	11,895
Total Investments	2,758,436	2,588,888	2,857,037	2,749,630
Money Market Funds	111,668	124,648	113,848	94,534
Commercial Paper	76,900	213,300	-	-
Other	69,884	24,832	14,745	11,499
Total Cash and Cash Equivalents	258,452	362,780	128,593	106,033
Total Investments and Cash and Cash Equivalents	**$ 3,016,888**	**$ 2,951,668**	**$ 2,985,630**	**$ 2,855,663**

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.

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. The investment policy for the General Pool has specific single issuer limits in place for corporate bonds and commercial paper.

As of June 30, 2013, of the University's total investments and cash and cash equivalents, 7.7% are issues of the Federal Home Loan Bank (FHLB); and 6.8% are issues of Federal National Mortgage Association (FNMA). As of June 30, 2012, of the University's total investments and cash and cash equivalents, 14.5% are issues of FHLB, 10.2% are issues of FNMA and 5.5% are issues of Government National Mortgage Association.

At June 30, 2013 and 2012, the Pension Trust Funds did not contain investments from any single issuer that exceeded 5% of the total portfolio.

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: minimum long-term rating of A or better by S&P, with minimum rating of A-1/P-1 for commercial paper and other short-term securities. For Endowment Funds and Retirement Trust investments, the respective investment policies 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 commercial paper were rated A-1/P-1 or better at June 30, 2013 and 2012. All holdings of money market funds were rated AAA at June 30, 2013 and 2012.

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, 2013 and 2012, is as follows:

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

	University of Missouri		University of Missouri Pension Trust Funds	
As of June 30,	**2013**	**2012**	**2013**	**2012**
U.S. Treasury Obligations	$ 189,011	$ 144,576	$ 29,292	$ 311,985
U.S. Agency Obligations	497,980	483,020	931	4,775
Asset-Backed Securities				
Mortgage Backed Securities				
Guaranteed by U.S. Agencies	63,580	506,241	21,597	90,536
Aaa/AAA	3,069	3,256	5,807	1,256
Aa/AA	3,031	2,299	12,491	11,819
A/A	1,591	727	2,104	1,513
Baa/BBB	2,835	6,270	157	163
Ba/BB and lower	83,278	21,690	2,206	2,255
Unrated	1,701	2,062	2,681	2,482
Government - Foreign				
Aaa/AAA	6,037	37,988	40,913	50,348
Aa/AA	5,959	15,454	19,742	26,613
A/A	13,786	14,334	32,447	18,391
Baa/BBB	1,383	11,361	4,591	5,416
Ba/BB and lower	-	129	-	-
Unrated	7,278	47,143	29,611	54,117
Corporate - Domestic				
Aaa/AAA	4,730	22,954	1,605	4,088
Aa/AA	2,769	12,650	51	6,411
A/A	13,952	31,813	2,175	15,111
Baa/BBB	41,424	34,806	4,315	17,432
Ba/BB and lower	138,394	47,159	143,969	148,387
Unrated	47,625	4,433	11,043	11,220
Corporate - Foreign				
Aaa/AAA	9,094	35,952	23,715	61,443
Aa/AA	6,265	9,946	11,256	16,149
A/A	19,365	26,767	13,192	31,381
Baa/BBB	33,197	20,043	15,496	11,316
Ba/BB and lower	38,422	4,151	16,170	10,229
Unrated	14,307	18,296	9,444	18,725
Total	**$ 1,250,063**	**$ 1,565,520**	**$ 457,001**	**$ 933,561**

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

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

Table 3.3 presents the modified durations of the University's and Pension Trust Funds' debt securities as of June 30, 2013 and 2012, respectively:

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

	University of Missouri Duration (in years)			
As of June 30,	**2013**		**2012**	
U.S. Treasury Obligations	$ 189,011	7.1	$ 144,576	7.8
U.S. Agency Obligations	497,980	2.2	483,020	1.4
Asset-Backed Securities	159,085	6.0	542,545	5.6
Government - Foreign	34,443	7.7	126,409	6.3
Corporate - Domestic	248,894	4.3	153,815	5.4
Corporate - Foreign	120,650	4.6	115,155	4.3
Total Debt Securities	**$ 1,250,063**	**4.2**	**$ 1,565,520**	**4.4**

	University of Missouri Pension Trust Funds Duration (in years)			
As of June 30,	**2013**		**2012**	
U.S. Treasury Obligations	$ 29,292	12.9	$ 311,985	7.8
U.S. Agency Obligations	931	3.9	4,775	4.6
Asset-Backed Securities	47,043	4.5	110,024	3.8
Government - Foreign	127,304	7.9	154,885	7.1
Corporate - Domestic	163,158	4.9	202,649	5.3
Corporate - Foreign	89,273	4.2	149,243	3.8
Total Debt Securities	**$ 457,001**	**6.1**	**$ 933,561**	**6.0**

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.

At June 30, 2013 and 2012, 19.3% and 21.5%, respectively, of the University's total investments and cash and cash equivalents were denominated in foreign currencies. Forward foreign currency contracts with notional amounts totaling $295,382,000 and $330,216,000 were in place at June 30, 2013 and 2012, respectively. At June 30, 2013 and 2012, 45.3% and 40.5%, respectively, of the Pension Trust Funds' total investments and cash equivalents were denominated in foreign currencies. Forward foreign currency contracts with notional amounts totaling $234,792,000 and $363,003,000 were in place at June 30, 2013 and 2012, respectively.

The University's and Pension Trust Funds' exposure to foreign exchange risk as of June 30, 2013 and 2012:

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

	University of Missouri		University of Missouri Pension Trust Funds	
As of June 30,	**2013**	**2012**	**2013**	**2012**
Debt Securities				
Euro	$ 39,794	$ 70,071	$ 63,385	$ 118,207
Australian Dollar	584	11,082	14,950	19,878
Canadian Dollar	2,789	11,630	11,535	7,522
British Pound Sterling	23,981	24,968	23,403	32,625
Japanese Yen	2,951	10,835	(1,342)	19,353
Danish Krone	877	1,028	4,286	1,783
New Zealand Dollar	2,037	3,955	8,295	9,113
South Korean Won	-	1,226	-	2,118
Singapore Dollar	-	1,934	-	3,723
Mexican New Peso	1,602	14,460	8,598	7,739
Swedish Krona	237	2,811	1,231	5,413
Other	4,078	6,409	16,885	9,806
	78,930	160,409	151,226	237,280
Equity Securities				
Euro	7,749	11,827	37,726	32,732
Japanese Yen	14,847	15,547	54,538	36,148
British Pound Sterling	17,555	17,741	63,488	40,774
Australian Dollar	2,637	4,264	11,514	10,931
Canadian Dollar	881	1,019	2,609	2,040
Swiss Franc	11,222	12,384	33,694	24,206
Hong Kong Dollar	6,367	6,375	19,032	12,417
Swedish Krona	4,132	3,954	12,547	7,888
Other	8,569	11,636	26,402	21,728
	73,959	84,747	261,550	188,864
Commingled Funds				
Various currency denominations:				
Debt Securities - Global	38,191	-	17,948	18,039
Debt Securities - Foreign	73,802	67,711	160,576	150,892
Equity Securities - Global	213,620	201,968	501,961	358,372
Equity Securities - Foreign	101,688	110,359	249,824	196,169
	427,301	380,038	930,309	723,472
Cash and Cash Equivalents				
Euro	352	733	732	732
Hong Kong Dollar	-	251	2	422
Mexican New Peso	190	7,689	2,113	16,893
Japanese Yen	330	100	222	253
British Pound Sterling	492	90	2,153	20
Other	2,277	412	2,773	717
	3,641	9,275	7,995	19,037
Total Exposure to Foreign Exchange Risk	**$ 583,831**	**$ 634,469**	**$ 1,351,080**	**$ 1,168,653**

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 derivatives, 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.

Of the University's and Pension Trust Funds' commingled funds at June 30, 2013, approximately 90% and 82%, respectively, are redeemable within 90 days, with the remaining redeemable within one year.

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 further discussed in Note 11.

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 100% of the fair value of loaned domestic securities and 105% for loaned international securities.

For the University, at June 30, 2013 and 2012, there were a total of $25,489,000 and $62,168,000, respectively, of securities out on loan to borrowers. The value of collateral received from the borrower for these securities consisted of $24,428,000 cash and $1,803,000 noncash collateral at June 30, 2013 and $32,032,000 cash and $30,785,000 noncash collateral at June 30, 2012.

For the Pension Trust Funds, at June 30, 2013 and 2012, there were a total of $54,622,000 and $195,236,000, respectively, of securities out on loan to borrowers. The value of collateral received from the borrower for these securities consisted of $48,560,000 cash and $7,855,000 noncash collateral at June 30, 2013 and $50,023,000 cash and $151,320,000 noncash collateral at June 30, 2012.

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. These investments are shown as Investment of Cash Collateral in the Statement of 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. 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, 2013 and 2012, 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.

DISCRETELY PRESENTED COMPONENT UNIT – MEDICAL ALLIANCE

Investments – The investment policies of Medical Alliance are established by its board of directors. The policies are established to ensure that Medical Alliance funds are managed in accordance with the "Prudent Man Rule."

Medical Alliance investments are presented at fair value in accordance with FASB Accounting Standards Codification 820, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to measurements involving significant unobservable inputs. The three levels of the fair value hierarchy are as follows: Level 1 - Quoted prices in active markets for identical assets that the Medical Alliance has the ability to access at the measurement date; Level 2 - Inputs other than quoted market prices included in Level 1, that are observable for the asset, either directly or indirectly; and, Level 3 - Inputs that are unobservable for the asset. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

At June 30, 2013 and 2012, Medical Alliance held the following investments:

Table 3.5 - Medical Alliance Cash, Cash Equivalents, and Investments

As of June 30, *(in thousands)*	2013	2012
Fair Value - Level 1		
Money Market Accounts	$ 38,401	$ 21,830
U.S. Treasury Obligations	73	73
Cash and Other Cash Equivalents	5,019	8,379
Total Fair Value - Level 1	43,493	30,282
Fair Value - Level 2		
Mortgage-Backed Securities	12,995	14,001
Certificates of Deposit	21,478	28,368
Corporate Bonds	5,454	5,490
Total Fair Value - Level 2	39,927	47,859
Total Cash, Cash Equivalents, and Investments	**$ 83,420**	**$ 78,141**

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2013 and 2012, are summarized as follows:

Table 4.1 - Accounts Receivable *(in thousands)*

	2013	2012
Grants and Contracts	$ 65,933	$ 60,858
Federal Appropriations	10,910	5,441
State Appropriations and State Bond Funds	-	35
Student Fees and Other Academic Charges	99,742	98,611
Patient Services, Net of Contractual Allowances	106,253	106,689
Medical Resident FICA Refund and Related Income	-	31,355
Subtotal	282,838	302,989
Less Provisions for Loss:		
Grants & Contracts	579	516
University Health Care Patient Services	19,854	21,438
Student Fees and Other Academic Charges	7,324	6,935
Subtotal	27,757	28,889
Total Accounts Receivable, Net	**$255,081**	**$274,100**

5. 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, 2013 and 2012, are summarized as follows:

Table 5.1 - Notes Receivable *(in thousands)*

	2013	2012
Federal Health Profession Loans	$ 15,757	$ 15,994
Carl D. Perkins National Loans	29,572	28,662
University Loan Programs	18,283	18,680
Other	11,327	3,327
Subtotal	74,939	66,663
Less Provisions for Loss	4,042	3,814
Total Notes Receivable, Net	**$ 70,897**	**$ 62,849**

6. CAPITAL ASSETS

UNIVERSITY OF MISSOURI

Capital assets activity for the years ended June 30, 2013 and 2012, is summarized as follows:

Table 6.1 - Capital Assets *(in thousands)*

	2013 Beginning Balance	Additions/ Transfers	Retirements	2013 Ending Balance
Capital Assets, Nondepreciable:				
Land	$ 80,415	$ 134	$ -	$ 80,549
Artwork and Historical Artifacts	12,884	540	-	13,424
Construction in Progress	280,529	(39,569)	-	240,960
Total Capital Assets, Nondepreciable	373,828	(38,895)	-	334,933
Capital Assets, Depreciable:				
Buildings and Improvements	3,055,892	240,613	(123)	3,296,382
Infrastructure	327,588	41,636	(11)	369,213
Equipment	725,181	69,699	(24,029)	770,851
Library Materials	252,136	4,517	-	256,653
Total Capital Assets, Depreciable	4,360,797	356,465	(24,163)	4,693,099
Less Accumulated Depreciation:				
Buildings and Improvements	1,098,653	90,497	(54)	1,189,096
Infrastructure	140,158	14,730	(5)	154,883
Equipment	481,868	56,588	(22,845)	515,611
Library Materials	164,953	5,981	-	170,934
Total Accumulated Depreciation	1,885,632	167,796	(22,904)	2,030,524
Total Capital Assets, Depreciable, Net	2,475,165	188,669	(1,259)	2,662,575
Total Capital Assets, Net	**$ 2,848,993**	**$ 149,774**	**$ (1,259)**	**$ 2,997,508**

	2012 Beginning Balance	Additions/ Transfers	Retirements	2012 Ending Balance
Capital Assets, Nondepreciable:				
Land	$ 75,088	$ 5,462	$ (135)	$ 80,415
Artwork and Historical Artifacts	12,740	144	-	12,884
Construction in Progress	130,216	150,313	-	280,529
Total Capital Assets, Nondepreciable	218,044	155,919	(135)	373,828
Capital Assets, Depreciable:				
Buildings and Improvements	2,919,468	138,205	(1,781)	3,055,892
Infrastructure	317,551	10,037	-	327,588
Equipment	680,322	61,818	(16,959)	725,181
Library Materials	247,939	4,197	-	252,136
Total Capital Assets, Depreciable	4,165,280	214,257	(18,740)	4,360,797
Less Accumulated Depreciation:				
Buildings and Improvements	1,015,562	84,320	(1,229)	1,098,653
Infrastructure	125,944	14,214	-	140,158
Equipment	441,014	56,036	(15,182)	481,868
Library Materials	158,608	6,345	-	164,953
Total Accumulated Depreciation	1,741,128	160,915	(16,411)	1,885,632
Total Capital Assets, Depreciable, Net	2,424,152	53,342	(2,329)	2,475,165
Total Capital Assets, Net	**$ 2,642,196**	**$ 209,261**	**$ (2,464)**	**$ 2,848,993**

The estimated cost to complete construction in progress at June 30, 2013, is $685,623,000 of which $384,116,000 is available from unrestricted net position. The remaining costs are expected to be funded from $27,878,000 of gifts, $12,000 of grants, and $273,617,000 of debt proceeds.

Capital assets include a building facility under a capital lease of $10,364,000 and $8,332,000 and related accumulated depreciation of $6,139,000 and $5,312,000 at June 30, 2013 and 2012, respectively.

DISCRETELY PRESENTED COMPONENT UNIT – MEDICAL ALLIANCE

Capital assets at June 30, 2013 and 2012 are summarized as follows:

Table 6.2 - Medical Alliance - Capital Assets

(in thousands)	2013	2012
Land & Improvements	$ 7,374	$ 6,779
Buildings	115,032	114,905
Movable Equipment	73,870	75,697
Construction in Progress	245	103
	196,521	197,484
Less Accumulated Depreciation	138,211	133,618
Total Capital Assets, Net	**$ 58,310**	**$ 63,866**

7. ACCRUED SHORT-TERM LIABILITIES

Accrued liabilities at June 30, 2013 and 2012, are summarized as follows:

Table 7.1 - Accrued Liabilities *(in thousands)*

	2013	2012
Accrued Salaries, Wages & Benefits	$ 63,095	$ 58,183
Accrued Vacation	47,280	45,862
Accrued Self Insurance Claims	41,087	36,322
Accrued Interest Payable	11,317	10,604
Total Accrued Liabilities	**$ 162,779**	**$ 150,971**

8. OTHER NONCURRENT LIABILITIES

Table 8.1 - Other Noncurrent Liabilities *(in thousands)*

Fiscal Year 2013	Beginning of Year	Additions	Payments	Total End of Year	Less Current Portion	Noncurrent End of Year
Accrued Vacation	$ 60,604	$ 45,151	$ (41,288)	$ 64,467	$ (47,280)	$ 17,187
Accrued Self-Insurance Claims	69,469	210,872	(199,676)	80,665	(41,087)	39,578
	$ 130,073	**$ 256,023**	**$ (240,964)**	**$ 145,132**	**$ (88,367)**	**$ 56,765**

Fiscal Year 2012	Beginning of Year	Additions	Payments	Total End of Year	Less Current Portion	Noncurrent End of Year
Accrued Vacation	$ 56,687	$ 43,766	$ (39,849)	$ 60,604	$ (45,862)	$ 14,742
Accrued Self-Insurance Claims	72,949	213,357	(216,837)	69,469	(36,322)	33,147
	$ 129,636	**$ 257,123**	**$ (256,686)**	**$ 130,073**	**$ (82,184)**	**$ 47,889**

9. LONG-TERM DEBT

The University's outstanding debt at June 30, 2013 and 2012, with corresponding activity, is as follows:

Table 9.1 - Long-Term Debt *(in thousands)*

As of June 30, 2013	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
System Facilities Revenue Bonds - Fixed	$ 1,105,945	$ -	$ (20,875)	$ 1,085,070	$ 23,890
System Facilities Revenue Bonds - Variable	100,750	-	(420)	100,330	435
Unamortized Premium	47,460	-	(5,848)	41,612	-
Unamortized Loss on Defeasance	(20,799)	-	2,676	(18,123)	-
Net System Facilities Revenue Bonds	1,233,356	-	(24,467)	1,208,889	24,325
Notes Payable	4,961	9,553	(384)	14,130	960
Capital Lease Obligations	6,616	-	(696)	5,920	755
Commercial Paper	160,935	18,850	(2,530)	177,255	177,255
Total Long-Term Debt	**$ 1,405,868**	**$ 28,403**	**$ (28,077)**	**$ 1,406,194**	**$ 203,295**

As of June 30, 2012	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
System Facilities Revenue Bonds - Fixed	$ 1,144,245	$ 159,280	$ (197,580)	$ 1,105,945	$ 20,875
System Facilities Revenue Bonds - Variable	223,680	-	(122,930)	100,750	420
Unamortized Premium	23,462	31,264	(7,266)	47,460	-
Unamortized Loss on Defeasance	(9,162)	-	(11,637)	(20,799)	-
Net System Facilities Revenue Bonds	1,382,225	190,544	(339,413)	1,233,356	21,295
Notes Payable	1,296	3,993	(328)	4,961	300
Capital Lease Obligations	7,405	-	(789)	6,616	696
Commercial Paper	-	160,935	-	160,935	160,935
Total Long-Term Debt	**$ 1,390,926**	**$ 355,472**	**$ (340,530)**	**$ 1,405,868**	**$ 183,226**

System Facilities Revenue Bonds

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

On May 2, 2012, the University issued $105,155,000 in Series 2012A System Facilities Revenue Bonds. Proceeds from issuance of the Series 2012A Bonds are being used to refund all of Series 2003A bonds, $75,065,000 principal amount of the Series 2006A bonds, $33,085,000 principal amount of the Series 2007A bonds, and paying cost of issuance of the Series 2012A bonds. The all-in-true interest cost of the Series 2012A bonds is 1.7%.

On August 3, 2011, the University issued $54,125,000 in Series 2011 System Facilities Revenue Bonds. Proceeds from issuance of the Series 2011 bonds are being used to refund all of Series 1998A bonds, all of Series 2001B bonds, $9,035,000 principal amount of the Series 2003B Bonds, and paying the cost of issuance of the Series 2011 bonds. The all-in-true interest cost of the Series 2011 bonds is 3.2%.

Interest expense associated with financing projects during construction, net of any investment income earned on bond proceeds during construction, is capitalized. Total interest expense during the years ended June 30, 2013 and 2012 was $64,469,000 and $64,534,000, respectively. Interest expense associated with financing projects during construction, net of any investment income earned on bond proceeds during construction, is capitalized. For the years ended June 30, 2013 and 2012, capitalization of interest earned on unspent bond proceeds totaled $9,213,000 and $10,611,000, respectively, resulting in net interest expense of $55,256,000 and $53,923,000, respectively. For the years ended June 30, 2013 and 2012, the University earned cash subsidy payments from the United States Treasury totaling $10,461,000 for designated Build America Bonds outstanding, which was recorded as Federal Appropriations on the Statement of Revenues, Expenses, and Changes in Net Position.

Table 9.2 - System Facilities Revenue Bonds *(in thousands)*

Series	Type	Weighted Avg. Cost of Capital at June 30, 2013	Final Maturity	Original Issue	Balance June 30, 2013	Balance June 30, 2012
2003B	Fixed	4.37%	11/1/2023	37,085	$ 14,750	$ 16,400
2006A	Fixed	4.19%	11/1/2026	260,975	136,060	144,150
2007A	Fixed	4.60%	11/1/2037	262,970	206,665	212,135
2009A **(1)**	Fixed	3.87%	11/1/2039	256,300	256,300	256,300
2009B	Fixed	2.89%	11/1/2021	75,760	59,730	65,395
2010A **(1)**	Fixed	3.76%	11/1/2041	252,285	252,285	252,285
2011	Fixed	2.59%	11/1/2027	54,125	54,125	54,125
2012A	Fixed	1.58%	11/1/2019	105,155	105,155	105,155
Total Fixed Rate Bonds				**1,304,655**	**1,085,070**	**1,105,945**
2007B	Variable	0.04% **(2)**	11/1/2031	102,250	100,330	100,750
Total Variable Rate Demand Bonds				**102,250**	**100,330**	**100,750**
Total System Facilities Revenue Bonds				**$ 1,406,905**	**$ 1,185,400**	**$ 1,206,695**

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

(2) *As of June 30, 2013; 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.*

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 Statement of Net Position, with the balance in excess of actual current principal maturities reported as Long-Term Debt Subject to Remarketing.

In-substance defeased bonds aggregating $218,645,000 and $221,465,000 are outstanding at June 30, 2013 and 2012, respectively.

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. The University assumed a 2006 interest rate swap with a negative fair market value of $9,799,000 on March 21, 2012 to which the counterparty was Bank of America, N.A. The 2006 swap was acquired in conjunction with the purchase of a housing and parking facility at the Kansas City campus. The initial loss related to the 2006 swap is included in Other Non-Operating Revenues (Expenses). Table 9.3 presents the terms of the outstanding swaps and their fair values at June 30, 2013.

Table 9.3 - 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	$ (9,611)	Aa3 / A+
Pay fixed; receive variable	51,135	12/14/2006	8/3/2026	Pay 3.902%; receive SIFMA Index	(8,522)	Baa2 / A-
Pay fixed; receive variable	100,330	7/26/2007	11/1/2031	Pay 3.798%; receive 68% of 1-Month LIBOR	(21,736)	Aa3 / A+
Total	**$ 191,465**				**$ (39,869)**	

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 9.4:

Table 9.4 - Interest Rate Swaps - Change in Fair Value *(in thousands)*

Type	Fair Value at June 30, 2013	Fair Value at June 30, 2012	Fair Value on Acquisition	Change in Fair Value	Presentation of Change in Fair Value
2002 Swap - Investment Derivative	$ (9,611)	$ (14,608)	N/A	$ 4,997	Investment and Endowment Income, Net
2006 Swap - Investment Derivative	(8,522)	(12,833)	N/A	4,311	Investment and Endowment Income, Net
2007 Swap - Cash Flow Hedge	(21,736)	(30,415)	N/A	8,679	Deferred Outflow of Resources
Total	**$ (39,869)**	**$ (57,856)**	**$ -**	**$ 17,987**	

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, 2013.

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'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 9.5:

Table 9.5 - Swap Collateral Requirements

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

If the aggregate fair value of swaps outstanding with each counterparty is positive and exceeds the fair value threshold for the applicable credit rating, the counterparties are required to post collateral. If the aggregate fair value of the 2002 and 2007 swaps is negative and exceeds the fair value threshold for the applicable credit rating, the University is required to post collateral. Permitted collateral for either party includes U.S. Treasuries, U.S. government agencies, cash, and commercial paper rated A1/P1 by S&P or Moody's, respectively. As the negative aggregate fair value of the 2002 and 2007 swaps exceeded $30,000,000 on June 30, 2013, which is the current fair value threshold for the University given a Moody's rating of Aa1, the University had collateral posted with the counterparty as required.

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 .06% at June 30, 2013.

Pledged Revenues and Debt Service Requirements

For fiscal years 2013 and 2012, annual debt service, including net payments on associated interest rate swaps, totaled $89,062,000 and $89,717,000, respectively. For fiscal years 2013 and 2012, System Facilities Pledged Revenue was twelve and eleven times greater than the annual debt service. Net System Facilities Revenue was 165% and 133% of annual debt service, respectively. Table 9.6 provides the System Facilities pledged revenues and operating expenses.

Table 9.6 - System Facilities Pledged Revenues and Operating Expenses *(in thousands)*

	2013	2012
Pledged Revenues:		
Net Patient Revenue	$ 844,747	$ 793,876
Housing and Related Food Service	106,435	100,284
Bookstores	55,645	57,634
Net Tuition and Fees	26,670	26,117
Other Operating Revenue	39,381	35,208
Pledged Revenues	**1,072,878**	**1,013,119**
Operating Expenses	925,493	893,540
Net Revenues	**$ 147,385**	**$ 119,579**

Table 9.7 provides future debt service requirements for the System Facilities Revenue Bonds, including the impact of both 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, 2013. As market rates vary, variable rate bond interest payments and net swap payments will vary.

Table 9.7 - Future Debt Service - System Facilities Revenue Bonds *(in thousands)*

Fiscal Year	Principal	Interest	Hedging Derivatives, Net	Total Before Investment Derivatives	Investment Derivatives, Net	Total Future Debt Service
2014	24,325	56,938	3,606	84,869	3,216	88,085
2015	26,145	55,890	3,590	85,625	3,193	88,818
2016	30,945	54,686	3,509	89,140	3,168	92,308
2017	32,095	53,378	3,393	88,866	3,138	92,004
2018	30,550	52,083	3,201	85,834	3,104	88,938
2019-2023	248,065	224,153	14,358	486,576	14,853	501,429
2024-2028	190,430	181,149	9,688	381,267	13,461	394,728
2029-2033	159,205	143,875	2,431	305,511	12,332	317,843
2034-2038	153,375	105,844	-	259,219	6,853	266,072
2039-2042	290,265	38,816	-	329,081	3,198	332,279
	$ 1,185,400	**$ 966,812**	**$ 43,776**	**$ 2,195,988**	**$ 66,516**	**$ 2,262,504**

Commercial Paper

During fiscal year 2013, the University issued $18,850,000 of commercial paper to finance capital projects.

During fiscal year 2012, the University issued $160,935,000 of commercial paper to fund the purchase of a housing and parking facility and refund System Facilities Revenue Bonds, Series 2000B, Series 2001A, and Series 2006B.

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

The Commercial Paper Notes are limited obligations of the University secured by a pledge of the University's Unrestricted Revenues. "Unrestricted Revenues" includes state appropriations for general operations, student fee revenues, and all other operating revenues of the University other than System Facilities Revenues. The primary objective of the CP Program is to provide flexibility in managing the University's overall debt program to meet its various financial needs including: (a) financing capital projects, (b) allowing for the refunding/refinancing of outstanding debt, and (c) providing a readily accessible source of funds for various working capital purposes.

Notes Payable

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

During fiscal year 2013, Rolla Renewable Energy Company, LLC, a wholly owned subsidiary of MREC entered into a Qualified Low-Income Community Investment loan agreement with Midwest Renewable Capital XIII, LLC. The proceeds of this note are to develop, construct, own and lease the geothermal construction project. Interest is payable quarterly at 1.6%.

The future payments on all notes payable at June 30, 2013, are as follows:

Table 9.8 - Future Notes Payable Payments

Year Ending June 30	Amount *(in thousands)*
2014	$ 1,189
2015	1,162
2016	1,088
2017	887
2018	887
2019-2023	3,373
2024-2028	2,216
2029-2033	2,209
2034-2038	2,202
2039-2043	1,792
Total Future Notes Payable Payments	17,005
Less: Amount Representing Interest	(2,876)
Future Notes Payable Principal Payments	**$ 14,129**

Capital Lease Obligations

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

The future minimum payments on all capital leases at June 30, 2013, are as follows:

Table 9.9 - Future Capital Lease Payments

Year Ending June 30	Amount *(in thousands)*
2014	1,563
2015	1,563
2016	1,563
2017	1,563
2018	1,563
2019-2020	1,952
Total Future Minimum Payments	9,767
Less: Amount Representing Interest	(3,847)
Present Value of Future Minimum Lease Payments	**$ 5,920**

DISCRETELY PRESENTED COMPONENT UNIT – MEDICAL ALLIANCE

The Medical Alliance's outstanding debt at June 30, 2013 and 2012, with corresponding activity, is as follows:

Table 9.10 - Long-Term Debt - Medical Alliance *(in thousands)*

As of June 30, 2013	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Health Facilities Revenue Bonds Series 2011	$ 32,835	$ -	$ (1,715)	$ 31,120	$ 1,740
Total Bonds Payable	32,835	-	(1,715)	31,120	1,740
Capital Lease Obligations	1,527	-	(1,202)	325	325
Total Long-Term Debt	**$ 34,362**	**$ -**	**$ (2,917)**	**$ 31,445**	**$ 2,065**

As of June 30, 2012	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Health Facilities Revenue Bonds Series 1998	$ 18,875	$ -	$ (18,875)	$ -	$ -
Health Facilities Revenue Bonds Series 2004	15,150	-	(15,150)	-	-
Health Facilities Revenue Bonds Series 2011	-	32,835	-	32,835	1,715
Total Bonds Payable	34,025	32,835	(34,025)	32,835	1,715
Capital Lease Obligations	2,685	-	(1,158)	1,527	1,202
Total Long-Term Debt	**$ 36,710**	**$ 32,835**	**$ (35,183)**	**$ 34,362**	**$ 2,917**

Bonds Payable

Tax-exempt revenue bonds (Series 2011 Bonds) in the principal amount of $32,835,000 were issued by the Health and Education Facilities Authority of the State of Missouri (the Authority) on behalf of the Medical Alliance dated November 1, 2011. The proceeds were used to refund all of the outstanding Series 1998 and 2004 Bonds and costs of issuance. The premium and the deferred financing costs on the Series 2011 Bonds are amortized on the straight-line method over the life of the respective bonds. The Series 2011 Bonds are secured by the unrestricted receivables of the Medical Alliance. Under the terms of the Master Indenture, the Medical Alliance is required to make payments of principal, premium, if any, and interest on the bonds. In addition, the Master Indenture contains certain restrictions on the operations and activities of the Medical Alliance, including, among other things, covenants restricting the incurrence of additional indebtedness and the creation of liens on property, except as permitted by the Master Indenture.

The Master Indenture has mandatory sinking fund redemption requirements in which funds are required to be set aside beginning in 2021 for the Series 2011 bonds.

Interest expense incurred on the bonds during the years ended June 30, 2013 and 2012 was $1,169,000 and $1,433,000, respectively, of which no interest was capitalized.

As of June 30, 2013, the total of principal and interest due on bonds during the next five years and in subsequent five-year periods is as follows:

Table 9.11 - Future Debt Service - Medical Alliance *(in thousands)*

Fiscal Year	Principal	Interest	Total
2014	1,740	1,139	2,879
2015	1,795	1,085	2,880
2016	1,840	1,038	2,878
2017	1,885	992	2,877
2018	1,930	939	2,869
2019-2023	10,690	3,627	14,317
2024-2028	11,240	1,221	12,461
	$ 31,120	$ 10,041	$ 41,161

Capital Leases

The Medical Alliance leases certain equipment through capital leases. Equipment under capitalized leases is recorded at the present value of future minimum lease payments.

The future minimum payments on all capital leases at June 30, 2013, are as follows:

Table 9.12 - Future Capital Lease Payments Medical Alliance *(in thousands)*

Year Ending June 30	Amount
2014	328
Total Future Minimum Payments	328
Less: Amount Representing Interest	(3)
Present Value of Future Minimum Lease Payments	**$ 325**

10. 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; 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, 2013 and 2012 of $80,665,000 and $69,469,000, respectively, represents the present value of amounts estimated to have been incurred by those dates, using discount rates ranging from 1.0% to 2.2% for fiscal year 2013 and 1.5% to 2.7% for fiscal year 2012, based on expected future investment yield assumptions.

Changes in the self-insurance liability during fiscal years 2013, 2012, and 2011 were as follows:

Table 10.1 - Self-Insurance Claims Liability *(in thousands)*

Fiscal Year	Beginning of Year	New Claims and Changes in Estimates	Claim Payments	End of Year
2013	$ 69,469	$ 210,872	$ (199,676)	$ 80,665
2012	72,949	213,357	(216,837)	69,469
2011	77,501	194,051	(198,603)	72,949

11. COMMITMENTS AND CONTINGENCIES

Endowment and Pension Trust Funds

The University Endowment Fund and Pension Trust Funds have made commitments to make investments in certain investment partnerships pursuant to provisions in the various partnership agreements. These commitments totaled $68,889,000 and $149,968,000 for the University and the Pension Trust Funds, respectively, at June 30, 2013.

University Operating Leases

The University leases various facilities and equipment under agreements recorded as operating leases. Operating lease expenses for the years ended June 30, 2013 and 2012 were $21,969,000 and $20,247,000, respectively.

Future minimum payments on all significant operating leases with initial or remaining terms of one year or more at June 30, 2013, are as follows:

Table 11.1 - Future Operating Lease Payments

Fiscal Year	Amount (in thousands)
2014	$ 4,709
2015	3,878
2016	3,098
2017	2,326
2018	462
Total Future Lease Payments	**$ 14,473**

In addition to the above lease obligations, the University has outstanding commitments for the usage and ongoing support of University Health Care's information technology environment. As of January 2010, University 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 University 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, 2013, this contracted commitment totaled $123,757,000 and will be paid in the following amounts: $17,516,000 in 2014, $18,041,000 in 2015, $18,583,000 in 2016, $19,140,000 in 2017, $19,714,000 in 2018 and $30,763,000 thereafter.

Pollution Remediation

The University has been working with the Voluntary Cleanup Program of the Missouri Department of Natural Resources (MDNR) to characterize subsurface contamination on a University owned property. The University is awaiting a cost estimate to perform the additional evaluation requested by MDNR. Long term costs will depend on the results of the two-year sampling process. As a result, the University is unable to estimate future costs on cleanup of the site at this time.

Radiology and Other Health Care Matters

Since November 2011, the University has been investigating allegations of improper billings after learning that a federal investigation led by the U.S Attorney's Office was under way. The University's investigation has identified indications that two radiologists improperly certified that they had performed services that were actually performed by resident physicians. The University is cooperating with the investigation of the U.S. Attorney's Office in an effort to achieve a resolution of the matter. The University has estimated minimum likely exposure of $1,965,000. Also, the University has reviewed other potential federal health program reimbursement issues contemporaneous with the radiology investigation noted above. The University is in process of self-disclosure and has estimated minimum likely exposure of $2,462,000 in aggregate for these matters. Because the federal government could assess penalties or assert alternative theories or analyses concerning amounts of liability, the potential for additional exposure for these issues exists but cannot be estimated at this time, as these matters have not yet been resolved.

Charitable Gift Annuities

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's liability related to the annuity obligations was $7,202,000 and $6,470,000 at June 30, 2013 and 2012, respectively.

Medical Resident FICA Refunds

In March 2010, the United State Internal Revenue Service (IRS) accepted the position that medical residents are exempted from FICA taxes based upon the "student exception" for tax periods ending before April 1, 2005 when new regulations became effective.

In December 2010, the University of Missouri perfected its claims for the refund of taxes withheld for the relevant periods. During fiscal year 2013 the University received payment for all outstanding claims and related interest from the IRS.

12. RETIREMENT, DISABILITY AND DEATH 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. 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 12.1 - Retirement Plan Membership

	2013	2012
Active Members		
Vested	11,223	11,000
Nonvested	7,106	7,274
Pensioners and Beneficiaries	7,661	7,644
Former Employees with Deferred Pensions	5,992	5,447
Total Members	31,982	31,365

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. If the actuarial equivalent is less than $20,000, it may instead 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.

Contributions – The University's contributions to the Retirement Plan are equal to the actuarially determined employer contribution requirement (ARC). The ARC for those employees hired before October 1, 2012 averaged 8.9% and 7.2% of covered payroll for the years ending June 30, 2013 and 2012, respectively. The ARC for those employees hired after September 30, 2013 averaged 4.9% of covered payroll for the year ended June 30, 2013. 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's annual pension cost and net pension obligation to the Retirement Plan for the current year, excluding the impact of employee contributions, along with three-year trend information, were as follows:

Table 12.2 - Three-Year Trend Information *(in thousands)*

Fiscal Year Ending	Annual Required Contribution (ARC)	Annual Pension Cost (APC)	Contributions Made	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	$ 57,541	$ 57,541	$ 57,541	100%	-
6/30/2012	74,618	74,618	74,618	100%	-
6/30/2013	94,176	94,176	94,176	100%	-

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.

Funded Status – As of the most recent actuarial valuation date, October 1, 2012, the Retirement Plan was 84.3% funded. The actuarial accrued liability (AAL) for benefits was $3,308,967,000 and the actuarial value of the assets was $2,790,622,000, resulting in unfunded AAL of funding of $518,345,000. The covered payroll (annual payroll of active employees covered by the plan) was $1,046,075,000 and the ratio of unfunded AAL funding to covered payroll was 49.6%.

The Schedule of Funding Progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions – In the October 1, 2012 actuarial valuation, the entry age actuarial cost method was used. Actuarial assumptions included (1) an 8% rate of investment return net of administrative expenses, and (2) projected salary increases ranging from 4.5% to 5.3% per year. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using techniques that spread effects of short-term volatility in the market value of investments over a 5-year period. The underfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 20 years from the October 1, 2012 valuation date.

13. OTHER POSTEMPLOYMENT BENEFITS

Plan Description – In addition to the pension benefits described in Note 12, the University operates a single-employer, defined benefit postemployment 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 June 30, 2013 and 2012, 6,522 and 6,319 retirees, respectively, were receiving benefits, and an estimated 18,379 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, 2013 and 2012, 227 and 233 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 accounting records are prepared using the accrual basis of accounting, in accordance with GASB Statements No. 43 and No. 45, which established requirements for financial reporting for postemployment benefits other than pension plans. 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.

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 year ended June 30, 2013, participants contributed $14,458,000, or approximately 47.6%, of total premiums through their required contributions, which vary depending on the plan and coverage selection.

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.

The Annual Required Contribution (ARC) represents a level of funding that an employer is projected to need in order to prefund its obligations for postemployment benefits over its employees' years of service. The University has no obligation to make contributions in advance of when insurance premiums or claims are due for payment and currently funds postemployment benefits at a level no less than the pay-as-you-go basis. In fiscal years 2013 and 2012, the University contributed $19,177,000 and $25,477,000, or 37.6% and 50.0% of the ARC, respectively. The ARC, which was $50,954,000 for fiscal years 2013 and 2012, represented 4.9% of annual covered payroll.

Table 13.1 presents the OPEB cost for the year, the amount contributed, and changes in the OPEB obligation for fiscal year 2013:

Table 13.1 - Changes in Net OPEB Obligation *(in thousands)*

Annual Required Contribution	$ 50,954
Interest on Existing Net OPEB Obligation	6,296
ARC Adjustment	(5,360)
Annual OPEB Cost	51,890
Contributions Made	(19,177)
Increase in net OPEB obligation	32,713
Net OPEB obligation - beginning of year	109,496
Net OPEB obligation - June 30, 2013	$ 142,209

Funding Status and Funding Progress – As of July 1, 2011, the date of the last valuation, the OPEB Plan was 8.4% funded. The actuarial accrued liability (AAL) for postemployment benefits was $542,844,000, with $45,745,000 in actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $497,099,000. The covered payroll (annual payroll of active employees covered by the plan) was $1,041,413,000, and the ratio of UAAL to covered payroll was 47.7%.

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.

The University's annual OPEB cost and net OPEB obligation to the OPEB Plan for the current year, along with three-year trend information, were as follows:

Table 13.2 - OPEB Plan Three-Year Trend Information *(in thousands)*

Fiscal Year Ending	Annual Required Contribution	Annual OPEB Cost (AOC)	Contributions Made	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/2011	$ 60,485	$ 60,935	$ 30,242	49.6%	$ 83,306
6/30/2012	50,954	51,667	25,477	49.3%	109,496
6/30/2013	50,954	51,890	19,177	37.0%	142,209

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 projected unit credit actuarial cost method was used in the July 1, 2011 actuarial valuation. Actuarial assumptions included a 5.75% investment rate of return, net of administrative expenses. The projected annual healthcare trend rate is 5.0% to 9.0% initially, reduced by 0.5% decrements to an ultimate rate of 5.0%. The UAAL is being amortized as a level dollar amount on an open basis, level percent of pay, over a 30-year amortization period.

14. BLENDED COMPONENT UNIT

Condensed combining information for the University's blended component unit for the years ended June 30, 2013 and 2012 is presented as follows:

Table 14.1 - Missouri Renewable Energy Corporation Condensed Financial Statements *(in thousands)*

Condensed Statement of Net Position	2013			2012		
	MREC	Eliminations	Total	MREC	Eliminations	Total
Assets:						
Current Assets	$ 660	$ -	$ 660	$ -	$ -	$ -
Capital Assets, Net	95,058	(13,245)	81,813	16,150	-	16,150
Total Assets and Deferred Outflow of Resources	**$ 95,718**	**$ (13,245)**	**$ 82,473**	**$ 16,150**	**$ -**	**$ 16,150**
Liabilities:						
Current Liabilities	$ 2,509	$ (2,494)	$ 15	$ 285	$ (285)	$ -
Noncurrent Liabilities	83,606	(75,162)	8,444	14,278	(14,278)	-
Total Liabilities	86,115	(77,656)	8,459	14,563	(14,563)	-
Net Position:						
Net Investment in Capital Assets	11,452	61,917	73,369	1,872	14,278	16,150
Restricted -						
Nonexpendable	-	-	-	-	-	-
Expendable	(1,849)	2,494	645	(285)	285	-
Unrestricted	-	-	-	-	-	-
Total Net Position	9,603	64,411	74,014	1,587	14,563	16,150
Total Liabilities and Net Position	**$ 95,718**	**$ (13,245)**	**$ 82,473**	**$ 16,150**	**$ -**	**$ 16,150**

Condensed Statement of Revenues, Expenses and Changes in Net Position	2013			2012		
	MREC	Eliminations	Total	MREC	Eliminations	Total
Operating Revenues:						
Other Operating Revenue	$ 172	$ (77)	$ 95	$ -	$ -	$ -
Total Operating Revenues	172	(77)	95	-	-	-
Operating Expenses:						
Depreciation	17	-	17	-	-	-
All Other Operating Expenses	164	(56)	108	-	-	-
Total Operating Expenses	181	(56)	125	-	-	-
Operating Income (Loss)	(9)	(21)	(30)	-	-	-
Capital Contribution	8,025	49,869	57,894	1,587	14,563	16,150
Increase in Net Position	**8,016**	**49,848**	**57,864**	**1,587**	**14,563**	**16,150**
Net Position, Beginning of Year	1,587	14,563	16,150	-	-	-
Net Position, End of Year	**$ 9,603**	**$ 64,411**	**$ 74,014**	**$ 1,587**	**$ 14,563**	**$ 16,150**

Condensed Statement of Cash Flows	2013			2012		
	MREC	Eliminations	Total	MREC	Eliminations	Total
Net Cash Flows Provided by (Used in) Operating Activities	$ (58)	$ 35	$ (23)	$ -	$ -	$ -
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	718	(35)	683	-	-	-
Net Increase in Cash and Cash Equivalents	660	-	660	-	-	-
Cash and Cash Equivalents, Beginning of Year	-	-	-	-	-	-
Cash and Cash Equivalents, End of Year	**$ 660**	**$ -**	**$ 660**	**$ -**	**$ -**	**$ -**

15. 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 15.1 - Operating Expenses by Functional and Natural Classifications *(in thousands)*

Fiscal Year Ended June 30, 2013	Salaries and Wages	Benefits	Supplies, Services and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 432,119	$ 121,774	$ 69,950	$ -	$ -	$ 623,843
Research	105,449	25,995	74,526	-	-	205,970
Public Service	77,153	22,953	48,649	-	-	148,755
Academic Support	79,445	25,272	34,696	-	-	139,413
Student Services	42,516	12,939	21,570	-	-	77,025
Institutional Support	100,650	32,870	(33,067)	-	-	100,453
Operation and Maintenance of Plant	36,594	12,236	40,555	-	-	89,385
Auxiliary Enterprises	469,963	131,728	509,745	-	-	1,111,436
Scholarships and Fellowships	-	-	-	62,461	-	62,461
Depreciation	-	-	-	-	167,796	167,796
Total Operating Expenses	$ 1,343,889	$ 385,767	$ 766,624	$ 62,461	$ 167,796	$ 2,726,537

Fiscal Year Ended June 30, 2012	Salaries and Wages	Benefits	Supplies, Services and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 417,895	$ 113,406	$ 73,394	$ -	$ -	$ 604,695
Research	108,266	24,756	77,396	-	-	210,418
Public Service	74,601	21,076	51,631	-	-	147,308
Academic Support	78,044	23,708	31,990	-	-	133,742
Student Services	41,117	11,974	22,115	-	-	75,206
Institutional Support	98,278	30,703	(26,417)	-	-	102,564
Operation and Maintenance of Plant	35,245	1,503	50,366	-	-	87,114
Auxiliary Enterprises	464,903	112,469	482,225	-	-	1,059,597
Scholarships and Fellowships	-	-	-	60,380	-	60,380
Depreciation	-	-	-	-	160,915	160,915
Total Operating Expenses	$ 1,318,349	$ 339,595	$ 762,700	$ 60,380	$ 160,915	$ 2,641,939

16. FIDUCIARY FUNDS – PENSION TRUST FUNDS COMBINING STATEMENTS

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

Table 16.1 - Statement of Plan Net Position *(in thousands)*

	2013			2012		
	Retirement	OPEB	Total	Retirement	OPEB	Total
Assets						
Cash and Cash Equivalents	$ 103,119	$ 25,474	$ 128,593	$ 79,083	$ 26,950	$ 106,033
Investment of Cash Collateral	48,560	-	48,560	50,023	-	50,023
Investment Settlements Receivable	41,450	-	41,450	83,396	-	83,396
Investments:						
Debt Securities	457,001	-	457,001	933,561	-	933,561
Equity Securities	715,580	-	715,580	505,512	-	505,512
Commingled Funds	1,405,564	23,810	1,429,374	1,062,406	23,263	1,085,669
Nonmarketable Alternative Investments	255,082	-	255,082	212,993	-	212,993
Other	-	-	-	11,895	-	11,895
Total Assets	**3,026,356**	**49,284**	**3,075,640**	**2,938,869**	**50,213**	**2,989,082**
Liabilities						
Accounts Payable and Accrued Liabilities	224	-	224	169	-	169
Collateral Held for Securities Lending	48,560	-	48,560	50,023	-	50,023
Investment Settlements Payable	59,016	-	59,016	206,980	-	206,980
Total Liabilities	**107,800**	**-**	**107,800**	**257,172**	**-**	**257,172**
Net Position Held in Trust for Retirement and OPEB	**$ 2,918,556**	**$ 49,284**	**$ 2,967,840**	**$ 2,681,697**	**$ 50,213**	**$ 2,731,910**

Table 16.2 - Statement of Changes in Plan Net Position *(in thousands)*

	2013			2012		
	Retirement	OPEB	Total	Retirement	OPEB	Total
Net Revenues and Other Additions						
Investment Income:						
Interest and Dividend Income, Net of Fees	$ 51,521	$ 369	$ 51,890	$ 57,947	$ 642	$ 58,589
Net Appreciation (Depreciation) in Fair Value of Investments	237,014	178	237,192	(31,357)	(191)	(31,548)
Net Investment Income	288,535	547	289,082	26,590	451	27,041
Contributions:						
University	94,176	19,177	113,353	74,618	25,477	100,095
Members	13,694	14,864	28,558	13,232	14,088	27,320
Total Contributions	107,870	34,041	141,911	87,850	39,565	127,415
Other Revenues	-	-	-	-	1,218	1,218
Total Net Revenues and Other Additions	**396,405**	**34,588**	**430,993**	**114,440**	**41,234**	**155,674**
Expenses and Other Deductions						
Administrative Expenses	2,233	419	2,652	2,263	367	2,630
Payments to Retirees and Beneficiaries	157,313	35,098	192,411	143,917	36,399	180,316
Total Expenses and Other Deductions	**159,546**	**35,517**	**195,063**	**146,180**	**36,766**	**182,946**
Increase (decrease) in Net Position Held in Trust for Retirement and OPEB	**236,859**	**(929)**	**235,930**	**(31,740)**	**4,468**	**(27,272)**
Net Position Held in Trust for Retirement & OPEB, Beginning of Year	2,681,697	50,213	2,731,910	2,713,437	45,745	2,759,182
Net Position Held in Trust for Retirement and OPEB, End of Year	**$ 2,918,556**	**$ 49,284**	**$ 2,967,840**	**$ 2,681,697**	**$ 50,213**	**$ 2,731,910**

17. SPECIAL ITEM

On November 7, 2011, IDEXX Reference Laboratories, Incorporated purchased certain assets of a research and diagnostic lab on the Columbia campus and assumed certain liabilities as part of the sales agreement. The University received net proceeds of $43,000,000 of which $42,316,000 was recorded as a special item in the Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2012.

18. SUBSEQUENT EVENT

On September 27, 2013 the Rolla Renewable Energy Company, LLC, a wholly owned subsidiary of MREC, entered into a Qualified Low-Income Community Investment loan agreement with CCM Community Development LV LLC. The loan agreement was in the amount of $20,000,000 and had two notes. Note A was in the amount of $14,980,000 with a stated interest rate of 1.3081% per annum. Note B was in the amount of $5,020,000 with a stated interest rate of 1.3081% per annum. The notes will be used to fund construction cost for the Geothermal project.

On September 27, 2013 the University executed a promissory note as the lender with RREC 2 Investment Fund, LLC as part of the financing for the Geothermal project being completed by Rolla Renewable Energy Company, LLC, a wholly owned subsidiary of MREC. The University's note receivable was in the amount of $14,380,000 and carried a stated interest rate of 1%.

UNIVERSITY OF MISSOURI SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

(unaudited)

Retirement Plan - Schedule of Funding Progress *(in thousands)*

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL/(Excess Funding) (b-a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL (Excess) as a % of Covered Payroll ([b-a] /c)
10/1/2007	2,651,535	2,555,592	(95,943)	103.8%	891,648	-10.8%
10/1/2008	2,808,126	2,733,032	(75,094)	102.7%	954,430	-7.9%
10/1/2009	2,843,422	2,819,524	(23,898)	100.8%	970,060	-2.5%
10/1/2010	2,851,957	2,960,832	108,875	96.3%	979,888	11.1%
10/1/2011	2,828,697	3,138,190	309,493	90.1%	1,031,891	30.0%
10/1/2012	2,790,622	3,308,967	518,345	84.3%	1,046,075	49.6%

Retirement Plan - Schedule of Employer Contributions *(in thousands)*

Year Ended	Actuarial Valuation Date	Annual Required Contribution	Annual Pension Cost	Contributions Made	Percentage Contributed	Net Pension Obligation (Asset)
6/30/2008	10/1/2006	72,284	72,284	72,284	100%	-
6/30/2009	10/1/2007	56,663	56,663	56,663	100%	-
6/30/2010	10/1/2008	48,040	48,040	48,040	100%	-
6/30/2011	10/1/2009	57,541	57,541	57,541	100%	-
6/30/2012	10/1/2010	74,618	74,618	74,618	100%	-
6/30/2013	10/1/2011	94,176	94,176	94,176	100%	-

See independent auditors' report.

UNIVERSITY OF MISSOURI SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)

OPEB Plan - Schedule of Funding Progress *(in thousands)*

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ([b-a] /c)
7/1/2007 ***(a)***	-	560,340	560,340	0.0%	930,365	60.2%
7/1/2009	37,171	646,655	609,484	5.7%	1,009,800	60.4%
7/1/2011 ***(b)***	45,745	542,844	497,099	8.4%	1,041,413	47.7%

(a) The 7/1/2007 Actuarial Valuation was revised based on a change in the discount rate from 6.75% to 5.75%.

(b) Date of last valuation provided

OPEB Plan - Schedule of Employer Contributions *(in thousands)*

Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	Net Pension Obligation (Asset)
6/30/2011	7/1/2009	60,485	50%	83,306
6/30/2012	7/1/2011	50,954	50%	109,496
6/30/2013	7/1/2011	50,954	38%	142,209

(a) The 7/1/2007 Actuarial Valuation was revised based on a change in the discount rate from 6.75% to 5.75%.

See independent auditors' report.

University of Missouri System

COLUMBIA | KANSAS CITY | ROLLA | ST.LOUIS

STATISTICAL SECTION

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Assets					
Current Assets					
Cash and Cash Equivalents	$ 177,722	$ 228,639	$ 44,249	$ 149,515	$ 115,919
Restricted Cash and Cash Equivalents	80,730	134,141	177,038	177,798	137,022
Short-Term Investments	272,839	126,054	151,070	40,268	124,609
Restricted Short-Term Investments	43,087	32,092	49,264	30,619	25,882
Investment of Cash Collateral	24,428	32,032	101,047	111,557	111,719
Accounts Receivable, Net	255,081	274,100	255,589	249,460	241,325
Pledges Receivable, Net	14,803	11,898	12,374	14,505	13,382
Investment Settlements Receivable	16,176	37,316	15,634	6,200	15,800
Notes Receivable, Net	8,068	8,151	8,532	9,046	12,564
Due To Component Units	(7,826)	(7,029)	(6,658)	(5,285)	(3,900)
Inventories	37,398	36,022	35,193	28,401	33,009
Prepaid Expenses and Other Current Assets	27,533	27,332	25,759	25,604	21,618
Total Current Assets	**950,039**	**940,748**	**869,091**	**837,688**	**848,949**
Noncurrent Assets					
Pledges Receivable, Net	43,911	41,708	14,895	16,256	17,231
Notes Receivable, Net	62,829	54,698	54,015	50,635	47,524
Deferred Charges and Other Assets	9,735	10,253	13,218	12,374	9,836
Long-Term Investments	1,338,894	1,363,827	1,357,918	1,171,998	778,538
Restricted Long-Term Investments	1,103,616	1,066,915	1,161,184	891,067	741,556
Capital Assets, Net	2,997,508	2,848,993	2,642,196	2,534,365	2,392,852
Total Noncurrent Assets	**5,556,493**	**5,386,394**	**5,243,426**	**4,676,695**	**3,987,537**
Deferred Outflow of Resources	**21,736**	**30,415**	**19,023**	**22,192**	**-**
Total Assets and Deferred Outflow of Resources	**$ 6,528,268**	**$ 6,357,557**	**$ 6,131,540**	**$ 5,536,575**	**$ 4,836,486**
Liabilities					
Current Liabilities					
Accounts Payable	$ 131,410	$ 140,274	$ 130,803	$ 123,809	$ 94,531
Accrued Liabilities	162,779	150,971	143,347	138,309	130,837
Deferred Revenue	85,323	84,923	78,209	78,200	80,703
Funds Held for Others	71,169	65,643	62,951	53,245	66,403
Investment Settlements Payable	107,183	177,988	47,319	41,931	50,318
Collateral Held for Securities Lending	24,428	32,032	101,047	111,557	115,291
Commercial Paper and Current Portion of Long-Term Debt	203,295	183,226	29,107	30,139	24,922
Long-Term Debt Subject to Remarketing	99,895	100,330	220,885	223,680	224,925
Total Current Liabilities	**885,482**	**935,387**	**813,668**	**800,870**	**787,930**
Noncurrent Liabilities					
Long-Term Debt	1,103,004	1,122,312	1,140,934	915,906	608,114
Deferred Revenue	-	-	1,519	1,925	1,603
Derivative Instrument Liability	39,869	57,856	26,702	30,680	-
Other Postemployment Benefits Liability	142,209	109,496	83,306	52,613	23,639
Other Noncurrent Liabilities	56,765	47,889	49,167	53,845	50,423
Total Noncurrent Liabilities	**1,341,847**	**1,337,553**	**1,301,628**	**1,054,969**	**683,779**
Total Liabilities	**2,227,329**	**2,272,940**	**2,115,296**	**1,855,839**	**1,471,709**
Net Position					
Net Investment in Capital Assets	1,636,334	1,545,227	1,516,095	1,485,090	1,540,654
Restricted					
Nonexpendable -					
Endowment	858,820	771,146	788,876	679,494	612,119
Expendable -					
Scholarship, Research, Instruction & Other	323,473	299,789	264,605	244,226	235,405
Loans	80,436	79,091	77,300	75,637	78,357
Capital Projects	11,219	10,149	18,438	32,373	30,043
Unrestricted	1,390,657	1,379,215	1,350,930	1,163,916	868,199
Total Net Position	**4,300,939**	**4,084,617**	**4,016,244**	**3,680,736**	**3,364,777**
Total Liabilities & Net Position	**$ 6,528,268**	**$ 6,357,557**	**$ 6,131,540**	**$ 5,536,575**	**$ 4,836,486**

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Operating Revenues					
Tuition and Fees, Net	$ 791,319	$ 736,074	$ 671,419	$ 630,498	$ 601,742
Less: Scholarship Allowances	198,514	190,798	175,917	164,187	148,578
Net Tuition and Fees	592,805	545,276	495,502	466,311	453,164
Federal Grants and Contracts	183,654	184,882	196,122	183,885	172,669
State and Local Grants and Contracts	54,298	55,837	57,375	66,194	53,042
Private Grants and Contracts	71,731	71,023	67,025	68,044	71,034
Sales and Services of Educational Activities	24,129	23,106	21,671	22,560	22,088
Auxiliary Enterprises -					
Patient Medical Services, Net	847,681	795,302	741,626	720,050	685,404
Housing and Dining Services, Net	105,794	99,667	93,724	89,743	81,939
Bookstores	55,582	57,566	58,591	59,288	62,113
Other Auxiliary Enterprises, Net	250,975	217,590	238,270	215,497	207,335
Other Operating Revenues	58,179	55,312	55,811	49,250	53,681
Total Operating Revenues	**2,244,828**	**2,105,561**	**2,025,717**	**1,940,822**	**1,862,469**
Operating Expenses					
Salaries and Wages	1,343,889	1,318,349	1,272,226	1,236,965	1,213,837
Benefits	385,767	359,595	328,340	303,300	299,586
Supplies, Services and Other Operating Expenses	766,624	762,700	716,044	676,362	672,711
Scholarships and Fellowships	62,461	60,380	58,790	55,469	48,456
Depreciation	167,796	160,915	155,103	146,753	131,167
Total Operating Expenses	**2,726,537**	**2,661,939**	**2,530,503**	**2,418,849**	**2,365,757**
Operating Loss before State Appropriations	**(481,709)**	**(556,378)**	**(504,786)**	**(478,027)**	**(503,288)**
State Appropriations	401,400	397,629	437,631	498,358	479,478
Operating Income (Loss) after State Appropriations, Before Nonoperating Revenues (Expenses)	**(80,309)**	**(158,749)**	**(67,155)**	**20,331**	**(23,810)**
Nonoperating Revenues (Expenses)					
Federal Appropriations	29,154	28,222	28,416	21,455	14,858
Federal Pell Grants	59,917	62,311	57,951	48,281	31,649
Investment and Endowment Income (Losses), Net	147,433	30,855	266,633	172,833	(173,355)
Private Gifts	64,103	90,346	52,564	48,695	52,552
Interest Expense	(55,256)	(53,923)	(49,507)	(46,103)	(31,432)
Other Nonoperating Revenues (Expenses)	(4,822)	(10,214)	(3,279)	(1,659)	(3,930)
Net Nonoperating Revenues (Expenses)	**240,529**	**147,597**	**352,778**	**243,502**	**(109,658)**
Income (Loss) before Capital Contributions, Additions to Permanent Endowments, Extraordinary and Special Items	**160,220**	**(11,152)**	**285,623**	**263,833**	**(133,468)**
State Capital Appropriations	745	937	8,043	14,205	17,817
Capital Gifts and Grants	20,244	11,788	15,466	19,381	13,009
Private Gifts for Endowment Purposes	35,113	24,484	26,376	24,703	21,093
Extraordinary Item:					
Net Proceeds from Sale of Missouri Care	-	-	-	-	2,550
Special Item	-	42,316	-	-	-
Increase (Decrease) in Net Position	**216,322**	**68,373**	**335,508**	**322,122**	**(78,999)**
Net Position, Beginning of Year	**4,084,617**	**4,016,244**	**3,680,736**	**3,364,777**	**3,430,442**
Cumulative Effect of Change in Accounting Principles	-	-	-	(6,163)	13,334
Net Position, Beginning of Year, as Adjusted	**4,084,617**	**4,016,244**	**3,680,736**	**3,358,614**	**3,443,776**
Net Position, End of Year	**$ 4,300,939**	**$ 4,084,617**	**$ 4,016,244**	**$ 3,680,736**	**$ 3,364,777**

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Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Operating Revenues					
Tuition and Fees, Net	7.5%	9.6%	6.5%	4.8%	8.0%
Less: Scholarship Allowances	4.0%	8.5%	7.1%	10.5%	6.2%
Net Tuition and Fees	8.7%	10.0%	6.3%	2.9%	8.6%
Federal Grants and Contracts	-0.7%	-5.7%	6.7%	6.5%	-6.4%
State and Local Grants and Contracts	-2.8%	-2.7%	-13.3%	24.8%	-2.5%
Private Grants and Contracts	1.0%	6.0%	-1.5%	-4.2%	17.8%
Sales and Services of Educational Activities	4.4%	6.6%	-3.9%	2.1%	12.9%
Auxiliary Enterprises -					
Patient Medical Services, Net	6.6%	7.2%	3.0%	5.1%	0.6%
Housing and Dining Services, Net	6.1%	6.3%	4.4%	9.5%	13.0%
Bookstores	-3.4%	-1.7%	-1.2%	-4.5%	1.1%
Other Auxiliary Enterprises, Net	15.3%	-8.7%	10.6%	3.9%	14.0%
Other Operating Revenues	5.2%	-0.9%	13.3%	-8.3%	14.3%
Total Operating Revenues	6.6%	3.9%	4.4%	4.2%	4.6%
Operating Expenses					
Salaries and Wages	1.9%	3.6%	2.9%	1.9%	5.2%
Benefits	7.3%	9.5%	8.3%	1.2%	-3.5%
Supplies, Services and Other Operating Expenses	0.5%	6.5%	5.9%	0.5%	1.6%
Scholarships and Fellowships	3.4%	2.7%	6.0%	14.5%	22.7%
Depreciation	4.3%	3.7%	5.7%	11.9%	4.1%
Total Operating Expenses	2.4%	5.2%	4.6%	2.2%	3.2%
Operating Loss before State Appropriations	13.4%	-10.2%	-5.6%	5.0%	1.7%
State Appropriations	0.9%	-9.1%	-12.2%	3.9%	3.7%
Operating Income (Loss) after State Appropriations, Before Nonoperating Revenues (Expenses)	49.4%	-136.4%	-430.3%	185.4%	52.0%
Nonoperating Revenues (Expenses)					
Federal Appropriations	3.3%	-0.7%	32.4%	44.4%	4.1%
Federal Pell Grants	-3.8%	7.5%	20.0%	52.6%	16.2%
Investment and Endowment Income (Losses), Net	377.8%	-88.4%	54.3%	199.7%	-479.9%
Private Gifts	-29.0%	71.9%	7.9%	-7.3%	1.7%
Interest Expense	2.5%	8.9%	7.4%	46.7%	-27.0%
Other Nonoperating Revenues (Expenses)	52.8%	-211.5%	-97.6%	57.8%	17.3%
Net Nonoperating Revenues (Expenses)	63.0%	-58.2%	44.9%	322.1%	-220.5%
Income (Loss) before Capital Contributions, Additions to Permanent Endowments and Extraordinary Item	1536.7%	-103.9%	8.3%	297.7%	-422.0%
State Capital Appropriations	-20.5%	-88.4%	-43.4%	-20.3%	14.7%
Capital Gifts and Grants	71.7%	-23.8%	-20.2%	49.0%	-25.0%
Private Gifts for Endowment Purposes	43.4%	-7.2%	6.8%	17.1%	-36.1%
Extraordinary Item:					
Net Proceeds from Sale of Missouri Care	-	-	-	-	-
Special Item	-	-	-	-	-
Increase (Decrease) in Net Position	216.4%	-79.6%	4.2%	507.8%	-173.6%
Net Position, Beginning of Year	1.7%	9.1%	9.4%	-1.9%	3.9%
Cumulative Effect of Change in Accounting Principles	0.0%	0.0%	100.0%	-146.2%	-33.0%
Net Position, Beginning of Year, as Adjusted	1.7%	9.1%	9.6%	-2.5%	3.6%
Net Position, End of Year	5.3%	1.7%	9.1%	9.4%	-1.9%

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Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
+ Primary Reserve Ratio	0.66	0.66	0.67	0.62	0.50
/ Conversion Factor	0.133	0.133	0.133	0.133	0.133
= Strength Factor	4.96	4.98	5.05	4.63	3.78
x Weighting Factor	35%	35%	35%	35%	35%
= Ratio Subtotal	1.74	1.74	1.77	1.62	1.32

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 Assets Ratio	5.2%	1.7%	8.7%	9.2%	-2.3%
/ Conversion Factor	0.020	0.020	0.020	0.020	0.020
= Strength Factor	2.58	0.84	4.36	4.58	(1.16)
x Weighting Factor	20%	20%	20%	20%	20%
= Ratio Subtotal	0.52	0.17	0.87	0.92	(0.23)

Return on Assets 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	5.6%	3.5%	5.1%	7.7%	6.0%
/ Conversion Factor	0.013	0.013	0.013	0.013	0.013
= Strength Factor	4.30	2.68	3.96	5.89	4.60
x Weighting Factor	10%	10%	10%	10%	10%
= Ratio Subtotal	0.43	0.27	0.40	0.59	0.46

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	1.28	1.25	1.22	1.27	1.38
/ Conversion Factor	0.417	0.417	0.417	0.417	0.417
= Strength Factor	3.06	3.00	2.92	3.04	3.30
x Weighting Factor	35%	35%	35%	35%	35%
= Ratio Subtotal	1.07	1.05	1.02	1.06	1.16

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	**3.75**	**3.23**	**4.06**	**4.19**	**2.71**
Composite Financial Index - Three Year Average	**3.68**	**3.82**	**3.65**	**3.38**	**3.41**

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.*

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Net Tuition per Student

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Gross Tuition and Fees	$ 791,319	$ 736,074	$ 671,419	$ 630,498	$ 601,742
Less: Scholarship Discounts / Allowances	(198,514)	(190,798)	(175,917)	(164,187)	(148,578)
Less: Scholarship / Fellowship Expenses	(62,461)	(60,380)	(58,790)	(55,469)	(48,456)
Net Tuition	$ 530,344	$ 484,896	$ 436,712	$ 410,842	$ 404,708
Net Tuition	$ 530,344	$ 484,896	$ 436,712	$ 410,842	$ 404,708
Number of Students - Fall Semester (FTEs)	57,806	56,843	55,272	53,292	51,025
Net Tuition per Student	**$ 9,175**	**$ 8,530**	**$ 7,901**	**$ 7,709**	**$ 7,932**

State Appropriations per Student

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
State Appropriations	$ 401,400	$ 397,629	$ 437,631	$ 498,358	$ 479,478
Number of Students - Fall Semester (FTEs)	57,806	56,843	55,272	53,292	51,025
State Appropriations per Student	**$ 6,944**	**$ 6,995**	**$ 7,918**	**$ 9,351**	**$ 9,397**

Educational Expenses per Student

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Total Operating Expenses	$ 2,726,537	$ 2,661,939	$ 2,530,503	$ 2,418,849	$ 2,365,757
Less: Scholarships / Fellowships Expense	(62,461)	(60,380)	(58,790)	(55,469)	(48,456)
Less: Auxiliary Operating Expenses	(1,109,157)	(1,067,820)	(1,028,491)	(956,455)	(901,089)
Less: Grants and Contracts Expenses	(309,683)	(311,742)	(320,522)	(318,123)	(296,745)
Interest Expense	55,256	53,923	49,507	46,103	31,432
Less: Auxiliary Interest Expense	(9,753)	(8,427)	(9,006)	(9,197)	(7,437)
Net Educational Expenses	$ 1,290,739	$ 1,267,493	$ 1,163,201	$ 1,125,708	$ 1,143,462
Net Educational Expenses	$ 1,290,739	$ 1,267,493	$ 1,163,201	$ 1,125,708	$ 1,143,462
Number of Students - Fall Semester (FTEs)	57,806	56,843	55,272	53,292	51,025
Educational Expenses per Student	**$ 22,329**	**$ 22,298**	**$ 21,045**	**$ 21,123**	**$ 22,410**

Total Tuition Discount

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Scholarship Allowances	$ 198,514	$ 190,798	$ 175,917	$ 164,187	$ 148,578
Scholarships / Fellowships Expense	62,461	60,380	58,790	55,469	48,456
Total Tuition Discounts ($)	$ 260,975	$ 251,178	$ 234,707	$ 219,656	$ 197,034
Total Tuition Discounts ($)	$ 260,975	$ 251,178	$ 234,707	$ 219,656	$ 197,034
Gross Tuition and Fees	$ 791,319	$ 736,074	$ 671,419	$ 630,498	$ 601,742
Total Tuition Discount (%)	**33.0%**	**34.1%**	**35.0%**	**34.8%**	**32.7%**

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Unrestricted Financial Resources to Direct Debt

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Current Portion of Long-Term Debt	$ 203,295	$ 183,226	$ 29,107	$ 30,139	$ 24,922
Long-Term Debt Subject to Remarketing	99,895	100,330	220,885	223,680	224,925
Long-Term Debt	1,103,004	1,122,312	1,140,934	915,906	608,114
Total Direct Debt	$ 1,406,194	$ 1,405,868	$ 1,390,926	$ 1,169,725	$ 857,961
Net Position - Unrestricted	$ 1,390,657	$ 1,379,215	$ 1,350,930	$ 1,163,916	$ 868,199
Total Direct Debt	$ 1,406,194	$ 1,405,868	$ 1,390,926	$ 1,169,725	$ 857,961
Unrestricted Financial Resources to Direct Debt	**0.99**	**0.98**	**0.97**	**1.00**	**1.01**

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

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Net Position - Unrestricted	$ 1,390,657	$ 1,379,215	$ 1,350,930	$ 1,163,916	$ 868,199
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	323,473	299,789	264,605	244,226	235,405
Net Position - Restricted Expendable - Loans	80,436	79,091	77,300	75,637	78,357
Expendable Net Position	$ 1,794,566	$ 1,758,095	$ 1,692,835	$ 1,483,779	$ 1,181,961
Expendable Net Position	$ 1,794,566	$ 1,758,095	$ 1,692,835	$ 1,483,779	$ 1,181,961
Total Direct Debt	$ 1,406,194	$ 1,405,868	$ 1,390,926	$ 1,169,725	$ 857,961
Viability Ratio	**1.28**	**1.25**	**1.22**	**1.27**	**1.38**

Total Financial Resources to Direct Debt

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Net Position - Unrestricted	$ 1,390,657	$ 1,379,215	$ 1,350,930	$ 1,163,916	$ 868,199
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	323,473	299,789	264,605	244,226	235,405
Net Position - Restricted Expendable - Loans	80,436	79,091	77,300	75,637	78,357
Net Position - Restricted Nonexpendable	858,820	771,146	788,876	679,494	612,119
Total Financial Resources	$ 2,653,386	$ 2,529,241	$ 2,481,711	$ 2,163,273	$ 1,794,080
Total Financial Resources	$ 2,653,386	$ 2,529,241	$ 2,481,711	$ 2,163,273	$ 1,794,080
Total Direct Debt	$ 1,406,194	$ 1,405,868	$ 1,390,926	$ 1,169,725	$ 857,961
Total Financial Resources to Direct Debt	**1.89**	**1.80**	**1.78**	**1.85**	**2.09**

Direct Debt per Student

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Total Direct Debt	$ 1,406,194	$ 1,405,868	$ 1,390,926	$ 1,169,725	$ 857,961
Number of Students - End of Fiscal Year (FTEs)	58,163	57,806	56,843	55,272	53,292
Direct Debt per Student	**$ 24,177**	**$ 24,320**	**$ 24,470**	**$ 21,163**	**$ 16,099**

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Actual Debt Service to Operations

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Debt Service - Principal	$ 24,849	$ 26,393	$ 29,010	$ 24,922	$ 21,987
Debt Service - Interest	55,256	53,923	49,507	46,103	31,432
Total Debt Service	$ 80,105	$ 80,316	$ 78,517	$ 71,025	$ 53,419
Operating Expenses	$ 2,726,537	$ 2,661,939	$ 2,530,503	$ 2,418,849	$ 2,365,757
Less: Scholarships & Fellowships Expense	(62,461)	(60,380)	(58,790)	(55,469)	(48,456)
Interest Expense	55,256	53,923	49,507	46,103	31,432
Adjusted Total Operating Expense	$ 2,719,332	$ 2,655,482	$ 2,521,220	$ 2,409,483	$ 2,348,733
Total Debt Service	$ 80,105	$ 80,316	$ 78,517	$ 71,025	$ 53,419
Adjusted Total Operating Expense	$ 2,719,332	$ 2,655,482	$ 2,521,220	$ 2,409,483	$ 2,348,733
Actual Debt Service to Operations	**2.9%**	**3.0%**	**3.1%**	**2.9%**	**2.3%**

Capital Expense to Operations

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Depreciation Expense	$ 167,796	$ 160,915	$ 155,103	$ 146,753	$ 131,167
Interest Expense	55,256	53,923	49,507	46,103	31,432
Total Capital Expense	$ 223,052	$ 214,838	$ 204,610	$ 192,856	$ 162,599
Operating Expenses	$ 2,726,537	$ 2,661,939	$ 2,530,503	$ 2,418,849	$ 2,365,757
Less: Scholarships & Fellowships Expense	(62,461)	(60,380)	(58,790)	(55,469)	(48,456)
Interest Expense	55,256	53,923	49,507	46,103	31,432
Adjusted Total Operating Expense	$ 2,719,332	$ 2,655,482	$ 2,521,220	$ 2,409,483	$ 2,348,733
Total Capital Expense	$ 223,052	$ 214,838	$ 204,610	$ 192,856	$ 162,599
Adjusted Total Operating Expense	$ 2,719,332	$ 2,655,482	$ 2,521,220	$ 2,409,483	$ 2,348,733
Capital Expense to Operations	**8.2%**	**8.1%**	**8.1%**	**8.0%**	**6.9%**

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Unrestricted Financial Resources to Operations

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Net Position - Unrestricted	$ 1,390,657	$ 1,379,215	$ 1,350,930	$ 1,163,916	$ 868,199
Operating Expenses	$ 2,726,537	$ 2,661,939	$ 2,530,503	$ 2,418,849	$ 2,365,757
Less: Scholarships & Fellowships Expense	(62,461)	(60,380)	(58,790)	(55,469)	(48,456)
Interest Expense	55,256	53,923	49,507	46,103	31,432
Adjusted Total Operating Expense	$ 2,719,332	$ 2,655,482	$ 2,521,220	$ 2,409,483	$ 2,348,733
Net Position - Unrestricted	$ 1,390,657	$ 1,379,215	$ 1,350,930	$ 1,163,916	$ 868,199
Adjusted Total Operating Expense	$ 2,719,332	$ 2,655,482	$ 2,521,220	$ 2,409,483	$ 2,348,733
Unrestricted Financial Resources to Operations	**0.51**	**0.52**	**0.54**	**0.48**	**0.37**

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

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Net Position - Unrestricted	$ 1,390,657	$ 1,379,215	$ 1,350,930	$ 1,163,916	$ 868,199
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	323,473	299,789	264,605	244,226	235,405
Net Position - Restricted Expendable - Loans	80,436	79,091	77,300	75,637	78,357
Expendable Net Position	$ 1,794,566	$ 1,758,095	$ 1,692,835	$ 1,483,779	$ 1,181,961
Operating Expenses	$ 2,726,537	$ 2,661,939	$ 2,530,503	$ 2,418,849	$ 2,365,757
Less: Scholarships & Fellowships Expense	(62,461)	(60,380)	(58,790)	(55,469)	(48,456)
Interest Expense	55,256	53,923	49,507	46,103	31,432
Adjusted Total Operating Expense	$ 2,719,332	$ 2,655,482	$ 2,521,220	$ 2,409,483	$ 2,348,733
Expendable Net Position	$ 1,794,566	$ 1,758,095	$ 1,692,835	$ 1,483,779	$ 1,181,961
Adjusted Total Operating Expense	$ 2,719,332	$ 2,655,482	$ 2,521,220	$ 2,409,483	$ 2,348,733
Primary Reserve Ratio	**0.66**	**0.66**	**0.67**	**0.62**	**0.50**

Total Financial Resources per Student

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Net Position - Unrestricted	$ 1,390,657	$ 1,379,215	$ 1,350,930	$ 1,163,916	$ 868,199
Net Position - Restricted Expendable - Scholarships, Research, Instruction and Other	323,473	299,789	264,605	244,226	235,405
Net Position - Restricted Expendable - Loans	80,436	79,091	77,300	75,637	78,357
Net Position - Restricted Nonexpendable	858,820	771,146	788,876	679,494	612,119
Total Financial Resources	$ 2,653,386	$ 2,529,241	$ 2,481,711	$ 2,163,273	$ 1,794,080
Total Financial Resources	$ 2,653,386	$ 2,529,241	$ 2,481,711	$ 2,163,273	$ 1,794,080
Number of Students - End of Fiscal Year (FTE)	58,163	57,806	56,843	55,272	53,292
Total Financial Resources per Student	**$ 45,620**	**$ 43,754**	**$ 43,659**	**$ 39,139**	**$ 33,665**

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Annual Operating Margin *(Net Operating Revenues Ratio)*

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Operating Inc (Loss) After State Appropriations	$ (80,309)	$ (158,749)	$ (67,155)	$ 20,331	$ (23,810)
Federal Appropriations	29,154	28,222	28,416	21,455	14,858
Federal Pell Grants	59,917	62,311	57,951	48,281	31,649
Normalized Investment Income	143,305	127,497	114,592	107,236	105,498
Private Gifts	64,103	90,346	52,564	48,695	52,552
Interest Expense	(55,256)	(53,923)	(49,507)	(46,103)	(31,432)
Net Operating Surplus (Deficit)	$ 160,914	$ 95,704	$ 136,861	$ 199,895	$ 149,315
Total Operating Revenues	$ 2,244,828	$ 2,105,561	$ 2,025,717	$ 1,940,822	$ 1,862,469
Less: Scholarship & Fellowships Expense	(62,461)	(60,380)	(58,790)	(55,469)	(48,456)
State Appropriations	401,400	397,629	437,631	498,358	479,478
Federal Appropriations	29,154	28,222	28,416	21,455	14,858
Federal Pell Grants	59,917	62,311	57,951	48,281	31,649
Normalized Investment Income *(a)*	143,305	127,497	114,592	107,236	105,498
Private Gifts	64,103	90,346	52,564	48,695	52,552
Total Operating Revenues	$ 2,880,246	$ 2,751,186	$ 2,658,081	$ 2,609,378	$ 2,498,048

(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)	$ 160,914	$ 95,704	$ 136,861	$ 199,895	$ 149,315
Total Operating Revenues	$ 2,880,246	$ 2,751,186	$ 2,658,081	$ 2,609,378	$ 2,498,048
Net Operating Revenues Ratio	**5.6%**	**3.5%**	**5.1%**	**7.7%**	**6.0%**

Debt Service Coverage

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Total Debt Service	$ 80,105	$ 80,316	$ 78,517	$ 71,025	$ 53,419
Net Operating Surplus (Deficit)	$ 160,914	$ 95,704	$ 136,861	$ 199,895	$ 149,315
Add Back: Interest Expense	55,256	53,923	49,507	46,103	31,432
Add Back: Depreciation Expense	167,796	160,915	155,103	146,753	131,167
Adjusted Net Operating Surplus (Deficit)	$ 383,966	$ 310,542	$ 341,471	$ 392,751	$ 311,914
Adjusted Net Operating Surplus (Deficit)	$ 383,966	$ 310,542	$ 341,471	$ 392,751	$ 311,914
Total Debt Service	$ 80,105	$ 80,316	$ 78,517	$ 71,025	$ 53,419
Debt Service Coverage	**4.79**	**3.87**	**4.35**	**5.53**	**5.84**

Return on Net Position

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Change in Net Position	$ 216,322	$ 68,373	$ 335,508	$ 322,122	$ (78,999)
Average Net Position	$ 4,192,778	$ 4,050,431	$ 3,848,490	$ 3,519,675	$ 3,404,277
Return on Net Position Ratio	**5.2%**	**1.7%**	**8.7%**	**9.2%**	**-2.3%**

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Contribution Ratios

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
State Appropriations	$ 401,400	$ 397,629	$ 437,631	$ 498,358	$ 479,478
Tuition and Fees, Net of Scholarship Allow/Exp	530,344	484,896	436,712	410,842	404,708
Auxiliary Enterprises	412,351	374,823	390,585	364,528	351,387
Grants and Contracts	309,683	311,742	320,522	318,123	296,745
Federal Pell Grants	59,917	62,311	57,951	48,281	31,649
Gifts	64,103	90,346	52,564	48,695	52,552
Normalized Investment Income *(a)*	143,305	127,497	114,592	107,236	105,498
Patient Care	847,681	795,302	741,626	720,050	685,404
Other	111,462	106,640	105,898	93,265	90,627
Total	$ 2,880,246	$ 2,751,186	$ 2,658,081	$ 2,609,378	$ 2,498,048
State Appropriations	13.9%	14.5%	16.5%	19.1%	19.2%
Tuition and Fees, Net of Scholarship Allow/Exp	18.4%	17.6%	16.4%	15.7%	16.2%
Auxiliary Enterprises	14.3%	13.6%	14.7%	14.0%	14.1%
Grants and Contracts	10.8%	11.3%	12.1%	12.2%	11.9%
Federal Pell Grants	2.1%	2.3%	2.2%	1.9%	1.3%
Gifts	2.2%	3.3%	2.0%	1.9%	2.1%
Normalized Investment Income *(a)*	5.0%	4.6%	4.3%	4.1%	4.2%
Patient Care	29.4%	28.9%	27.9%	27.6%	27.4%
Other	3.9%	3.9%	4.0%	3.6%	3.6%
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 yea

Operating Expenses by Functional Classifications

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Instruction	$ 623,843	$ 604,695	$ 557,081	$ 537,813	$ 544,025
Research	205,970	210,418	219,903	214,540	214,491
Public Service	148,755	147,308	143,546	146,719	173,627
Academic Support	139,413	133,742	127,856	124,119	108,626
Student Services	77,025	75,207	69,992	70,671	69,234
Institutional Support	100,453	102,565	97,934	109,493	104,198
Operation and Maintenance of Plant	89,385	97,114	69,982	55,878	70,002
Auxiliary Enterprises	1,111,436	1,069,595	1,030,316	957,394	901,931
Scholarships and Fellowships	62,461	60,380	58,790	55,469	48,456
Depreciation	167,796	160,915	155,103	146,753	131,167
Total Operating Expenses	$ 2,726,537	$ 2,661,939	$ 2,530,503	$ 2,418,849	$ 2,365,757
Instruction	22.9%	22.7%	22.0%	22.2%	23.0%
Research	7.6%	7.9%	8.7%	8.9%	9.1%
Public Service	5.5%	5.5%	5.7%	6.1%	7.3%
Academic Support	5.1%	5.0%	5.1%	5.1%	4.6%
Student Services	2.8%	2.8%	2.8%	2.9%	2.9%
Institutional Support	3.7%	3.9%	3.9%	4.5%	4.4%
Operation and Maintenance of Plant	3.3%	3.6%	2.8%	2.3%	3.0%
Auxiliary Enterprises	40.8%	40.2%	40.7%	39.6%	38.1%
Scholarships and Fellowships	2.3%	2.3%	2.3%	2.3%	2.0%
Depreciation	6.2%	6.0%	6.1%	6.1%	5.5%
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2012	2011	2010	2009	2008
Undergraduate Students (Head Count)	56,750	54,936	53,358	51,352	49,510
Graduate Students (Head Count)	15,130	15,562	15,232	15,080	14,336
Professional Students (Head Count)	3,164	3,067	3,006	2,952	2,873
Total Students (Head Count)	75,044	73,565	71,596	69,384	66,719
Undergraduate Students (FTE)	46,107	44,940	43,737	41,974	40,294
Graduate Students (FTE)	8,576	8,877	8,571	8,401	7,890
Professional Students (FTE)	3,123	3,026	2,964	2,917	2,841
Total Students (FTE)	57,806	56,843	55,272	53,292	51,025
Acceptance Rate - First-time Freshmen	78%	79%	80%	80%	81%
Acceptance Rate - Undergraduate Transfers	71%	73%	73%	72%	72%
Matriculation - First-time Freshmen	39%	41%	42%	41%	46%
Matriculation - Undergraduate Transfers	66%	66%	67%	68%	68%

Demographics

Fall Semester	2012	2011	2010	2009	2008
Male	48%	47%	47%	47%	46%
Female	52%	53%	53%	53%	54%
Undergraduate Residence - Missouri	80%	82%	83%	84%	84%
Undergraduate Residence - Out of State	20%	18%	17%	16%	16%
Undergraduate Full-Time	76%	77%	77%	77%	76%
Undergraduate Part-Time	24%	23%	23%	23%	24%
Graduate Full-Time	46%	45%	45%	40%	38%
Graduate Part-Time	54%	55%	55%	60%	62%
White	74.7%	75.4%	76.5%	77.1%	78.2%
Black or African American	9.9%	10.0%	9.8%	9.9%	9.3%
Non-Resident Alien	6.5%	6.4%	6.2%	6.1%	6.0%
Asian / Pacific Is.	3.6%	3.6%	3.5%	3.5%	3.4%
Hispanic	3.2%	3.0%	2.8%	2.6%	2.5%
Other	2.1%	1.6%	1.2%	0.8%	0.6%

Degrees Awarded

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Baccalaureate	10,545	10,319	9,703	9,605	9,291
Graduate Certificate	781	623	539	520	438
Master's	3,919	4,069	3,870	3,608	3,620
Educational Specialist	115	104	100	123	148
Doctoral	660	610	557	519	487
First Professional Degree	847	790	818	800	763
Total	16,867	16,515	15,587	15,175	14,747

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2012	2011	2010	2009	2008
Undergraduate Students (Head Count)	26,960	25,992	24,834	23,799	22,980
Graduate Students (Head Count)	6,473	6,534	6,310	6,288	6,024
Professional Students (Head Count)	1,271	1,236	1,197	1,150	1,126
Total Students (Head Count)	34,704	33,762	32,341	31,237	30,130
Undergraduate Students (FTE)	24,677	23,840	22,899	21,943	21,197
Graduate Students (FTE)	3,921	3,966	3,765	3,721	3,536
Professional Students (FTE)	1,248	1,215	1,174	1,134	1,108
Total Students (FTE)	29,846	29,021	27,838	26,798	25,841
Acceptance Rate - First-time Freshmen	81%	82%	83%	83%	85%
Acceptance Rate - Undergraduate Transfers	67%	67%	67%	69%	71%
Matriculation - First-time Freshmen	39%	41%	42%	41%	47%
Matriculation - Undergraduate Transfers	61%	62%	66%	66%	68%

Demographics

Fall Semester	2012	2011	2010	2009	2008
Male	47%	47%	47%	46%	46%
Female	53%	53%	53%	54%	54%
Undergraduate Residence - Missouri	77%	79%	81%	83%	84%
Undergraduate Residence - Out of State	23%	21%	19%	17%	16%
Undergraduate Full-Time	93%	94%	94%	94%	94%
Undergraduate Part-Time	7%	6%	6%	6%	6%
Graduate Full-Time	60%	58%	58%	48%	46%
Graduate Part-Time	40%	42%	42%	52%	54%
White	79.0%	80.3%	81.8%	82.9%	83.6%
Black or African American	7.2%	6.9%	6.6%	6.4%	5.9%
Non-Resident Alien	6.3%	5.9%	5.4%	5.4%	5.4%
Asian / Pacific Is.	2.3%	2.4%	2.4%	2.5%	2.5%
Hispanic	2.9%	2.7%	2.5%	2.2%	2.0%
Other	2.3%	1.8%	1.3%	0.6%	0.6%

Degrees Awarded

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Baccalaureate	5,692	5,528	5,087	4,963	4,855
Graduate Certificate	225	179	162	142	88
Master's	1,515	1,631	1,513	1,515	1,506
Educational Specialist	63	43	53	59	57
Doctoral	411	367	365	322	306
First Professional Degree	332	299	306	304	307
Total	8,238	8,047	7,486	7,305	7,119

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2012	2011	2010	2009	2008
Undergraduate Students (Head Count)	10,614	10,122	9,850	9,381	9,261
Graduate Students (Head Count)	3,651	3,692	3,771	3,795	3,651
Professional Students (Head Count)	1,725	1,659	1,638	1,623	1,569
Total Students (Head Count)	15,990	15,473	15,259	14,799	14,481
Undergraduate Students (FTE)	7,715	7,586	7,395	6,972	6,662
Graduate Students (FTE)	1,965	2,032	2,030	2,021	1,936
Professional Students (FTE)	1,707	1,638	1,618	1,604	1,555
Total Students (FTE)	11,387	11,256	11,043	10,597	10,153
Acceptance Rate - First-time Freshmen	68%	71%	71%	72%	73%
Acceptance Rate - Undergraduate Transfers	72%	80%	72%	70%	66%
Matriculation - First-time Freshmen	37%	39%	39%	40%	42%
Matriculation - Undergraduate Transfers	63%	64%	65%	68%	67%

Demographics

Fall Semester	2012	2011	2010	2009	2008
Male	42%	43%	43%	43%	43%
Female	58%	57%	57%	57%	57%
Undergraduate Residence - Missouri	75%	74%	75%	75%	77%
Undergraduate Residence - Out of State	25%	26%	25%	25%	23%
Undergraduate Full-Time	65%	68%	68%	67%	63%
Undergraduate Part-Time	35%	32%	32%	33%	37%
Graduate Full-Time	33%	34%	33%	33%	33%
Graduate Part-Time	67%	66%	67%	67%	67%
White	67.2%	67.9%	67.7%	67.6%	68.9%
Black or African American	12.4%	12.6%	12.6%	12.7%	12.5%
Non-Resident Alien	6.3%	6.5%	7.1%	7.4%	7.3%
Asian / Pacific Is.	6.4%	6.5%	6.4%	6.5%	6.2%
Hispanic	5.2%	4.7%	4.7%	4.3%	4.4%
Other	2.5%	1.8%	1.5%	1.4%	0.7%

Degrees Awarded

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Baccalaureate	1,759	1,749	1,523	1,633	1,496
Graduate Certificate	33	29	24	18	20
Master's	954	999	972	911	917
Educational Specialist	24	35	25	33	49
Doctoral	93	99	77	83	68
First Professional Degree	475	444	468	455	412
Total	3,338	3,355	3,089	3,133	2,962

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2012	2011	2010	2009	2008
Undergraduate Students (Head Count)	5,841	5,671	5,503	5,206	4,911
Graduate Students (Head Count)	1,804	1,850	1,702	1,608	1,456
Professional Students (Head Count)	-	-	-	-	-
Total Students (Head Count)	7,645	7,521	7,205	6,814	6,367
Undergraduate Students (FTE)	5,352	5,236	5,127	4,886	4,622
Graduate Students (FTE)	1,101	1,141	1,036	979	831
Professional Students (FTE)	-	-	-	-	-
Total Students (FTE)	6,453	6,377	6,163	5,865	5,453
Acceptance Rate - First-time Freshmen	88%	88%	87%	89%	88%
Acceptance Rate - Undergraduate Transfers	65%	67%	67%	74%	74%
Matriculation - First-time Freshmen	44%	44%	47%	47%	49%
Matriculation - Undergraduate Transfers	76%	72%	80%	71%	67%

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

Demographics

Fall Semester	2012	2011	2010	2009	2008
Male	77%	78%	78%	78%	78%
Female	23%	22%	22%	22%	22%
Undergraduate Residence - Missouri	79%	79%	80%	81%	81%
Undergraduate Residence - Out of State	21%	21%	20%	19%	19%
Undergraduate Full-Time	90%	91%	91%	92%	93%
Undergraduate Part-Time	10%	9%	9%	8%	7%
Graduate Full-Time	58%	59%	59%	59%	52%
Graduate Part-Time	42%	41%	41%	41%	48%
White	74.8%	74.6%	75.7%	76.4%	78.3%
Black or African American	4.3%	4.9%	4.6%	5.4%	4.9%
Non-Resident Alien	14.3%	14.4%	13.9%	12.6%	11.0%
Asian / Pacific Is.	2.4%	2.4%	2.5%	2.7%	3.1%
Hispanic	2.5%	2.5%	2.4%	2.3%	2.2%
Other	1.7%	1.2%	0.9%	0.6%	0.5%

Degrees Awarded

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Baccalaureate	1,118	1,079	1,001	998	922
Graduate Certificate	435	319	282	278	250
Master's	579	567	517	411	426
Educational Specialist	-	-	-	-	-
Doctoral	95	70	65	51	50
First Professional Degree	-	-	-	-	-
Total	2,227	2,035	1,865	1,738	1,648

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

Fall Semester	2012	2011	2010	2009	2008
Undergraduate Students (Head Count)	13,335	13,151	13,171	12,966	12,358
Graduate Students (Head Count)	3,202	3,486	3,449	3,389	3,205
Professional Students (Head Count)	168	172	171	179	178
Total Students (Head Count)	16,705	16,809	16,791	16,534	15,741
Undergraduate Students (FTE)	8,364	8,279	8,317	8,172	7,814
Graduate Students (FTE)	1,589	1,738	1,740	1,681	1,587
Professional Students (FTE)	168	172	171	179	178
Total Students (FTE)	10,121	10,189	10,228	10,032	9,579
Acceptance Rate - First-time Freshmen	54%	54%	58%	60%	59%
Acceptance Rate - Undergraduate Transfers	73%	75%	78%	77%	79%
Matriculation - First-time Freshmen	41%	41%	37%	39%	38%
Matriculation - Undergraduate Transfers	70%	71%	66%	69%	69%

Demographics

Fall Semester	2012	2011	2010	2009	2008
Male	40%	40%	39%	38%	35%
Female	60%	60%	61%	62%	65%
Undergraduate Residence - Missouri	93%	93%	93%	93%	93%
Undergraduate Residence - Out of State	7%	7%	7%	7%	7%
Undergraduate Full-Time	46%	46%	46%	46%	47%
Undergraduate Part-Time	54%	54%	54%	54%	53%
Graduate Full-Time	26%	26%	28%	23%	23%
Graduate Part-Time	74%	74%	72%	77%	77%
White	72.6%	72.3%	73.7%	74.2%	75.4%
Black or African American	15.8%	16.7%	16.4%	16.6%	15.6%
Non-Resident Alien	3.6%	3.8%	3.7%	3.6%	3.9%
Asian / Pacific Is.	4.3%	3.9%	3.2%	3.2%	3.0%
Hispanic	2.4%	2.3%	2.1%	1.9%	1.7%
Other	1.3%	1.0%	0.9%	0.5%	0.4%

Degrees Awarded

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Baccalaureate	1,976	1,963	2,092	2,011	2,018
Graduate Certificate	88	96	71	82	80
Master's	871	872	868	771	771
Educational Specialist	28	26	22	31	42
Doctoral	61	74	50	63	63
First Professional Degree	40	47	44	41	44
Total	3,064	3,078	3,147	2,999	3,018

University of Missouri System

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APPENDIX C

BOOK-ENTRY ONLY SYSTEM

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BOOK-ENTRY ONLY SYSTEM

The following information concerning DTC and its book-entry system has been furnished for use in this Official Statement by DTC. None of the University, the Paying Agent and Bond Registrar, or the Underwriters take any responsibility for the accuracy or completeness of such information.

DTC acts as securities depository for the Series 2013 Bonds. The Series 2013 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each maturity of the Series 2013 Bonds in the aggregate principal amount of such maturity and will be deposited with the Paying Agent and Bond Registrar on behalf of DTC.

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

Purchases of the Series 2013 Bonds under the DTC system must be made by or through Direct Participants, which receive a credit for the Series 2013 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the **"*Beneficial Owner*"**) is in turn recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2013 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2013 Bonds, except in the event that use of the Book-Entry system for the Series 2013 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2013 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2013 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2013 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2013 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2013 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2013 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Resolution. For example, Beneficial Owners of the Series 2013 Bonds may wish to ascertain that the nominee holding the Series 2013 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them. Redemption notices shall be sent to DTC. If less than all of the Series 2013 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2013 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the University as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2013 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and interest and redemption price on the Series 2013 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the University or the Paying Agent and Bond Registrar on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the University or the Paying Agent and Bond Registrar, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Series 2013 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the University and the Paying Agent and Bond Registrar, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2013 Bonds at any time by giving reasonable notice to the University and the Paying Agent and Bond Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered as described in the Resolution.

The University may decide to discontinue use of the system of Book-Entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered as described in the Resolution.

APPENDIX D

DEFINITIONS AND SUMMARY OF THE RESOLUTION

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DEFINITIONS AND SUMMARY OF THE RESOLUTION

I. DEFINITIONS

The following words and terms as used in this Appendix shall have the following meanings unless some other meaning is plainly intended:

"Additional Bonds" means any additional bonds or other indebtedness authorized to be issued by the University pursuant to the Resolution and standing on a parity and equality with the Series 2013 Bonds with respect to the payment of principal and interest from the System Revenues.

"Annual Debt Service" means, in any Fiscal Year, an amount equal to the principal payable in such Fiscal Year on the Bonds together with interest thereon. For purposes of the various calculations under the Resolution and the Prior System Facilities Resolutions, the amortization schedule of such Bonds and the Annual Debt Service with respect to such Bonds shall be calculated in accordance with the actual amortization schedule for such Bonds, except as follows:

(a) *Variable Rate Bonds.* In determining the Annual Debt Service on any Bonds which provide for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the instrument creating such Bonds and which for any future period of time is not susceptible of precise determination, the interest rate on such Bonds for any period prior to the date of calculation or for which the interest rate has been determined shall be the actual interest payable during such period, and for each year in which such Bonds are Outstanding and for which the actual interest rate cannot be determined, the interest rate on such Bonds for the period of determination shall be deemed to be the average annual rate of interest payable on such Bonds during the 12 months immediately preceding the date of calculation, or if such Bonds are to be incurred or were issued less than 12 months preceding such date, the initial rate or the average annual rate of interest payable on such Bonds during such period immediately preceding the date of calculation.

(b) *Interest Rate Exchange Agreements.* In the case of any interest rate exchange agreements or comparable agreements entered into by the University for a term exceeding one year, pursuant to which the University is obligated to make interest-like payments to or on behalf of another Person and that Person is obligated to make similar interest-like payments to or on behalf of the University (based on a different rate of, or formula for, interest), with neither party obligated to repay any principal, the net amount to be paid by the University (computed in accordance with this sentence) shall be taken into account in calculating Annual Debt Service; if such net amount is less than zero, such net amount may be credited against other interest coming due in so calculating Annual Debt Service so long as the swap counterparty (or any guarantor thereof) is rated in one of the three highest rating categories (without regard to modifiers) by a nationally recognized rating agency. If the swap counterparty is not so rated, then the higher of the swap rate and the actual rate of interest on the Bonds shall be taken into account in calculating Annual Debt Service.

(c) *Balloon Indebtedness*. In determining the Annual Debt Service on any Bonds with respect to which 25% or more of the original principal amount of which becomes due and payable (either by maturity or scheduled mandatory redemption) during any consecutive 12-month period, if such maturing principal amount is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such 12-month period, the debt service requirements on such Bonds shall be calculated by assuming that such Bond indebtedness matures over 25 years from the date of issuance of such Bond indebtedness and is payable on a level annual debt service basis over a period of no more than 25 years.

(d) *Build America Bonds*. In determining the Annual Debt Service on any Bonds with respect to which the University has elected to have Code Section 54AA apply, and to have Code Section 54AA(g) apply so that such Bonds may be designated as "Build America Bonds (Direct

Payment)," the Annual Debt Service on any such Bonds for any period shall be determined by taking into account (i.e., deducting) the cash subsidy payments received or expected to be received by the University with respect to interest on such Bonds for such period.

"Beneficial Owner" means, whenever used with respect to a Series 2013 Bond, the person in whose name such Series 2013 Bond is recorded as the beneficial owner of such Series 2013 Bond by a Participant on the records of such Participant, or such person's subrogee.

"Board" means the Board of Curators of the University of the State of Missouri, the governing body of the University, and any successor body.

"Bond Purchase Agreement" means the Bond Purchase Agreement relating to the Series 2013 Bonds, between the University and the Original Purchaser.

"Bonds" means the Series 2013 Bonds, the Prior System Bonds and all Additional Bonds authenticated and delivered pursuant to the terms of the Resolution and the Prior System Facilities Resolutions.

"Business Day" means a day other than (i) a Saturday or Sunday or legal holiday or a day on which banks located in any city in which the principal corporate trust office or payment office of the Paying Agent and Bond Registrar or the Tender Agent or the primary office of the Remarketing Agent is located or in New York, New York, are required or authorized by law to remain closed or (ii) a day on which the New York Stock Exchange is closed.

"Cede & Co." means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2013 Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provisions of succeeding law, and the applicable temporary, proposed and final regulations and procedures related thereto.

"Continuing Disclosure Agreement" means the certain Omnibus Continuing Disclosure and Disclosure Dissemination Agent Agreement dated as of August 1, 2011, between the University and Digital Assurance Certification L.L.C., as dissemination agent, as originally executed and as the same may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance Account" means the System Facilities Costs of Issuance Account ratified and confirmed pursuant to the Resolution, including subaccounts established thereunder.

"DTC" means The Depository Trust Company of New York, New York.

"Electronic" means notice transmitted through a time-sharing terminal or facsimile machine, if operative as between any two parties, or if not operative, in writing or by telephone (promptly confirmed in writing); provided, however, that such term does not include electronic mail transmitted via the internet.

"Escrow Agent" means Commerce Bank, Kansas City, Missouri, and its successors and assigns, in its capacity as the paying agent and bond registrar for the Refunded Bonds.

"Escrow Agreement" means a letter agreement from the University to the paying agent for such Refunded Bonds providing for the deposit and application of funds to refund the Refunded Bonds.

"Executive Committee" means the Executive Committee of the Board, and any successor body.

"Fiscal Year" means the period commencing July 1 and ending June 30 of each succeeding calendar year, or such other temporal period of one year in length as the University shall hereafter designate as its Fiscal Year.

"Initial System Facilities Resolution" means, collectively, the resolution of the Board dated October 28, 1993 and the resolution of the Executive Committee of the Board dated November 11, 1993, as from time to time amended in accordance with the terms thereof.

"Interest Payment Date" means, with respect to the Series 2013 Bonds, May 1 and November 1 of each year, commencing May 1, 2014.

"Interest Rate" means, with respect to any Series 2013 Bond, the stated interest rate of such Series 2013 Bond.

"Maturity Date" means, with respect to any Series 2013 Bond, the stated maturity date of such Series 2013 Bond.

"Maximum Annual Debt Service" means the maximum Annual Debt Service payable in any future Fiscal Year.

"Minimum Authorized Denominations" means for the Series 2013 Bonds $5,000 or any integral multiple thereof.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns, and, if such firm shall be dissolved or liquidated or shall no longer perform the functions of a securities rating service, "Moody's" shall be deemed to refer to any other nationally recognized securities rating service designated by the University, with notice to the Paying Agent and Bond Registrar.

"Official Statement" means the Official Statement with respect to the Series 2013 Bonds, as the same may be amended or supplemented.

"Opinion of Bond Counsel" means a written opinion of any legal counsel acceptable to the University and the Paying Agent and Bond Registrar who shall be nationally recognized as expert in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

"Opinion of Counsel" means a written opinion of any legal counsel acceptable to the University and the Paying Agent and Bond Registrar, who may be an employee of or counsel to the University.

"Original Purchaser" means the original purchasers of the Series 2013 Bonds pursuant to the Bond Purchase Agreement, for whom Barclays Capital Inc., the senior managing underwriter, acts as representative under the Bond Purchase Agreement.

"Outstanding" means, when used with reference to Series 2013 Bonds, as of any particular date, all Series 2013 Bonds theretofore authenticated and delivered under the Resolution, except:

(a) Series 2013 Bonds theretofore cancelled by the Paying Agent and Bond Registrar or delivered to the Paying Agent and Bond Registrar for cancellation;

(b) Series 2013 Bonds deemed paid in accordance with the provisions of the Resolution; and

(c) Series 2013 Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Resolution.

"Owner" or "Bondowner" means the person or persons in whose name or names a Bond shall be registered on the books of the Paying Agent and Bond Registrar kept for that purpose in accordance with the provisions of the Resolution.

"Participant" means any broker-dealer, bank or other financial institution for which DTC holds Series 2013 Bonds as securities depository.

"Paying Agent" and "Bond Registrar" means Commerce Bank, Kansas City, Missouri, and its successors and assigns.

"Person" means any natural person, firm, joint venture, association, partnership, business trust, corporation, public body, agency or political subdivision thereof or any other similar entity

"Principal and Interest Account" means the System Facilities Principal and Interest Account ratified and confirmed pursuant to the Resolution, including subaccounts established thereunder.

"Prior System Bonds" means, collectively, the Outstanding portions of the system facilities revenue bonds previously issued by the University, currently consisting of the Outstanding portions of the following series of system facilities revenue bonds (not taking into account the refunding and redemption of the Refunded Bonds pursuant to the Resolution):

(a) The Series 2003B Bonds;

(b) The Series 2006A Bonds;

(c) The Series 2007A Bonds;

(d) The Series 2007B Bonds;

(e) The Series 2009A Bonds;

(f) The Series 2009B Bonds;

(g) The Series 2010A Bonds;

(h) The Series 2011 Bonds; and

(i) The Series 2012A Bonds.

"Prior System Facilities Resolutions" means, collectively, the resolutions of the Board and the Executive Committee of the Board authorizing and directing the establishment of the financing program for the System Facilities and the issuance of the Prior System Bonds, including the Initial System Facilities Resolution, the Series 1997 Resolution, the Series 1998A Resolution, the Series 2000 Resolution, the Series 2001 Resolution, the Series 2002 Resolution, the Series 2003 Resolution, the Series 2006 Resolution, the Series 2007 Resolution, the Series 2009 Resolution, Series 2010 Resolution, the Series 2011 Resolution and the Series 2012 Resolution.

"Projects" means, collectively, the additions and improvements to the System Facilities to be financed or refinanced with the proceeds of the Series 2013 Bonds, and the additions and improvements to the System Facilities financed or refinanced with the proceeds of the Refunded Bonds, if any, all as described in the Resolution.

"Rating Service" means Moody's, if the Series 2013 Bonds are rated by Moody's at the time, and S&P, if the Series 2013 Bonds are rated by S&P at the time, or any other nationally recognized securities rating service acceptable to the Paying Agent and Bond Registrar and the University that maintains a rating on the Series 2013 Bonds.

"Record Date" means, with respect to any Series 2013 Bond, the fifteenth day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date.

"Refunded Bonds" means the $13,035,000 outstanding Series 2003B Bonds previously issued by the University and described in the Resolution which are to be refunded with a portion of the proceeds of the Series 2013 Bonds.

"Representation Letter" means the Representation Letter from the University and the Paying Agent and Bond Registrar to DTC with respect to the Series 2013 Bonds, substantially in the form required by DTC.

"Resolution" means, collectively, the Resolution adopted by the Board on October 23, 2013, and the Resolution adopted by the Executive Committee on November 12, 2013, authorizing the Series 2013 Bonds, as from time to time amended in accordance with the terms thereof.

"Revenue Account" means the System Facilities Revenue Account ratified and confirmed pursuant to the Resolution.

"Series 1993 Bonds" means the $45,385,000 original principal amount University of Missouri System Facilities Revenue Bonds, Series 1993 of the University authorized and issued pursuant to the Initial System Facilities Resolution.

"Series 1997 Bonds" means the $52,215,000 original principal amount of System Facilities Revenue Bonds, Series 1997, of the University authorized and issued pursuant to the Series 1997 Resolution.

"Series 1997 Resolution" means, collectively, the resolution of the Board dated March 20, 1997 and the resolution adopted by the Executive Committee of the Board on April 22, 1997, as from time to time amended in accordance with the terms thereof.

"Series 1998A Bonds" means the $65,010,000 original principal amount of System Facilities Revenue Bonds, Series 1998A, of the University authorized and issued pursuant to the Series 1998 Resolution.

"Series 1998 Resolution" means, collectively, the resolution of the Board dated March 26, 1998 and the resolution adopted by the Executive Committee of the Board on April 9, 1998, as from time to time amended in accordance with the terms thereof.

"Series 2000 Bonds" means, collectively, the Series 2000A Bonds and the Series 2000B Bonds.

"Series 2000 Resolution" means, collectively, the resolution adopted by the Board on January 28, 2000 and the resolution adopted by the Executive Committee of the Board on March 15, 2000, as from time to time amended in accordance with the terms thereof.

"Series 2000A Bonds" means the $28,950,000 original principal amount of System Facilities Revenue Bonds, Series 2000A, of the University authorized and issued pursuant to the Series 2000 Resolution.

"Series 2000B Bonds" means the $50,000,000 original principal amount of Variable Rate Demand System Facilities Revenue Bonds, Series 2000B, of the University authorized and issued pursuant to the Series 2000 Resolution.

"Series 2001 Bonds" means, collectively, the Series 2001A Bonds and the Series 2001B Bonds.

"Series 2001 Resolution" means, collectively, the resolution adopted by the Board on March 22, 2001 and the resolution adopted by the Executive Committee of the Board on August 8, 2001, as from time to time amended in accordance with the terms thereof.

"Series 2001A Bonds" means the $39,225,000 original principal amount of Variable Rate Demand System Facilities Revenue Bonds, Series 2001A, of the University authorized and issued pursuant to the Series 2001 Resolution.

"Series 2001B Bonds" means the $44,975,000 original principal amount of System Facilities Refunding Revenue Bonds, Series 2001B, of the University authorized and issued pursuant to the Series 2001 Resolution.

"Series 2002 Resolution" means, collectively, the resolution adopted by the Board on November 29, 2001 and the resolution adopted by the Executive Committee of the Board on May 31, 2002, as from time to time amended in accordance with the terms thereof.

"Series 2002A Bonds" means the $40,000,000 original principal amount of Variable Rate Demand System Facilities Revenue Bonds, Series 2002A, of the University authorized and issued pursuant to the Series 2002 Resolution.

"Series 2003 Bonds" means, collectively, the Series 2003A Bonds and the Series 2003B Bonds.

"Series 2003 Resolution" means, collectively, the resolution adopted by the Board on September 18, 2003 and the resolution adopted by the Executive Committee of the Board on October 30, 2003, as from time to time amended in accordance with the terms thereof.

"Series 2003A Bonds" means the $118,080,000 original principal amount of System Facilities Revenue Bonds, Series 2003A, of the University authorized and issued pursuant to the Series 2003 Resolution.

"Series 2003B Bonds" means the $37,085,000 original principal amount of System Facilities Revenue Bonds, Series 2003B, of the University authorized and issued pursuant to the Series 2003 Resolution.

"Series 2006 Bonds" means, collectively, the Series 2006A Bonds and the Series 2006B Bonds.

"Series 2006 Resolution" means, collectively, the resolution adopted by the Board on October 7, 2005 and the resolution adopted by the Executive Committee of the Board on January 19, 2006, as from time to time amended in accordance with the terms thereof.

"Series 2006A Bonds" means the $260,975,000 original principal amount of System Facilities Revenue Bonds, Series 2006A, of the University authorized and issued pursuant to the Series 2006 Resolution.

"Series 2006B Bonds" means the $39,705,000 original principal amount of Variable Rate Demand System Facilities Revenue Bonds, Series 2006B, of the University authorized and issued pursuant to the Series 2006 Resolution.

"Series 2007 Bonds" means, collectively, the Series 2007A Bonds and the Series 2007B Bonds.

"Series 2007 Resolution" means, collectively, the resolution adopted by the Board on June 1, 2007 and the resolution adopted by the Executive Committee of the Board on July 12, 2007, as from time to time amended in accordance with the terms thereof.

"Series 2007A Bonds" means the $262,970,000 original principal amount of System Facilities Revenue Bonds, Series 2007A, of the University authorized and issued pursuant to the Series 2007 Resolution.

"Series 2007B Bonds" means the $102,250,000 original principal amount of Variable Rate Demand System Facilities Refunding Revenue Bonds, Series 2007B, of the University authorized and issued pursuant to the Series 2007 Resolution.

"Series 2009 Bonds" means, collectively, the Series 2009A Bonds and the Series 2009B Bonds.

"Series 2009 Resolution" means, collectively, the Series 2009A Resolution and the Series 2009B Resolution.

"Series 2009A Bonds" means the $256,300,000 original principal amount of Taxable System Facilities Revenue Bonds, Series 2009A (Build America Bonds), of the University authorized and issued pursuant to the Series 2009A Resolution.

"Series 2009A Resolution" means, collectively, the resolution adopted by the Board on June 5, 2009 and the resolution adopted by the Executive Committee of the Board on July 16, 2009, authorizing the Series 2009A Bonds, as from time to time amended in accordance with the terms thereof.

"Series 2009B Bonds" means the $75,760,000 original principal amount of System Facilities Revenue Bonds, Series 2009B, of the University authorized and issued pursuant to the Series 2009B Resolution.

"Series 2009B Resolution" means, collectively, the resolution adopted by the Board on June 5, 2009 and the resolution adopted by the Executive Committee of the Board on July 16, 2009 authorizing the Series 2009B Bonds, as from time to time amended in accordance with the terms thereof.

"Series 2010 Resolution" means, collectively, the resolution adopted by the Board on November 22, 2010 and the resolution adopted by the Executive Committee of the Board on December 8, 2010 authorizing the Series 2010A Bonds, as from time to time amended in accordance with the terms thereof.

"Series 2010A Bond" or "Series 2010A Bonds" means any bond or bonds of the series of $252,285,000 original principal amount of Taxable System Facilities Revenue Bonds, Series 2010A (Build America Bonds - Direct Payment), of the University authorized and issued pursuant to the Series 2010 Resolution.

"Series 2011 Bonds" means the $54,125,000 original principal amount of System Facilities Revenue Bonds, Series 2011, of the University authorized and issued pursuant to the Series 2011 Resolution.

"Series 2011 Resolution" means, collectively, the resolution of the Board dated June 17, 2011 and the resolution adopted by the Executive Committee of the Board on June 29, 2011, as from time to time amended in accordance with the terms thereof.

"Series 2012 Bonds" means the $105,155,000 original principal amount of System Facilities Revenue Bonds, Series 2012A, of the University authorized and issued pursuant to the Series 2012 Resolution.

"Series 2012 Resolution" means, collectively, the resolution of the Board dated April 5, 2012 and the resolution adopted by the Executive Committee of the Board on April 18, 2012, as from time to time amended in accordance with the terms thereof.

"Series 2013 Bonds" means, collectively, the Series 2013A Bonds and the Series 2013B Bonds.

"Series 2013A Bond" or "Series 2013A Bonds" means any bond or bonds of the series of System Facilities Revenue Bonds, Series 2013A, of the University authorized and issued pursuant to the Resolution, the form of which is attached to the Resolution.

"Series 2013B Bond" or "Series 2013B Bonds" means any bond or bonds of the series of Taxable System Facilities Revenue Bonds, Series 2013B, of the University authorized and issued pursuant to the Resolution, the form of which is attached to the Resolution.

"S&P" means Standard & Poor's Ratings Services, a division of Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial, Inc., and its successors and assigns, and, if such firm shall be dissolved or liquidated or shall no longer perform the functions of a securities rating service, S&P shall be deemed to refer to any other nationally recognized securities rating service designated by the University, with notice to the Paying Agent and Bond Registrar.

"Student System Facilities Fee" means the portion of the Tuition and Fees established or designated by the Board for the use of the System Facilities pursuant to the Initial System Facilities Resolution and ratified and confirmed in the Prior System Facilities Resolutions and in the Resolution and which are included in the System Revenues; provided, however, that such moneys do not include any funds realized from tax revenues.

"System Facilities" means, collectively, the systems and facilities included in that term as it was defined in the Initial System Facilities Resolution, as modified, amended and restated in the Prior System Facilities Resolutions and as modified, amended, and restated in Exhibit A to the Resolution and described under the caption "SECURITY FOR THE SERIES 2013 BONDS" in this Official Statement, and also includes any improvements, extensions and additions thereto and all related systems and facilities hereafter acquired, owned or operated by the University as part of the systems and facilities described in the Resolution, plus such other systems and facilities as at some future date may be added to any of the described systems or facilities by University action.

"System Facilities Additions" means all additions, improvements, extensions, alterations, expansions, or modifications of the System Facilities or of any other "Project," or any part thereof financed with the proceeds of Additional Bonds.

"System Revenues" means the gross income and revenues derived from (a) the ownership and/or operation of the systems and facilities and the imposition and collection of the fees and other matters described on Exhibit B to the Resolution and described under the caption "SECURITY FOR THE SERIES 2013 BONDS" in this Official Statement; (b) the ownership and/or operation of such systems and facilities, or the imposition and collection of such fees, as may at some future date be added to the System Revenues by University action as further described in Article XV of the Resolution; and (c) the Student System Facilities Fee; provided, however, that such moneys do not include any funds realized from tax revenues.

"Tax Compliance Agreement" means the Tax Compliance Agreement with regard to the Series 2013A Bonds, dated as of the date of issuance of the Series 2013A Bonds, of the University, as amended and supplemented in accordance with the terms thereof.

"Transcript of Proceedings" means the transcript of the executed documentation, approvals and other proceedings compiled relating to the University's issuance of the Series 2013 Bonds.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2013B Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date, but not more than 45 calendar days (excluding inflation indexed securities), or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the Series 2013B Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"Tuition and Fees" means the basic fee or fees for course enrollment paid by all students enrolled at the University.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to timely payment of principal and interest by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America, or securities which represent an undivided interest in such obligations or securities to the extent that the Treasury of the United States of America is ultimately responsible for payment thereof such as stripped interest components of obligations of the Resolution Funding Corporation (established by Section 511 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, P.L. 101-73), its successors and assigns.

"University" means The Curators of the University of Missouri, a body politic and state educational institution organized and existing under the Constitution and laws of the State of Missouri, and any successors and assigns.

II. SUMMARY OF THE RESOLUTION

The following is a summary of certain provisions and covenants contained in the Resolution. Such summary does not purport to be a complete statement of the terms of the Resolution and accordingly is qualified in its entirety by reference thereto and is subject to the full text thereof.

Authorization of the Bonds

Authorization of the Series 2013 Bonds. The University has authorized and directed to be issued, sold and delivered additional System Facilities Revenue Bonds of the University, consisting of (a) System Facilities Revenue Bonds, Series 2013A (the "Series 2013A Bonds"), for the purpose of paying a portion of the costs of acquiring, constructing, improving, renovating, furnishing and equipping certain additions and improvements to the System Facilities, a portion of the costs of refunding and defeasing the Refunded Bonds and costs of issuance of the Series 2013A Bonds, and (b) Taxable System Facilities Revenue Bonds, Series 2013B (the "Series 2013B Bonds" and together with the Series 2013A Bonds, the "Series 2013 Bonds"), for the purpose of paying a portion of the costs of acquiring, constructing, improving, renovating, furnishing and equipping certain additions and improvements to the System Facilities, a portion of the costs of refunding and defeasing the Refunded Bonds, and costs of issuance of the Series 2013B Bonds. The Series 2013 Bonds authorized in the Resolution shall be issued pursuant to the provisions of the Constitution and laws of the State of Missouri.

Security for the Series 2013 Bonds. The Series 2013 Bonds shall be special obligations of the University payable solely from, and secured as to the payment of principal of, redemption premium, if any, and interest on the Series 2013 Bonds by a first lien on and pledge of the System Revenues and such obligations shall not constitute an indebtedness or general obligation of the State of Missouri, the University, the Board or of the individual members of the Board. The University has no power of taxation.

The Series 2013 Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the System Revenues derived by the University from the operation of the System Facilities and in all other respects with the Prior System Bonds. The Series 2013 Bonds shall constitute "Additional Bonds" within the meaning of the Prior System Facilities Resolutions. The Projects shall constitute "System Facilities Additions" within the meaning of the Prior System Facilities Resolutions and, to the extent not already included in the System Facilities, shall be added to and included in the System Facilities. The gross income and revenues derived from the ownership and/or operation of the Projects shall be included in the System Revenues.

The University has designated and set aside a portion of the Tuition and Fees collected from all students enrolled at the University in an amount equal to the Maximum Annual Debt Service in any Fiscal Year, as a Student System Facilities Fee (the "Student System Facilities Fee") for the use of the System Facilities by all students of the University; provided, however, that once the deposits required by the Resolution for payment of principal and interest on the Bonds have been made in any Fiscal Year the University may expend the Tuition and Fees which constitute the Student System Facilities Fee for any lawful purpose; provided further that the University may increase, but may not decrease, the amount of such Student System Facilities Fee by future resolution.

The covenants and agreements of the University contained in the Resolution and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the revenues pledged in the Resolution to the payment of the principal of and the interest on the Bonds, or otherwise, except as to date of maturity and right of prior redemption as provided in the Resolution. The Series 2013 Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the System Revenues derived by the University from the operation of the System Facilities and in all other respects with the Prior System Bonds and any Additional Bonds issued pursuant to the Resolution. The Series 2013 Bonds shall not have any priority with respect to the payment of principal or interest from such System Revenues or otherwise over the Prior System Bonds or any Additional Bonds issued pursuant to the Resolution, and the Prior System Bonds or any such Additional Bonds shall not have any priority with respect to the payment of principal or interest from such System Revenues or otherwise over the Series 2013 Bonds.

The security for the Bonds and the bonds and obligations which may be secured on a parity with the Bonds may be modified as set forth in Article XV of the Resolution.

Mutilated, Lost, Stolen or Destroyed Series 2013 Bonds. In the event any Series 2013 Bond is mutilated, lost, stolen, or destroyed, the University shall execute and the Paying Agent and Bond Registrar shall authenticate a new Series 2013 Bond of like series, date and denomination as that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated Series 2013 Bond, such mutilated Series 2013 Bond shall first be surrendered to the University or the Paying Agent and Bond Registrar, and in the case of any lost, stolen, or destroyed Series 2013 Bond, there first shall be furnished to the University and the Paying Agent and Bond Registrar evidence of such loss, theft or destruction satisfactory to the University and the Paying Agent and Bond Registrar, together with an indemnity satisfactory to them which indemnity shall, in any event, name the Paying Agent and Bond Registrar as a beneficiary. In the event any such Series 2013 Bond shall have matured, the University may direct the Paying Agent and Bond Registrar, instead of issuing a duplicate Series 2013 Bond, to pay the same without surrender thereof, making such requirements as it deems fit for its protection, including a lost instrument bond. The University and the Paying Agent and Bond Registrar may charge the Owner of such Series 2013 Bond with their reasonable fees and expenses for such service. In executing a new Series 2013 Bond, the University may rely conclusively upon a representation by the Paying Agent and Bond Registrar that the Paying Agent and Bond Registrar is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Series 2013 Bond.

Payments Due on Non-Business Days. In any case where the date of maturity of principal of, redemption premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds shall be a day other than a Business Day, then payment of principal, redemption premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Nonpresentment of Series 2013 Bonds. In the event any Series 2013 Bond shall not be presented for payment when the principal thereof becomes due, either at its maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Series 2013 Bond shall have been made available to the Paying Agent and Bond Registrar, all liability of the University to the Owner thereof for the payment of such Series 2013 Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent and Bond Registrar to hold such fund or funds, uninvested and without liability for interest thereon, for the benefit of the Owner of such Series 2013 Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part under the Resolution or on, or with respect to, such Series 2013 Bond. If any Series 2013 Bond shall not be presented for payment within twenty-four (24) months following the date when such Series 2013 Bond becomes due, whether by maturity or otherwise, the funds theretofore held by the Paying Agent and Bond Registrar for payment of such Series 2013 Bond shall be paid to the University and such Series 2013 Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the University, and the Owner thereof shall be entitled to look only to the University for payment, and then only to the extent of the amount so repaid, and the University shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Ratification and Creation of Accounts

Ratification and Creation of Accounts. The following accounts were created in the Initial System Facilities Resolution and ordered to be established in the accounting records of the University and have been ratified and confirmed, or have been created and ordered to be established in the accounting records of the University, in connection with the issuance of the Series 2013 Bonds:

(a) System Facilities Revenue Account;

(b) System Facilities Principal and Interest Account; and

(c) System Facilities Series 2013 Projects Account (the "Projects Account"), and separate subaccounts relative to the Series 2013A Bonds and the Series 2013B Bonds, respectively, therein; and

(d) System Facilities Costs of Issuance Account (the "Costs of Issuance Account"), and separate subaccounts relative to the Series 2013A Bonds and the Series 2013B Bonds, respectively, therein.

In addition to the accounts described above, the Escrow Agreement may establish an Escrow Fund to be held and administered in accordance with the provisions of the Escrow Agreement.

Administration of Accounts. The accounts confirmed pursuant to Section 501 of the Resolution shall be maintained and administered by the University solely for the purposes and in the manner as provided in the Prior System Facilities Resolutions and the Resolution so long as any of the Bonds remain Outstanding and unpaid.

Application of Bond Proceeds and Other Moneys

Disposition of Series 2013 Bond Proceeds and Other Moneys. The proceeds received from the sale of the Series 2013 Bonds, including any accrued interest thereon, together with certain other moneys of the University, shall be deposited simultaneously with the delivery of the Series 2013 Bonds as follows:

(a) The accrued interest, if any, received from the sale of the Series 2013 Bonds shall be deposited in the Principal and Interest Account;

(b) The sum of $58,735.93 received from the proceeds of the sale of the Series 2013A Bonds shall be deposited in the Series 2013A Subaccount of the Costs of Issuance Account;

(c) The sum of $719,665.27 received from the proceeds of the sale of the Series 2013B Bonds shall be deposited in the Series 2013B Subaccount of the Costs of Issuance Account;

(d) The sum of $13,127,012.16 received from the proceeds of the sale of the Series 2013A Bonds, together with $-0- from other available moneys of the University, shall be irrevocably deposited with the Paying Agent and Bond Registrar for the Refunded Bonds to be currently refunded on the earliest practicable redemption date in accordance with the terms of a University notice to and agreement regarding refunding of the Refunded Bonds; and

(e) All remaining proceeds received from the sale of the Series 2013B Bonds in the amount of $148,922,156.73, shall be irrevocably deposited in the Series 2013B Subaccount of the Projects Account.

Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the University for the purpose of payment of the costs and expenses incidental to the issuance of the respective series of Series 2013 Bonds and otherwise as set forth in the Resolution.

Surplus in Costs of Issuance Account. Upon the earlier of (a) completion of the payment of the costs and expenses incidental to the issuance of the Series 2013A Bonds and the Series 2013B Bonds as provided in the Resolution, or (b) the date which is ninety (90) days following the issuance of the Series 2013A Bonds and the Series 2013B Bonds, any funds remaining in the Series 2013A Subaccount of the Costs of Issuance Account and the Series 2013B Subaccount of the Costs of Issuance Account shall be transferred to the Series 2013A Subaccount of the Projects Account and the Series 2013B Subaccount of the Projects Account, respectively.

Application of Moneys in the Projects Account. Moneys in the Projects Account shall be used by the University for the purpose of payment of the cost of acquisition, construction, improvement, renovation, furnishing or equipping of System Facilities as described in the Resolution (collectively, the "Projects").

Withdrawals from Projects Account. Withdrawals from the Projects Account shall be made only (except as otherwise provided herein) for such purposes as described herein upon the execution of approved documentation in accordance with University disbursement procedures.

Surplus in Projects Account. Upon payment of the cost of the Projects, any surplus remaining in the Projects Account shall be deposited in the Principal and Interest Account.

Defeasance of Refunded Bonds. The officers of the University and of the Board are authorized to cause the defeasance, redemption and payment of the Refunded Bonds pursuant to the terms of the Resolution and of the Escrow Agreement. The officers of the University and of the Board are authorized and directed to call such Refunded Bonds for redemption on such dates as are reasonably practical and as set forth in the Escrow Agreement. Any one or more of the President, the Vice President for Finance, the Secretary or other officers of the University or of the Board are authorized and directed to execute the Escrow Agreement, and such officers are authorized and directed to carry out the terms thereof in order to effectuate the redemption and defeasance of the Refunded Bonds.

Application of Revenues

Revenue Account. The University covenants and agrees that from and after the delivery of the Series 2013 Bonds, and continuing as long as any of the Series 2013 Bonds remain Outstanding and unpaid, all System Revenues other than the Student System Facilities Fee will be credited to the Revenue Account. The Revenue Account shall be administered and applied solely for the purposes and in the manner provided in the Resolution.

Application of Moneys in Accounts. The University covenants and agrees that from and after the delivery of the Series 2013 Bonds, and continuing so long as any of the Bonds shall remain Outstanding and unpaid, the University will administer and allocate all of the moneys then held in the Revenue Account as follows:

(a) There shall be paid and credited prior to any date in a Fiscal Year on which principal or interest is due on any of the Bonds from the Revenue Account to the Principal and Interest Account (and to any subaccounts in the Principal and Interest Account or any separate principal and interest accounts established with respect to Additional Bonds), to the extent necessary to meet at maturity or mandatory redemption thereof, the payment of all principal of and interest on the Bonds the following sums: (i) the amount of principal and/or interest that will become due on the Bonds on such payment date; and (ii) the amount of any fees of the respective paying agent and bond registrars in connection with the Bonds.

All amounts paid and credited to the Principal and Interest Account shall be expended and used by the University for the sole purpose of paying the interest on and principal of the Bonds as and when the same become due and the payment of any fees of the respective paying agent and bond registrars in connection with the Bonds.

If at any time the moneys in the Revenue Account shall be insufficient to make in full the payments and credits at the time required to be made by the University to the Principal and Interest Account (and any subaccounts in the Principal and Interest Account or separate principal and interest accounts established with respect to Additional Bonds established by the University) to pay the principal of and interest on the Bonds, the available moneys in the Revenue Account shall be divided among the Principal and Interest Account and such subaccount or separate principal and interest accounts in proportion to the respective principal amounts of each series of said Bonds at the time outstanding which are payable from the moneys in the Principal and Interest Account (or said subaccounts or separate principal and interest accounts).

(b) Subject to making the foregoing maximum deposits on the dates indicated, the University may at any time use the balance of excess funds in the Revenue Account on or before the final day of each Fiscal Year (i) to redeem outstanding Bonds as permitted pursuant to the Resolution, or (ii) for any expenditures, including the payment of debt service, incurred in acquiring, constructing, improving, renovating, furnishing or equipping the existing System Facilities or acquiring, constructing, improving, renovating, furnishing or equipping any additional System Facilities, or (iii) for operation and maintenance of the System Facilities, or (iv) for any other lawful purpose.

(c) The money in the Principal and Interest Account shall be used solely for the payment of the principal of and interest on the Bonds and any fees of the Paying Agent and Bond Registrar in connection with the Bonds. In the event Additional Bonds are issued after the date of the Resolution on a parity with Series 2013 Bonds, as provided in the Resolution, the bond resolution authorizing such Additional Bonds shall provide (i) for an identical flow of funds as heretofore prescribed, and (ii) that payments of principal be payable on November 1, of the appropriate year or years.

Deficiency of Payments into Accounts. If at any time the System Revenues derived by the University from the operation of the System Facilities shall be insufficient to make any payment on the date or dates specified in the Resolution, the University will make good the amount of such deficiency by making additional payments or credits out of the first available System Revenues thereafter received by the University, such payments and credits being made and applied in the order specified in the Resolution.

If at any time the moneys in the Principal and Interest Account are not sufficient to pay the principal of and interest on the Bonds as and when the same become due, then the amount of such deficiency shall be made up by the transfer of funds from the Revenue Account.

Transfer of Funds to Paying Agent and Bond Registrars. The officers of the University or of the Board are authorized and directed to withdraw from the Principal and Interest Account, and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Bonds, from the Revenue Account as provided in the Resolution, sums sufficient to pay the principal of the Bonds, at maturity or by mandatory redemption, and interest on the Bonds and the fees of the respective paying agent and bond registrars, as and when the same become due, and to forward such sums to the respective paying agent and bond registrar in available funds prior to dates when such principal, interest and fees of the respective paying agent and bond registrar will become due. All moneys deposited with the Paying Agent and Bond Registrar shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Resolution.

Deposit and Investment of Funds

Deposits of Moneys. Cash moneys in each of the accounts ratified and confirmed by and referred to in the Resolution shall be deposited in a bank or banks or other financial institution located in the State of Missouri which are members of the Federal Deposit Insurance Corporation, and all such bank deposits shall be continuously and adequately secured by the banks holding such deposits as provided by the laws of the State of Missouri.

Investment of Funds. Moneys held in any account referred to in the Resolution may be invested by the University, pursuant to the provisions of the Tax Compliance Agreement, in direct obligations of, obligations of agencies of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, certificates of deposit collateralized by the foregoing or in such other obligations as may be permitted by law including, without limiting the generality of the foregoing, perfected repurchase agreements and obligations of agencies or instrumentalities of the United States of America; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such account was created or other than as permitted by state statute. All interest on any investments held in any account shall accrue to and become a part of such account. In determining the amount held in any account under any of the provisions of the Resolution, obligations shall be valued as of the final day of each Fiscal Year at the cost thereof. If and when the amount held in any account shall be in excess of the amount required by the provision of the Resolution, the University shall direct that such excess be paid and credited to the Principal and Interest Account.

Tax Covenant. The Board covenants and agrees that it will not take any action or permit any action to be taken or omit to take any action or permit the omission of any action reasonably within its control which action or omission will cause any Series 2013A Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or the interest on the Series 2013A Bonds to be included in gross income for federal income tax purposes or otherwise adversely affect the exemption of interest on the Series 2013A Bonds from federal and State of Missouri taxation. This covenant shall survive the termination of the Resolution.

Particular Covenants of the University

The University covenants and agrees as follows with each of the purchasers and Owners of any of the Series 2013 Bonds that so long as any of the Series 2013 Bonds remain Outstanding and unpaid:

Performance of Duties. The University will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Resolution and in each and every Series 2013 Bond executed and delivered under the Resolution; that it will promptly pay or cause to be paid from the System Revenues pledged in the Resolution the principal of and interest on every Series 2013 Bond issued under the Resolution, on the dates and in the places and manner prescribed in such Series 2013 Bonds, and that it will, prior to the maturity of each installment of interest and prior to the maturity of each such Series 2013 Bond, at the times and in the manner prescribed in the Resolution, deposit or cause to be deposited, from the System Revenues pledged, the amounts of money specified in the Resolution. All Series 2013 Bonds, when paid, shall be cancelled and destroyed by the Paying Agent and Bond Registrar.

Legal Authority. The University is duly authorized under the constitution and laws of the State of Missouri to create and issue the Series 2013 Bonds, it is lawfully qualified to pledge the System Revenues in the manner prescribed in the Resolution and has lawfully exercised such rights, all action on its part for the creation and issuance of the Series 2013 Bonds has been duly and effectively taken, and that the Series 2013 Bonds in the hands of the Owners thereof are and will be valid and enforceable special obligations of the University in accordance with their terms.

Rate Covenant.

(a) *System Facilities*. The University will continuously operate and maintain the System Facilities (except as otherwise provided in the Resolution) and will continue to fix and maintain such reasonable rates and charges for the use of the System Facilities as will allow it to collect System Revenues sufficient to (i) provide and maintain the Revenue Account and the Principal and Interest Account in amounts adequate to promptly pay the principal of and interest on the Bonds as and when the same become due; and (ii) enable the University to have in each Fiscal Year System Revenues (excluding the Student System Facilities Fee) in an amount that will be not less than two hundred percent (200%) of the Annual Debt Service required to be paid by the University in such Fiscal Year on account of both principal of and interest on all Bonds at the time Outstanding.

(b) *Student System Facilities Fee*. The University will continuously maintain the Student System Facilities Fee in an amount at least equal to Maximum Annual Debt Service.

(c) *Miscellaneous*. Nothing contained in the Resolution shall be construed to prevent the continuous collection of reasonable rates, charges, and fees for the use of said System Facilities and facilities during the time the Series 2013 Bonds are outstanding or after the Series 2013 Bonds issued pursuant to the Resolution shall have been paid and redeemed, together with all interest thereon, nor to prevent at that time the pledge and application of said revenues to the payment of other bonds which may be issued by the University as otherwise allowed in the Resolution.

(d) *Modification*. The terms of this Section may be modified to include additional revenues and payment on other bonds or obligations and otherwise as set forth in Article XV of the Resolution and summarized herein under the caption "Potential Modification of: (1) Security for Bonds; (2) Bonds as to which System Revenues Provide Security; and (3) Parity Lien Bond Test."

Restrictions on Mortgage, Sale or Disposition of the System Facilities. The University will not mortgage, sell or otherwise dispose of the System Facilities or any material part thereof, or any extension or improvement thereof; provided, however, the University may permanently abandon the use of, or sell at fair market value, any of the System Facilities, provided that;

(a) It is in full compliance with all covenants and undertakings in connection with all of its Bonds then outstanding and payable from the System Revenues, or any part thereof;

(b) It certifies that the continued occupation or possession of any portion of the property to be abandoned or sold is no longer in the best interest of the University; and

(c) It certifies that the estimated System Revenues for the then next succeeding Fiscal Year satisfy the earnings test provided for in the Resolution governing the issuance of Additional Bonds.

Operation of the System Facilities and Reserves. From and after the date when the Series 2013 Bonds shall be issued and delivered, the System Facilities shall be maintained by the University so long as any of the Series 2013 Bonds remain Outstanding. The University will not do or suffer any act or thing whereby the System Facilities or any part thereof might or could be impaired, and at all times it will, out of System Revenues prior to the date needed pursuant to the Resolution, maintain, preserve, and keep the real and tangible property constituting the System Facilities and every part thereof in good condition, repair, and working order and maintain, preserve, and keep all structures and equipment pertaining thereto and every part and parcel thereof in good condition, repair, and working order, reasonable wear and tear and replacement for obsolescence excepted. The System Facilities and the facilities thereof and therein shall be operated and maintained, out of System Revenues prior to the date needed pursuant to the Resolution, under the direction and supervision of the Vice President for Finance (or such other officer as is selected by the Board or the Executive Committee), subject to the direction of the University, and all System Revenues shall be collected by said officer, through agents or employees thereunto duly authorized.

The University shall maintain, out of System Revenues prior to the date needed pursuant to the Resolution, such reserves for repair and replacement of the System Facilities as it deems appropriate and shall review the sufficiency of such reserves on a reasonable basis from time to time. The University represents that there is no reasonable expectation that payments of principal or interest on the Bonds will be paid out of funds held in such reserves.

Use, Operation and Maintenance. Subject to the provisions of the Resolution, the Board will adopt and maintain, so long as any Bonds are Outstanding against the System Facilities, such rules, rental rates, fees, and charges for the use of the System Facilities as may be necessary to (a) assure maximum use and occupancy of said System Facilities, and (b) pay the cost of maintenance and operation, out of System Revenues prior to the date needed pursuant to the Resolution, and, together with other pledged revenues, provide for the payment of the principal of and interest on the Bonds outstanding against the System Facilities.

Insurance. The University will carry and maintain fire and extended coverage insurance upon all of the properties forming a part of the System Facilities insofar as the same are of an insurable nature, such insurance to be in an amount at least equal to the amount of the Bonds then outstanding. In the event of loss or damage, the University, with reasonable dispatch, will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or, if such reconstruction or replacement be unnecessary, then the University will pay and deposit the proceeds of such insurance into the Revenue Account. The University in operating the System Facilities will carry and maintain public liability insurance, either commercial or self-insured, with respect to the System Facilities. In operating the System Facilities, the University shall maintain worker's compensation coverage, either commercial or self-insured, on all personnel that work on the System Facilities. The proceeds derived from such insurance shall be used in paying the claims on account of which such proceeds were received.

Books, Records and Accounts. The University will keep accurate financial records and proper books and accounts in which complete and correct entries will be made of all dealings and transactions of or in relation to the System Facilities. Such accounts shall show the amount of revenues received from the System Facilities, the application of such revenues, and all financial transactions in connection therewith. Said books shall be kept by the University in accordance with generally accepted accounting principles.

Annual Audit. Annually, within one hundred eighty (180) days after the end of the Fiscal Year, the University will cause an audit to be made of the System Facilities for the preceding Fiscal Year by a certified public accountant or firm of certified public accountants to be employed by the University for that purpose, reflecting in reasonable detail the financial condition and results of operation of the University, the System Facilities and any other pledged revenue sources; provided that such audit may be satisfied by including information regarding the revenues and expenses related to the System Facilities in the general audited financial statements of the University, with such explanatory information set forth in the notes to the audited financial statements as the University may deem appropriate.

Within sixty (60) days after the completion of each such audit, a copy thereof shall be made available to any beneficial owner of the Series 2013 Bonds upon request.

As soon as possible after the completion of such annual audit, the University shall review such audit, and if any audit shall disclose that proper provision has not been made for all of the requirements of the Resolution and the law under which the Bonds are issued, the University covenants and agrees that it will promptly cure such deficiency and will promptly proceed to increase the rates, fees and charges to be charged for the use and services furnished by the System Facilities as may be necessary to adequately provide for such requirements.

Owner's Right of Inspection. The Owner of at least ten percent (10%) of the Bonds Outstanding shall have the right at all reasonable times to a reasonable inspection of the System Facilities and all records, accounts and data relating thereto, and any such Owner shall be furnished all such information concerning said System Facilities and the operation thereof which he may reasonably request.

Default and Remedies

Acceleration of Maturity in Event of Default. The University covenants and agrees that if it shall default in the payment of the principal of or interest on any of the Bonds as the same becomes due, or if the University or its governing body or any of the officers, agents or employees thereof shall fail or refuse to comply with any of the provisions of the Resolution and such default shall continue for a period of thirty (30) days after written notice thereof to the University (unless such default cannot be cured with thirty (30) days, in which event the University shall have a reasonable time in which to cure such default) at any time thereafter and while such default shall continue, the Owners of twenty-five percent (25%) in principal amount of the Bonds then Outstanding may, by written notice to the University filed in the office of the Secretary of the Board or delivered in person to said Secretary, declare the principal of all Bonds then Outstanding to be due and payable immediately, and upon any such declaration given as aforesaid, all of said Bonds shall become and be immediately due and payable, anything in the Resolution or in the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if at any time after the principal of said Outstanding Bonds shall have been so declared to be due and payable, all arrears of interest upon all of said Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said

Bonds shall have been paid in full, and all other defaults, if any, by the University under the provisions of the Resolution and under the provisions of the statutes of the State of Missouri shall have been cured, then and in every such case the Owners of fifty percent (50%) in principal amount of the Bonds then Outstanding, by written notice to the University given as specified in the Resolution, may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

Remedies. The provisions of the Resolution, including the covenants and agreements contained in the Resolution, shall constitute a contract between the University and the Owners of the Bonds, and the Owner or Owners of not less than ten percent (10%) in principal amount of the Bonds at the time Outstanding shall have the right, for the equal benefit and protection of all Owners of Bonds similarly situated to:

(a) By mandamus or other suit, action or proceedings at law or in equity to enforce his or their rights against the University and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Resolution or by the Constitution and laws of the State of Missouri;

(b) By suit, action or other proceedings in equity or at law to require the University, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) By suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of any Owner of the Bonds.

Limitation on Rights of Bondowners. No one or more Owners of the Bonds secured under the Resolution shall have any right in any manner whatever by his, her or their action to affect, disturb or prejudice the security granted and provided for in the Resolution, or to enforce any right under the Resolution, except in the manner provided in the Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

Remedies Cumulative. No remedy conferred in the Resolution upon the Owners of Bonds is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred in the Resolution. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Bondowner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners of the Bonds by the Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. In case any suit, action or proceedings taken by any Bondowner on account of any default or to enforce any right or exercise any remedy shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondowner, then, and in every such case, the University and the Owners of the Bonds shall be restored to their former positions and rights under the Resolution, respectively, and all rights, remedies, powers and duties of the Bondowners shall continue as if no such suit, action or other proceedings had been brought or taken.

No Obligation to Levy Taxes. The University does not have taxing power and nothing contained in the Resolution shall be construed as imposing on the University or the State any duty or obligation to levy any taxes either to meet any obligation incurred in the Resolution or to pay the principal of or interest on the Bonds.

Paying Agent and Bond Registrar

Designation of Paying Agent and Bond Registrar. Commerce Bank, Kansas City, Missouri, is designated as the University's paying agent for the payment of principal of, redemption premium, if any, and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds. The Paying Agent and Bond Registrar shall be paid the fees for its services in connection therewith that it has agreed to in writing with the University prior to the date of the Series 2013 Bonds, which fees shall be paid as other current expenses of the System Facilities are paid.

Successor Paying Agent and Bond Registrar.

(a) Any corporation or association into which the Paying Agent and Bond Registrar may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, provided that such surviving corporation or association shall maintain an office in the State of Missouri, shall be and become the successor Paying Agent and Bond Registrar under the Resolution, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereof, anything in the Resolution to the contrary notwithstanding.

(b) The Paying Agent and Bond Registrar may resign at any time by giving thirty (30) days' notice to the University. Such resignation shall not take effect until the appointment of a successor Paying Agent and Bond Registrar.

(c) The Paying Agent and Bond Registrar may be removed at any time by an instrument in writing delivered to the Paying Agent and Bond Registrar by the University. In no event, however, shall any removal of the Paying Agent and Bond Registrar take effect until a successor Paying Agent and Bond Registrar shall have been appointed.

(d) In case the Paying Agent and Bond Registrar shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting as Paying Agent and Bond Registrar, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the University. Every successor Paying Agent and Bond Registrar appointed pursuant to the provisions of this Section shall be, if there be such an institution willing, qualified and able to accept the duties of the Paying Agent and Bond Registrar upon customary terms, a bank or trust company within the State of Missouri, in good standing and having or being wholly owned by an entity having reported capital and surplus of not less than $25,000,000. Written notice of such appointment shall immediately be given by the University to the Owners of the Series 2013 Bonds. Any successor Paying Agent and Bond Registrar shall execute and deliver an instrument accepting such appointment and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all rights, powers, duties and obligations of its predecessor, with like effect as if originally named as Paying Agent and Bond Registrar, but such predecessor shall nevertheless, on the written request of the University, or of the successor, execute and deliver such instruments and do such other things as may reasonably be required to more fully and certainly vest and confirm in such successor all rights, powers, duties and obligations of such predecessor. If no successor Paying Agent and Bond Registrar has accepted appointment in the manner provided above within ninety (90) days after the Paying Agent and Bond Registrar has given notice of its resignation as provided above, the Paying Agent and Bond Registrar may petition any court of competent jurisdiction for the appointment of a temporary successor Paying Agent and Bond Registrar; provided that any Paying Agent and Bond Registrar so appointed shall immediately and without further act be superseded by a Paying Agent and Bond Registrar appointed by the University.

Defeasance

Defeasance. When all of the Series 2013 Bonds shall have been paid and discharged, then the requirements contained in the Resolution, except as otherwise provided in the Resolution and subject to the Resolution, and the pledge of System Revenues made under the Resolution and all other rights granted under the Resolution shall terminate. Bonds shall be deemed to have been paid and discharged within the meaning of the Resolution or the Prior System Facilities Resolution under which such series of Bonds were issued, as the case may be, if the University shall have paid or provided for the payment of such Bonds in any one or more of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Bonds, as and when the same become due and payable;

(b) by delivering such Bonds to the Paying Agent and Bond Registrar for cancellation; or

(c) by depositing with the Paying Agent and Bond Registrar, or other bank located in the State of Missouri and having full trust powers, at or prior to the maturity or redemption date of said Bonds, in trust for and irrevocably appropriated thereto, cash and/or United States Government Obligations in an amount which, together with other moneys deposited therein, and with the interest to be earned thereon, without consideration of any reinvestment thereof, will be sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds (including the payment of the principal of said Bonds, the redemption premium thereon, if any, and interest accrued to the date of maturity or redemption, as the case may be); provided that, if any such Bonds are to be redeemed prior to the maturity thereof, the University shall have elected to redeem such Bonds and notice of such redemption shall have been given in accordance with the requirements of the Resolution or the Prior System Facilities Resolution under which such series of Bonds were issued, as the case may be, or provision satisfactory to the Paying Agent and Bond Registrar is made for the giving of such notice.

Bonds may be defeased in advance of their maturity or redemption dates only with cash or United States Government Obligations pursuant to subsection (c) above, provided, however, that, if the final payment or redemption date with respect to such Bonds is more than 90 days after such deposit, such Bonds may only be considered defeased upon receipt by the Paying Agent and Bond Registrar of (a) a verification report prepared by independent certified public accountants, or other verification agent, satisfactory to the Paying Agent and Bond Registrar and the University, and (b) an Opinion of Bond Counsel addressed and delivered to the Paying Agent and Bond Registrar and the University to the effect that the payment of the principal of and redemption premium, if any, and interest on all of the Bonds of such series then Outstanding and any and all other amounts required to be paid under the provisions of the Resolution has been provided for in the manner set forth in the Resolution or the Prior System Facilities Resolution under which such series of Bonds were issued, as the case may be.

Any moneys and obligations which at any time shall be deposited with the Paying Agent and Bond Registrar or other bank by or on behalf of the University, for the purpose of paying and discharging any of the Bonds, shall be and are assigned, transferred and set over to the Paying Agent and Bond Registrar or other bank in trust for the respective Owners of such Bonds, and such moneys shall be and are irrevocably appropriated to the payment and discharge thereof. All moneys deposited with the Paying Agent and Bond Registrar or other bank shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Resolution or the Prior System Facilities Resolution under which such series of Bonds were issued, as the case may be.

Amendments

Amendments Not Requiring Consent of Bondowners. The Board may from time to time, without the consent of or notice to any of the Bondowners, amend the Resolution as shall not be inconsistent with the terms and provisions of the Resolution, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in the Resolution or to make any other change not prejudicial to the Bondowners;

(b) to grant to or confer upon the Paying Agent and Bond Registrar or the Bondowners any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Bondowners or the Paying Agent and Bond Registrar or either of them;

(c) to more precisely identify the System Revenues or the System Facilities or to substitute or add property thereto or release property therefrom;

(d) to subject to the Resolution additional revenues, properties or collateral;

(e) to issue Additional Bonds as provided in the Resolution;

(f) to provide for the refunding or advance refunding of any Bond;

(g) to evidence the appointment of a successor paying agent or bond registrar;

(h) to comply with any future requirements of federal tax law required in the opinion of bond counsel to maintain the exclusion of the interest on one or more series of Bonds from gross income for purposes of federal income taxation;

(i) to secure a rating from a nationally recognized rating agency, provided such changes will not restrict, limit or reduce the obligation of the University to pay the principal of, redemption premium, if any, or interest on the Series 2013 Bonds as provided in the Resolution or otherwise materially adversely effect the Bondowner; or

(j) to provide for the changes described in Article XV of the Resolution and summarized herein under the caption "Potential Modification of: (1) Security for Bonds; (2) Bonds as to which System Revenues Provide Security; and (3) Parity Lien Bond Test."

Amendments Requiring Consent of Bondowners. The rights and duties of the University, the Board and the Bondowners, and the terms and provisions of the Series 2013 Bonds or of the Resolution, may be amended or modified at any time in any respect by resolution of the Board with the written consent of the Owners of not less than sixty-five percent (65%) in aggregate principal amount of the Series 2013 Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Secretary of the Board, but no such modification or alteration shall:

(a) extend the maturity of any payment of principal or interest due upon any Series 2013 Bond;

(b) effect a reduction in the amount which the University is required to pay by way of principal of or interest on any Series 2013 Bond;

(c) permit the creation of a lien on the System Revenues prior or equal to the lien of the Series 2013 Bonds, except as to Additional Bonds;

(d) permit preference or priority of any Series 2013 Bonds over any other Series 2013 Bonds; or

(e) reduce the percentage in principal amount of Series 2013 Bonds required for the written consent to any modification or alteration of the provisions of the Resolution.

Any provision of the Series 2013 Bonds or of the Resolution may, however, be amended or modified by resolution duly adopted by the Board or, at the direction of the Board, the Executive Committee, at any time in any respect with the written consent of the Owners of all of the Series 2013 Bonds at the time Outstanding.

Any and all modifications made in the manner provided in the Resolution shall not become effective until there has been filed with the Secretary of the Board a copy of the resolution of the Board provided in the Resolution for, duly certified, as well as proof of consent to such modification by the Owners of not less than sixty-five percent (65%) in principal amount of the Series 2013 Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

Amendment of Prior System Facilities Resolutions.

Each of the Prior System Facilities Resolutions shall be deemed an amendment of the Initial System Facilities Resolution and each Prior System Facilities Resolution which precedes it. Furthermore, any subsequent resolution of the Board and/or the Executive Committee of the Board providing for the issuance of Additional Bonds shall, to the extent that any amendments therein shall meet the requirements of the Resolution, be deemed an amendment of the Initial System Facilities Resolution, each Prior System Facilities Resolution which precedes it, and the Resolution. Specifically but without limitation, the Resolution shall be considered an amendment of each of the Prior System Facilities Resolutions.

Regardless of the defeasance of any series of Prior System Bonds in accordance with the provisions of the Prior System Facilities Resolution pursuant to which such series of Prior System Bonds was issued and the release of the pledge of System Revenues with respect the thereto, such Prior System Facilities Resolution shall remain in force and effect as a component of the financing program for the System Facilities established in the Initial System Facilities Resolution, and any references in the Resolution to a Prior System Facilities Resolution shall be to such resolution as amended or supplemented by the subsequent Prior System Facilities Resolutions and the Resolution. Specifically but without limitation, the Initial System Facilities Resolution shall remain in full force and effect despite the defeasance of the Series 1993 Bonds and the release of the pledge of System Revenues to secure the Series 1993 Bonds pursuant to the terms of the Resolution in accordance with Section 1301 of the Initial System Facilities Resolution.

Potential Modification of: (1) Security for Bonds; (2) Bonds as to which System Revenues Provide Security; and (3) Parity Lien Bond Test

The University created a financing program for the System Facilities in the Initial System Facilities Resolution, which financing program has been ratified and confirmed by each of the Prior System Facilities Resolutions and has been ratified and confirmed. The University reserves the right to add other facilities and properties to this financing program and to make the Bonds and the security for the Bonds part of a future facility financing program that may be adopted by the University.

Accordingly, notwithstanding any provision in the Resolution to the contrary, the University shall have the right to do any or all of the following (as specified by the University in a subsequent resolution of its Board or Executive Committee) provided that, upon the occurrence of such of the following as are to occur, the Bonds retain a rating from any national rating service then rating the Bonds at the request of the University at least equal to that in effect immediately prior to the occurrence of such of the following as are to occur:

(a) change the security for the Bonds (including, but not limited to, the type of revenues, fees and reserves pledged) to add a new type of revenues, fees and reserves to or delete a type of revenues, fees and reserves from the System Revenues or the System Facilities;

(b) add or delete new types of facilities or properties of the University to the System Facilities financed by Bonds;

(c) secure any other bonds or obligations of the University, whether issued prior to or subsequent to the date of the Resolution, by the System Revenues as long as any other security for such other bonds or obligations also secure the Bonds; or

(d) issue Additional Bonds secured by the System Revenues and other security described in (a), (b) or (c) above without meeting the requirements of the Resolution.

Addition of System Facilities and System Revenues. Pursuant to and in furtherance of the foregoing provisions and of the provisions of the Prior System Facilities Resolutions, the University has determined to add the facilities of the University constituting the Projects to be financed or refinanced with the proceeds of the Series 2013 Bonds to the System Facilities, all as more fully provided in the Resolution, has determined to add the revenues of such facilities of the University to the System Revenues, all as more fully provided in the Resolution, and pledges the System Revenues, as so amended, to the payment of the Series 2013 Bonds, all outstanding Prior System Bonds and any Additional Bonds issued in accordance with the terms of the Resolution and the Prior System Facilities Resolutions, on a parity basis.

Miscellaneous Provisions

Notices, Consents and Other Instruments by Bondowners. Any notice, consent, request, direction, approval, objection or other instrument required by the Resolution to be signed and executed by the Owners of the Bonds may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of the Resolution, and shall be conclusive in favor of the University and the Paying Agent and Bond Registrar with regard to any action taken, suffered or omitted under any such instrument, namely:

> (a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.
>
> (b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the registration books of the University maintained by the Paying Agent and Bond Registrar.

Governing Law. The Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

* * *

APPENDIX E

FORMS OF OPINION OF BOND COUNSEL

[FORM OF SERIES 2013A APPROVING OPINION OF BOND COUNSEL]

November __, 2013

The Curators of the University of Missouri
Columbia, Missouri

Commerce Bank, as Paying Agent and Bond Registrar
Kansas City, Missouri

Re: **$11,325,000 The Curators of the University of Missouri System Facilities Revenue Bonds, Series 2013A**

Ladies and Gentlemen:

The Curators of the University of Missouri (the "University"), a body politic and state educational institution organized and existing under the Constitution and laws of the State of Missouri, has on this date issued its System Facilities Revenue Bonds, Series 2013A (the "Series 2013A Bonds") in the aggregate principal amount of $11,325,000, dated as of their date of issuance.

The Series 2013A Bonds have been authorized and issued under and pursuant to the Constitution and laws of the State of Missouri, including in particular Article IX, Section 9 of the Constitution of the State of Missouri and Chapters 172 and 176 of the Revised Statutes of Missouri, each as amended (collectively, the "Act"). The Series 2013A Bonds are further issued pursuant to a Resolution adopted by the Board of Curators of the University of the State of Missouri (the "Board") on October 23, 2013, and a Resolution adopted by the Executive Committee of the Board (the "Executive Committee") on November 12, 2013 (collectively, the "Resolution"), for the purpose of paying (a) a portion of the costs of acquiring, constructing, improving, renovating, furnishing and equipping certain additions and improvements to the System Facilities (as defined in the Resolution), (b) a portion of the costs of refunding and defeasing certain outstanding obligations issued by the University, all as more fully described in the Resolution (the bonds to be refunded being referred to as the "Refunded Bonds") and (c) costs of issuance of the Series 2013A Bonds. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

The Series 2013A Bonds are not general obligations of the University or payable in any manner by taxation, but are limited obligations of the University payable solely from the sources specified in the Resolution; the Series 2013A Bonds and the interest thereon shall never constitute an indebtedness of the University or a loan of credit thereof within the meaning of any state constitutional or statutory provision and shall not constitute or give rise to a pecuniary liability of the University or a charge against its general credit.

The Series 2013A Bonds consist of fully registered bonds without coupons numbered from R-1 consecutively upward, in the denomination, maturing, being subject to earlier redemption or purchase and bearing interest all as set forth in the Resolution.

The principal of the Series 2013A Bonds shall be payable at the payment office of Commerce Bank, Kansas City, Missouri (the "Paying Agent and Bond Registrar"). The interest on the Series 2013A Bonds shall be payable by the Paying Agent and Bond Registrar on each Interest Payment Date to the persons in whose names the Series 2013A Bonds are registered at their addresses as they appear on the Bond registration books maintained by the Bond Registrar on the Record Date preceding such Interest Payment Date.

In connection with the issuance of the Series 2013A Bonds, we have examined the following:

A. The Constitution of the State of Missouri, the Act and such other laws as we deem relevant to this opinion.

B. A certified copy of the proceedings of the Board and the Executive Committee, preliminary to and in connection with the issuance of the Series 2013A Bonds, authorizing, among other things, the following:

(i) the issuance, sale and delivery of the Series 2013A Bonds; and

(ii) the execution and delivery of the Tax Compliance Agreement (the "Tax Compliance Agreement") dated as of even date herewith, of the University; and the Bond Purchase Agreement dated November 12, 2013 with respect to the Series 2013A Bonds (the "Bond Purchase Agreement").

C. An original certified copy of the Resolution and executed counterparts of the Tax Compliance Agreement and the Bond Purchase Agreement.

D. A specimen of the Series 2013A Bonds.

E. The Omnibus Continuing Disclosure and Disclosure Dissemination Agent Agreement (the "Continuing Disclosure Agreement") dated as of August 1, 2011 between the University and the dissemination agent named therein, as amended and supplemented.

F. Representations and certifications of the University, Barclays Capital Inc., as representative of the underwriters of the Series 2013A Bonds and the Paying Agent and Bond Registrar.

G. The opinion of even date herewith of Phillip J. Hoskins, Esq., Acting General Counsel to the University.

H. Such other matters, laws and documents as we deem necessary for purposes of this opinion.

In rendering the opinions set forth herein we have assumed, without undertaking to verify the same by independent investigation, (a) as to questions of fact, the accuracy and completeness of all representations of the University set forth in the Resolution, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Compliance Agreement and all representations and certifications of officers, officials and representatives of the University and others examined by us, (b) the conformity to original documents of all documents submitted to us as copies and the authenticity of such original documents and all documents submitted to us as originals, (c) that the proceeds of the Series 2013A Bonds will be used in accordance with the Resolution, the Bond Purchase Agreement and the Tax Compliance Agreement and (d) that all covenants and requirements of the Resolution and the Tax Compliance Agreement will be duly complied with and fulfilled.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated November 12, 2013 with respect to the Series 2013A Bonds (the "Official Statement") or other offering material relating to the Series 2013A Bonds (except to the extent stated herein) and we express no opinion relating thereto (except to the extent stated herein).

Based upon the foregoing and subject to the exceptions and clarifications set forth herein, we are of the opinion, as of the date hereof and under existing law, that:

1. The Series 2013A Bonds are in proper form, have been authorized and issued in accordance with the Constitution and statutes of the State of Missouri, and constitute valid and legally binding special obligations of the University, payable solely from, and secured as to the payment of principal and interest by a pledge of the "System Revenues" as defined in the Resolution. The Series 2013A Bonds shall not be or constitute general obligations of the University, nor shall they constitute indebtedness of the University within the meaning of any constitutional, statutory or charter provision, limitation or restriction.

2. The Resolution and the Tax Compliance Agreement have been duly authorized, executed and delivered by the parties thereto and each such instrument is a legal and binding instrument upon the parties thereto according to its terms and is in full force and effect, assuming due authorization, execution and delivery by the other party thereto, except to the extent that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally or by general principles of equity, whether enforcement is considered in a proceeding at law or in equity. In rendering the opinion under this paragraph, we have relied on the representations and certifications of the University referred to above and the opinion of counsel for the University referred to above.

3. The proceedings of the University show lawful authority for the issuance and delivery of the Series 2013A Bonds under the laws of the State of Missouri now in force; the Series 2013A Bonds, to the amounts specified, are valid and legally binding upon the University according to the import thereof and as provided in the Resolution, and are secured thereunder, except to the extent that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally or by general principles of equity, whether enforcement is considered in a proceeding at law or in equity; the Series 2013A Bonds are and will continue to be payable by the University solely from the System Revenues (and as otherwise provided in the Resolution); said System Revenues have been duly assigned and pledged to the payment of the principal of, premium, if any, and interest on the Series 2013A Bonds as the same become due.

4. Interest on the Series 2013A Bonds is excluded from gross income for federal income tax purposes. The opinion set forth in the preceding sentence is subject to the condition that the University comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied in order that the interest on the Series 2013A Bonds be, and continue to be, excluded from gross income for federal income tax purposes. The University has covenanted to comply with all such requirements. Failure to comply with the requirements of the Code may cause interest on the Series 2013A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2013A Bonds.

5. The Series 2013A Bonds are not "specified private activity bonds" within the meaning of the alternative minimum tax provisions of the Code and, accordingly, interest on the Series 2013A Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax on corporations and other taxpayers, including individuals.

6. The Series 2013A Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense).

7. Interest on the Series 2013A Bonds is exempt from income taxation by the State of Missouri.

We express no opinion regarding federal, state or local tax consequences arising with respect to the Series 2013A Bonds (including, without limitation, those from the inclusion of interest and original issue discount, if any, on the Series 2013A Bonds in a corporate taxpayer's adjusted current earnings for purposes of determining its federal alternative minimum tax liability), other than as expressly set forth herein.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity or in connection with any other transaction without our prior consent. The opinions set forth in this letter are given as of the date hereof, and we disclaim any obligation to advise the addressees or to revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. Other than as expressly set forth herein, we express no opinion herein relative to compliance with federal or state securities laws.

This letter expresses our legal opinion as to the matters set forth herein and is based upon our professional knowledge and judgment at this time; however it is not to be construed as a guaranty, nor is it a warranty that a court considering such matters would not rule in a manner contrary to the opinions set forth herein.

Very truly yours,

[FORM OF SERIES 2013B APPROVING OPINION OF BOND COUNSEL]

November __, 2013

The Curators of the University of Missouri
Columbia, Missouri

Commerce Bank, as Paying Agent and
Bond Registrar
Kansas City, Missouri

Re: **$150,000,000 The Curators of the University of Missouri Taxable System Facilities Revenue Bonds, Series 2013B**

Ladies and Gentlemen:

The Curators of the University of Missouri (the "University"), a body politic and state educational institution organized and existing under the Constitution and laws of the State of Missouri, has on this date issued its Taxable System Facilities Revenue Bonds, Series 2013B (the "Series 2013B Bonds") in the aggregate principal amount of $150,000,000, dated as of their date of issuance.

The Series 2013B Bonds have been authorized and issued under and pursuant to the Constitution and laws of the State of Missouri, including in particular Article IX, Section 9 of the Constitution of the State of Missouri and Chapters 172 and 176 of the Revised Statutes of Missouri, each as amended (collectively, the "Act"). The Series 2013B Bonds are further issued pursuant to a Resolution adopted by the Board of Curators of the University of the State of Missouri (the "Board") on October 23, 2013 and a Resolution adopted by the Executive Committee of the Board (the "Executive Committee") on November 12, 2013 (collectively, the "Resolution") for the purpose of paying (a) a portion of the costs of acquiring, constructing, improving, renovating, furnishing and equipping certain additions and improvements to the System Facilities (as defined in the Resolution), (b) a portion of the costs of refunding and defeasing certain outstanding obligations issued by the University, all as more fully described in the Resolution (the bonds to be refunded being referred to as the "Refunded Bonds") and (c) costs of issuance of the Series 2013B Bonds. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

The Series 2013B Bonds are not general obligations of the University or payable in any manner by taxation, but are limited obligations of the University payable solely from the sources specified in the Resolution; the Series 2013B Bonds and the interest thereon shall never constitute an indebtedness of the University or a loan of credit thereof within the meaning of any state constitutional or statutory provision and shall not constitute or give rise to a pecuniary liability of the University or a charge against its general credit.

The Series 2013B Bonds consist of fully registered bonds without coupons numbered from R-1 consecutively upward, in the denomination, maturing, being subject to earlier redemption or purchase and bearing interest all as set forth in the Resolution.

The principal of the Series 2013B Bonds shall be payable at the payment office of Commerce Bank, Kansas City, Missouri (the "Paying Agent and Bond Registrar"). The interest on the Series 2013B Bonds shall be payable by the Paying Agent and Bond Registrar on each Interest Payment Date to the persons in whose names the Series 2013B Bonds are registered at their addresses as they appear on the Bond registration books maintained by the Bond Registrar on the Record Date preceding such Interest Payment Date.

In connection with the issuance of the Series 2013B Bonds, we have examined the following:

A. The Constitution of the State of Missouri, the Act and such other laws as we deem relevant to this opinion.

B. A certified copy of the proceedings of the Board and the Executive Committee, preliminary to and in connection with the issuance of the Series 2013B Bonds, authorizing, among other things, the following:

(i) the issuance, sale and delivery of the Series 2013B Bonds; and

(ii) the execution and delivery of the Bond Purchase Agreement dated November 12, 2013 with respect to the Series 2013B Bonds (the "Bond Purchase Agreement").

C. An original certified copy of the Resolution and executed counterparts of the Bond Purchase Agreement.

D. A specimen of the Series 2013B Bonds.

E. The Omnibus Continuing Disclosure and Disclosure Dissemination Agent Agreement (the "Continuing Disclosure Agreement") dated as of August 1, 2011 between the University and the dissemination agent named therein, as amended and supplemented.

F. Representations and certifications of the University, Barclays Capital Inc., as representative of the underwriters of the Series 2013B Bonds and the Paying Agent and Bond Registrar.

G. The opinion of even date herewith of Phillip J. Hoskins, Esq., Acting General Counsel to the University.

H. Such other matters, laws and documents as we deem necessary for purposes of this opinion.

In rendering the opinions set forth herein we have assumed, without undertaking to verify the same by independent investigation, (a) as to questions of fact, the accuracy and completeness of all representations of the University set forth in the Resolution, the Bond Purchase Agreement and the Continuing Disclosure Agreement and all representations and certifications of officers, officials and representatives of the University and others examined by us, (b) the conformity to original documents of all documents submitted to us as copies and the authenticity of such original documents and all documents submitted to us as originals, (c) that the proceeds of the Series 2013B Bonds will be used in accordance with the Resolution and the Bond Purchase Agreement and (d) that all covenants and requirements of the Resolution will be duly complied with and fulfilled.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated November 12, 2013 with respect to the Series 2013B Bonds (the "Official Statement") or other offering material relating to the Series 2013B Bonds (except to the extent stated herein) and we express no opinion relating thereto (except to the extent stated herein).

Based upon the foregoing and subject to the exceptions and clarifications set forth herein, we are of the opinion, as of the date hereof and under existing law, that:

1. The Series 2013B Bonds are in proper form, have been authorized and issued in accordance with the Constitution and statutes of the State of Missouri, and constitute valid and legally

binding special obligations of the University, payable solely from, and secured as to the payment of principal and interest by a pledge of the "System Revenues" as defined in the Resolution. The Series 2013B Bonds shall not be or constitute general obligations of the University, nor shall they constitute indebtedness of the University within the meaning of any constitutional, statutory or charter provision, limitation or restriction.

2. The Resolution has been duly authorized, executed and delivered by the parties thereto and such instrument is a legal and binding instrument upon the parties thereto according to its terms and is in full force and effect, assuming due authorization, execution and delivery by the other party thereto, except to the extent that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally or by general principles of equity, whether enforcement is considered in a proceeding at law or in equity. In rendering the opinion under this paragraph, we have relied on the representations and certifications of the University referred to above and the opinion of counsel for the University referred to above.

3. The proceedings of the University show lawful authority for the issuance and delivery of the Series 2013B Bonds under the laws of the State of Missouri now in force; the Series 2013B Bonds, to the amounts specified, are valid and legally binding upon the University according to the import thereof and as provided in the Resolution, and are secured thereunder, except to the extent that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally or by general principles of equity, whether enforcement is considered in a proceeding at law or in equity; the Series 2013B Bonds are and will continue to be payable by the University solely from the System Revenues (and as otherwise provided in the Resolution); said System Revenues have been duly assigned and pledged to the payment of the principal of, premium, if any, and interest on the Series 2013B Bonds as the same become due.

4. Interest on the Series 2013B Bonds (including original issue discount properly allocable to the owner thereof) is **not** excluded from gross income for federal income tax purposes.

5. Interest on the Series 2013B Bonds (including any original issue discount properly allocable to an owner thereof) is exempt from income taxes imposed by the State of Missouri under Chapter 143 of the Revised Statutes of Missouri, as amended. No opinion is expressed regarding the applicability with respect to the Series 2013B Bonds or the interest on the Series 2013B Bonds (including any original issue discount properly allocable to an owner thereof) of the taxes imposed by the State of Missouri on financial institutions under Chapter 148 of the Revised Statutes of Missouri, as amended.

We express no opinion regarding federal, state or local tax consequences arising with respect to the Series 2013B Bonds, other than as expressly set forth herein.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity or in connection with any other transaction without our prior consent. The opinions set forth in this letter are given as of the date hereof, and we disclaim any obligation to advise the addressees or to revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. Other than as expressly set forth herein, we express no opinion herein relative to compliance with federal or state securities laws.

This letter expresses our legal opinion as to the matters set forth herein and is based upon our professional knowledge and judgment at this time; however it is not to be construed as a guaranty, nor is it a warranty that a court considering such matters would not rule in a manner contrary to the opinions set forth herein.

Very truly yours,

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THE CURATORS OF THE UNIVERSITY OF MISSOURI • SYSTEM FACILITIES REVENUE BONDS, SERIES 2013A AND TAXABLE SYSTEM FACILITIES REVENUE BONDS, SERIES 2013B