

**NEW ISSUE
BOOK-ENTRY ONLY**

**Ratings: Moody's: "Aa1"
S&P: "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 2024 Bonds is excluded from gross income for federal income tax purposes. Also, in the opinion of Bond Counsel, interest on the Series 2024 Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel notes that, interest on the Series 2024 Bonds may be included in adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for purposes of determining the applicability of the federal corporate alternative minimum tax. In the opinion of Bond Counsel, interest on the Series 2024 Bonds is exempt from income taxation by the State of Missouri. The Series 2024 Bonds have not been designated "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense). See the section herein captioned "TAX MATTERS" and the form of opinion of Bond Counsel attached hereto as Appendix E.



**\$362,640,000
THE CURATORS OF THE UNIVERSITY OF MISSOURI
SYSTEM FACILITIES REVENUE BONDS
SERIES 2024**

Dated: Date of Issuance

Maturity Schedule – See Inside Cover

The Series 2024 Bonds are issuable in book-entry only form in denominations of \$5,000 or any integral multiple thereof. Interest on the Series 2024 Bonds will be payable on each May 1 and November 1, beginning May 1, 2025.

The Series 2024 Bonds are subject to redemption prior to maturity as described herein.

The Series 2024 Bonds and the interest thereon are special, limited obligations of The Curators of the University of Missouri (the "**University**"). The Series 2024 Bonds are payable solely from, and secured as to the payment of principal of, and redemption premium, if any, and interest on the Series 2024 Bonds by a first lien on and pledge of the System Revenues, as defined herein. The Series 2024 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 2024 BONDS - Outstanding Parity Bonds.**" The Series 2024 Bonds are not obligations of the State of Missouri. The University has no power to tax.

The Series 2024 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 the Office of the General Counsel of 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. Janney Montgomery Scott LLC, serves as Financial Advisor to the University on this transaction. It is expected that the Series 2024 Bonds will be available for delivery through The Depository Trust Company on or about September 18, 2024.

Goldman Sachs & Co. LLC

Barclays

RBC Capital Markets

This Official Statement is dated September 4, 2024.

MATURITY SCHEDULE

\$362,640,000
THE CURATORS OF THE UNIVERSITY OF MISSOURI
SYSTEM FACILITIES REVENUE BONDS
SERIES 2024

<u>Due November 1,</u>	<u>Principal Amount</u>	<u>Interest Rate (%)</u>	<u>Price (%)</u>	<u>Yield (%)</u>	<u>CUSIP[†]</u>
2025	\$ 26,655,000	5.000%	102.650%	2.580%	231266MQ7
2026	27,960,000	5.000	105.169	2.480	231266MR5
2027	16,525,000	5.000	107.454	2.500	231266MS3
2028	17,285,000	5.000	109.766	2.490	231266MT1
2029	18,100,000	5.000	111.889	2.510	231266MU8
2030	18,935,000	5.000	113.676	2.570	231266MV6
2031	19,820,000	5.000	115.013	2.670	231266MW4
2032	11,000,000	5.000	116.270	2.750	231266MX2
2033	11,565,000	5.000	117.331	2.830	231266MY0
2034	182,020,000	5.000	118.203	2.910	231266MZ7
2035	12,775,000	5.000	117.819	2.950*	231266NA1

* Yield calculated to November 1, 2034, the first optional redemption date.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CUSIP service. CUSIP numbers have been assigned by an independent company not affiliated with the University and are provided solely for convenience and reference. Neither the University nor the Underwriters take responsibility for the accuracy of the CUSIP numbers.

REGARDING USE OF THIS OFFICIAL STATEMENT

The Series 2024 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 2024 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 2024 Bonds, the Underwriters may over allot or effect transactions that stabilize or maintain the market prices of the Series 2024 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 2024 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 2024 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 the risks described under **“BONDOWNERS’ RISKS”** sections of this Official Statement and 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

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Todd P. Graves, Board Vice Chair
Robert D. Blitz
Jeanne Cairns Sinquefield
Robert W. Fry

Michael A. Williams
Jeffrey L. Layman
Lyda Krewson
Keith A. Holloway
Vacant, Student Representative

Paul Maguffee, Assistant Secretary of Board of Curators
Mark A. Menghini, General Counsel

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Ryan D. Rapp, Executive Vice President of Finance & Operations and Chief Financial Officer; Treasurer
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C. Mauli Agrawal, Chancellor, University of Missouri – Kansas City
Mohammad Dehghani, Chancellor, Missouri University of Science and Technology
Kristin Sobolik, 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

Janney Montgomery Scott LLC
New York, New York

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OFFICIAL STATEMENT

\$362,640,000

Aggregate Principal Amount

THE CURATORS OF THE UNIVERSITY OF MISSOURI SYSTEM FACILITIES REVENUE BONDS SERIES 2024

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, and the University’s System Facilities Revenue Bonds, Series 2024 (the “**Series 2024 Bonds**”) to be issued in the aggregate principal amount of \$362,640,000. 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 38 schools, colleges and divisions and had a Fall 2023 enrollment of more than 68,000 full and part-time students. Approximately one-fourth of its enrollment consists of professional and graduate students. The University owns and operates the University Health System, which consists of 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 (“**MU School of Medicine**”), and various facilities utilized by University Physicians. 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.

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The Series 2024 Bonds

The Series 2024 Bonds are being issued pursuant to and in full compliance with the Constitution and Statutes of the State of Missouri and a resolution adopted by the Board on August 6, 2024 (the “**Resolution**”).

The Series 2024 Bonds are being issued for the purpose of (i) refunding the Refunded Bonds (defined below), including paying a swap termination payment related to a portion of the Refunded Bonds, if applicable, (ii) financing or reimbursing the costs of acquisition, construction, furnishing and equipping of certain improvements to the System Facilities described herein (the “**Projects**”), and (iii) paying the costs of issuance of the Series 2024 Bonds. See “**PLAN OF FINANCE.**”

Sources of Revenue and Security for the Series 2024 Bonds

The Series 2024 Bonds and the interest thereon are special limited obligations of the University. The Series 2024 Bonds are payable solely from, and secured as to the payment of principal of, and redemption premium, if any, and interest on the Series 2024 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 2024 Bonds, certain outstanding revenue bond issues of the University that are on a parity with the Series 2024 Bonds (the “**Prior System Bonds**”), and any Additional Bonds hereafter issued by the University and secured on a parity with the Series 2024 Bonds. See “**SECURITY FOR THE SERIES 2024 BONDS.**” All or a portion of certain series of Prior System Bonds will be refunded with Series 2024 Bonds proceeds. See “**PLAN OF FINANCE – The Refundings.**” The Series 2024 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 2024 Bonds**” means, the University’s System Facilities Revenue Bonds, Series 2024 in the principal amount of \$362,640,000.
- “**Prior System Bonds**” means the revenue bonds issued by the University in the aggregate outstanding principal amount of \$1,513,905,000 as of September 1, 2024 (which amount includes \$235,655,000 in principal amount of Refunded Bonds) that are payable from the System Revenues on a parity with the Series 2024 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 2024 Bonds, the Prior System Bonds and any other series of Additional Bonds then outstanding.
- “**Bonds**” means the Series 2024 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 described below under “**PLAN OF FINANCE – The Refundings.**” The principal amount of Refunded Bonds is \$235,655,000.

Deemed Consent of Bondowners

The Resolution includes a provision that will be effective only when no Prior System Bonds other than the Series 2020 Bonds (as defined in **Appendix A**) are outstanding. The Prior System Facilities Resolutions (other than the Series 2020 Resolution) permit similar changes but only with confirmation that the Bonds will 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 proposed change to the security for the Bonds or related change. The initial purchasers of the Series 2024 Bonds are deemed to have consented, through their purchase of the Series 2024 Bonds, to the provision in the Resolution described under the caption **“SECURITY FOR THE SERIES 2024 BONDS - Changes to System Revenues or Facilities and Issuance of Additional Bonds or other Obligations.”** The provision provides that the University may, among other matters, 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 or to add or delete new types of facilities or properties of the University to the System Facilities financed by Bonds if the University demonstrates compliance with certain financial conditions described under **“SECURITY FOR THE SERIES 2024 BONDS - Changes to System Revenues or Facilities and Issuance of Additional Bonds or other Obligations.”**

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 2024 Bonds

The Series 2024 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 2024 Bonds are being issued for the purpose of (i) refunding the Refunded Bonds (defined below), including paying a swap termination payment related to a portion of the Refunded Bonds, if applicable, (ii) financing or reimbursing the Projects, and (iii) paying the costs of issuance of the Series 2024 Bonds.

The Project

The University intends to use a portion of the Series 2024 Bond proceeds to reimburse a portion of the costs of the Projects, which consist of the construction of the new Children’s Hospital on the Columbia campus. Construction of the new seven-story hospital facility, which encompasses 323,000 square feet and contains more than 160 beds, cost approximately \$232 million. MU Health Care provides over 30 pediatric specialties at Children’s Hospital. The facility opened in May 2024.

The Refundings

The University reserves the right, at the time of pricing of the Series 2024 Bonds, to determine the series and maturities of outstanding Prior System Bonds to be refunded with proceeds of the Series 2024 Bonds, which determination will be made based on market conditions at the time of offering of the Series 2024 Bonds, the savings associated with the identified refunding opportunities, and other capital planning considerations of the University beyond interest rate savings.

A portion of the proceeds of the Series 2024 Bonds are expected to be applied to refund all or a portion of the following series of System Facilities Revenue Bonds:

- System Facilities Revenue Bonds, Series 2007B, outstanding in the principal amount of \$66,485,000 (the **“Series 2007B Bonds”**); and
- System Facilities Revenue Bonds, Series 2014A maturing on and between November 1, 2025 and November 1, 2035, which are outstanding in the principal amount of \$149,470,000 (the **“Series 2014A Bonds.”**)

In addition, Series 2024 Bond proceeds may be used to make a swap termination payment on an interest rate swap related to the Series 2007B Bonds.

The maturities of the Series 2007B Bonds and the Series 2014A Bonds expected to be refunded with proceeds of the Series 2024 Bonds are more fully set forth below and are collectively referred to as the ***“Refunded Bonds.”***

A portion of the proceeds of the Series 2024 Bonds will be used to purchase certain direct obligations of the United States of America (the ***“Escrowed Securities”***) that will be deposited in trust under an Escrow Trust Agreement (the ***“Escrow Agreement”***) between the University and U.S. Bank Trust Company, National Association, as escrow agent (the ***“Escrow Agent”***). The Escrowed Securities will mature in such amounts and at such times as shall be sufficient, together with the interest to accrue thereon and other funds contributed by the University, to pay the principal of and interest on (1) the maturity of the Series 2007B Bonds listed below approximately 30 days after the issuance of the Series 2024 Bonds and (2) the maturities of the Series 2014A Bonds listed below on November 1, 2024, the first optional redemption date for the Series 2014A Bonds maturing on and after November 1, 2025. The Refunded Bonds will be redeemed at a redemption price equal to **100%** of the principal amount thereof plus accrued and unpaid interest to the applicable redemption date.

Series 2007B Bonds

<u>Maturity</u> <u>November 1,</u>	<u>Principal</u> <u>Amount</u> <u>Outstanding</u>	<u>CUSIP</u>
2031	\$66,485,000	231266FB8

Series 2014A Bonds

<u>Maturity</u> <u>November 1,</u>	<u>Principal</u> <u>Amount</u> <u>Outstanding</u>	<u>CUSIP</u>
2024	\$19,700,000	231266LQ8
2025	20,535,000	231266LR6
2026	21,595,000	231266LS4
2027	9,910,000	231266LT2
2028	10,410,000	231266LU9
2029	370,000	231266LV7
2029	10,585,000	231266MF1
2030	11,445,000	231266LW5
2031	11,915,000	231266LX3
2032	12,400,000	231266LY1
2033	12,905,000	231266LZ8
2034	13,425,000	231266MA2
2035	13,975,000	231266MB0

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 2024 Bonds:

Sources of Funds:

Par amount of Series 2024 Bonds	\$362,640,000.00
Original issue premium	51,991,980.70
Funds contributed by the University	<u>30,623,034.02</u>

Total sources of funds	<u>\$445,255,014.72</u>
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Uses of Funds:

Refunding of Refunded Bonds	\$238,979,479.21
Deposit to the Projects Account	200,000,000.00
Swap Termination Payment	4,608,000.00
Costs of Issuance (including Underwriters' discount)	<u>1,667,535.51</u>

Total uses of funds	<u>\$445,255,014.72</u>
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Prior System Bonds

The Prior System Bonds in the aggregate outstanding principal amount of \$1,513,905,000 as of August 1, 2024 (which amount includes \$235,655,000 principal amount of Refunded Bonds), are secured by the System Revenues on a parity with the Series 2024 Bonds. See **“SECURITY FOR THE SERIES 2024 BONDS - Outstanding Parity Bonds.”**

After the issuance of the Series 2024 Bonds, the University will have no outstanding long-term indebtedness other than the Series 2024 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 Revenues for such year plus any unencumbered balances from previous years.

As of September 1, 2024, the University had no CP Notes outstanding. See **“Commercial Paper Program”** in **Appendix A**.

Future Financing Plans

The University has an ongoing capital improvement program which has historically been funded by a combination of gifts, University funds and debt financing. From time to time, the University may issue CP Notes, debt, or enter into other obligations to fund certain capital projects or refinance existing debt obligations.

THE SERIES 2024 BONDS

Authority and Purpose

The Series 2024 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 2024 Bonds are being issued for the purpose of (i) refunding the Refunded Bonds (defined below), including paying a swap termination payment related to a portion of the Refunded Bonds, if applicable, (ii) financing or reimbursing the costs of the Projects, and (iii) paying the costs of issuance of the Series 2024 Bonds.

Description of the Series 2024 Bonds

The Series 2024 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 2024 Bonds will be available in book-entry form only. The Series 2024 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 2024 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, 2025. Principal of, redemption premium, if any, and interest on the Series 2024 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 U.S. Bank Trust Company, National Association (the “**Paying Agent**”). Interest on the Series 2024 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 2024 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. The Series 2024 Bonds maturing on November 1, 2035 will be subject to optional redemption prior to maturity, in whole or in part, at the direction of the University, on any Business Day on or after November 1, 2034 at **100%** of the principal amount of the Series 2024 Bonds to be redeemed plus accrued and unpaid interest on the Series 2024 Bonds to be redeemed to the date fixed for redemption.

Extraordinary Optional Redemption.

The Series 2024 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 2024 Bonds are to be redeemed, the series and numbers of such Series 2024 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 2024 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 20 nor more than 60 days prior to the date fixed for redemption, in each case to the Owner of each Series 2024 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 2024 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 2024 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 2024 Bonds will not be redeemed.

Selection of Bonds to be Redeemed. If less than all of the Series 2024 Bonds are called for optional redemption, the University will select the maturity or maturities from which the Series 2024 Bonds are to be redeemed. If the Series 2024 Bonds are registered in book-entry only form and so long as The Depository Trust Company ("**DTC**") or a successor securities depository is the sole registered owner of the Series 2024 Bonds, if less than all of the Series 2024 Bonds of a maturity are called for prior redemption, the particular Series 2024 Bonds or portions thereof to be redeemed shall be by lot, provided that, so long as the Series 2024 Bonds are held in book-entry form, the selection for redemption of such Series 2024 Bonds shall be made in accordance with the operational arrangements of DTC then in effect.

Effect of Redemption. Whenever any Series 2024 Bond is called for redemption and payment, all interest on such Series 2024 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 2024 Bonds will be issued only in fully registered form. Any Series 2024 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 2024 Bonds will not be applicable to purchasers of the Series 2024 Bonds so long as the Series 2024 Bonds are subject to The Depository Trust Company or other book-entry only system.

Book-Entry Only System

When delivered, the Series 2024 Bonds will be registered in the name of Cede & Co., the nominee of DTC. DTC will act as the securities depository for the Series 2024 Bonds. Purchases of the Series 2024 Bonds may be made in book-entry form only, through brokers and dealers who are, or who act through, Direct Participants (as defined in **Appendix C**). Beneficial Owners of the Series 2024 Bonds will not receive physical delivery of certificated securities (except under certain circumstances described in the Resolution). Payment of the principal of, and redemption premium, if any, and interest on the Series 2024 Bonds are payable by the Paying Agent to DTC, which will in turn remit such payments to the Direct Participants, which will in turn remit such payments to the Beneficial Owners of the Series 2024 Bonds. In addition, so long as Cede & Co. is the registered owner of the Series 2024 Bonds, the right of any Beneficial Owner to receive payment for any Bond will be based only upon and subject to the procedures and limitations of the DTC book-entry system. Beneficial interests in the Series 2024 Bonds may be held through DTC directly as a participant or indirectly through organizations that are participants in such system. See **“Appendix C – Book-Entry Only System.”**

SECURITY FOR THE SERIES 2024 BONDS

General

The Series 2024 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 2024 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, including residence hall parking, 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 located on the Kansas City Campus, the Havener Center located on the Missouri S&T Campus, and the University Center and the Student Center located 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 includes the Ellis Fischel Cancer Center); Children’s Hospital, located in Columbia, Missouri; Capital Region Medical Center, located in Jefferson City, Missouri; the Missouri Psychiatric Center, located

in Columbia, Missouri; the Missouri Orthopaedic Institute located in Columbia, 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.

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, and the Mizzou Football South End Zone facility, Daniel J. Devine Pavilion, the Mizzou Athletics Training Complex, the Taylor Stadium baseball facility, the Mizzou Softball Stadium, the Mizzou Tennis Complex, the University-operated facilities at Old Hawthorne Golf Club, and Audrey J. Walton Track-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 facilities 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 2024 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 2024 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.

Tuition and Fees, net of provision for doubtful accounts, for the fiscal year ended June 30, 2023 were \$985,282,000. Scholarship allowances were \$350,952,000, for a total net Tuition and Fees of \$634,330,000. The total Student System Facilities Fee with respect to the Prior System Bonds for the fiscal year ended June 30, 2023 was approximately \$140,598,000.

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 2024 Bonds, the Prior System Bonds and any Additional Bonds hereafter issued by the University and secured on a parity with the Series 2024 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 \$1,513,905,000 as of September 1, 2024 (which amount includes \$235,655,000 in principal amount of Refunded Bonds). See “**Outstanding Parity Bonds**” in **Appendix A**.

The Series 2024 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 2024 Bonds.

Additional Bonds

Prior Lien Bonds. The University covenants and agrees that so long as any of the Series 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Bonds and the Prior System Bonds and will enjoy complete equality of lien on and claim against the System Revenues with the Series 2024 Bonds and the Prior System Bonds, and the University may make equal provision for paying the Additional 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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, 2023, the amounts held in the reserves for repair and replacement relative to the System Facilities aggregated \$142,142,000, which amount is included in the unrestricted net position in the financial statements of the University.

Limited Obligations

The Series 2024 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 2024 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 2024 Bonds are outstanding. The owners of the Series 2024 Bonds will have no right to demand payment out of any other funds of the University.

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 2024 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 2024 Bonds and the Prior System Bonds.

Under the Resolution, the University has the right to do any or all 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.

provided that, upon the occurrence of such of the foregoing as are to occur, 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 which 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 occurrence of such of the foregoing as are to occur, shall have been equal to at least 200% of the Maximum Annual Debt Service required to be paid out of said System Revenues in any fiscal year following the date of the Resolution on account of both principal and interest becoming due with respect to the Bonds. In determining the System Revenues for the purpose of this subsection, System Revenues may be adjusted by adding thereto, in the event the University shall have made and put into effect any increase in the rates, charges or fees constituting System Revenues and such increase shall not have been in effect during all of the fiscal year immediately preceding the occurrence of such of the foregoing as are to occur, the estimated amount of the additional System Revenues which would have resulted from the increase in the rates, charges or fees constituting System Revenues during said preceding fiscal year had such rate, charge or fee 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 occurrence of such of the foregoing as are to occur for the two fiscal years immediately following the year in which the occurrence of such of the foregoing as are to occur, shall be equal to at least 200% of the average Annual Debt Service required to be paid out of said 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 any Additional Bonds proposed to be issued. In determining the amount of estimated System Revenues for the purpose of this subsection, System Revenues may be adjusted by (a) adding thereto any estimated increase in System Revenues resulting from any increase in the rates, charges or fees constituting the System Revenues which are economically feasible, and reasonably considered necessary, and (b) subtracting therefrom any estimated decrease in System Revenues resulting from any deletion of revenues, fees and reserves from the System Revenues due to the deletion of System Facilities; provided that along with any such deletion of such System Revenues such calculation shall also subtract the Annual Debt Service attributable to any Bonds to be refunded, redeemed, defeased or otherwise repaid in connection with such deletion. The computation of estimates shall be made by an officer selected by the University.

Under the Prior System Facilities Resolutions (other than the Series 2020 Resolution), the University has the right to take any or all of the actions described in (a) through (d) above only if 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 proposed change. Accordingly, while any Prior System Bonds (other than the Series 2020 Bonds) remain outstanding, the University may only take any of the actions described in paragraphs (a) through (d) above upon receipt of the foregoing rating confirmation and irrespective of its ability to meet the financial conditions described in paragraphs (1) and (2) above. **The purchasers of the Series 2024 Bonds, by their purchase of the Series 2024 Bonds, are deemed to have consented to the actions described in paragraphs (a) through (d) above but without the requirement that the University first obtain a confirmation of the rating on the Series 2024 Bonds.**

See “Appendix D - Definitions and Summary of the Resolution - Potential Modification of (1) Security for the Series 2024 Bonds; (2) Bonds as to Which System Revenues Provide Security; (3) Parity Lien Bond Test;” and “Amendments – Amendments of the Prior System Facilities Resolutions.”

BONDOWNERS’ RISKS

The following is a discussion of certain risks that could affect payments to be made by the University with respect to the Series 2024 Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2024 Bonds should analyze carefully the information contained in this Official Statement, including the Appendices to this Official Statement.

Limited Obligations

The Series 2024 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 2024 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 2024 Bonds are outstanding. The owners of the Series 2024 Bonds will have no right to demand payment out of any other funds of the University.

Enrollment and Tuition

A significant portion of the University’s revenues are provided through tuition and related fees. A significant decrease in the University’s enrollment could adversely affect the University’s financial position and results of operations.

Although the University in the past has been able to raise tuition and related fees in sufficient amounts without adversely affecting enrollment, there can be no assurance that it will be able to do so in the future. The extent to which the University will have the flexibility to make further increases in tuition or fees in the foreseeable future to offset withholdings or cuts in State appropriations is unknown at this time.

State Appropriations

The University has typically received over \$400 million per year in recurring State appropriations during the preceding decade, except the fiscal year ended June 30, 2021, which was directly impacted by the effect of the onset of the Covid-19 pandemic. The level of State appropriations and the Governor’s ability and willingness to withhold a portion of the appropriated funds in accordance with his State Constitutional authority have varied over the years, primarily due to the levels of State projected and actual revenues for a given fiscal year. 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 and the level of Governor withholdings of appropriated amounts.

Challenges Associated with Certain Trends in Higher Education

The University regularly monitors and assesses the impact of numerous trends in higher education, including potential future challenges generally with (1) enrollment related to a projected “enrollment cliff” that has been predicted to occur in approximately 2026 when the number of high school graduates is expected to peak, (2) the financial costs of higher education for traditional and non-traditional students, (3) increased competition from non-traditional sources, and (4) the increasing compliance, regulatory and personnel costs of higher education. The University devotes substantial resources to addressing trends in higher education, and anticipates that it will continue to devote substantial resources to monitor and address trends in higher education. For example, compliance costs related primarily to initiatives of the U.S. Department of Education are increasing and likely to continue to increase. Likewise, many not-for-profit and governmental institutions

of higher education are developing and commercializing internet-based education programs and classes. The impacts of these initiatives are unknown at this time, but have the potential to affect the delivery of higher education in dramatic ways. Further, athletic conference affiliations and the college athletics environment in general continue to change in ways that cannot be predicted, including through changes relating to athletes' opportunity to benefit from their name, image, and likeness.

Financial Aid

A significant percentage of the University's undergraduate and graduate students receive financial support in the form of federally supported loans and scholarships and grants from the University. See the caption "**Financial Aid**" in **Appendix A** to this Official Statement. There can be no assurance that the amount of federally supported loans will remain stable or increase in the future. If the amount of such loans decreases in the future, there can be no assurance that the University will be able to increase the amount of financial aid it provides. Any change in the availability of financial aid could adversely affect the University's enrollment.

Gifts, Grants and Bequests

On an ongoing basis, the University solicits gifts and bequests for both current operating purposes and other needs. In addition, the University receives various grants from private foundations and from agencies of the federal government. See the caption "**Capital Campaigns**" in **Appendix A**. There can be no assurance that the amounts of gifts, grants and bequests received by the University will remain stable or increase in the future.

MU Health Care Revenues

For the fiscal year ended June 30, 2023, MU Health Care (as defined in **Appendix A**) had total net revenues of over \$1 billion or approximately 38% of the total operating revenues of the University for fiscal year 2023. There can be no assurances that the operation of MU Health Care will contribute to revenues in excess of expenses for any fiscal year. MU Health Care and the health care industry in general are subject to federal, state and local legislation and regulation by a number of governmental and private agencies, including those that administer the Medicare program, the Medicaid program, federal, state and local agencies responsible for administration of inspection, licensing and accrediting of health care facilities and health planning programs, and other federal, state and local governmental agencies. As a result, the health care industry and MU Health Care are sensitive to legislative changes in such programs. See "**MU Health Care Financial and Operating Data**" in **Appendix A** for the historical results of operations of MU Health Care for the five fiscal years ended June 30, 2023.

Cybersecurity

The University continually works to align with information security best practices. However, there is no assurance that the University's cybersecurity and information security systems would prevent adverse cybersecurity and information systems events in the future. Computer networks and data transmission and collection are vital to the efficient operation of the University. Despite the implementation of network security measures, the University's information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware, or computer viruses, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks, and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the University does not believe its information technology systems are at a materially greater risk of cybersecurity attacks than other entities of comparable size and scope, any such disruption, access, disclosure, or other loss of information could result in reputational damage or regulatory action and may have a material adverse effect on the University's operations and financial condition. Further, as cybersecurity threats continue to evolve, the University may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

University Investments

As of June 30, 2024, the University's General Pool described in **Appendix A** had a market value of approximately \$3.4 billion, and the University's Endowment Pool described in **Appendix A** had a market value of approximately \$2.4 billion based on preliminary, unaudited results. The General Pool is less susceptible to fluctuations in the equity markets due to the short-term, liquid nature of investments in the General Pool. The Endowment Pool has a significant position in equity markets, and thus bears the risk of declines in the overall equity markets.

University Retirement Plan and OPEB Plan

The University's Retirement Plan and OPEB Plan (each as defined in **Appendix A**) are described in **Appendix A**. The Retirement Plan had a funded ratio (actuarial value) of 77.1% as of October 1, 2023, down from 78.0% as of October 1, 2022. See **"Retirement Trust and OPEB Trust"** in **Appendix A**. Future required contribution increases beyond the current fiscal year may require the University to increase its revenues, reduce its expenditures, or some combination thereof, which may impact the University's operations or limit the University's ability to generate additional revenues in the future.

Business Disruption Risk; Public Health Crises

Certain external events, such as pandemics, public health crises, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances could potentially disrupt the University's operations and adversely effect its financial condition. The University's operations were significantly impacted by the outbreak of the COVID-19 pandemic. Similar future disruptions could have materially adverse impacts on the University.

Variable Rate Indebtedness and Swaps

The University has previously issued, and may issue additional, variable rate indebtedness, the interest rates on which are adjusted periodically in accordance with the terms of the securities based on current market conditions. The University's commercial paper program is effectively variable rate financing, as the maximum term of CP Notes is 270 days. When CP Notes mature, they must either be paid from System Revenues or refinanced with a new issuance of CP Notes. Interest rates on variable rate indebtedness and CP Notes vary on a periodic basis. Changes in short-term interest rates directly affect the rates paid by the University on its variable rate indebtedness.

The University has entered into and, in the future, may enter into swap or rate lock agreements related to interest rates on certain of its indebtedness or other corporate purposes (the **"Swaps"**). The Swaps would be subject to periodic "mark-to-market" valuations and at any time may have a negative value to the University. A Swap counterparty may terminate a Swap upon the occurrence of certain "termination events" or "events of default." The University may also terminate the Swaps at any time. If either the counterparty to a Swap or the University terminates any of the Swaps while the Swap has a negative value to the University, the University could be required to make a termination payment to the counterparty to the terminated Swap, and such payment could be material. If the financial condition of a Swap counterparty were to deteriorate, that counterparty may fail to honor its obligations under the applicable Swap.

Tax-Exempt Status and Risk of Audit

For information with respect to events that may require interest on the Series 2024 Bonds to be included in gross income for purposes of federal income taxation and not be exempt from income taxation by the State of Missouri, see **"TAX MATTERS."** Furthermore, the Resolution does not require the University to redeem any of the Series 2024 Bonds or to pay any additional interest, redemption premium or penalty in the event that interest on the Series 2024 Bonds becomes taxable.

The Internal Revenue Service (the **"Service"**) has 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. Owners of the Series 2024 Bonds are advised that, if an audit of the Series 2024 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 2024 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 2024 Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Loss of Premium from Redemption

Any person who purchases the Series 2024 Bonds at a price in excess of their principal amount or who holds such Series 2024 Bonds trading at a price in excess of par should consider the fact that the Series 2024 Bonds are subject to redemption prior to maturity at the redemption prices described herein in the event such Bonds are redeemed prior to maturity.

DEBT SERVICE REQUIREMENTS

The following table sets forth the future annual debt service requirements relating to the System Facilities, consisting of the Series 2024 Bonds and the Prior System Bonds (excluding the Refunded 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 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 Series 2024 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 since fiscal year 2014. The table does not give effect to any outstanding interest rate swaps and excludes debt service on any CP Notes that may be issued by the University during the periods shown.

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Debt Service Requirements

Fiscal Year Ending June 30,	Prior System Bonds Principal and Interest ⁽¹⁾	Series 2024 Bonds		Total Debt Service Relating to System Facilities
		Principal	Interest	
2025	\$ 68,865,366	-	\$ 11,231,767	\$ 80,097,133
2026	167,772,551	\$ 26,655,000	17,465,625	211,893,176
2027	66,668,959	27,960,000	16,100,250	110,729,209
2028	165,409,547	16,525,000	14,988,125	196,922,672
2029	64,142,123	17,285,000	14,142,875	95,569,998
2030	63,866,644	18,100,000	13,258,250	95,224,894
2031	249,030,918	18,935,000	12,332,375	280,298,293
2032	53,778,753	19,820,000	11,363,500	84,962,253
2033	53,473,957	11,000,000	10,593,000	75,066,957
2034	53,155,189	11,565,000	10,028,875	74,749,064
2035	52,821,257	182,020,000	5,189,250	240,030,507
2036	52,475,820	12,775,000	319,375	65,570,195
2037	52,117,388	-	-	52,117,388
2038	51,744,471	-	-	51,744,471
2039	51,360,430	-	-	51,360,430
2040	132,618,235	-	-	132,618,235
2041	107,815,674	-	-	107,815,674
2042	102,944,891	-	-	102,944,891
2043	16,414,500	-	-	16,414,500
2044	162,759,000	-	-	162,759,000
2045	9,103,500	-	-	9,103,500
2046	9,103,500	-	-	9,103,500
2047	9,103,500	-	-	9,103,500
2048	9,103,500	-	-	9,103,500
2049	9,103,500	-	-	9,103,500
2050	9,103,500	-	-	9,103,500
2051	107,729,500	-	-	107,729,500
2052	6,355,500	-	-	6,355,500
2053	6,355,500	-	-	6,355,500
2054	6,355,500	-	-	6,355,500
2055	153,177,750	-	-	153,177,750
Total	<u>\$2,123,830,426</u>	<u>\$362,640,000</u>	<u>\$137,013,267</u>	<u>\$2,623,483,692</u>

⁽¹⁾ Excludes debt service on the Refunded Bonds.

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PLEDGED REVENUES OF THE SYSTEM

The Series 2024 Bonds are payable solely from, and secured as to the payment of principal of, redemption premium, if any, and interest on the Series 2024 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 2024 BONDS.**”

The following table sets forth the historical System Revenues pledged to secure the outstanding Bonds for the five fiscal years ended June 30, 2023.

Historical Pledged System Revenues (\$ in thousands)					
	Fiscal Years Ended June 30,				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Operating Revenues					
Specifically Assessed Student Fees	\$ 27,867	\$ 23,960	\$ 25,798	\$ 26,577	\$ 29,696
Bookstore	38,380	31,410	29,025	31,444	31,302
Housing and Food Service, Net	105,953	89,917	101,759	108,868	118,236
Patient Medical Services, Net	1,288,005	1,291,491	1,422,607	1,525,954	1,686,372
Research Reactor	27,937	27,417	32,097	41,945	48,893
Parking	12,257	10,852	8,333	11,489	12,865
Other	<u>25,054</u>	<u>20,495</u>	<u>20,575</u>	<u>19,632</u>	<u>20,844</u>
Total	1,525,453	1,495,542	1,640,194	1,765,909	1,948,208
Student System Facilities Fee ⁽¹⁾	<u>118,890</u>	<u>140,017</u>	<u>139,435</u>	<u>139,525</u>	<u>140,598</u>
Total	<u>\$1,644,343</u>	<u>\$1,635,559</u>	<u>\$1,779,629</u>	<u>\$1,905,434</u>	<u>\$2,088,806</u>

⁽¹⁾ The Student System Facilities Fee is included in the System Revenues and is pledged to the payment of the Series 2024 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 2024 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 2024 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 2024 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 Series 2024 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 Series 2024 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 Series 2024 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

Tax Exemption

The opinion of Thompson Coburn LLP, Bond Counsel, to be delivered upon the issuance of the Series 2024 Bonds and a form of which is attached hereto as **Appendix E – “FORM OF OPINION OF BOND COUNSEL,”** will state that, under existing law, interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

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 the interest on the Series 2024 Bonds be, and continue to be, excluded from gross income for federal income tax purposes and exempt from income taxation by the State of Missouri. 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 such representations being determined to be inaccurate or incomplete) may cause interest on the Series 2024 Bonds to become included in gross income for federal income tax purposes and not be exempt from income taxation by the State of Missouri retroactive to the date of issuance of the Series 2024 Bonds. Bond Counsel has not been retained to monitor compliance with requirements such as described above subsequent to the issuance of the Series 2024 Bonds. In addition, the Resolution does not require the University to redeem any of the Series 2024 Bonds or to pay any additional interest or penalty in the event that interest on the Series 2024 Bonds becomes included in gross income for federal income tax purposes.

In addition, the opinion of Bond Counsel will state that, under existing law, interest on the Series 2024 Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax. Furthermore, the opinion of Bond Counsel will state that, under existing law, the Series 2024 Bonds have not been designated “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense).

Bond Counsel notes that interest on the Series 2024 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

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 2024 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 2024 Bonds for federal and State of Missouri income tax purposes. Such opinions are not a guarantee of result and are not binding on the IRS 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 IRS. 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.

This discussion is based on the Code, applicable Treasury Regulations issued under the Code, administrative rulings, and judicial decisions as in effect at the time this Official Statement is being written, all of which are subject to change (possibly with retroactive effect) or different interpretations. No assurance can be given that future legislation, administrative guidance, administrative rulings, or judicial decisions will not modify the conclusions set forth herein. The actual tax and financial consequences of the ownership or sale of the Series 2024 Bonds will vary depending upon each owner’s circumstances.

Tax Consequences of Owning the Series 2024 Bonds

Interest received or accrued on the Series 2024 Bonds, unless excluded from gross income for federal income tax purposes, will be taxable to a U.S. owner at ordinary income tax rates. Subject to certain exceptions, principal payments on the Series 2024 Bonds generally will constitute a tax-free return of capital that will reduce a U.S. owner's adjusted tax basis in the Series 2024 Bond to which the principal payment relates and any gain on the sale, exchange, redemption or other disposition of a Bond will generally be taxable to a U.S. owner at the tax rates applicable to capital gains owners, including, but not limited to, partners of partnerships holding the Series 2024 Bonds should consult their own tax advisors with respect to the U.S. federal income tax treatment of the purchase, ownership, and disposition of the Series 2024 Bonds.

Original Issue Premium

An amount equal to the excess of the purchase price of a Series 2024 Bond over its stated redemption price at maturity constitutes amortizable bond premium on such Series 2024 Bond. A purchaser of a Series 2024 Bond generally must amortize any premium over such Series 2024 Bond's term using constant yield principles, based on the purchaser's yield on the Series 2024 Bond to maturity; provided that the premium must be amortized over the period to a call date with respect to the Series 2024 Bond, based on the purchaser's yield on the Series 2024 Bond to such call date, if the call by the University on such date would minimize the purchaser's yield on the Bond. As premium is amortized, the purchaser's basis in such Series 2024 Bond (and the amount of tax-exempt qualified stated interest) 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 2024 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 2024 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 tax consequences of owning or disposing of such Series 2024 Bonds.

Market Discount

If a Series 2024 Bond is purchased at any time for a price that is less than the Series 2024 Bond's stated redemption price at maturity, in the case of a Bond other than an OID Bond (or, its revised issue price, in the case of an OID Bond, defined as the sum of the issue price of such OID Bond and the aggregate amount of the original issue discount previously accrued thereon), the purchaser will be treated as having purchased such Series 2024 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 2024 Bond will be required to treat any principal payment (or, in the case of an OID Bond, any payment that does not constitute qualified stated interest) on, or any gain realized on the sale, exchange, retirement or other disposition (including certain nontaxable dispositions such as gifts) of, such Series 2024 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 Series 2024 Bond at the time of such payment or disposition. An owner of a Series 2024 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 2024 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 IRS. The accrued market discount on a Series 2024 Bond is generally determined on a ratable basis, unless the owner of the Series 2024 Bond elects with respect to such Series 2024 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 2024 Bond. Owners of Series 2024 Bonds should consult their own tax advisors regarding the potential implications of the market discount rules with respect to the Series 2024 Bonds.

Collateral Tax Consequences

Prospective purchasers of the Series 2024 Bonds should be aware that the ownership of the Series 2024 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 2024 Bonds, individuals who may be eligible for the earned income credit, U.S. owners who dispose of any Series 2024 Bond prior to its stated maturity (whether by sale or otherwise) and U.S. owners who purchase any Series 2024 Bond at a price different from its initial offering price. All prospective purchasers of the Series 2024 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 2024 Bonds under state or local laws.

Information Reporting

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, the Series 2024 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 2024 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 tax-exempt interest (such as payments to non-corporate payees), the general rules of federal income tax backup withholding will apply to such payments, if the payee fails to provide the correct taxpayer identification number or certification of foreign or other exempt status or fails to report in full taxable dividend and interest income.

State, Local and Foreign Taxes

Owners may be subject to state, local, or foreign taxes with respect to an investment in the Series 2024 Bonds. Purchasers of the Series 2024 Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the Series 2024 Bonds, including the possible application of state, local, foreign and other tax laws.

Future Legislation

Federal, state or local legislation, if enacted in the future, may cause interest on the Series 2024 Bonds to be subject, directly or indirectly, to federal income taxation, may cause interest on the Series 2024 Bonds to be subject, directly or indirectly, to 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 2024 Bonds.

LEGAL MATTERS

Legal matters incident to the authorization, sale and delivery of the Series 2024 Bonds are subject to the approval of Thompson Coburn LLP, St. Louis, Missouri, Bond Counsel, whose approving opinions will be delivered with the Series 2024 Bonds. The proposed form of opinion of Bond Counsel is attached hereto as **Appendix E**. Certain legal matters will be passed upon for the University by the Office of the General Counsel of 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 2024 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 will enter into a Continuing Disclosure Agreement (the “**Continuing Disclosure Agreement**”) with Digital Assurance Certification, L.L.C., as dissemination agent (the “**Dissemination Agent**”) in conjunction with the issuance of the Series 2024 Bonds. The Continuing Disclosure Agreement is for the benefit of the owners and Beneficial Owners of the Series 2024 Bonds in order to assist the Underwriters for the Series 2024 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 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.

Voluntary Quarterly Liquidity Information

In conjunction with the first issuance of CP Notes, the University agreed 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. There are no CP Notes outstanding. The University does, however, intend to voluntarily continue to file quarterly liquidity information for the University. The commercial paper program will remain in effect after the issuance of the Series 2024 Bonds, and the University may issue CP Notes in the future at its discretion.

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 2024 Bonds promptly after the occurrence of the event listed, but no later than 10 business days after the occurrence of the event:

- (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 2024 Bonds, or other material events affecting the tax status of the Series 2024 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 2024 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;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation by the University, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other

similar events under the terms of a Financial Obligation of the University, any of which reflect financial difficulties.

For purposes of the Continuing Disclosure Agreement, **“Financial Obligation”** means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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 initial 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 2024 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 be filed with the MSRB on EMMA. EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, 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. In certain prior undertakings, the University agreed to provide historical and projected student enrollment. The University no longer prepares the five-year projected student enrollment data previously included in Official

Statements and annual reports posted on EMMA, and thus no longer includes any projected student enrollment in its annual reports.

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 University's website, 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 Janney Montgomery Scott LLC, as Financial Advisor (the “*Financial Advisor*”) in connection with the issuance of the Series 2024 Bonds. In preparing this Official Statement, the Financial Advisor has relied upon University officials and other sources who have access to relevant data to provide accurate information for this Official Statement, and the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Financial Advisor is not a public accounting firm and has not been engaged by the University to compile, review, examine or audit any information in this Official Statement in accordance with accounting standards. In addition to providing financial advisory services, Janney Montgomery Scott LLC is also engaged in the business of underwriting, trading, and distribution of municipal and other public securities and will not participate in the underwriting of the Series 2024 Bonds.

INDEPENDENT AUDITORS

The financial statements of the University of Missouri System for the fiscal years ended June 30, 2022 and 2023, included as **Appendix B** to this Official Statement have been audited by Forvis, LLP, independent auditors, as stated in their report, which also appear in **Appendix B**.

RATINGS

S&P Global Ratings and Moody's Investors Service, Inc. have assigned the Series 2024 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 2024 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 2024 Bonds.

UNDERWRITING

The Series 2024 Bonds are being purchased for reoffering by the underwriters named on the cover page (collectively, the “**Underwriters**”), for whom Goldman Sachs & Co. LLC 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 2024 Bonds at a price of \$413,776,635.89 (which gives effect to net original issue premium of \$51,991,980.70, and reflects an underwriting discount in the amount of \$855,344.81) on the terms set forth in the Bond Purchase Agreement.

The Underwriters may offer and sell the Series 2024 Bonds to certain dealers (including dealers depositing the Series 2024 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, 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.

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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 2024 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.

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/ Ryan D. Rapp
Executive Vice President of Finance & Operations and
Chief Financial Officer; Treasurer

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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 when 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. Together, University of Missouri-Columbia (the “**MU Campus**” or “**MU**”), University of Missouri-Kansas City (the “**UMKC Campus**” or “**UMKC**”), Missouri University of Science and Technology (the “**Missouri S&T Campus**” or “**Missouri S&T**”), University of Missouri-St. Louis (the “**UMSL Campus**” or “**UMSL**”), the University Health System (described below), the extension program described below, and ten research and technology parks constitute the “**University of Missouri System.**”

Board of Curators

Under the State Constitution, the University of Missouri System 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 Affairs, Research and Economic Development Committee. The Academic, Student Affairs, Research and Economic Development Committee has referred to it matters relating to curricula, faculty, students, research and economic development and intercollegiate athletics.

Audit, Compliance and Ethics Committee. The Audit, Compliance and Ethics 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.

Governance, Compensation and Human Resources Committee. The Governance, Compensation and Human Resources Committee helps the Board function effectively, efficiently and with integrity and may have 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, accounting and fundraising functions of the University and associated programs and policies.

Health Affairs Committee. The Health Affairs Committee assists the Board in overseeing the clinical health care operations of the University and in coordinating those operations in furtherance of the University's teaching, research and clinical missions. The Health Affairs Committee receives and reviews regular reports from MU Health Care and the MU School of Medicine's faculty practice plan.

General Officers

The Board appoints the President of the University, who is the chief executive and academic officer of the University of Missouri System, which includes four campuses, a health care system, an extension program, and ten research and technology parks. The Board, upon recommendation of the President, appoints a Chancellor to direct each campus, a Vice President for Finance, Chief Financial Officer and Treasurer, a Vice President for Information Technology, a Senior Associate Vice President for Academic Affairs, an Associate Vice President for Human Resources, 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, the General Counsel of the University, the Vice President for Finance, Chief Financial Officer and Treasurer of the University, and the Chief Investment Officer of the University.

Mun Y. Choi, 60, President of the University of Missouri System and Chancellor of the University of Missouri-Columbia. Dr. Choi became the 24th President of the University in March 2017 and became Chancellor of MU in 2020. Before serving as the President of the University of Missouri System, Dr. Choi's 25-year career in higher education included serving as assistant and associate professor at the University of Illinois at Chicago, department head of mechanical engineering and mechanics at Drexel University, then dean of engineering at the University of Connecticut, and provost and executive vice president at the University of Connecticut. Dr. Choi earned a bachelor's degree in General Engineering from the University of Illinois at Urbana-Champaign and a master's degree and Ph.D. in Mechanical & Aerospace Engineering from Princeton University.

C. Mauli Agrawal, 65, Chancellor of the University of Missouri-Kansas City. Dr. Agrawal became Chancellor of UMKC in June 2018. Prior to assuming the Chancellorship, Dr. Agrawal served as interim provost and vice president for academic affairs at the University of Texas at San Antonio where he had previously served as vice president for research and dean of the College of Engineering. Dr. Agrawal has been a professor of orthopedics and bioengineering at the University of Texas Health Science Center in San Antonio, one of the largest medical schools in the United States. Dr. Agrawal holds a bachelor's degree in mechanical engineering from Indian Institute of Technology (Kanpur, India), a master's degree in mechanical engineering from Clemson University, and a Ph.D. in mechanical engineering from Duke University.

Mohammad Dehghani, 68, Chancellor of the Missouri University of Science and Technology. Dr. Dehghani became chancellor of Missouri S&T in August 2019. He joined Missouri S&T from Stevens Institute of Technology in Hoboken, New Jersey, where he served as vice provost for research, innovation and entrepreneurship since 2013. Before joining Stevens, Dr. Dehghani was a professor of mechanical engineering and founding director of the Johns Hopkins University System Institute. He also previously led the New Technologies Division at the Lawrence Livermore National Laboratory – a \$1.8 billion, 7,000 employee multidisciplinary applied science and engineering national security laboratory. Dr. Dehghani holds a Ph.D. in mechanical engineering from Louisiana State University, where he earned master's of science and bachelor's degrees in mechanical engineering. Dr. Dehghani completed a postdoctoral National Science Foundation internship at Massachusetts Institute of Technology.

Kristin Sobolik, 60, Chancellor of the University of Missouri-St. Louis. Dr. Sobolik currently serves as Chancellor, Provost and Executive Vice Chancellor for Academic Affairs at UMSL. Dr. Sobolik was appointed Chancellor in April 2020 after serving as Interim Chancellor since July 2019. Prior to coming to UMSL in May 2017, Dr. Sobolik was the Dean of the College of Liberal Arts at Wright State University. Dr. Sobolik served as a Professor of Anthropology and Climate Change at the University of Maine. Dr. Sobolik earned a bachelor's degree in biology from the University of Iowa and a master's and doctorate in anthropology from Texas A&M University.

Mark A. Menghini, 51, General Counsel of the University of Missouri System. Prior to joining the University, Mr. Menghini was General Counsel of Aegion Corporation, a multinational company providing pipeline services including protection, rehabilitation, engineering and design of infrastructure projects for a wide range of industries. Mr. Menghini was with Aegion Corporation, formerly a public company, from 2013 through 2021 when the company was ‘taken private’ in a sale to New Mountain Capital, a New York private equity company. From 1998 through 2013, Mr. Menghini was an attorney with Greensfelder, Hemker & Gale, P.C., a regional Midwest law firm headquartered in St. Louis, Missouri. While with Greensfelder, Mr. Menghini focused his practice on Construction Law, with an emphasis on litigation, alternative dispute resolution, complicated contractual review and development, and daily counseling to construction industry clients. Mr. Menghini was a member of the firm’s Board of Directors and Executive Committee.

Mr. Menghini received his bachelor’s degree in English from Northwestern University in 1995, and his J.D. degree from Washington University in 1998. He sits on the board of Hope Happens for Neurological Disorders, a nonprofit dedicated to raising money for the Hope Center for Neurological Disorders at Washington University.

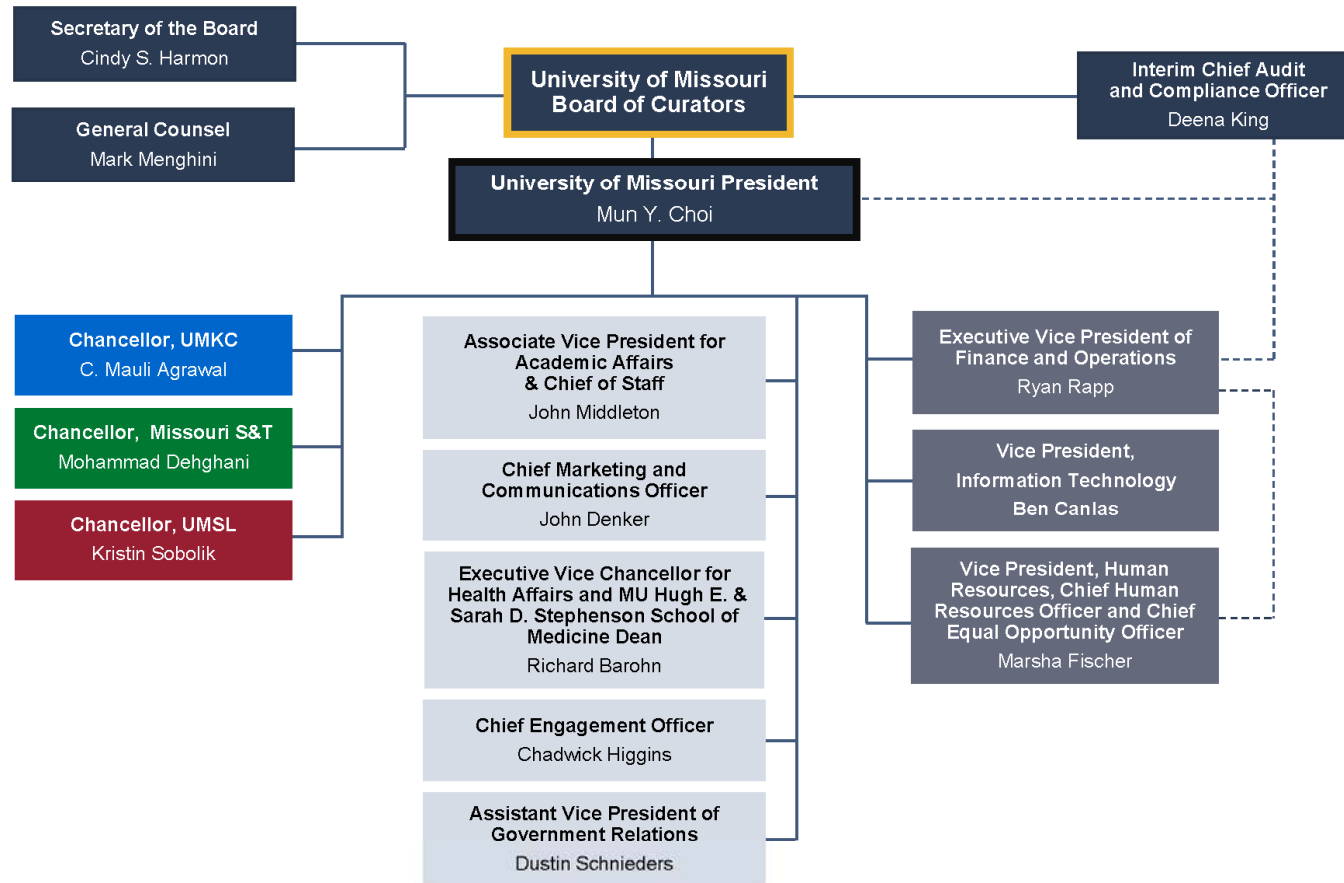
Ryan Rapp, 43, Executive Vice President of Finance & Operations and Chief Financial Officer; Treasurer of the University of Missouri System. Mr. Rapp assumed the responsibilities of the Executive Vice President of Finance & Operations and Chief Financial Officer in July 2021, and the responsibility of Treasurer in September 2019. Prior to assuming these roles, Mr. Rapp served as the associate vice president and chief audit executive for the University of Missouri System and was responsible for establishing the new division of Internal Audit and Consulting Services. Mr. Rapp, who has worked for the University of Missouri System since 2010, also previously served as assistant vice president and controller. Prior to joining the University of Missouri System, Mr. Rapp worked at the accounting firm PricewaterhouseCoopers. Mr. Rapp graduated from MU Trulaske College of Business in 2004 with a master’s in accounting and accounting information systems and a bachelor’s in accounting. Mr. Rapp is a Certified Public Accountant.

Thomas F. Richards, 54, Chief Investment Officer of the University of Missouri System. Mr. Richards became Treasurer and Chief Investment Officer in January 2011. In July 2013, Mr. Richards was appointed Interim Vice President for Finance for the University and concurrently served in that capacity through August 2014. 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. He 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 certain other officers of the University.

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University of Missouri System



Updated – 04/2024

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

University of Missouri System

The University of Missouri System includes four campuses with 38 schools, colleges and divisions, and had a Fall 2023 enrollment of over 68,000 full- and part-time students. The four-campus system administration is located in Columbia. Approximately one-fourth of the University's 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.

Internal Audit and Enterprise Risk Management

The Office of Ethics, Compliance and Audit Services provides the University of Missouri System independent, objective assurance and consulting services designed to add value and improve University operations. Ethics, Compliance and Audit Services reports directly to the Board and its mission is authorized by the Internal Audit Charter. Additionally, the Board has a designated Audit, Compliance and Ethics committee that oversees the audit function.

Strategic Planning and Inclusive Excellence

In September 2018, the Board approved new strategic plans for each of the four University of Missouri System campuses. The plans are intended to be transformative, collaborative and transparent, and created to support the Missouri Compacts for Achieving Excellence:

- Excellence in Student Success
- Excellence in Research and Creative Works
- Excellence in Engagement and Outreach
- Inclusive Excellence
- Excellence in Operations, Planning and Stewardship

Additional information about the University's strategic planning process is available at <http://www.umsystem.edu/strategicplan>. None of the information on the University's website, including strategic plan information referenced above, is incorporated by reference into this Official Statement.

Accreditations

The University of Missouri System'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 71 leading research universities in the United States and Canada.

University of Missouri-Columbia

The University of Missouri-Columbia (the "**MU Campus**" or "**MU**") is the largest campus in the University of Missouri System with nearly one-half of the University's enrollment. MU had a Fall 2023 enrollment of 31,013 full- and part-time students. Established in 1839, MU has 13 schools and colleges offering more than 300 degree programs and emphasis areas, including more than 125 online options. MU is the 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 universities in the United States with law, medicine, veterinary medicine and a nuclear research reactor on one campus. MU is home to the University Health System, an integrated health network that includes five hospitals totaling 755 inpatient care beds, which support the teaching efforts of the Schools of Medicine, Nursing, and Health Professions. MU also includes a College of Agriculture, Food and Natural Resources, a Graduate School, an Honors College, a College of Arts and Science, a College of Business, a College of Education, a College of Engineering, a School of Journalism, a College of Human Environmental Sciences, a School of Law, and a College of Veterinary Medicine, as well as various cooperative programs. MU has been designated a Doctoral University: Very

High Research Activity or Research 1 University by the Carnegie Classification of Institutions of Higher Education. MU is also a member of the National Association of State Universities and Land-Grant Colleges.

University of Missouri-Kansas City

While the University of Missouri-Kansas City (the “*UMKC Campus*” or “*UMKC*”) has been a part of the University since 1963, classes began on the UMKC Campus 30 years earlier as a private institution, the University of Kansas City. Three of the professional schools on the UMKC Campus (dentistry, law and pharmacy) were founded in the nineteenth century and subsequently merged into the University of Kansas City. UMKC also has a Graduate School, an Honors College, a College of Arts and Sciences, Schools of Biological and Chemical Sciences, Management, Education, Computing and Engineering, Medicine, Nursing and Health Studies, the Conservatory of Music and Dance, and various cooperative programs. UMKC had a Fall 2023 enrollment of 15,277 full- and part-time students. UMKC includes both the main Volker campus, located just south of the Country Club Plaza, and the Health Sciences campus, located in midtown Kansas City. It is primarily a commuter campus, and 35% of its students are enrolled in graduate or professional programs, the highest ratio on any of the University’s campuses.

Missouri University of Science and Technology

Missouri University of Science and Technology (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 2023 enrollment of 7,156 full- and part-time students. Founded in 1870, Missouri S&T was originally known as the Missouri School of Mines and Metallurgy. From 1964 to 2008, the Missouri S&T Campus was known as the University of Missouri-Rolla. The campus is located on a 284-acre site in the City of Rolla and provides off-campus programs at the Engineering Education Center in St. Louis and Missouri State University in Springfield. The campus is strategically structured with academic programs belonging to two colleges – the College of Engineering and Computing and the College of Arts, Sciences and Business. This structuring is part of a strategic plan focused on providing the best return on investment to key customer groups – students, employers, research partners and donors.

University of Missouri-St. Louis

From its beginning in 1963, the University of Missouri-St. Louis (the “*UMSL Campus*” or “*UMSL*”) has grown to become the largest public research university in eastern Missouri. UMSL had a Fall 2023 enrollment of 14,800 full- and part-time students. UMSL offers an academic structure consisting of a Graduate School, an Honors College, Joint Undergraduate Engineering Program with Washington University, the School of Social Work, the Colleges of Arts and Sciences, Business Administration, Education, Fine and Performing Arts, Nursing and Optometry, and various cooperative programs. UMSL serves primarily residents of the St. Louis metropolitan area.

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University Historical Enrollment

The following table sets forth the historical head count enrollment for the University at the commencement of the Fall semester for each of the last five academic years.

Enrollment (Full- and Part-Time)

Historical Enrollment					
<u>Fall</u>	<u>MU</u>	<u>UMKC</u>	<u>Missouri S&T</u>	<u>UMSL</u>	<u>Total</u>
2019	30,014	16,388	8,088	15,988	70,478
2020	31,089	16,147	7,642	13,874	68,752
2021	31,401	16,003	7,241	15,189	69,834
2022	31,304	15,703	7,080	15,181	69,268
2023	31,013	15,277	7,156	14,800	68,246

Student Applications, Acceptances, and Matriculations

The following table sets forth the number of applications, acceptances and matriculations for new undergraduate students of the University for the fall semesters 2019 through 2023.

<u>Campus</u>	<u>Fall</u>	<u>Category</u>	<u>Applications</u>	<u>Acceptances</u>	<u>Matriculations</u>
MU					
	2019	Freshmen	20,016	16,158	5,664
		Transfers	2,489	1,677	1,143
	2020	Freshmen	20,645	16,883	5,315
		Transfers	2,913	1,994	1,270
	2021	Freshmen	19,966	15,283	4,843
		Transfers	2,826	2,000	1,348
	2022	Freshmen	20,303	16,065	4,983
		Transfers	2,815	1,929	1,261
	2023	Freshmen	21,669	16,690	5,139
		Transfers	2,743	1,864	1,164
UMKC					
	2019	Freshmen	5,677	3,519	1,244
		Transfers	2,401	1,433	1,095
	2020	Freshmen	5,657	3,574	1,059
		Transfers	2,470	1,597	1,013
	2021	Freshmen	5,841	3,774	1,148
		Transfers	2,309	1,605	999
	2022	Freshmen	5,180	3,599	1,165
		Transfers	2,044	1,494	846
	2023	Freshmen	5,802	4,351	1,289
		Transfers	2,048	1,699	930

Student Applications, Acceptances, and Matriculations (continued)

<u>Campus</u>	<u>Fall</u>	<u>Category</u>	<u>Applications</u>	<u>Acceptances</u>	<u>Matriculations</u>
Missouri S&T	2019	Freshmen	5,097	4,041	1,171
		Transfers	728	508	278
	2020	Freshmen	5,519	4,495	1,111
		Transfers	583	482	259
	2021	Freshmen	5,533	4,725	1,188
		Transfers	563	449	234
	2022	Freshmen	6,262	5,143	1,146
		Transfers	645	527	245
	2023	Freshmen	8,181	5,978	1,196
		Transfers	946	697	279
UMSL	2019	Freshmen	3,591	1,872	467
		Transfers	2,610	1,572	1,382
	2020	Freshmen	3,686	2,116	417
		Transfers	2,866	1,775	1,170
	2021	Freshmen	3,054	1,729	296
		Transfers	2,826	1,806	1,045
	2022	Freshmen	3,913	2,000	443
		Transfers	2,933	1,787	1,024
	2023	Freshmen	4,627	2,645	464
		Transfers	3,014	1,755	979

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Degrees Granted

The following tables set forth the number of degrees awarded by campus and school/college therein during the 2022-2023 academic year.

Degrees Granted

<u>School/College</u>	<u>MU</u>					<u>UG/Grad Certificate</u>	<u>Education Specialist</u>	<u>Total</u>
	<u>Bachelor</u>	<u>Professional</u>	<u>Master</u>	<u>Doctorate</u>				
Agriculture, Food & Natural Resources	609	-	90	36	-	-	-	735
Arts and Sciences	2,009	-	285	111	-	-	-	2,405
Business	963	-	249	6	-	-	-	1,218
Education and Human Development	316	-	437	81	-	-	63	897
Engineering	578	-	74	38	-	-	-	690
Health Sciences	748	64	177	3	-	-	-	992
Journalism	461	-	59	2	-	-	-	522
Law	-	106	7	-	24	-	-	137
Medicine	-	110	87	10	-	-	-	207
Nursing	247	42	68	5	-	-	-	362
Veterinary Medicine	13	115	21	10	-	-	-	159
Graduate Studies	-	-	44	19	440	-	-	503
Other Undergraduate Studies	-	-	-	-	2,099	-	-	2,099
MU Campus Total	5,944	437	1,598	321	2,563	-	63	10,926

<u>School/College</u>	<u>UMKC</u>					<u>UG/Grad Certificate</u>	<u>Education Specialist</u>	<u>Total</u>
	<u>Bachelor</u>	<u>Professional</u>	<u>Master</u>	<u>Doctorate</u>				
Conservatory of Music and Dance	65	-	62	21	7	-	-	155
Dentistry	32	102	9	-	9	-	-	152
Education, Social Work, & Psychology	140	-	147	18	-	-	12	317
Humanities and Social Sciences	403	-	55	-	1	-	-	459
Law	-	143	8	-	-	-	-	151
Management	307	-	304	-	45	-	-	656
Medicine	-	112	65	-	3	-	-	180
Nursing	166	-	99	38	14	-	-	317
Pharmacy	-	127	-	-	-	-	-	127
Science and Engineering	521	-	749	-	12	-	-	1,282
Graduate Studies	-	-	-	55	11	-	-	66
UMKC Campus Total	1,634	484	1,498	132	102	-	12	3,862

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Degrees Granted (continued)

<u>School/College</u>	<u>Missouri S&T</u>					<u>UG/Grad Certificate</u>	<u>Education Specialist</u>	<u>Total</u>
	<u>Bachelor</u>	<u>Professional</u>	<u>Master</u>	<u>Doctorate</u>				
Arts and Sciences	157	-	42	11	48	-		258
Engineering and Computing	918	-	263	74	106	-		1,361
Innovation, Entrepreneurship, and Development	130	-	170	4	251	-		555
Missouri S&T Campus Total	1,205	-	475	89	405	-		2,174

<u>School/College</u>	<u>UMSL</u>					<u>UG/Grad Certificate</u>	<u>Education Specialist</u>	<u>Total</u>
	<u>Bachelor</u>	<u>Professional</u>	<u>Master</u>	<u>Doctorate</u>				
Arts and Sciences	697	-	160	35	115	-		1,007
Business Administration	376	-	225	13	67	-		681
Education	164	-	246	52	56	20		538
Nursing	148	-	-	66	7	-		221
Optometry	-	44	-	-	-	-		44
Social Work	47	-	47	-	-	-		94
Graduate School	-	-	-	-	13	-		13
Engineering Program	61	-	-	-	-	-		61
UMSL Campus Total	<u>1,493</u>	<u>44</u>	<u>678</u>	<u>166</u>	<u>258</u>	<u>20</u>		<u>2,659</u>
University Total	<u>10,276</u>	<u>965</u>	<u>4,249</u>	<u>708</u>	<u>3,328</u>	<u>95</u>		<u>19,621</u>

Student Quality Indicators

The academic demands of the University's 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 2023 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 2023

<u>High School Class Rank</u>	<u>MU</u>	<u>UMKC</u>	<u>Missouri S&T</u>	<u>UMSL</u>
Top 10%	35%	30%	46%	23%
Top 20%	57	49	65	44
Top 40%	86	77	88	69

Average First Time Freshman ACT

<u>Fall</u>	<u>MU</u>	<u>UMKC</u>	<u>Missouri S&T</u>	<u>UMSL</u>	<u>State of Missouri⁽¹⁾</u>	<u>National⁽¹⁾</u>
2019	26.3	24.2	28.7	24.5	20.8	20.7
2020	26.3	24.2	28.5	24.4	20.7	20.6
2021	26.5	25.2	28.8	25.5	20.6	20.3
2022	26.5	25.0	28.2	23.8	20.2	19.8
2023	26.2	24.9	27.9	23.6	19.8	19.5

⁽¹⁾ Source: ACT, Inc.

Demographics of Student Population

Although virtually every state and numerous foreign countries are represented in the University's on-campus student population, Missouri students represented approximately 72% of the student body in the Fall 2023 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

<u>Campus</u>	<u>Fall</u>	<u>Missouri</u>	<u>Illinois, Iowa and Kansas</u>	<u>Other States</u>	<u>International</u>
MU	2019	19,386	4,861	4,275	1,462
	2020	20,560	4,888	4,428	1,175
	2021	20,832	5,002	4,404	1,133
	2022	20,885	4,946	4,195	1,245
	2023	20,544	5,092	4,052	1,293
UMKC	2019	11,335	3,105	947	997
	2020	11,371	3,055	929	789
	2021	11,007	2,904	917	1,171
	2022	10,453	2,693	895	1,655
	2023	10,122	2,776	867	1,511
Missouri S&T	2019	5,810	632	872	758
	2020	5,567	615	831	614
	2021	5,141	607	826	653
	2022	4,902	628	784	766
	2023	4,770	672	743	965
UMSL	2019	14,408	806	386	387
	2020	12,427	791	377	277
	2021	13,800	729	364	294
	2022	13,839	646	365	331
	2023	13,467	630	381	313

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Full-Time Ranked Faculty

The following table sets forth for the last five academic 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				
<u>Campus</u>	<u>Academic Year</u>	<u>Full-Time Ranked Faculty</u>	<u>Percentage of Faculty Tenured</u>	<u>Percentage of Faculty With Terminal Degrees</u>
MU	2019-2020	2,132	35%	80%
	2020-2021	2,008	38	84
	2021-2022	2,009	36	85
	2022-2023	2,094	34	85
	2023-2024	2,261	32	81
UMKC	2019-2020	598	44%	86%
	2020-2021	581	45	91
	2021-2022	565	44	91
	2022-2023	582	43	89
	2023-2024	602	42	89
Missouri S&T	2019-2020	351	58%	94%
	2020-2021	344	59	94
	2021-2022	323	61	93
	2022-2023	314	62	91
	2023-2024	319	60	90
UMSL	2019-2020	396	41%	77%
	2020-2021	395	42	78
	2021-2022	367	42	79
	2022-2023	368	44	79
	2023-2024	369	44	79

University of Missouri Health Care

University of Missouri Health Care – General. University of Missouri Health Care (“*MU Health Care*”) and the facilities, revenues and expenses thereof became a part of the System Facilities in the fiscal year ended June 30, 2006.

The University’s academic health system includes MU Health Care, the clinical enterprise, and the MU School of Medicine, the academic enterprise. The two align their missions to save and improve lives – through exemplary research, education and patient care. University of Missouri Health Care is led by Executive Vice Chancellor Richard J. Barohn, MD, who reports to the president and provost of the University of Missouri. The clinical enterprise is led by Chief Executive Officer Ric Ransom, JD, MBA, MSHA, who reports to the Executive Vice Chancellor of Health Affairs Nimalan Chinniah. The health system is subject to ultimate oversight by the University of Missouri Board of Curators and its Health Affairs Committee.

As the clinical enterprise for the University’s academic health system, MU Health Care offers a full spectrum of care, ranging from primary care to highly specialized, multidisciplinary treatment for patients with the most severe illnesses and injuries. MU Health Care has the only Level I Trauma Center, Comprehensive Stroke Center and

Children’s Hospital in central Missouri. Patients from every county in the state are served by approximately 8,000 physicians, nurses and health care professionals at MU Health Care. Its primary service area is defined as Boone County and the seven contiguous counties, and the secondary service area includes 17 counties that surround that area.

MU Health Care facilities include Children’s Hospital, Ellis Fischel Cancer Center, Keene Street Medical Center, the Missouri Orthopaedic Institute, Missouri Psychiatric Center and University Hospital, as well as multiple quick care, urgent care, primary care, specialty and affiliate locations, as well as 80 outpatient clinics. In addition, on January 1, 2024, Capital Regional Medical Center, a 100-bed full service hospital located in Jefferson, Missouri, officially became part of MU Health Care – building on 25+ years of partnership to elevate care across mid-Missouri. The inpatient hospitals have a combined 755 beds. MU Health Care is accredited by Det Norske Veritas (DNV) and is one of only two tier-one safety net health systems in Missouri.

For the fiscal year ended June 30, 2023, MU Health Care had total net revenues of over \$1.4 billion or approximately 38% of the total operating revenues of the University for fiscal year 2023. 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”** in this **Appendix A** and **“BONDOWNERS’ RISKS – MU Health Care Revenues”** in this Official Statement.

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

Dr. Richard Barohn, 68, Executive Vice Chancellor for Health Affairs. Dr. Barohn was appointed Executive Vice Chancellor for Health Affairs effective May, 2020, after a national search. He served as the chair of the Department of Neurology for 16 years at the University of Kansas Medical Center and was vice chancellor for research and president of the University of Kansas Medical Center Research Institute since 2014. Dr. Barohn also served as the director of Frontiers: University of Kansas Clinical and Translational Science Institute. Dr. Barohn earned a medical degree from the University of Missouri-Kansas City. He completed his residency in neurology at the Wilford Hall U.S. Air Force Medical Center in San Antonio, Texas as well as a fellowship training in neuromuscular diseases at The Ohio State University.

Frederic “Ric” Ransom, 55, Chief Executive Officer, MU Health Care. Mr. Ransom became chief executive officer effective May 1, 2023. He is responsible for all acute and ambulatory care operations, as well as achieving short- and long-term strategic and operational goals. Before joining MU Health Care, Mr. Ransom served as president for University of Wisconsin Hospitals in the Madison Region, where he started as vice president in December 2018. At the University of Wisconsin, he was responsible for providing overall direction for University Hospital, American Family Children’s Hospital, and UW Health at The American Center. Prior to his work at Wisconsin, Mr. Ransom worked in various leadership roles, including as the chief operating officer at Greenville Memorial Hospital, part of the largest integrated medical system in South Carolina with more than 14,000 employees. Mr. Ransom also has held positions with health systems in Memphis, Atlanta, Boston and Dallas. Upon earning his bachelor’s degree in philosophy from Morehouse College, Mr. Ransom received his law degree from the Cumberland School of Law in Birmingham, Alabama, and earned master’s degrees in both business administration and science in health administration from the University of Alabama.

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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, 2023.

MU Health Care Utilization Data

	Fiscal Years Ended June 30,				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Acute Staffed Beds	603	640	658	618	598
Patient Days	153,053	149,981	149,051	161,230	162,645
Average Daily					
Census ⁽¹⁾	419.3	410.9	408.4	441.7	445.6
Length of stay (days) ⁽¹⁾	5.54	5.56	5.67	6.02	5.95
Discharges ⁽¹⁾	27,651	26,958	26,302	26,792	27,333
Outpatient Visits	1,033,652	1,043,157	1,326,703	1,306,883	1,356,503

⁽¹⁾ Excludes normal newborns.

Financial and statistical data set forth herein for periods prior to January 1, 2024 do not include Capital Regional Medical Center, which was integrated into MU Health Care on that date. For additional financial information regarding the University Health System, see the financial information as of and for the fiscal year ended June 30, 2023, set forth in the Financial Statements included as **Appendix B** to this Official Statement. The University voluntarily posts certain quarterly information relating to the University Health System on EMMA. See the unaudited quarterly financial information for MU Health Care as of March 31, 2024, which has been posted on EMMA and is incorporated by reference in this Official Statement.

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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, 2023.

MU Health Care – Summary Financial Information
(\$ in thousands)

	Fiscal Years Ended June 30,				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net patient service revenue	\$973,458	\$950,319	\$1,040,116	\$1,088,905	\$1,186,436
Other operating revenues	23,948	23,394	22,853	24,025	24,196
Retail pharmacy revenues ⁽¹⁾	<u>88,565</u>	<u>109,896</u>	<u>134,378</u>	<u>170,243</u>	<u>199,827</u>
Total operating revenues	1,085,972	1,083,609	1,197,347	1,283,173	1,410,459
Operating expenses	<u>983,865</u>	<u>1,018,370</u>	<u>1,106,762</u>	<u>1,254,403</u>	<u>1,349,759</u>
Operating income (loss)	102,106	65,239	90,585	28,769	60,700
Net non-operating revenues	<u>(9,570)</u>	<u>(12,760)</u>	<u>27,361</u>	<u>(9,325)</u>	<u>(8,202)</u>
Income before contributions and transfers	\$92,536	\$52,479	\$117,946	\$19,444	\$52,498

For the fiscal year ending June 30, 2024, MU Health Care preliminary unaudited results reflect net patient service revenue of approximately \$1.5 billion, total net operating revenue of approximately \$1.8 billion, operating income of approximately \$38.2 million, and income before contributions and transfers of approximately \$36.8 million.

The following table summarizes the gross patient service revenue payor mix for the five fiscal years ended June 30, 2023.

MU Health Care
Sources of Patient Service Revenue

	Fiscal Years Ended June 30,				
<u>Source of Payment</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Medicare	38%	29%	28%	32%	31%
Medicaid	20	18	16	20	24
Managed Care / Commercial Insurance	32	39	40	37	35
Self Pay / Other	<u>10</u>	<u>14</u>	<u>16</u>	<u>11</u>	<u>10</u>
Total	100%	100%	100%	100%	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 (“**BHC**”), a 311-bed hospital located in Columbia, Missouri which is affiliated with BJC Health System, headquartered in St. Louis, Missouri and SSM Health St. Mary’s Hospital – Jefferson City (“**SSMH-JC**”), a 92-bed hospital located in Jefferson City, Missouri, which is affiliated with SSM Health, headquartered in St. Louis, Missouri. The following table depicts the market share of MU Health Care, and other facilities (including BHC and SSMH-JC) within the 25-county service area of MU Health Care for the five fiscal years ended June 30, 2023. Historically, approximately 85% of MU Health Care’s discharges originate from the MU Health Care Service Area.

Market Share – Combined Service Area

Combined Service Area	2019		2020		2021		2022		2023	
	Discharges	% Share	Discharges	% Share	Discharges	% Share	Discharges	% Share	Discharges	% Share
MU Health Care ⁽¹⁾	24,678	29.0%	24,075	29.3%	23,190	29.1%	23,437	30.1%	24,490	30.7%
Other Facilities	60,514	71.0	57,955	70.7	56,486	70.9	54,554	69.9	55,197	69.3
Total CSA	85,192	100.0%	82,030	100.0%	79,676	100.0%	77,991	100.0%	79,687	100.0%

⁽¹⁾ MU Health Care consisted of University Hospital and Women’s and Children’s Hospital for the five fiscal years ended June 30, 2023. The table above does not include Capital Regional Medical Center in market share statistics for MU Health Care, which was integrated into MU Health Care after the end of the fiscal year ended June 30, 2024. In the fiscal year ended June 30, 2023, Capital Regional Medical Center accounted for approximately 4,715 discharges and 5.9% of market share within the 25-county service area of MU Health Care.

Source: Missouri Hospital Association.

Selected Financial Data of the University

The table on the following page presents a summary of the Revenues, Expenses and Changes in Net Position of the University for the five fiscal years ended June 30, 2023, which is derived from the audited financial statements of the University, and with respect to the fiscal years ended June 30, 2023 and 2022, 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, except as elsewhere described in this Official Statement, there has been no material adverse change in the financial condition of the University since June 30, 2023, 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.

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

	Fiscal Years Ended June 30,				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Operating Revenues:					
Tuition and Fees (net of provision for doubtful accounts)*	\$ 857,456	\$ 873,335	\$ 883,315	\$ 931,616	\$ 985,282
Less: Scholarship Allowances	<u>232,764</u>	<u>285,387</u>	<u>300,642</u>	<u>334,676</u>	<u>350,952</u>
Net Tuition and Fees	<u>624,692</u>	<u>587,948</u>	<u>582,673</u>	<u>596,940</u>	<u>634,330</u>
Federal Grants and Contracts	165,427	173,869	186,052	207,374	233,777
State and Local Grants and Contracts	60,584	90,723	91,920	126,388	169,017
Private Grants and Contracts	83,489	88,134	93,937	99,956	105,485
Sales and Services of Educational Activities	19,264	20,682	19,821	22,513	23,908
Auxiliary Enterprises:					
Patient Medical Services, Net	1,510,024	1,505,424	1,643,468	1,733,615	1,906,047
Housing and Dining Services, Net*	102,603	89,917	101,759	108,868	118,236
Bookstores	38,348	31,410	29,025	31,444	31,302
Other Auxiliary Enterprises, Net*	305,736	296,555	320,638	332,666	358,792
Other Operating Revenues	<u>76,731</u>	<u>75,998</u>	<u>69,224</u>	<u>70,650</u>	<u>88,143</u>
Total Operating Revenues	<u>2,986,898</u>	<u>2,960,660</u>	<u>3,138,517</u>	<u>3,330,414</u>	<u>3,669,037</u>
Operating Expenses:					
Salaries and Wages	1,642,679	1,683,906	1,661,296	1,797,287	1,979,873
Benefits	577,660	605,309	373,367	506,350	604,102
Supplies, Services and Other Operating Expenses	1,111,726	1,076,800	1,122,513	1,261,414	1,368,451
Scholarships and Fellowships	67,367	82,274	93,895	123,109	81,191
Depreciation	<u>215,539</u>	<u>218,429</u>	<u>225,647</u>	<u>268,520</u>	<u>277,507</u>
Total Operating Expenses	<u>3,614,971</u>	<u>3,666,718</u>	<u>3,476,718</u>	<u>3,956,680</u>	<u>4,311,124</u>
Operating Loss before State Appropriations	<u>(628,073)</u>	<u>(706,058)</u>	<u>(338,201)</u>	<u>(626,266)</u>	<u>(642,087)</u>
State Appropriations	<u>408,797</u>	<u>364,412</u>	<u>419,690</u>	<u>424,949</u>	<u>453,422</u>
Operating Loss after State Appropriations, before Nonoperating Revenues (Expenses)	<u>(219,276)</u>	<u>(341,646)</u>	<u>81,489</u>	<u>(201,317)</u>	<u>(188,665)</u>
Nonoperating Revenues (Expenses):					
Federal Appropriations	27,026	27,108	27,964	28,290	29,273
Federal Pell Grants	56,594	54,480	55,539	53,034	55,221
Investment and Endowment Income, Net of Fees	197,059	32,285	775,901	(147,423)	196,801
Private Gifts	86,405	71,179	84,233	80,982	121,805
Interest Expense	(66,585)	(64,696)	(70,076)	(74,846)	(72,425)
Government Subsidies	-	48,847	169,031	117,956	21,464
Other Nonoperating Revenues (Expenses)	<u>139</u>	<u>12,156</u>	<u>169</u>	<u>(11,047)</u>	<u>(1,998)</u>
Net Nonoperating Revenues (Expenses)	<u>300,638</u>	<u>181,359</u>	<u>1,042,761</u>	<u>46,946</u>	<u>350,141</u>
Income before Capital Contributions, Additions to Permanent Endowments, Special Item and Extraordinary Item	<u>81,362</u>	<u>(160,287)</u>	<u>1,124,250</u>	<u>(154,371)</u>	<u>161,476</u>
State Capital Appropriations and State Bond Funds	-	-	-	682	3,646
Capital Gifts and Grants	67,106	40,648	67,825	30,528	87,781
Private Gifts for Endowment Purposes	30,524	45,916	61,029	41,677	41,046
Special and Extraordinary Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase in Net Position	<u>178,992</u>	<u>(73,723)</u>	<u>1,253,104</u>	<u>(81,484)</u>	<u>293,949</u>
Net Position, Beginning of Period	<u>4,868,394</u>	<u>5,080,466</u>	<u>5,006,743</u>	<u>6,260,772</u>	<u>6,179,288</u>
Cumulative Effect of Change in Accounting Principles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, Beginning of Period, as Adjusted	<u>4,868,394</u>	<u>5,080,466</u>	<u>5,006,743</u>	<u>6,260,772</u>	<u>6,179,288</u>
Net Position, End of Period	<u>\$5,047,386</u>	<u>\$5,006,743</u>	<u>\$6,259,847</u>	<u>\$6,179,288</u>	<u>\$6,473,237</u>

* 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 five fiscal years ending June 30, 2025.

State Appropriations for General Operations University of Missouri System Fiscal Years Ended June 30,

<u>Fiscal Year</u>	<u>Recurring State Appropriations</u>	<u>Recurring State Appropriations Withheld (Governor's reserve)</u>	<u>% Withholding</u>	<u>Recurring State Appropriations Received</u>	<u>Recurring Percent Increase/ Decrease</u>
2021	\$390,372,462	\$11,540,550	3.0%	\$378,831,913	5.4%
2022	434,047,815	13,021,434	3.0	421,026,382	11.1
2023	458,326,797	13,749,804	3.0	444,576,994	5.6
2024	493,523,773	19,655,713	4.0	473,868,061	6.6
2025 ⁽¹⁾	503,277,886	15,098,337	3.0	488,176,549	3.0

⁽¹⁾ Fiscal year 2025 appropriations reflect the current State budget and remain subject to the Governor's discretionary withholding.

During fiscal years 2023 through 2025, the State approved capital funding for the University totaling over \$603 million. The additional one-time funding is distinct from the recurring appropriations shown above and will be used for construction projects across the four campuses and MU Health Care. The University expects to receive such additional capital funding through fiscal year 2027.

The University has received steady increases in recurring state appropriations since the fiscal year ended June 30, 2021, which coincided with strong growth of the State's general revenues and overall amounts available in the State budget. 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 and the level of Governor withholdings of appropriated amounts.

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 operating funds, auxiliary funds, service operations funds, self-insurance funds, debt service funds, and plant funds. The General Pool is managed in a way that both recognizes and balances the underlying needs of the pool, including accommodation of University cash flow cyclicalities, satisfaction of various ongoing liquidity needs, maximization of risk-adjusted investment returns, diversification and preservation of capital. The General Pool investment policy adopted as of June 30, 2018, permits the General Pool to be invested in the following asset sectors: Cash and Cash Equivalents and Short-Term Investments, U.S. Government Securities, Fixed Income, Absolute Return/Risk Parity, and Venture Capital. As of June 30, 2024, approximately 41% of the General Pool consisted of high-grade, short-duration, fixed income securities, money market funds and commercial paper all of which were available to support the liquidity requirements of the University’s variable rate bonds and commercial paper notes (for which the University provides self-liquidity). The General Pool had a market value of approximately \$3.4 billion as of June 30, 2024, according to the University’s internal, unaudited information.

The University voluntarily posts certain liquidity information on EMMA for each month end. See the unaudited liquidity information as of June 30, 2024, which has been posted on EMMA and is incorporated by reference in this Official Statement. See **“INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE”** in this Official Statement.

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 is managed in a manner that maximizes returns while attempting to minimize losses during adverse economic and market events. As such, the portfolio seeks meaningful diversification of assets, which necessarily means less equity risk and more long-term bond exposure relative to peers. Included in this portfolio is a portable alpha component which seeks to add returns over the benchmark. The portable alpha component has an allowable range of 0 – 27%. As of June 30, 2023, the portable alpha was 22.2% of the Endowment Pool. The long-term target asset mix and actual asset mix as of June 30, 2023 are set forth on the following table.

Endowment Pool – Asset Mix		
<u>Investment Sectors</u>	<u>Target Asset Mix</u>	<u>Actual Asset Mix June 30, 2023</u>
Public Equity	35.0%	37.2%
Private Equity	15.0	12.6
US Treasuries	8.0	9.0
Inflation-Linked Bonds	10.0	10.0
Private Debt	7.0	5.5
Risk Balanced	12.0	13.0
Commodities	3.0	2.7
Real Estate	10.0	8.3
Cash	0.0	1.7

The market values of the Endowment Pool for the five fiscal years ended June 30, 2023 are set forth below.

**University of Missouri System Endowment Pool
Fiscal Years Ended June 30,**

<u>Fiscal Year</u>	<u>Market Value</u>	<u>Annual Return</u>
2019	\$1,778,230,000	5.7%
2020	1,838,450,000	1.2
2021	2,290,931,000	29.7
2022	2,170,004,000	-0.7
2023	2,243,997,000	4.1

Based on preliminary, unaudited results for the fiscal year ended June 30, 2024, the market value of the Endowment Pool as of June 30, 2024 was \$2.4 billion.

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. As of June 30, 2023, the Endowment Pool had returned 10.1%, 7.4%, 8.5%, and 7.7% over the preceding 3, 5, 7, and 10 years, respectively. As of June 30, 2024, the market value of the Endowment Pool had increased approximately 8% since June 30, 2023, according to the University's internal, unaudited information.

Starting in fiscal year 2018, the University began transitioning the spending rate from 4.5% to 4.0% in a methodical manner over a period not to exceed the seven years ended June 30, 2024. Upon completion of this transition, the Endowment Pool's spending policy applies a rate of 4.0% to a base equal to the 28-quarter trailing average market value as of December 31 of the prior year. Also, starting in fiscal year 2018, the University increased its Endowment Pool administrative fee from 1.0% to 1.25%. The administrative fee is calculated by applying a rate of 1.25% to the base of the 28-quarter trailing average market value as of December 31.

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

Capital Campaigns

The most recent major capital campaigns completed at each of the four campuses of the University are as follows:

- The MU Our Time to Lead campaign exceeded its \$1.3 billion goal, ultimately raising over \$1.41 billion (January 2012 – June 2020). This campaign grew the endowment fund and established four signature centers and institutes.
- Missouri S&Ts last capital campaign began July 1, 2015 and ended June 30, 2021. The total amount raised was \$535 million. This includes \$423.4 million in fundraising and \$111.6 million in grants received.
- UMSL's last capital campaign was Gateway for Greatness Campaign which raised \$154 million from 2005 through 2012. This was a comprehensive campaign, which means it supported capital projects as well as programmatic.
- UMKC's latest capital campaign (2009 – 2016) had a \$250 million goal and raised \$302.5 million.

Total gifts for these capital campaigns and other giving to the University of Missouri System totaled \$30.5 million in fiscal year 2022 and \$61.1 million in fiscal year 2023. The University routinely evaluates its fundraising needs and may initiate new capital campaigns in the near future.

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 2020-2021 through 2024-2025.

<u>Academic Year</u>	<u>MU</u>	<u>UMKC</u>	<u>Missouri S&T</u>	<u>UMSL</u>
2020-2021	\$10,723	\$10,785	\$10,818	\$11,328
2021-2022	11,475	11,271	11,509	12,015
2022-2023	11,603	11,827	11,630	11,880
2023-2024	14,130	12,734	14,278	14,400
2024-2025	14,837	13,371	14,984	15,120

The annual rate of increase in undergraduate tuition and required fees charged to all Missouri resident students is governed by Section 173.1003 of the Revised Statutes of Missouri, which limits annual tuition and required fee increases to a rate no greater than the consumer price index (CPI) plus an amount (up to 5%) that would produce an increase in net tuition revenue no greater than the dollar amount by which state operating support for the University was reduced for the prior fiscal year. If tuition and fees are increased by more than the limit described above, 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.

Financial Aid

The following table sets forth the total financial aid awarded by the University for fiscal year 2023, the number of students receiving financial aid and the average amount awarded per student.

	Financial Aid				
	<u>MU</u>	<u>UMKC</u>	<u>Missouri S&T</u>	<u>UMSL</u>	<u>Total</u>
Total Financial Aid Awarded ⁽¹⁾	\$535,952,314	\$217,304,310	\$117,687,760	\$102,766,212	\$973,710,596
Aid from Institutional Sources	\$265,569,767	\$72,035,289	\$63,941,747	\$31,420,385	\$432,967,188
Students Receiving Aid	27,256	11,859	6,748	8,489	54,352
Total Financial Aid Awarded Per Student	\$19,664	\$18,324	\$17,440	\$12,106	\$17,915

⁽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.

Blended Component Units

The University reports three blended component units, which includes the University of Missouri-Columbia Medical Alliance (the "**Medical Alliance**"), Columbia Surgical Services ("**CSS**"), and Columbia Family Medical Services ("**CFMS**"). The Medical Alliance is a not-for-profit entity which was established to facilitate the creation of an integrated healthcare delivery system for mid-Missouri. The Capital Region Medical Center ("CRMC") was reported as an affiliate of the Medical Alliance and reported in the Medical Alliance component unit through fiscal year 2023. The University assumed the assets and operations of CRMC during fiscal year 2024 and became an operating unit of the University rather than the Medical Alliance for the fiscal year ending June 30, 2024. CSS and CFMS are not-for-profit corporations in which the University is the sole member. Both CSS and CFMS provide medical services in conjunction with MU Health Care.

The below table displays the changes in net position for the blended component units for fiscal year ended June 30, 2023, in thousands of dollars.

	<u>Medical Alliance</u>	<u>CSS</u>	<u>CFMS</u>
Net Position, Beginning of Year	\$131,325	\$675	\$(66)
Change in Net Position	<u>(27,140)</u>	<u>(39)</u>	<u>171</u>
Net Position, End of Year	\$104,185	\$636	\$105

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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, 2023.

Summary Financial Information of the Plan (in thousands)

Net Assets Held for Plan	Fiscal Years Ended June 30,		
	2021	2022	2023
Assets:			
Cash and Cash Equivalents and Collateral for Securities Lending	\$ 602,677	\$ 801,959	\$ 528,107
Investments and Related Receivables	<u>4,066,717</u>	<u>3,626,451</u>	<u>3,842,447</u>
Total Assets	<u>4,669,394</u>	<u>4,428,410</u>	<u>4,370,554</u>
Liabilities:			
Payables and Accrued Liabilities	37,281	70,537	32,488
Collateral for Securities Lending	<u>35,477</u>	<u>31,802</u>	<u>18,392</u>
Total Liabilities	<u>72,758</u>	<u>102,339</u>	<u>50,880</u>
Net Assets Held in Trust for Retirement and OPEB	<u>\$4,596,636</u>	<u>\$4,326,071</u>	<u>\$4,319,674</u>
Changes in Plan Net Assets			
Net Revenues and Other Additions:			
Net Investment Income	\$1,060,033	\$(104,559)	\$164,366
Contributions and other Revenues	<u>166,834</u>	<u>162,408</u>	<u>178,378</u>
Total Net Revenues and Other Additions	<u>1,226,867</u>	<u>57,849</u>	<u>342,744</u>
Expenses and Other Deductions:			
Administrative Expenses	3,666	3,219	4,986
Payments to Retirees and Beneficiaries	<u>320,675</u>	<u>325,195</u>	<u>344,155</u>
Total Expenses and Other Deductions	<u>324,341</u>	<u>328,414</u>	<u>349,141</u>
Increase (Decrease) in Net Position Held in Trust for Retirement and OPEB	902,526	(270,565)	(6,397)
Net Position Held in Trust for Retirement and OPEB, Beginning of Year	<u>3,694,110</u>	<u>4,596,636</u>	<u>4,326,071</u>
Net Position Held in Trust for Retirement and OPEB, End of Year	<u>\$4,596,636</u>	<u>\$4,326,071</u>	<u>\$4,319,674</u>

Preliminary net position held in Trust for Retirement and OPEB as of June 30, 2024 based on preliminary, unaudited results reflect an increase of approximately 6% to approximately \$4.5 billion due to positive investment performance.

The time-weighted return of the Plan for the fiscal year ended June 30, 2023 was 3.8%, compared to the benchmark index of 4.2%. The allocation of Plan investments and the time-weighted return on those investments for the fiscal year ended June 30, 2023 is shown in the following table:

Plan Investments
Fiscal Year ended June 30, 2023

	<u>Asset Distribution</u>	<u>Total Return</u>	<u>Benchmark Index Return ⁽¹⁾</u>
Public Equity	35.3%	12.9%	16.5%
Private Equity	12.2	(1.1)	(5.2)
US Treasuries	8.0	2.0	(1.0)
Inflation Linked Bond	9.0	4.1	(0.9)
Private Debt	5.4	6.2	3.5
Risk Balanced	14.0	(0.4)	(0.4)
Commodities	5.0	(8.0)	(8.3)
Real Estate	10.5	0.5	(3.9)
Cash	<u>0.6</u>	<u>3.9</u>	<u>3.6</u>
Total (Composite)	100.0	3.8	4.2

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

The Board approved changes to the retirement plan options available to employees in 2012 and in 2019. In each case, the changes applied only to new employees of the University after the effective date of the changes. A comparison of the various plans, consisting of the plans applicable to (a) employees hired before October 1, 2012 (the “**Defined Benefit Plan**”), (b) employees hired on or after October 1, 2012 but before October 1, 2019 (the “**Hybrid Plan**”), and (c) employees hired on or after October 1, 2019 (the “**Defined Contribution Plan**”), is set forth on the following page. Effective October 1, 2019, the Defined Benefit Plan and the Hybrid Plans were closed to new entrants.

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Employee Retirement Plan Comparison

	<u>Defined Contribution Plan</u>	<u>Hybrid Plan</u>	<u>Defined Benefit Plan</u>
Implementation Date	Employees hired on or after October 1, 2019	Employees hired on or after October 1, 2012 but before October 1, 2019	Employees and retirees hired on or before September 30, 2012
	<i>Defined Benefit Portion</i>	<i>Defined Benefit Portion</i>	<i>Defined Benefit Portion</i>
Multiplier Formula	N/A	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	N/A	11.40% of salary ⁽²⁾	14.93% of salary ⁽²⁾
Vesting	N/A	5 years	5 years
Employee Mandatory DB Contribution	N/A	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	N/A	None	5% of pay per year with 7.5% interest
	<i>Defined Contribution Portion</i>	<i>Defined Contribution Portion</i>	<i>Defined Contribution Portion</i>
University Automatic Contribution	N/A	2% of salary	N/A
University Match	100% up to 8% of salary ⁽¹⁾	100% up to an additional 3% of salary	N/A
Vesting	3 years	3 years	N/A
Estimated University Contribution	7.0% of salary	3.32% of salary	N/A

⁽¹⁾ Subject to future adjustment by the University

⁽²⁾ Adjusts annually based on changes in the actuarial valuation of assets and liability of the Retirement Plan.

The University obtains an actuarial valuation of the assets and liabilities of the Retirement Plan as of October 1 of each 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. 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. In fiscal year 2022, the University completed its five-year review of assumptions, which updates were included in the actuarial report as of October 1, 2021.

Key actuarial assumptions and methodologies used in the actuarial valuation report dated as of October 1, 2021 include the following:

- A decrease in the discount rate to 7.00% compared to 7.20% in October 2020.
- Mortality rates were calculated based on different tables for academic and administrative members as compared to clerical and service members to better represent the experience of the population.
- Disability rates were reduced by 20% for each age.

In April 2023, the Board of Curators approved plan provisions to allow the University to participate in a Vested Termination Buyout Program. The objective of the initiative was to reduce future growth in the pension liability and maximize success of the program without exposing the pension plan to losses. Offers were extended to vested members of the plan who have separated from the University as an optional one-time election to receive a lump sum payment for the value of their benefit plus an enhancement. The election window concluded at the end of 2023 and lump sum payments were distributed in early 2024 totaling \$62.5 million, resulting in an estimated \$10.8 million decrease of the unfunded pension liability.

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 Oct 1	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))
2019	\$3,763,642	\$4,668,270	\$904,628	80.6%	\$1,227,342	73.7%
2020	3,888,025	4,787,529	899,504	81.2	1,116,123	80.6
2021	4,118,886	5,155,443	1,036,557	79.9	1,025,644	101.1
2022	4,250,030	5,448,975	1,198,945	78.0	970,746	123.5
2023	4,346,731	5,635,989	1,289,258	77.1	934,470	138.0

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)

Oct 1	Actuarial Valuation of Assets	Market Value of Assets	% of Actuarial Value to Market Value	Funded Ratio ⁽¹⁾ (Actuarial Value)	Funded Ratio ⁽²⁾ (Market Value)
2019	\$3,763,642	\$3,735,405	100.8%	80.6%	80.0%
2020	3,888,025	3,792,152	102.5	81.2	79.2
2021	4,118,886	4,557,158	90.4	79.9	88.4
2022	4,250,030	4,151,217	102.4	78.0	76.2
2023	4,346,731	4,193,501	103.7	77.1	74.4

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

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

The Net Pension Liability of the University as of June 30, 2023, was \$1,254,814,000, as set forth in Table 13.2 of the Notes to Financial Statements of the University included as **Appendix B**. For additional information relating to the Retirement Plan, see Notes 3, 13 and 17 of the Notes to Financial Statements of the University included as **Appendix B** and the unaudited Required Supplemental Information starting on page 86 of **Appendix B**.

Other Post-Employment Benefits

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 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.

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 to employees who retire from the University after attaining age 55 and before reaching age 60 with ten or more years of service, or after attaining age 60 with five or more years of service. As of January 1, 2018, employees must be 60 years old and have 20 years of service at the date of retirement to access the same percentage subsidy as retirees prior to January 1, 2018. Employees with age plus years of service less than 80 but with more than 5 years of service as of January 1, 2018 will receive a subsidy of \$100 per year of service up to a maximum of \$2,500 annually. Employees with less than five years of service as of January 1, 2018 will not receive an insurance subsidy or be eligible to participate in the University's plans.

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 on a pay-as-you-go basis. In fiscal years 2023 and 2022, the University contributed \$14,706,000 and \$15,846,000, respectively.

As of June 30, 2023, the OPEB Plan was 22.2% funded. The total liability for postemployment benefits was \$191,156,000 with a plan fiduciary net position of \$42,410,000 resulting in a net OPEB liability of \$148,746,000. The covered payroll was \$548,996,000 and the ratio of net OPEB liability to covered payroll was 27.1%.

For additional information relating to the OPEB Plan, see Notes 3, 14 and 17 of the Notes to Financial Statements of the University included as **Appendix B** and the unaudited Required Supplemental Information starting on page 99 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 (as defined below), 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 2024 Bonds. Principal amounts outstanding for all Prior System Bonds are as of August 1, 2024:

- Variable Rate Demand System Facilities Revenue Bonds, Series 2007B (the "**Series 2007B Bonds**"), in the outstanding principal amount of \$66,485,000, all of which is expected to be refunded with proceeds of the Series 2024 Bonds;
- Taxable System Facilities Revenue Bonds, Series 2009A (Build America Bonds) (the "**Series 2009A Bonds**"), in the outstanding principal amount of \$235,765,000;

- Taxable System Facilities Revenue Bonds, Series 2010A (Build America Bonds) (the “**Series 2010A Bonds**”), in the outstanding principal amount of \$252,285,000;
- Taxable System Facilities Revenue Bonds, Series 2013B (the “**Series 2013B Bonds**”) in the outstanding principal amount of \$150,000,000;
- System Facilities Revenue Bonds, Series 2014A (the “**Series 2014A Bonds**”), in the outstanding principal amount of \$169,170,000, of which \$149,470,000 is expected to be refunded with proceeds of the Series 2024A Bonds;
- System Facilities Revenue Bonds, Series 2014B (the “**Series 2014B Bonds**”), in the outstanding principal amount of \$150,000,000;
- Taxable System Facilities Revenue Bonds, Series 2020A (the “**Series 2020A Bonds**”) in the outstanding principal amount of \$300,000,000; and
- System Facilities Revenue Bonds, Series 2020B (the “**Series 2020B Bonds**,” and together with the Series 2020A Bonds, the “**Series 2020 Bonds**”) in the outstanding principal amount of \$190,200,000.

The bonds referred to above are collectively referred to as the “**Prior System Bonds**,” which are outstanding in the aggregate principal amount of \$1,513,905,000 as of August 1, 2024.

The Series 2024 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 are secured by a parity lien on and claim against the System Revenues with the Series 2024 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). Since 2013, the federal Budget Control Act (as subsequently modified and amended) has resulted in the reduction of federal Interest Subsidy Payments to issuers of certain qualified bonds subject to sequestration (including the Build America Bonds). Sequestration resulted in a 5.7% reduction for the federal fiscal year ended September 30, 2023 and the federal fiscal year ending September 30, 2024. Absent the reduction caused by sequestration, the University’s Interest Subsidy Payment during its fiscal year ending June 30, 2024 would have been approximately \$10.1 million. Sequestration is currently scheduled to continue until the close of federal fiscal year 2024. Sequestration or other Congressional action may reduce or eliminate 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) paying 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 are required to 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, with not more than \$100,000,000 maturing in any seven-day period.

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 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 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 Revenues, which secure solely the Series 2024 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 August 1, 2024, the University had no 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 17 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, 2024, the University had approximately \$3.4 billion in its General Pool, of which approximately 41% was in high-grade, short-duration, fixed income securities and commercial paper.

For additional financial information regarding the University's liquidity, see the unaudited liquidity information as of June 30, 2024, which has been posted on EMMA and which is incorporated by reference in this Official Statement. See **"INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE"** in this Official Statement.

Swap Agreements

The University has previously entered into three interest rate swap agreements in an aggregate notional amount of \$151.855 million as of December 1, 2023. Two of the three swap agreements were terminated at the beginning of calendar year 2024. The remaining swap agreement is a \$66.49 million swap that specifically hedges the Series 2007B Bonds, and is expected to be terminated in connection with the refunding of the Series 2007B Bonds with proceeds of the Series 2024 Bonds.

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 2024 Bonds, (b) challenging the proceedings or authority under which the Series 2024 Bonds are to be issued, (c) materially affecting the security for the Series 2024 Bonds, or (d) which would otherwise materially adversely affect the financial condition of the University.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY OF MISSOURI
SYSTEM FOR THE FISCAL YEARS ENDED
JUNE 30, 2023 AND 2022**

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

FINANCIAL REPORT



2023

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Message from the President

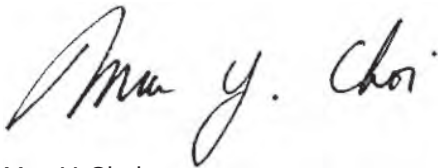
The University of Missouri System is dedicated to inspiring innovation, preparing students for incredible careers and training the next generation of state leaders. To realize these ambitious goals, our students, faculty and staff are exploring society's biggest challenges at each of our four universities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

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

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

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

Sincerely,



Mun Y. Choi
President, University of Missouri



Curators of the University of Missouri

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



Julia G. Brncic
District 1
St. Louis



Robert D. Blitz
District 2
St. Louis



Jeanne Cairns Sinquefield
District 3
Westphalia



Robert Fry
District 4
Greenwood



Michael Williams
District 5
Kansas City



Todd P. Graves
District 6
Edgerton



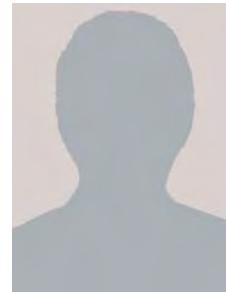
Jeffrey L. Layman
District 7
Springfield



Keith A. Holloway
District 8
Cape Girardeau



Robin R. Wenneker
At-Large Member
Columbia



Vacant
Student Representative

University of Missouri System General Officers



Mun Y. Choi
President, University of
Missouri



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



Ben Canlas
Interim Vice President for
Information Technology



Mohammad Dehghani
Chancellor,
Missouri University of
Science and Technology



Marsha B. Fischer
Vice President for
Human Resources



John Middleton
Associate Vice President
for Academic Affairs



Mark A. Menghini
General Counsel



Ryan D. Rapp
Executive Vice President of
Finance and Operations



Kristin Sobolik
Chancellor,
University of Missouri-
St. Louis

Finance Staff

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

Kevin Hogg, Assistant Vice President of Treasury

Jessica Opie, Interim Controller

Thomas Richards, Chief Investment Officer

Ashley Rogers, Director of Finance and Accounting



University of Missouri-Columbia

Founded:
1839

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

Enrollment:
31,304*

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

Alumni:
357,000+

*Enrollment numbers are reflective of 2022-2023 enrollment.



UMKC

University of Missouri-Kansas City

Founded:
1929

Enrollment:
15,703*

Alumni:
135,000+

The University of Missouri-Kansas City (UMKC) serves more than 15,000 students on its Volker and Hospital Hill campuses. This comprehensive, public research university offers more than 125 academic programs across a spectrum of acclaimed academic units. Notable programs include the UMKC Conservatory of Music and Dance, the Henry W. Bloch School of Management and the School of Dentistry. Additionally, the School of Medicine's Master of Science in Anesthesiology program is one of only five offered in the nation.

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

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



Missouri University of Science and Technology

Founded:
1870

Enrollment:
7,080*

Alumni:
69,000+

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

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

*Enrollment numbers are reflective of 2022-2023 enrollment.



University of Missouri-St. Louis

Founded:
1963

Enrollment:
15,181*

Alumni:
108,000+

The University of Missouri-St. Louis (UMSL) serves more than 15,000 students and employs more than 1,500 faculty and staff. UMSL is a public research university in the state's most populated metropolitan area. The largest university in St. Louis, UMSL provides excellent learning experiences and leadership opportunities for a diverse student body through its outstanding faculty, nationally ranked programs, innovative research and regional, national and international partnerships.

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

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



University of Missouri Health

Founded:
1956

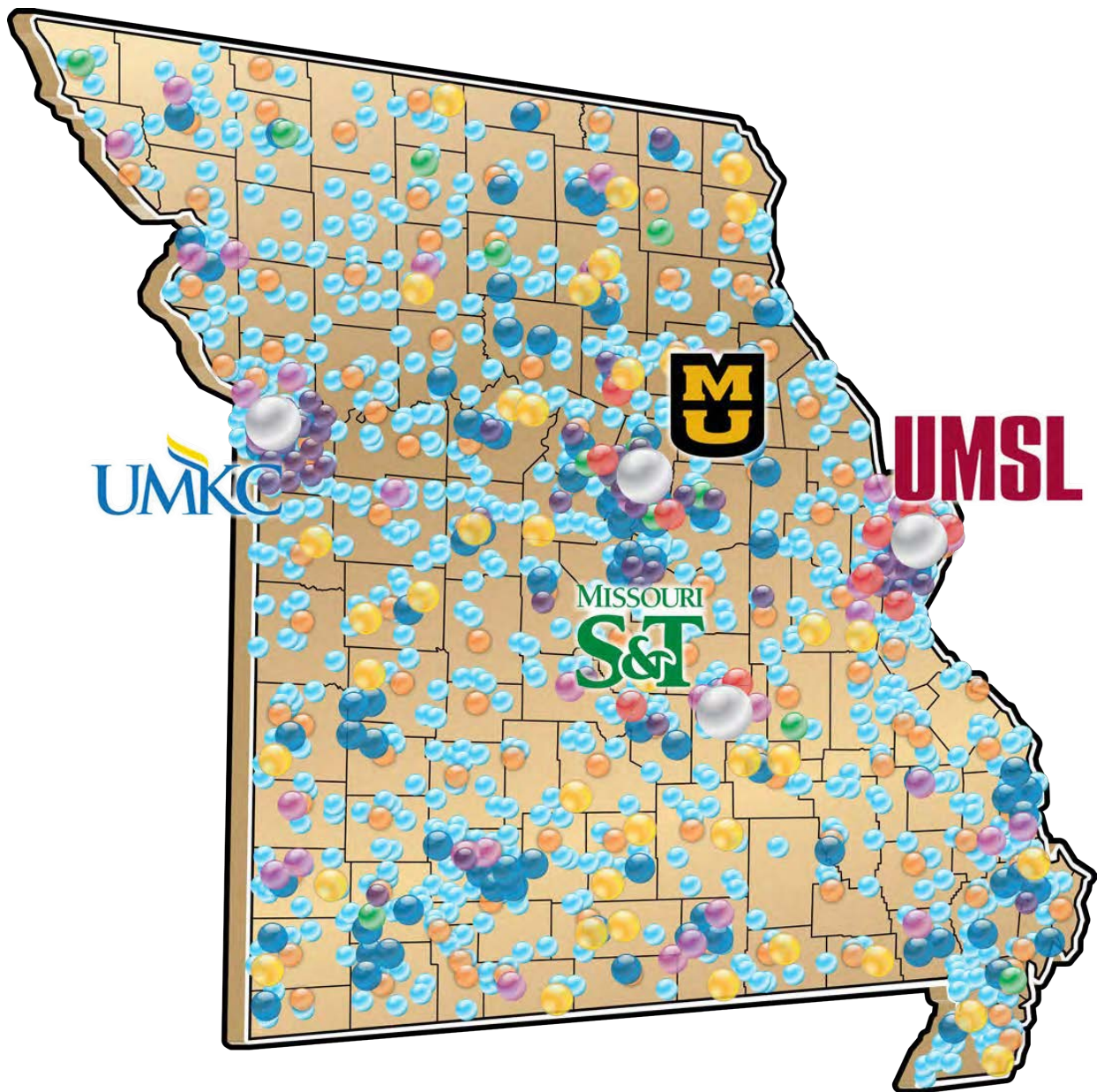
Based:
Columbia, MO

**Patients
served yearly:**
240,000+

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

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

University of Missouri System Statewide Reach



4 UM System Campuses

10 Research Parks /
Business Incubators

19 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

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October 18, 2023

The management of the University of Missouri System (the “University”) is responsible for the preparation, integrity, and fair presentation of the financial statements. The financial statements, presented on pages 32 to 98, have been prepared in conformity with accounting principles generally accepted in the United States of America and, as such, include amounts based on judgments and estimates by management.

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

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

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

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



Ryan D. Rapp
Executive Vice President of Finance and Operations

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

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



MISSOURI

Financial Information



University of Missouri System

COLUMBIA | KANSAS CITY | ROLLA | ST. LOUIS

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023 and 2022 (unaudited)

Management's Discussion and Analysis provides an overview of the financial position and activities of the University of Missouri System (the "University") for the fiscal years ended June 30, 2023 and 2022, and should be read in conjunction with the financial statements and notes. The University is a component unit of the State of Missouri and an integral part of the State's Annual Comprehensive Financial Report.

This report includes five financial statements.

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

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

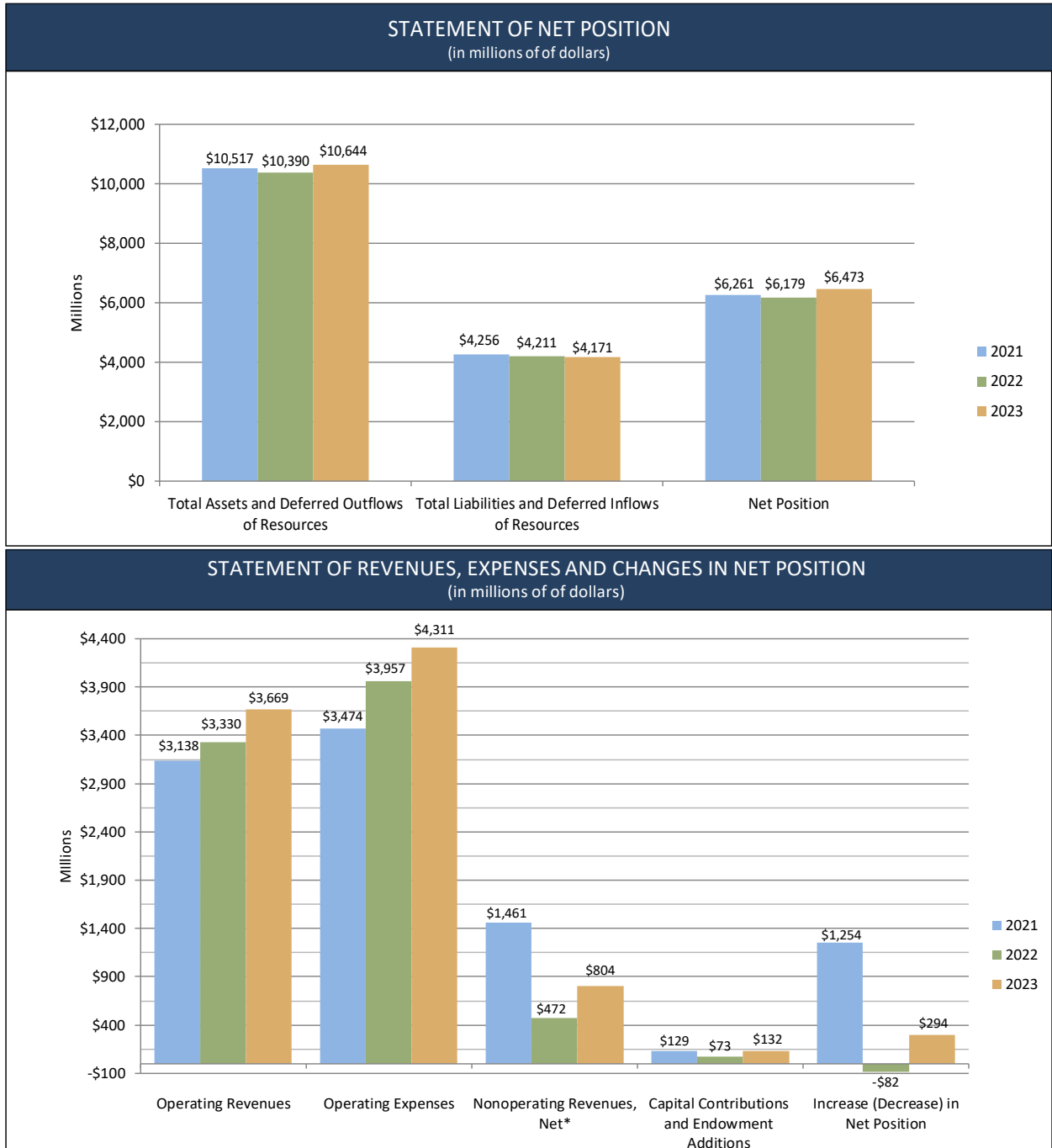
FINANCIAL HIGHLIGHTS

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

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

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



* Includes State Appropriations

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023 and 2022 (unaudited)

CONDENSED STATEMENT OF NET POSITION

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

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

The following table summarizes the University's assets and deferred outflows of resources, liabilities and deferred inflows of resources and net position at June 30, 2023, 2022, and 2021:

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

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
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ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

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

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

As a measurement of actual liquidity, working capital is adversely impacted by the inclusion, per accounting guidelines, of Long-Term Debt Subject to Remarketing. If Long-Term Debt Subject to Remarketing were excluded from Current Liabilities, working capital would be \$1.1 billion and \$816.6 million at June 30, 2023 and 2022, respectively, also expressed as Current Assets of 2.55 and 2.23 times Current Liabilities.

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

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

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

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

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

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

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

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023 and 2022 (unaudited)

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

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

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

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

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

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

Current Liabilities include long-term variable rate demand bonds subject to remarketing agreements totaling \$66.5 million, \$70.7 million and \$74.8 million at June 30, 2023, 2022 and 2021, respectively. The variable rate demand bond has a final contractual maturity in fiscal year 2032. Despite contractual maturities beyond one year, this variable rate demand bond is classified as a current liability because the University is ultimately the sole source of liquidity should the option to tender be exercised by the bondholder.

The University's Commercial Paper Program can issue up to an aggregate outstanding principal amount of \$375 million. There were no issues of commercial paper during FY 2023 nor FY 2022.

UNIVERSITY OF MISSOURI SYSTEM
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June 30, 2023 and 2022 (unaudited)

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

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

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

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

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

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

Revenue Bonds and Commercial Paper (in thousands of dollars)								
	June 30, 2023							
	MU	UMKC	UMSL	Missouri S&T	University Health Care	Medical Alliance	Unallocated Bond Cost	Total
Athletics	\$ 128,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,448
Campus Utilities	113,444	-	-	24,581	-	-	-	138,025
Classroom & Research	126,870	20,753	38,072	12,529	-	-	-	198,224
Critical Repairs/Maintenance	13,710	5,845	3,608	4,042	-	-	-	27,205
Housing	262,565	68,580	14,277	63,771	-	-	-	409,193
Health Care	-	-	-	-	385,686	39,467	-	425,153
Parking	28,195	33,547	10,815	-	-	-	-	72,557
Recreational Facilities	20,238	5,714	30,060	133	-	-	-	56,145
Student Centers	20,964	32,076	8,455	6,866	-	-	-	68,361
Other	79	123	-	-	-	-	157,344	157,546
Unamortized Premium	-	-	-	-	-	-	60,348	60,348
Total	\$ 714,513	\$ 166,638	\$ 105,287	\$ 111,922	\$ 385,686	\$ 39,467	\$ 217,692	\$ 1,741,205

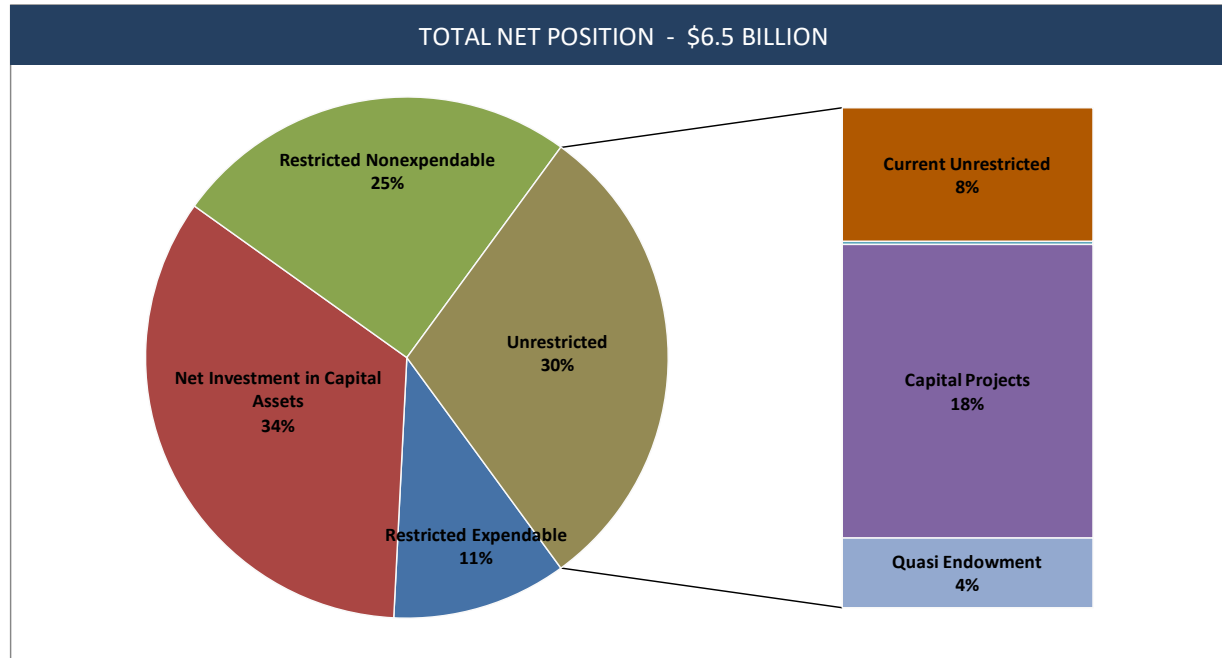
Deferred Inflows of Resources represent an acquisition of net position by the University that is applicable to a future period. During FY 2023, the University recognized \$160.4 million of deferred inflows of resources representing the University's remainder interest of charitable annuities and trusts,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

NET POSITION

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

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The distribution of the Net Position balances, including additional details on unrestricted net position by fund type, as of June 30, 2023, are as follows:



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

Net Investment in Capital Assets, represents the University's investment in capital assets, net of accumulated depreciation and amortization and outstanding debt related to acquisition, construction or improvement of those assets. This category increased by \$203.1 million in FY 2023 and increased by \$36.2 million in FY 2022. The increase in FY 2023 was driven by purchases of capital assets while the increase in FY 2022 was primarily caused by the repayment of debt.

Restricted Nonexpendable Net Position includes endowment assets that are subject to externally imposed stipulations for the principal to be maintained in perpetuity by the University. An increase in endowed gifts resulted in an increase in Restricted Nonexpendable Net Position of \$45.7 million or 2.9% during FY 2023. Investment losses during FY 2022 led to a decrease in Restricted Nonexpendable Net Position of \$77.6 million or 4.7%.

Restricted Expendable Net Position represents resources that are subject to externally imposed stipulations regarding their use, but are not required to be maintained in perpetuity. This category decreased during FY 2022 by \$47.5 million, or 6.4%, and increased by \$4.8million, or 0.7%, during FY 2023. As of June 30, 2023, this category includes:

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

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Unrestricted Net Position is not subject to externally imposed stipulations, although these resources may be designated for specific purposes by the University's management or Board of Curators. This category increased by \$45.8 million or 2.4% to \$1.9 billion in FY 2023 and increased \$7.4 million or 0.4% in FY 2022. Maintaining adequate levels of unrestricted net position is one of several key factors that have enabled the University to maintain its Aa1 credit rating. As of June 30, 2023, and 2022, University Health Care designated funds totaled

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

UNIVERSITY OF MISSOURI SYSTEM
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MANAGEMENT'S DISCUSSION AND ANALYSIS
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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

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

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

UNIVERSITY OF MISSOURI SYSTEM

A COMPONENT UNIT OF THE STATE OF MISSOURI

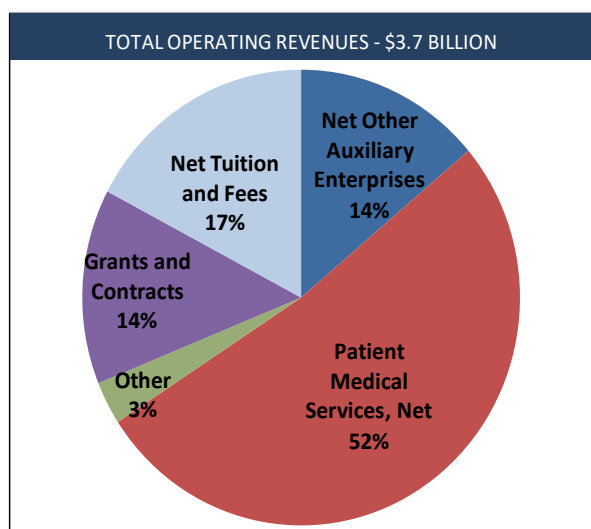
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023 and 2022 (unaudited)

OPERATING REVENUES

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

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



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

As a research institution, the University receives a substantial amount of funding through **Federal, State and Private Grants and Contracts**. Overall, sponsored funding increased by \$74.6 million, or 17.2%, in FY 2023 compared

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

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

NONOPERATING REVENUES (EXPENSES)

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

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

As one of the more volatile sources of non-operating revenues, **Investment and Endowment Income** includes interest and dividend income as well as realized and unrealized gains and losses. Realized and unrealized market value gains, losses and other activity affecting **Investment and Endowment Income** resulted in a net gain of \$196.8 million in FY 2023 as compared to a net loss of \$147.4 million in FY 2022. As of June 30, 2021, Investment and Endowment Income was \$775.9 million.

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

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

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

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

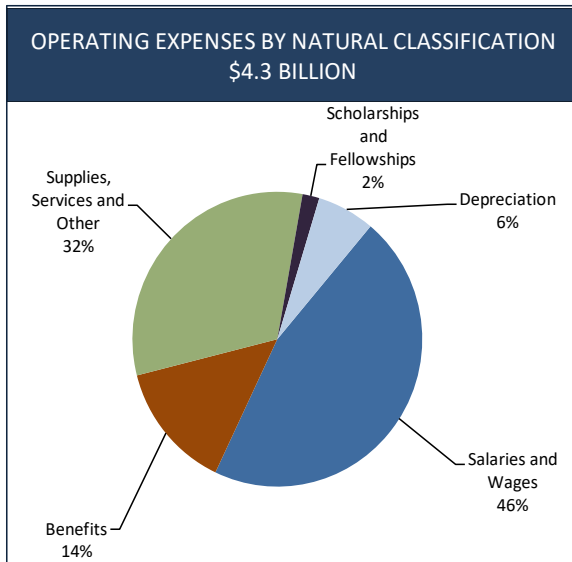
The following is a summary of interest expense associated with Long-Term Debt:

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

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OPERATING EXPENSES

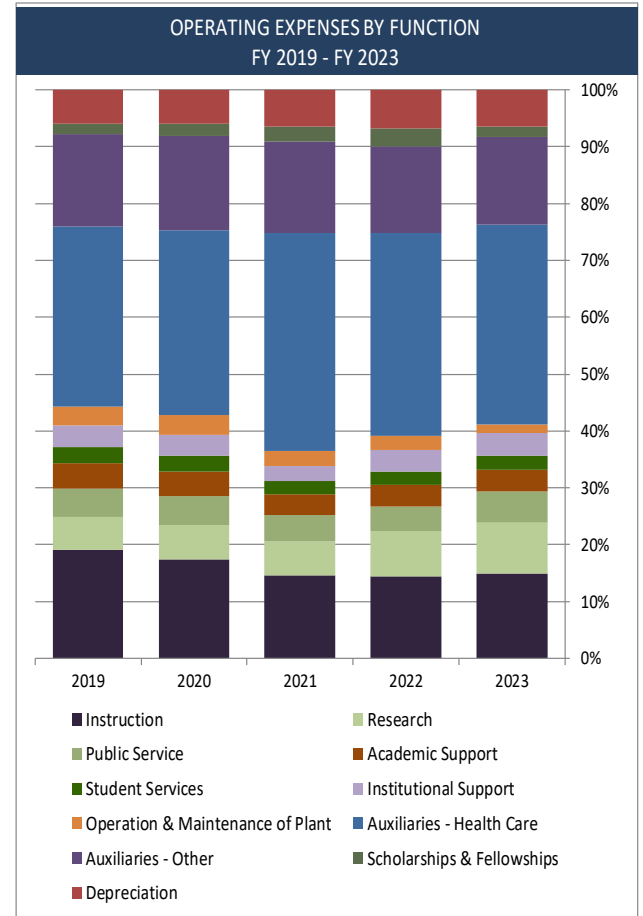
Total Operating Expenses increased by \$354.4 million, or 9.0% and \$482.6 million, or 13.9%, in FY 2023 and FY 2022, respectively. The increase in total operating expenses in FY 2023 was primarily due increases in **Salaries and Wages and Benefits**. The following graph illustrates the University's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



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

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

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



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

UNIVERSITY OF MISSOURI SYSTEM
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STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides information about the University's sources and uses of cash and cash equivalents during the fiscal year. The following summarizes sources and uses of cash and cash equivalents for the three years ended June 30, 2023, 2022 and 2021:

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

Net Cash Used in Operating Activities reflects the continued need for funding from the State of Missouri, as funding received from tuition and fees and related sales and services of auxiliary and educational activities are not sufficient to cover operational needs. In FY 2023, cash used in operating activities decreased by \$16.5 million primarily due to increases in receipts from tuition and fees, grants and patient care revenues outpacing increased payments to suppliers, employees and benefits. In FY 2022, cash used in operating activities increased by \$183.0 million. The increase in the amount used was primarily due to an increase in payments to employees and benefits related to the discontinuing of temporary pay decreases and hiring freezes as well as returning to an annual merit pool for staff.

The University's most significant source of cash, **Net Cash Provided from Noncapital Financing Activities**, includes funding from State and Federal appropriations, Pell grants and noncapital private gifts. Cash from these sources totaling \$681.0 million, \$757.8 million, and \$789.2 million in FY 2023, FY 2022, and FY 2021, respectively, directly offset the additional cash needs resulting from operations.

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

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

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ECONOMIC OUTLOOK

The University of Missouri is the State's premier public research university contributing to the economic development and vitality of the state through groundbreaking research, educating more than 69,000 students, delivering quality healthcare to the citizens of Missouri, and providing extension services throughout the state.

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

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

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

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

University of Missouri Health Care (MU Health Care) remains dedicated to its mission of saving and improving lives. MU Health Care's focus for the future is to achieve the scale needed, to support the clinic, education and research missions and its long-term vision to become the premier academic health system for Missouri. MU Health Care continues to evaluate new growth opportunities within the State and will be working closely with Capital Region Medical Center to integrate the community hospital into the MU Health Care academic medical center operations during FY 2024. MU Health Care strives to improve patient outcomes and access to care, share best practices, create efficiencies, and manage health care costs.

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

The University is aware of its fiduciary responsibility to control costs in order to provide an affordable education for Missourians. Despite the challenges generated by economic pressures from the pandemic, the University remained flexible during the downfall of the pandemic and is returning pre-pandemic operations. Inflationary pressure remains and will present an on-going challenge. The University will actively manage budgetary challenges by finding cost efficiencies and increasing revenues in line with inflation to continue to support its mission and strategic goals.



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Independent Auditor's Report

The Board of Curators
University of Missouri System

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, the discretely presented component unit, and the fiduciary activities of University of Missouri System, collectively a component unit of the State of Missouri, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the University of Missouri System's basic financial statements as listed in the table of contents.

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

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

Basis for Opinions

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Other Information

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

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

FORVIS, LLP

Kansas City, Missouri
October 18, 2023

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

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

(continued)

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

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

See notes to the financial statements

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended June 30, 2023 and 2022 (in thousands)

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

(continued)

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 For the Years Ended June 30, 2023 and 2022 (in thousands)

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

See notes to the financial statements

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

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

(continued)

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

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

See notes to the financial statements

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

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

See notes to the financial statements

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Years Ended June 30, 2023 and 2022 (in thousands)

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

See notes to the financial statements

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

UNIVERSITY OF MISSOURI SYSTEM

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

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

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

The University of Missouri-Columbia Medical Alliance (the “Medical Alliance”) is considered a component unit of the University according to the criteria in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*, and is presented as a blended component unit in the University’s financial statements in accordance to GASB Statement No. 80, *Blending Requirements for Certain Component Units*.

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

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

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

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

The Missouri Renewable Energy Corporation (MREC) is considered a component unit of the University, for financial reporting purposes, according to the criteria in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*, and is included in the University's financial statements using the blended method. MREC is a for-profit corporation, and the University holds the majority equity interest. MREC provides green energy facilities exclusively to the University. At June 30, 2022, MREC dissolved and equity was transferred to the University. Separately audited financial statements for MREC are not available. Combining financial statements are presented in Note 15.

The Kummer Institute Foundation is considered a component unit of the University according to the criteria in GASB No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)* and is presented as a discrete component unit in the University's financial statements. The Foundation is a 509(a)(3) supporting organization that promotes education on the Missouri Science and Technology campus with a focus in science, technology, engineering and mathematics as well as promoting research and economic development within

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Investments – Cash and cash equivalents consist of the University’s bank deposits, repurchase agreements, money market funds, and other investments with original maturities of three months or less. Investment assets are carried at fair value with the exception of certain commingled funds and nonmarketable alternative investments, which are recorded at net asset value. Purchases and sales of investments are accounted for on the trade date basis. Investment settlements receivable and investment settlements payable represent investment transactions occurring on or before June 30, which settle after that date. Investment income is recorded on the accrual basis. Net unrealized gains (losses) are included in investment and endowment income in the Statement of Revenues, Expenses and Changes in Net Position.

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

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

Pledges Receivable – The University receives unconditional promises to give through private donations (pledges) from corporations, alumni and various other supporters of the University. Revenue is recognized when a pledge is received and all eligibility requirements, including time requirements, are met. These pledges have been recorded as pledges receivable on the Statement of Net Position and as private or capital gift revenues on the Statement of Revenues, Expenses, and Changes in Net Position, at the present value of the estimated future cash flows. The rate used to discount the present value is based on the seven-year treasury bill rate as of June 30 of each fiscal year. For the fiscal years ended June 30, 2023 and 2022, the University used a discount rate of 3.97% and 3.04%, respectively. An allowance of \$21,033,000 and \$25,466,000 as of June 30, 2023 and 2022, respectively, has been made for uncollectible pledges based upon management’s expectations regarding the collection of the pledges and the University’s historical collection experience.

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

UNIVERSITY OF MISSOURI SYSTEM
A COMPONENT UNIT OF THE STATE OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
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Capital, Lease and Subscription Assets – If purchased, capital assets are carried at cost or, if donated, at acquisition value at the date of gift. The University capitalizes assets with useful lives greater than one year and acquisition cost greater than or equal to \$5,000. Depreciation expense is computed using the straight-line method over the assets' estimated useful lives – generally ten to forty years for buildings and improvements, eight to twenty-five years for infrastructure, three to fifteen years for equipment and twenty years for library materials. American Hospital Association useful life guidelines are followed for capital assets that are medical in nature. Assets utilized through lease or subscription obligations are amortized on the straight-line basis over the shorter period of the lease or subscription term or the estimated useful life of the asset. The University capitalizes works of art, as these collections generally consist of historical artifacts and artworks, they are considered inexhaustible and not subject to depreciation.

The University does not capitalize collections of historical treasures held for public exhibition, education, research, and public service. These collections are not disposed of for financial gain and, accordingly, are not capitalized for financial statement purposes. Proceeds from the sale, exchange, or other disposal of such items must be used to acquire additional items for the same collection. Land is considered inexhaustible and is not subject to depreciation.

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

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

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

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

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

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

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

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

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

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

Unrestricted net position is not subject to externally imposed stipulations, but may be designated for specific purposes by the University’s management or the Board of Curators. Unrestricted net position is derived from tuition and fees, sales and services, unrestricted gifts, investment income, and other such sources, and are used for academics and the general operation of the University. When both restricted and unrestricted resources are available for expenditure, the University’s policy is to first apply restricted resources, and then the unrestricted resources.

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

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

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

Amounts receivable under Medicare and Tricare/Champus reimbursement agreements are subject to examination and certain retroactive adjustments by the related programs. These adjustments increased net patient services revenues by \$10,707,000 and \$3,069,000 for the years ended June 30, 2023 and 2022, respectively.

The Medicaid program reimburses inpatient services on a prospective established per diem rate. The Medicaid program reimburses outpatient services under a combination of prospective and fee schedule amounts. For the years ended June 30, 2023 and 2022, the MU Health Care’s percentage of gross patient accounts receivable classified by major payor is as follows:

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

	2023	2022
Medicare	31%	32%
Medicaid	24%	20%
Managed Care/Commercial	35%	37%
Other Government	6%	7%
Self Pay	4%	4%
	100%	100%

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

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

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

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

Uncompensated Care - The University provides some services to patients without regard to their ability to pay for those services. For some of its patient services, the University receives no payment or payment that is less than the full cost of providing the services.

The estimated costs of providing these services are as follows:

Table 1.3 - Uncompensated Care Revenue *(in thousands)*

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

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

Effective for fiscal year 2023, the University adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which addresses issues with public-private and public-public (PPP) arrangements. The University has adopted the standard and there was no significant impact on the University's financial statements.

Effective for fiscal year 2023, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides accounting and financial reporting guidance for subscription-based information technology arrangements. These arrangements would require the recognition of a right-to-use asset and corresponding subscription liability, which would be amortized as interest expense over the term of the arrangement. The adoption of this statement in fiscal year 2023 resulted in the recognition of approximately \$76,118,000 of subscription-based information technology (SBITA) assets and liabilities as of July 1, 2021 on the Statement of Net Position. As of June 30, 2022, there were SBITA assets of \$70,269,000 and SBITA liabilities of \$70,250,000 that were not previously recognized on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position for fiscal year 2022 included increases in interest expense of \$2,202,000, amortization of \$13,497,000, a reduction supplies, services and other of \$15,718,000. There was no impact to net position as of July 1, 2021.

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

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

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

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

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

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

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2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk – The custodial credit risk for deposits is the risk that in the event of bank failure, the University's deposits may not be recovered. State law requires collateralization of all deposits with federal depository insurance, bonds and other obligations of the U.S. Treasury, U.S. Agencies and instrumentalities of the State of Missouri; bonds of any city, county, school district or special road district of the State of Missouri; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits. All cash deposits were fully insured or collateralized as of June 30, 2023 and 2022, respectively.

3. INVESTMENTS

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

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

General Pool – General Pool contains short-term University funds, including but not limited to cash and reserves, operating funds, bond funds, and plant funds. Subject to various limitations contained within the corresponding investment policy, the University's internally managed component of the General Pool may be invested in the following instruments: U.S. Government securities; U.S. Government Agency securities; U.S. Government guaranteed securities; money market funds; certificates of deposit; repurchase agreements; real estate, commercial paper; and other similar short-term investment instruments of like or better quality. The externally managed component of the General Pool is allowed to invest in the following asset sectors: fixed income, private debt, absolute return and risk balanced strategies. The General Pool's total return, including unrealized gains and losses, was 3.2% and (2.7%) for the years ended June 30, 2023 and 2022, respectively.

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

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

The Endowment Pool, which is externally managed, is the primary investment vehicle for endowment funds. Subject to various limitations contained within the corresponding investment policy, the Endowment Pool is allowed to invest in the following asset sectors: global equity, absolute return strategies, private equity, real estate, sovereign bonds, private debt, commodities, global inflation-linked bonds, and risk balanced strategies. The Endowment Pool's total return, including unrealized gains and losses, was 4.1% and (0.7%) for the years ended June 30, 2023 and 2022, respectively.

If a donor has not provided specific restrictions, state law permits the Board to appropriate an amount of the Endowment Funds' net appreciation, realized and unrealized, as the Board considers to be prudent. In establishing this amount, the Board is required to consider the University's long- and short-term needs, present and anticipated financial requirements, expected total return on investments, price level trends, and general economic conditions. Further, any expenditure of net appreciation is required to be for the purposes for which the endowment was established. Inclusive of both realized and unrealized gains and losses on investments, donor-restricted endowments experienced net appreciation (depreciation) of approximately \$102,311,000 and (\$168,343,000) in fiscal years 2023 and 2022, respectively.

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

The transition from 4.5% to 4.0% distribution was phased in between FY18 and FY23 to avoid a year over year decrease in distributions. In addition, the University distributes 1.25% of the trailing 28-quarter average of the endowment's total market value to support internal endowment and development administration.

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

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PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

The Retirement Trust and the OPEB Trust hold the assets of the Retirement Plan and OPEB Plan, respectively. Subject to various limitations contained within the corresponding investment policy, the externally-managed Retirement Trust is allowed to invest in the following asset sectors: global equity, absolute return strategies, private equity, real estate, sovereign bonds, private debt, commodities, global inflation-linked bonds, and risk balanced strategies. The Retirement Trust's total return, including unrealized gains and losses, was 3.9% and (1.8%) for the years ended June 30, 2023 and 2022, respectively. The Retirement Trust held \$4,277,264,000 and \$4,286,149,000 of net position at June 30, 2023 and 2022, respectively.

The OPEB Trust held \$42,410,000 and \$39,922,000 of net position at June 30, 2023 and 2022, respectively. Subject to various limitations contained within the corresponding investment policy, the externally-managed OPEB Trust is allowed to invest in the following asset sectors: global fixed income, global equity, and absolute return strategies.

DISCRETELY PRESENTED COMPONENT UNIT

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

Table 3.1 - Investments by Type (in thousands)

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

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

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

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Concentration of Credit Risk – Concentration of credit risk is the risk associated with a lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic or credit developments. The investment policies for the General Pool, Endowment Funds, and Retirement Trust all specify diversification requirements across asset sectors. As of June 30, 2023 and 2022, of the University's total investments and cash and cash equivalents were 7.3% and 9.3%, respectively, in issues of U.S. Treasury Notes. As of June 30, 2023 and 2022, the Pension Trust Fund's total investments and cash and cash equivalents were (0.1%) and (0.1%), respectively, in issues U.S. Treasury Notes.

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

Credit Risk – Debt securities are subject to credit risk, which is the chance that an issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. These circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments. Certain debt securities, primarily obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk.

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

All holdings of money market funds were rated AAA at June 30, 2023 and 2022.

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Based on investment ratings provided by Moody's or S&P, the University's and Pension Trust Funds' credit risk exposure as of June 30, 2023 and 2022, is as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The allowable range of the portable alpha portfolio for both the Endowment Pool and Pension Trust Funds shall be 0-27% of the total investment of the respective pools. As of June 30, 2023, the portable alpha portfolio was 22.2% and 24.2% for the Endowment Pool and Pension Trust Funds, respectively.

Management of liquidity risk is a critical component of the portable alpha program. If not managed appropriately, there is a risk that synthetic market exposures may need to be unwound at undesirable points in time in order to meet margin calls during volatile markets. To help mitigate this risk, prudent balances of cash and cash equivalents shall be maintained as part of the program and monitored daily. The cash margin target set by the Endowment Pool and Pension Trust Funds are 30%. In the case the margin drops below 30%, management has implemented guidelines to replenish the cash margin back to the target. As of June 30, 2023, the cash margin for the Endowment Pool and Pension Trust Funds were above the targeted margin of 30%.

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

For the University, at June 30, 2023 and 2022, there were a total of \$19,076,000 and \$15,642,000, respectively, of securities out on loan to borrowers. The value of collateral received from the borrower for these securities consisted of \$787,000 and \$4,477,000 cash at June 30, 2023 and June 30, 2022, respectively, and \$18,773,000 and \$11,960,000 noncash collateral at June 30, 2023 and June 30, 2022, respectively.

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

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

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

The University and Pension Trust Funds continue to receive interest and dividends during the loan period. The maturities of the investments made with the cash collateral generally match the maturities of the securities lent. At June 30, 2023 and 2022, neither the University nor the Pension Trust Funds have any credit risk exposure arising from the actual securities lending transactions since the collateral received from the borrower exceeds the value of the securities lent. Further, the University and Pension Trust Funds are fully indemnified by the custodial bank against any losses incurred as a result of borrower default.

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4. FAIR VALUE OF ASSETS AND LIABILITIES

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

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

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

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

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

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

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

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

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

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

University of Missouri					
	Fair Value	Investment Strategy and Structure (1)	Unfunded Commitments	Fund Term (1)	Redemption Terms (1)
Commingled Funds (2):					
Absolute Return	\$ 595,938	Broadly diversified, traditional hedge fund and risk premia exposures obtained through long/short positions across global liquid markets, structured to achieve minimal equity beta with a lower level of volatility relative to the rest of the portfolio.	\$ -	Open Ended	Semi-Monthly, Monthly, and Quarterly redemption with 1 -45 days notice
Risk Balanced	748,469	An asset allocation strategy which seeks to provide higher risk-adjusted returns by allocating risk, not capital, equally across a broadly diversified portfolio of global equities, global nominal bonds and inflation-sensitive assets.	-	Open Ended	Weekly, Monthly, and Quarterly redemption with 1 - 90 days notice
Debt Securities	216,100	Global fixed income exposures focused primarily on high yield, emerging markets debt and other unconstrained / opportunistic strategies.	-	Open Ended	Daily and Monthly redemption with 1 -2 days notice
Equity Securities	329,190	Global equity exposures achieved through a combination of traditional active, passive, systematic and factor-based strategies.	-	Open Ended	Daily, Semi-Monthly, and Monthly redemption with 1 -15 days notice
Real Estate	29,453	Core real estate holdings in open-ended fund.	-	Open Ended	Quarterly redemption with 1 -30 days notice
Commodities	8,180	A Commodity exposure seeks to provide inflation protection and diversification from traditional asset classes.	-	Open Ended	Monthly, and Quarterly redemption with 1 - 90 days
Nonmarketable Alternative Funds (3):					
Real Estate	158,063	Diversified portfolio of longer-term private market funds focused on value-added and opportunistic real estate and/or real estate debt.	134,351	10 -12 years	Not applicable - no redemption ability
Private Equity/Debt	821,354	Investments in hedge funds, global equity, credit, real assets, natural resources, and other investments through private partnerships and holding companies	581,966	8 -15 years	Not applicable - no redemption ability

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**University of Missouri
Pension Trust Funds**

	Fair Value	Investment Strategy and Structure (1)	Unfunded Commitments	Fund Term (1)	Redemption Terms (1)
Commingled Funds (2):					
Absolute Return	\$ 955,700	Broadly diversified, traditional hedge fund and risk premia exposures obtained through long/short positions across global liquid markets, structured to achieve minimal equity beta with a lower level of volatility relative to the rest of the portfolio.	\$ -	Open Ended	Semi-Monthly, Monthly, and Quarterly redemption with 1 -45 days notice
Risk Balanced	596,702	An asset allocation strategy which seeks to provide higher risk-adjusted returns by allocating risk, not capital, equally across a broadly diversified portfolio of global equities, global nominal bonds and inflation-sensitive assets.	-	Open Ended	Weekly, Monthly, and Quarterly redemption with 1 - 90 days notice
Equity Securities	626,556	Global equity exposures achieved through a combination of traditional active, passive, systematic and factor-based strategies.	-	Open Ended	Daily, Semi-Monthly, and Monthly redemption with 1 -15 days notice
Real Estate	49,514	Core real estate holdings in open-ended fund.	-	Open Ended	Quarterly redemption with 1 -30 days notice
Commodities	19,086	A Commodity exposure seeks to provide inflation protection and diversification from traditional asset classes.	-	Open Ended	Weekly, Monthly, and Quarterly redemption with 1 - 90 days notice
Nonmarketable Alternative Funds (3):					
Real Estate	398,139	Diversified portfolio of longer-term private market funds focused on value-added and opportunistic real estate and/or real estate debt.	206,886	10 -12 years	Not applicable - no redemption ability
Private Equity/Debt	759,055	Investments in hedge funds, global equity, credit, real assets, natural resources, and other investments through private partnerships and holding companies	441,954	10 -12 years	Not applicable - no redemption ability

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

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

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

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The unfunded commitments as of June 30, 2023 totaled \$716,317,000 and \$648,840,000 for the University and the Pension Trust Funds, respectively. The unfunded commitments as of June 30, 2022 totaled \$321,083,000 and \$500,337,000 for the University and the Pension Trust Funds, respectively. There were no significant changes in the investment strategy, structure, and liquidity terms for the investments that were measured at NAV from June 30, 2022 to June 30, 2023.

5. ACCOUNTS RECEIVABLE

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

Table 5.1 - Accounts Receivable (in thousands)

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

6. NOTES RECEIVABLE

Notes receivable generally consist of resources available for financial loans to students. These resources are provided through Federal loan programs and University loan programs generally funded by external sources. Notes receivable at June 30, 2023 and 2022, are summarized as follows:

Table 6.1 - Notes Receivable (in thousands)

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

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7. LEASES RECEIVABLE

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

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

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

Table 7.1 - Leases Receivable (in thousands)

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

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8. CAPITAL ASSETS

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

Table 8.1 - Capital Assets (in thousands)

Fiscal Year 2023	Beginning Balance	Additions/ Transfers	Retirements	Ending Balance
Capital Assets, Nondepreciable:				
Land	\$ 99,815	\$ 11,620	\$ (228)	\$ 111,207
Artwork and Historical Artifacts	16,561	6,857	-	23,418
Construction in Progress	214,277	157,714	-	371,991
Total Capital Assets, Nondepreciable	330,653	176,191	(228)	506,616
Capital Assets, Depreciable:				
Buildings and Improvements	5,090,826	106,926	(30,982)	5,166,770
Infrastructure	523,822	39,301	(1,984)	561,139
Equipment	1,006,807	99,875	(28,687)	1,077,995
Library Materials	287,595	3,148	(3,551)	287,192
Software and Other Intangibles	96,523	271	(5,811)	90,983
Total Capital Assets, Depreciable	7,005,573	249,521	(71,015)	7,184,079
Less Accumulated Depreciation:				
Buildings and Improvements	2,281,088	143,440	(24,692)	2,399,836
Infrastructure	308,028	19,569	(1,984)	325,613
Equipment	753,317	67,093	(28,185)	792,225
Library Materials	226,029	5,358	(1,923)	229,464
Software and Other Intangibles	51,483	8,479	(5,221)	54,741
Total Accumulated Depreciation	3,619,945	243,939	(62,005)	3,801,879
Total Capital Assets, Depreciable, Net	3,385,628	5,582	(9,010)	3,382,200
Total Capital Assets, Net	\$ 3,716,281	\$ 181,773	\$ (9,238)	\$ 3,888,816

Fiscal Year 2022	Beginning Balance	Additions/ Transfers	Retirements	Ending Balance
Capital Assets, Nondepreciable:				
Land	\$ 98,977	\$ 3,202	\$ (2,364)	\$ 99,815
Artwork and Historical Artifacts	16,367	194	-	16,561
Construction in Progress	290,583	60,125	(136,431)	214,277
Total Capital Assets, Nondepreciable	405,927	63,521	(138,795)	330,653
Capital Assets, Depreciable:				
Buildings and Improvements	4,842,398	276,012	(27,584)	5,090,826
Infrastructure	523,383	1,473	(1,034)	523,822
Equipment	979,452	75,035	(47,680)	1,006,807
Library Materials	286,364	1,231	-	287,595
Software and Other Intangibles	93,878	2,909	(264)	96,523
Total Capital Assets, Depreciable	6,725,475	356,660	(76,562)	7,005,573
Less Accumulated Depreciation:				
Buildings and Improvements	2,153,618	140,759	(13,289)	2,281,088
Infrastructure	288,475	20,192	(639)	308,028
Equipment	738,216	61,835	(46,734)	753,317
Library Materials	220,740	5,289	-	226,029
Software and Other Intangibles	42,846	8,902	(265)	51,483
Total Accumulated Depreciation	3,443,895	236,977	(60,927)	3,619,945
Total Capital Assets, Depreciable, Net	3,281,580	119,683	(15,635)	3,385,628
Total Capital Assets, Net	\$ 3,687,507	\$ 183,204	\$ (154,430)	\$ 3,716,281

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

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

Asset Retirement Obligation - The University has an asset retirement obligation based on its ownership of two nuclear research reactors, which are regulated by the U.S. Nuclear Regulatory Commission (NRC). The NRC requires the University to submit decommissioning funding plans every three years to retain the right to operate the reactors. The decommissioning funding plans update and adjust changes in costs to remediate and the extent of the estimated future contamination. The cost to decommission the reactors is based on a formula as set forth by the NRC as part of the licensing of the facilities. The asset retirement obligation as of the end of fiscal year 2023 and 2022 was \$62,433,000.

A deferred outflow of resources is being amortized over 25 years, which approximates the estimated useful lives of the reactors. An asset retirement expense was recognized in fiscal years 2023 and 2022 for \$2,497,000 each year and is reflected in depreciation expense on the Statement of Revenues, Expenses, and Changes in Net Position. The deferred outflows of resources at June 30, 2023 will be amortized over a remaining 19 years.

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

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

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

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

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

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9. ACCRUED SHORT-TERM LIABILITIES and OTHER NONCURRENT LIABILITIES

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

Table 9.1 - Accrued Liabilities *(in thousands)*

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

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

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

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

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

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

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

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

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10. LONG-TERM DEBT AND LEASE OBLIGATIONS

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

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

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

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

System Facilities Revenue Bonds - System Facilities Revenue Bonds have provided financing for capital expansion or renovation of various University facilities. The principal and interest of the bonds are payable from, and secured by a first lien on and pledge of, designated revenues which include the following: a portion of tuition

and fees, sales and services from the financed facilities, such as bookstore collections, housing and dining charges, patient services, and parking collections, as well as certain assessed fees, such as the recreational facility fees, stadium surcharges, and student center fees.

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System Facilities Revenue Bond Series 2007B is a variable rate demand bond with remarketing features which allow bondholders to put debt back to the University. Because the University is the sole source of liquidity should the option to tender be exercised by the bondholder, these variable rate demand bonds are classified in their entirety as current liabilities on the Statements of Net Position, with the balance in excess of actual current principal maturities reported as Long-Term Debt Subject to Remarketing of \$66,485,000 and \$70,735,000 at June 30, 2023 and 2022, respectively. The amount of current liabilities that represents the current principal maturities are \$4,250,000 and \$4,085,000 at June 30, 2023 and 2022, respectively.

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

Health Facilities Revenue Bonds - Tax-exempt revenue bonds have provided financing of capital facilities and

refinancing of previously issued debt. The bonds were issued by the Health and Education Facilities Authority of the State of Missouri (the Authority) on behalf of Capital Region Medical Center (CRMC), as reported in the Medical Alliance. Premium and the deferred financing costs are amortized on the effective interest method over the life of the respective bonds. The bonds are secured by the unrestricted receivables of CRMC. Under the terms of the Master Indenture, CRMC is required to make payments of principal, premium, if any, and interest on the bonds. In addition, the Master Indenture contains certain restrictions on the operations and activities of CRMC, including, among other things, covenants restricting the incurrence of additional indebtedness and the creation of liens on property, except as permitted by the Master Indenture. The Master Indenture has mandatory sinking fund redemption requirements in which funds are required to be set aside beginning in 2021 for the Series 2011 bonds and monthly for the Series 2017 bonds.

Table 10.2 - Revenue Bonds (in thousands)

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

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

(2) As of June 30, 2023; rates are determined daily or weekly by the remarketing agents. The rate is usually within a range at or near the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA Index) rate, which resets weekly.

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

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

Interest Rate Swap Agreements - With an objective of lowering the University's borrowing costs, when compared against fixed-rate debt, the University entered into interest rate swap agreements in connection with certain variable-rate System Facilities Revenue Bonds and commercial paper. Under each of the swap agreements, the University pays the swap counterparty a fixed interest rate payment and receives a variable rate interest rate payment that effectively changes a component of the University's variable interest rate debt to fixed rate debt. Table 10.3 presents the terms of the outstanding swaps and their fair values at June 30, 2023.

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

Type	Notional Amount	Effective Date	Maturity Date	Terms	Fair Value	Counterparty Credit Rating
Pay fixed; receive variable	\$ 40,000	7/18/2002	11/1/2032	Pay 3.950%; receive SIFMA Index	\$ (3,843)	Aa2 / A+
Pay fixed; receive variable	41,120	12/14/2006	8/1/2026	Pay 3.902%; receive SIFMA Index	(920)	Aa1 / A+
Pay fixed; receive variable	70,735	7/26/2007	11/1/2031	Pay 3.798%; receive 68% of 1-Month LIBOR	(3,691)	Aa2 / A+
Total	\$ 151,855				\$ (8,454)	

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

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

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

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

Type	Fair Value at June 30,		Fair Value on Acquisition	Change in Fair Value	Presentation of Change in Fair Value
	2023	2022			
2002 Swap - Investment Derivative	\$ (3,843)	\$ (5,752)	N/A	\$ 1,909	Investment and Endowment Income, Net
2006 Swap - Investment Derivative	(920)	(2,880)	N/A	1,960	Investment and Endowment Income, Net
2007 Swap - Cash Flow Hedge	(3,691)	(7,616)	N/A	3,925	Deferred Outflows of Resources
Total	\$ (8,454)	\$ (16,248)		\$ 7,794	

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Fair Value. There is a risk that the fair value of a swap could be adversely affected by changing market conditions. The fair values, developed using the zero coupon method with proprietary models, were prepared by the counterparties, JPMorgan Chase Bank, N.A., and Bank of America, N.A., major U.S. financial institutions. The zero coupon method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each net settlement of the swap. The fair value of the interest rate swaps is the estimated amount the University would have either (paid) or received if the swap agreements were terminated on June 30, 2023.

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

Table 10.5 - Swap Collateral Requirements

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

If the aggregate fair value of swaps outstanding with each counterparty is positive and exceeds the fair value threshold for the applicable credit rating, the counterparties are required to post collateral. If the aggregate fair value of the 2002 and 2007 swaps is negative and exceeds the fair value threshold for the applicable credit rating, the University is required to post collateral. Permitted collateral for either party includes U.S. Treasuries, U.S. government agencies, cash, and commercial paper rated A1/P1 by S&P or Moody's, respectively. The negative aggregate fair value of the 2002 and 2007 swaps did not exceed \$30,000,000 on June 30, 2023, which is the current fair value threshold for the University given its Moody's rating of Aa1. As a result, the University was not required to post collateral with the counterparty at June 30, 2023.

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

Termination Risk. The University is exposed to termination risk for the 2002 and 2007 interest rate swaps as the counterparty has the right to terminate the agreements in certain circumstances. For the 2002 swap, the counterparty has a contractual right to terminate the agreement if the daily weighted average of the SIFMA Index for the preceding 30 calendar day period is greater than 7.00%. With regard to the 2007 swap, the counterparty has a contractual right to terminate the agreement if the daily weighted average of the SIFMA Index for the preceding 180 days is greater than 6.00%. The 2006 interest rate swap is not exposed to termination risk. The SIFMA Index was 4.01% at June 30, 2023.

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

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

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

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

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

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

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

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

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Table 10.8 provides future debt service requirements for Revenue Bonds, including the impact of interest rate swap agreements. With respect to the inclusion of variable rate bond interest payments and net payments on swaps, the following data was based upon variable rates in effect at June 30, 2023. As market rates vary, variable rate bond interest payments and net swap payments will vary.

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

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

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

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

managing the University's overall debt program to meet its various financial needs including: (a) financing capital projects, (b) allowing for the refunding/refinancing of outstanding debt, and (c) providing a readily accessible source of funds for various working capital purposes. As of fiscal years ending June 30, 2023 and 2022, there were no Commercial Paper Notes outstanding.

Notes Payable - Notes payable consist of unsecured loans from the State Department of Natural Resources Energy Efficiency Leveraged Loan Program. Interest is payable semiannually and ranges from 2.0% to 2.75%.

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

Table 10.9 - Future Notes Payable Payments

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

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

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

Table 10.10 - Future Financed Payments

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

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

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

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

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

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

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

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

Table 10.12 - Subscription Obligation *(in thousands)*

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

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11. RISK MANAGEMENT

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

The liability for self-insurance claims at June 30, 2023 and 2022 of \$104,353,000 and \$106,673,000, respectively, represents the present value of amounts estimated to have been incurred by those dates, using discount rates ranging from 0.50% to 3.50%, based on expected future investment yield assumptions.

Changes in the self-insurance liability during fiscal years 2023 and 2022 were as follows and are included in accrued liabilities (current) and other noncurrent liabilities (see note 9):

Table 11.1 - Self-Insurance Claims

Liability (in thousands)				
Fiscal Year	New Claims and			
	Beginning of Year	Changes in Estimates	Claim Payments	End of Year
2023	\$ 106,673	\$ 239,284	\$ (241,604)	\$ 104,353
2022	\$ 91,732	\$ 236,669	\$ (221,728)	\$ 106,673

12. COMMITMENTS AND CONTINGENCIES

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

As of June 30, 2023, this contracted commitment for IT Works, excluding amounts recognized as a software subscription liability, totaled \$106,869,000 and will be paid in the following amounts: \$14,187,000 in 2024, \$14,660,000 in 2025, \$14,962,000 in 2026, \$15,274,000 in 2027, \$15,595,000 in 2028, and \$32,191,000 in 2029 through 2030.

In addition to the above commitment with Cerner Corporation, the Capital Region Medical Center (CRMC), as reported in the Medical Alliance, has entered into a strategic information technology agreement with Cerner Corporation. Cerner has assumed operational and administrative responsibilities for CRMC's technology environment and services. The agreement is effective through June 30, 2025 and will renew in five year increments at the end of the initial term.

As of June 30, 2023, this contracted commitment totaled \$12,063,000 and will be paid in the following amounts: \$5,961,000 in 2024, and \$6,102,000 in 2025.

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

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

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

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

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

The University has been working with the Voluntary Cleanup Program of the Missouri Department of Natural Resources (MDNR) to characterize subsurface contamination on a University owned property. The University has received the results of the two-year sampling process in fiscal year 2016. The University is awaiting a determination from MDNR and the Nuclear Regulatory Commission (NRC) on decommissioning the site. The University does not believe that the documents from the 2016 sampling support the decision to add the site to the University's NRC license due to an overestimated quantity of isotopes managed at the site. The University made a formal request to remove the site from the NRC license. If MDNR and the NRC find the dose assessment to be unacceptable, then the University will be required to fully decommission the site, including a sampling plan. The cost of a sampling plan to characterize the chemical contamination is estimated at \$1,000,000. The University has not commenced any actions requiring the recognition of a liability for this property.

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13. RETIREMENT, DISABILITY, AND DEATH BENEFIT PLAN

DEFINED BENEFIT PLAN

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

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

Table 13.1 - Retirement Plan Membership

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

Vested employees who are at least age 55 and have ten years or more of credited service or age 60 with at least five years of service may choose early retirement with a reduced benefit. However, if the employee retires at age 62 and has at least 25 years of credited service, the benefit is not reduced. Up to 30% of the retirement annuity can be taken in a lump sum payment. In addition, the standard annuity can be exchanged for an actuarially-equivalent annuity selected from an array of options with joint and survivor, period certain, and guaranteed annual increase features.

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

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

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

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

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

Investment Valuation – Investments are reported at fair value.

Contributions – The University’s contributions to the Retirement Plan are equal to the actuarially determined employer contribution requirement (ADC). The ADC for those employees hired before October 1, 2012 averaged 14.9% and 12.7% of covered payroll for the years ended June 30, 2023 and 2022, respectively. The ADC for those employees hired after September 30, 2012 through September 30, 2019, averaged 11.4% and 9.1% of covered payroll for the years ended June 30, 2023 and 2022,

respectively. Employees are required to contribute 1% of their salary up to \$50,000 in a calendar year and 2% of their salary in excess of \$50,000. An actuarial valuation of the Plan is performed annually and the University’s contribution rate is updated at the beginning of the University’s fiscal year on July 1, to reflect the actuarially determined funding requirement from the most recent valuation, as of the preceding October 1. This actuarial valuation reflects the adoption of any Retirement Plan amendments during the previous fiscal year. The University contributed \$132,849,000 and \$114,999,000 during the fiscal years ended June 30, 2023 and 2022, respectively.

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

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

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at July 1, 2022	\$5,341,914	\$4,286,149	\$1,055,765
Changes for the year:			
Service cost	57,272	-	57,272
Interest	367,007	-	367,007
Differences between expected and actual experience	78,356	-	78,356
Contributions – employer	-	132,849	(132,849)
Contributions – employee	-	13,866	(13,866)
Net investment income	-	156,871	(156,871)
Benefit payments, including refunds of employee contributions	(312,471)	(312,471)	-
Net changes	190,164	(8,885)	199,049
Balances at June 30, 2023	\$5,532,078	\$4,277,264	\$1,254,814

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at July 1, 2021	\$4,872,088	\$4,557,145	\$314,943
Changes for the year:			
Service cost	60,290	-	60,290
Interest	343,730	-	343,730
Differences between expected and actual experience	114,655	-	114,655
Changes in assumptions	243,508	-	243,508
Contributions – employer	-	114,999	(114,999)
Contributions – employee	-	14,238	(14,238)
Net investment income	-	(107,876)	107,876
Benefit payments, including refunds of employee contributions	(292,357)	(292,357)	-
Net changes	469,826	(270,996)	740,822
Balances at June 30, 2022	5,341,914	4,286,149	1,055,765

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

Actuarial assumptions for October 1, 2022 and 2021 included:

	2022	2021
Inflation	2.20%	2.20%
Rate of Investment Return net of administrative expenses (including inflation)	7.00%	7.00%
Projected salary increases (Including inflation)	3.5 - 4.1%	3.5 - 4.4%
Cost-of-living adjustments	0%	0%

For purposes of determining actuarially required contributions, the actuarial value of assets was determined using techniques that spread effects of short-term volatility in the market value of investments over a 5-year period. The underfunded actuarial accrued liability is being amortized using a method that separately amortizes the initial unfunded liability as of October 1, 2021 over 20 years, the impact of the assumption changes over 20 years, and future experience gains and losses over 25 years and 15 years, respectively. Mortality rates were based on Pub-2010 Teacher Healthy Annuitant Mortality Table with generational projection using scale MP-2020 for academic and administrative members and Pub-2010 General Healthy Annuitant Mortality Table with generational projection using scale MP-2020 for clerical and service members.

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that University contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and

inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

		2023 Net Pension Liability	2022 Net Pension Liability
	Rate		
1% Decrease	6.00%	\$1,959,956	\$1,726,811
Current Rate	7.00%	1,254,814	1,055,765
1% Increase	8.00%	672,695	492,627

Annual Rate of Return - The annual money-weighted rate of return is calculated as the internal rate of return on pension investments, net of pension plan investment expense. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on pension plan investments for the years ended June 30, 2023 and 2022 was 3.9% and (1.8%), respectively.

Table 13.4 - Asset Class Allocation

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

Pension Expense- For the years ended June 30, 2023 and 2022, the Retirement Plan recognized pension expense of \$284,907,000 and \$196,499,000, respectively. Annual pension expense consists of service cost and interest on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as deferred outflows/inflows of resources and recognized in pension expense over a five year period.

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

Table 13.5 Pension Expense *(in thousands)*

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

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

investment returns as Deferred Outflows/Inflows of Resources. At June 30, 2023 and 2022, the Retirement Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

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

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

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

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

DEFINED CONTRIBUTION PLAN

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

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

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14. OTHER POSTEMPLOYMENT BENEFITS

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

As of June 30, 2023 and 2022, 8,261 and 8,360 retirees, respectively, were receiving benefits, and an estimated 6,594 active University employees may become eligible to

receive future benefits under the plan. Postemployment medical, dental and life insurance benefits are also provided to long-term disability claimants who were vested in the University's Retirement Plan at the date the disability began, provided the onset date of the disability was on or after September 1, 1990. As of June 30, 2023 and 2022, 115 and 119 long-term disability claimants, respectively, met those eligibility requirements.

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

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

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

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

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

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

Net OPEB Liability – The total and net OPEB liabilities as of June 30, 2023 and 2022 were measured as of June 30, 2023 and 2022, respectively, using actuarial valuations as of those dates.

Table 14.1 Net OPEB Liability *(in thousands)*

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

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

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

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Actuarial Methods and Assumptions - Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The entry age normal, as a level percent of pay, actuarial cost method was used in the June 30, 2023 and June 30, 2022 actuarial valuations.

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

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

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

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

14.3 Total OPEB Liability Assumptions

Inflation	2.20%
Total payroll growth	Varies based on age: 0.3% to 6.0% (including inflation) for academic and administrative; 0.2% to 3.1% (including inflation) for clerical and service
Discount Rate	3.65% for 2023 and 3.54% for 2022
Pre-65 Medical Plan trend rate	7.25% decreasing by 0.25% per year until an ultimate trend of 4.5% is reached
Pre-65 HSP Plan trend rate	6.5% decreasing by 0.25% per year until an ultimate trend of 4.5% is reached
Pre-65 Rx trend rate	8.25% decreasing by 0.25% per year until an ultimate trend of 4.5% is reached
Post-65 Medicare Base and Rx trend rate	3.02%, then 6.0% decreasing by 0.25% per year until an ultimate trend of 4.50% is reached.
Post-65 Medicare Buyup and Rx trend rate	11.5%, then 6.0% decreasing by 0.25% per year until an ultimate trend of 4.50% is reached.
Dental trend rates	2.00%
Administration expenses rate	3.00%
Healthy retiree mortality rates	For Academic and Administrative members: Pub-2010 Teacher Employee and Healthy Annuitant Headcount-Weighted Mortality tables, weighted 95% for males and 103% for females, with generational projection using Scale MP-2020. For Clerical and Service members: Pub 2010 General Employee and Healthy Annuitant Headcount-Weighted Mortality Tables, weighted 124% for males and 112% for females, with generational projection using Scale MP-2020.
Disabled retiree mortality rates	Pub-2010 Non-Safety Disabled Annuitant Headcount-Weighted Mortality Table, weighted 95% for males and females, with generational projection using Scale MP-2020.
Surviving spouse mortality rates	80% of the Pub-2010 Teacher Contingent Survivor Headcount-Weighted Tables and 20% of the Pub-2010 General Contingent Survivor Headcount-Weighted Tables projected generationally with Scale MP-2020.

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Development of Discount Rate – The discount rates used to measure the total OPEB liability were 3.65% and 3.54% as of fiscal year June 30, 2023 and June 30, 2022, respectively. The projection of cash flows used to determine the discount rate assumed that the University would not make additional contributions to the OPEB Trust and would continue to fund the plan on a pay-as-you-go basis. Based on those assumptions, the OPEB plan's fiduciary net position was not projected to cover a full year of projected future benefit payments. Therefore, all future benefit payments are discounted at the current index rate for 20 year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

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

	1% Decrease in Discount Rate (2.65%)	Current Discount Rate (3.65%)	1% Increase in Discount Rate (4.65%)
Net OPEB Liability	\$173,859	\$148,746	\$127,910

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

OPEB Expense- For the years ended June 30, 2023 and 2022, the University recognized an OPEB expense of (\$68,962,000) and (\$49,324,000), respectively. Annual

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

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

Table 14.5 OPEB Expense *(in thousands)*

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

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

investment returns as Deferred Outflows/Inflows of Resources. At June 30, 2023 and 2022, the OPEB Plan reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
As of June 30,	2023	2023	2022	2022
Changes of assumptions	15,208	116,523	-	175,218
Differences between expected and actual experience	10,879	8,421	14,477	12,258
Net difference between projected and actual earnings on plan investments	-	2,255	-	747
Total	26,087	127,199	14,477	188,223

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

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

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

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15. BLENDED COMPONENT UNITS

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

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

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

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

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

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

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

Condensed Statement of Cash Flows

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

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16. OPERATING EXPENSES BY FUNCTION

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

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

	Salaries and		Supplies, Services and		Scholarships and		
Fiscal Year Ended June 30, 2023	Wages	Benefits	Other	Fellowships	Depreciation	Total	
Instruction	\$ 463,014	\$ 151,268	\$ 29,859	\$ -	\$ -	\$ 644,141	
Research	171,150	55,975	156,853	-	-	383,978	
Public Service	98,275	35,916	100,325	-	-	234,516	
Academic Support	83,804	33,191	52,328	-	-	169,323	
Student Services	53,746	20,917	29,567	-	-	104,230	
Institutional Support	137,682	54,841	(19,945)	-	-	172,578	
Operation and Maintenance of Plant	38,297	17,841	6,963	-	-	63,101	
Auxiliary Enterprises	933,905	227,293	1,019,361	-	-	2,180,559	
Scholarships and Fellowships	-	-	-	81,191	-	81,191	
Depreciation	-	-	-	-	277,507	277,507	
Total Operating Expenses	\$ 1,979,873	\$ 597,242	\$ 1,375,311	\$ 81,191	\$ 277,507	\$ 4,311,124	

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

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

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

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

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

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

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

18. FINANCIAL IMPACTS FROM COVID-19 AND RELATED FUNDING

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

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

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

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

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

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

18. SUBSEQUENT EVENTS

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

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

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(unaudited)

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

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

**Discount rate changed from 7.75% to 7.20%

~Discount rate changed from 7.20% to 7.00%

UNIVERSITY OF MISSOURI SYSTEM
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(unaudited)

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

(in thousands)

Fiscal Year End June 30,					
	2018**	2017	2016	2015	2014
Total pension liability					
Service cost	\$63,624	\$66,269	\$68,328	\$70,574	\$71,995
Interest	305,781	296,885	288,438	275,762	263,566
Differences between expected and actual experience	11,704	(22,741)	(38,227)	13,226	--
Changes of assumptions	257,616	--	--	--	--
Benefit payments, including refunds of employee contributions	(233,083)	(211,036)	(203,300)	(182,488)	(169,992)
Net change in total pension liability	405,642	129,377	115,239	177,074	165,569
Total pension liability - beginning	4,008,189	3,878,812	3,763,573	3,586,499	3,420,930
Total pension liability - ending (a)	\$4,413,831	\$4,008,189	\$3,878,812	\$3,763,573	\$3,586,499
Plan fiduciary net position					
Contributions - employer	\$92,200	\$96,631	\$99,454	\$103,895	\$113,688
Contributions - employee	15,299	15,218	14,976	14,486	14,113
Net investment income	322,297	364,486	6,646	36,412	458,884
Benefit payments, including refunds of employee contributions	(233,083)	(211,036)	(203,300)	(182,488)	(169,992)
Other	--	--	--	(2,150)	(2,554)
Net change in fiduciary net position	196,713	265,299	(82,224)	(29,845)	414,139
Plan fiduciary net position - beginning	3,485,925	3,220,626	3,302,850	3,332,695	2,918,556
Plan fiduciary net position - ending (b)	\$3,682,638	\$3,485,925	\$3,220,626	\$3,302,850	\$3,332,695
Net pension liability – ending: (a)-(b)	\$731,193	\$522,264	\$658,186	\$460,723	\$253,804
Plan's fiduciary net position as a percentage of the total pension liability	83.43%	86.97%	83.03%	87.76%	92.92%
Covered-employee payroll*	\$1,146,836	\$1,144,412	\$1,129,784	\$1,109,431	\$1,078,347
Net pension liability as a percentage of covered-employee payroll	63.76%	45.64%	58.26%	41.53%	23.54%

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

**Discount rate changed from 7.75% to 7.20%

~Discount rate changed from 7.20% to 7.00%

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

Fiscal Year Ended June 30,	Covered Employee Payroll*		Actuarially determined contribution**		Contributions made	Contributions as % of covered-employee payroll**		Actuarially determined contribution as a Percentage of Payroll**		Contributions in relation to the actuarially determined contribution**		Contribution deficiency (excess)
	Level 1	Level 2	Level 1	Level 2		Level 1	Level 2	Level 1	Level 2	Level 1	Level 2	
2023	\$ 563,043	\$ 407,703	\$ 84,062	\$ 46,478	\$ 132,849	14.93%	11.40%	14.93%	11.40%	14.93%	11.40%	-
2022	577,882	447,762	73,160	40,791	114,999	12.66%	9.11%	12.66%	9.11%	12.66%	9.11%	-
2021	604,806	511,317	72,637	43,002	115,006	12.01%	8.41%	12.01%	8.41%	12.01%	8.41%	-
2020	641,902	585,440	73,177	45,430	118,234	11.40%	7.76%	11.40%	7.76%	11.40%	7.76%	-
2019	687,612	499,823	76,737	37,287	115,980	11.16%	7.46%	11.16%	7.46%	11.16%	7.46%	-
2018	733,289	413,547	68,856	22,662	92,200	9.39%	5.48%	9.39%	5.48%	9.39%	5.48%	-
2017	794,108	350,304	75,678	19,652	96,631	9.53%	5.61%	9.53%	5.61%	9.53%	5.61%	-
2016	857,918	271,866	82,446	15,442	99,454	9.61%	5.68%	9.61%	5.68%	9.61%	5.68%	-
2015	928,088	181,343	92,716	10,971	103,895	9.99%	6.05%	9.99%	6.05%	9.99%	6.05%	-
2014	984,787	93,560	106,160	6,334	113,688	10.78%	6.77%	10.78%	6.77%	10.78%	6.77%	-

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

** Net of employee contributions

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

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

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Notes to Required Supplementary Information for Contributions	
Valuation Date	Actuarial determined contribution rates are calculated as of September 30, 21 months prior to the end of the fiscal year in which contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, Closed
Amortization Period	Unfunded liability 19 years for 2023, 20 years for 2022
Asset Valuation Method	Impact of assumption changes over 20 years Experience gains and losses over 25 and 15 years, respectively Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.
Actuarial Assumptions:	The actuarial assumptions used in the October 1, 2022 and October 1, 2021 actuarial valuation were based on the results of an experience study for the period October 1, 2016 to September 30, 2020.
Investment Rate of Return	7.0%, net of expenses
Inflation	2.20%
Projected Salary Increases	4.1% average (including inflation) for academic and administrative; 3.5% average (including inflation) for clerical and service
Cost-of-living Adjustments	No future retiree ad-hoc increases assumed
Retirement Age	Retirement rates vary between 5% at 55 to 100% at age 80.
Mortality:	
Healthy Non-annuitant lives	Pub-2010 Teacher Healthy Annuitant Mortality Table, weighted 95% for males and 103% for females, with generational projection using Scale MP-2020
Healthy Annuitant lives	Pub-2010 Non-Safety Disabled Annuitant Mortality Table, weighted 95% for males and females, with generational projection using Scale MP-2020
Disabled lives	Pub-2010 Teacher Employee Annuitant Mortality Table, weighted 95% for males and 103% for females, with generational projection using Scale MP-2020

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

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

(in thousands)

	Fiscal Year End June 30,				
	2018	2017	2016	2015	2014
Total OPEB liability					
Service cost	\$4,991	\$9,414			
Interest	17,434	14,557			
Differences between expected and actual experience	--	--			
Changes of assumptions	(18,998)	(23,880)			
Benefit payments	(22,828)	(24,934)			
Net change in total OPEB liability	(19,401)	(24,843)			
Total OPEB liability - beginning	498,407	523,250			
Total OPEB liability - ending (a)	\$479,006	\$498,407	\$523,250		
Plan fiduciary net position					
Contributions - employer	18,590	21,394	--		
Contributions - employee	16,480	14,750	--		
Net investment income	790	914	--		
Benefit payments, including refunds of employee contributions	(35,031)	(35,871)	--		
Other	(172)	(188)	--		
Net change in fiduciary net position	657	999	--		
Plan fiduciary net position - beginning	36,144	35,145	--		
Plan fiduciary net position - ending (b)	\$36,801	\$36,144	\$35,145		
Net OPEB Liability - ending (a) - (b)	\$442,205	\$462,263	\$488,105		
Plan's fiduciary net position as a percentage of the total OPEB liability	7.68%	7.25%	6.72%		
Covered-employee payroll	\$721,517	\$787,104	\$1,157,156		
Net OPEB liability as a percentage of covered-employee payroll	61.29%	58.73%	42.18%		

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Notes to Required Supplementary Information for Net OPEB Liability

<i>Benefit changes:</i>	The following plan changes were made effective January 1, 2023: • Retiree health plan: in-network deductibles were increased and out-of-network out-of-pocket maximums were increased. • Healthy savings plan: in-network deductibles and out-of-pocket maximums were increased and network coinsurance was decreased.														
<i>Changes of assumptions:</i>	Based on past experience and future expectations, the following actuarial assumptions were changed: • Claims and trends for all plans were revised to reflect future expectations as of the June 30 measurement date for fiscal years 2021-2023. • Claims and trends for all the Base and Buyup Medicare advantage plans were revised to reflect future expectations as of the June 30, 2019 measurement date. • New factors were used to estimate pre-65 individual retiree and spouse costs by age and gender based on a review of historical claims experience. The adjustment for morbidity or aging for post-65 per capital costs were eliminated. • The 75% pre-65 medical participation assumption was split to 90% in Retiree Health PPO Plan and 10% in the Healthy Savings Plan. The 90% post-65 participation assumption was split to 33% in the Base Plan and 67% in the BuyUp Plan at the January 1, 2017 effective date.														
<i>Discount Rate Changes:</i>	Discount Rates used in determining the Net OPEB Liability at June 30 measurement dates are as follows: <table> <tr> <td style="text-align: right;">2023</td><td style="text-align: right;">3.65%</td></tr> <tr> <td style="text-align: right;">2022</td><td style="text-align: right;">3.54%</td></tr> <tr> <td style="text-align: right;">2021</td><td style="text-align: right;">2.16%</td></tr> <tr> <td style="text-align: right;">2020</td><td style="text-align: right;">2.21%</td></tr> <tr> <td style="text-align: right;">2019</td><td style="text-align: right;">3.50%</td></tr> <tr> <td style="text-align: right;">2018</td><td style="text-align: right;">3.87%</td></tr> <tr> <td style="text-align: right;">2017</td><td style="text-align: right;">3.58%</td></tr> </table>	2023	3.65%	2022	3.54%	2021	2.16%	2020	2.21%	2019	3.50%	2018	3.87%	2017	3.58%
2023	3.65%														
2022	3.54%														
2021	2.16%														
2020	2.21%														
2019	3.50%														
2018	3.87%														
2017	3.58%														

Statistical Section



University of Missouri System

COLUMBIA | KANSAS CITY | ROLLA | ST. LOUIS

STATEMENTS OF NET POSITION

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

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

CHANGES IN NET POSITION

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

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

CHANGES IN NET POSITION

(% increase / decrease from prior year)

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Operating Revenues					
Tuition and Fees, Net	5.8%	5.5%	1.1%	1.8%	-0.5%
Less: Scholarship Allowances	4.9%	11.3%	5.3%	7.0%	17.8%
Net Tuition and Fees	6.3%	2.4%	-0.9%	-0.5%	-7.0%
Federal Grants and Contracts	12.7%	11.5%	7.0%	5.1%	5.0%
State and Local Grants and Contracts	33.7%	37.5%	1.3%	1.5%	49.1%
Private Grants and Contracts	5.5%	6.4%	6.6%	3.0%	14.4%
Sales and Services of Educational Activities	6.2%	13.6%	-4.2%	6.1%	-25.6%
Auxiliary Enterprises -					
Patient Medical Services, Net	9.9%	5.5%	9.2%	-0.3%	7.8%
Housing and Dining Services, Net	8.6%	7.0%	13.2%	-12.4%	1.8%
Bookstores	-0.5%	8.3%	-7.6%	-18.1%	-7.4%
Other Auxiliary Enterprises, Net	7.9%	3.8%	8.1%	-3.4%	3.9%
Other Operating Revenues	24.8%	2.4%	-9.2%	-22.2%	65.3%
Total Operating Revenues	10.2%	6.1%	6.0%	-1.5%	5.5%
Operating Expenses					
Salaries and Wages	10.2%	8.2%	-1.3%	2.1%	3.6%
Benefits	19.3%	35.6%	-38.3%	4.5%	21.8%
Supplies, Services and Other Operating Expenses	8.5%	14.1%	2.7%	-4.4%	11.9%
Scholarships and Fellowships	-34.0%	31.1%	14.1%	22.6%	-1.4%
Depreciation	3.3%	11.9%	9.8%	1.3%	1.0%
Total Operating Expenses	9.0%	13.9%	-5.3%	0.8%	8.4%
Operating Loss before State Appropriations	2.5%	-86.5%	52.4%	-11.9%	-25.1%
State Appropriations	6.7%	-1.3%	-15.2%	10.9%	-1.8%
Operating Income (Loss) after State Appropriations, Before Nonoperating Revenues (Expenses)	6.3%	340.0%	124.5%	-53.9%	-116.8%
Nonoperating Revenues (Expenses)					
Federal Appropriations	3.5%	1.2%	3.2%	0.3%	1.4%
Federal Pell Grants	4.1%	-4.5%	1.9%	-3.7%	2.2%
Investment and Endowment Income (Losses), Net	233.5%	-119.0%	2303.3%	-83.8%	0.1%
Private Gifts	50.4%	-3.9%	18.3%	-24.9%	21.6%
Interest Expense	-3.2%	4.0%	11.2%	-2.8%	-6.3%
Other Nonoperating Revenues (Expenses)	-81.8%	-37.0%	178.0%	43787.1%	-145.3%
Net Nonoperating Revenues (Expenses)	645.8%	-95.5%	474.1%	-41.7%	8.2%
Income (Loss) before Capital Contributions, Additions to Permanent Endowments and Extraordinary Item	-204.6%	-113.7%	-801.9%	-279.7%	-51.9%
State Capital Appropriations	434.6%	0.0%	0.0%	0.0%	-100.0%
Capital Gifts and Grants	187.5%	-55.0%	66.9%	-39.4%	218.3%
Private Gifts for Endowment Purposes	-1.5%	-31.7%	32.9%	50.4%	-34.8%
Extraordinary Item:					
Loss on asset impairment	0.0%	0.0%	0.0%	0.0%	-100.0%
Increase (Decrease) in Net Position	460.7%	-106.5%	1800.9%	-139.5%	29.5%
Net Position, Beginning of Year	-1.3%	25.0%	-1.5%	4.4%	5.8%
Cumulative Effect of Change in Accounting Principles	0.0%	100.0%	100.0%	100.0%	100.0%
Net Position, Beginning of Year, as Adjusted	-1.3%	25.0%	-1.4%	3.8%	6.3%
Net Position, End of Year	4.8%	-1.3%	25.0%	-1.5%	4.4%

COMPOSITE FINANCIAL INDEX

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

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

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

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

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

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

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

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

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

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

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

CFI Ratio Calculations

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Primary Reserve Ratio (Expendable Financial Resources to Operations)

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

Primary Reserve Ratio **0.60** **0.65** **0.73** **0.50** **0.54**

Return on Net Position Ratio

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

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

Net Operating Revenues Ratio (Annual Operating Margin)

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

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

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

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

Viability Ratio (Expendable Financial Resources to Direct Debt)

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

Viability Ratio **1.36** **1.30** **1.33** **0.97** **1.16**

MARKET RATIOS

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Net Tuition per Student

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

State Appropriations per Student

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

Educational Expenses per Student

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

Total Tuition Discount

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

CAPITAL RATIOS

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Unrestricted Financial Resources to Direct Debt

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

Unrestricted Financial Resources to Direct Debt

1.02 0.98 1.00 0.69 0.86

Viability Ratio (Expendable Financial Resources to Direct Debt)

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

Viability Ratio

1.36 1.30 1.33 0.97 1.16

Total Financial Resources to Direct Debt

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

Total Financial Resources to Direct Debt

2.22 2.12 2.21 1.66 1.91

Direct Debt per Student

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

Direct Debt per Student

\$ 36,747 \$ 37,514 \$ 36,547 \$ 36,170 \$ 31,832

CAPITAL RATIOS

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Actual Debt Service to Operations

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

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

Capital Expense to Operations

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

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

BALANCE SHEET RATIOS

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Unrestricted Financial Resources to Operations

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

Unrestricted Financial Resources to Operations

0.45 0.49 0.55 0.35 0.40

Primary Reserve Ratio (Expendable Financial Resources to Operations)

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

Primary Reserve Ratio

0.60 0.65 0.73 0.50 0.54

Total Financial Resources per Student

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

Total Financial Resources per Student

\$ 81,559 \$ 79,499 \$ 80,612 \$ 59,911 \$ 60,805

OPERATING RATIOS

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Net Operating Revenues Ratio (Annual Operating Margin)

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

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

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

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

Debt Service Coverage

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

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

Return on Net Position Ratio

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

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

CONTRIBUTION RATIOS

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Contribution Ratios

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
State Appropriations	\$ 453,422	\$ 424,949	\$ 419,690	\$ 364,412	\$ 408,797
Tuition and Fees, Net of Scholarship Allow/Exp	553,139	473,831	488,778	505,674	523,999
Auxiliary Enterprises	508,330	472,978	451,422	417,882	447,997
Grants and Contracts	508,279	433,718	371,909	352,726	340,396
Federal Pell Grants	55,221	53,034	55,539	54,480	56,594
Gifts	121,805	80,982	84,233	71,179	94,743
Normalized Investment Income (a)	264,427	250,791	227,911	214,440	198,919
Patient Care	1,906,047	1,733,615	1,643,468	1,505,424	1,510,024
Other	141,324	121,453	116,761	123,788	144,230
Total	\$ 4,511,994	\$ 4,045,351	\$ 3,859,711	\$ 3,610,005	\$ 3,725,699
State Appropriations	10.0%	10.5%	10.9%	10.1%	11.0%
Tuition and Fees, Net of Scholarship Allow/Exp	12.3%	11.7%	12.7%	14.0%	14.1%
Auxiliary Enterprises	11.3%	11.7%	11.7%	11.6%	12.0%
Grants and Contracts	11.3%	10.7%	9.6%	9.8%	9.1%
Federal Pell Grants	1.2%	1.3%	1.4%	1.5%	1.5%
Gifts	2.7%	2.0%	2.2%	2.0%	2.5%
Normalized Investment Income (a)	5.9%	6.2%	5.9%	5.9%	5.3%
Patient Care	42.2%	42.9%	42.6%	41.7%	40.5%
Other	3.1%	3.0%	3.0%	3.4%	4.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

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

Operating Expenses by Functional Classifications

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019
Instruction	\$ 644,141	\$ 570,511	\$ 506,739	\$ 640,588	\$ 691,250
Research	383,978	318,248	203,717	217,016	209,365
Public Service	234,516	167,792	158,967	189,240	180,089
Academic Support	169,323	153,480	129,833	160,050	161,044
Student Services	104,230	91,316	80,517	102,503	103,966
Institutional Support	172,578	151,053	90,697	134,209	146,090
Operation and Maintenance of Plant	63,101	94,151	92,409	126,629	121,638
Auxiliary Enterprises	2,180,559	2,018,500	1,877,436	1,795,780	1,741,391
Scholarships and Fellowships	81,191	93,895	93,895	82,274	67,096
Depreciation	277,507	268,520	239,883	218,429	215,539
Total Operating Expenses	\$ 4,311,124	\$ 3,927,466	\$ 3,474,093	\$ 3,666,718	\$ 3,637,468
Instruction	14.9%	14.5%	14.6%	17.5%	19.0%
Research	8.9%	8.1%	5.9%	5.9%	5.8%
Public Service	5.4%	4.3%	4.6%	5.2%	5.0%
Academic Support	3.9%	3.9%	3.7%	4.4%	4.4%
Student Services	2.4%	2.3%	2.3%	2.8%	2.9%
Institutional Support	4.0%	3.8%	2.6%	3.7%	4.0%
Operation and Maintenance of Plant	1.5%	2.4%	2.7%	3.5%	3.3%
Auxiliary Enterprises	50.6%	51.4%	54.0%	49.0%	47.9%
Scholarships and Fellowships	1.9%	2.4%	2.7%	2.2%	1.8%
Depreciation	6.4%	6.8%	6.9%	6.0%	5.9%
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%

STUDENT INFORMATION - CONSOLIDATED

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

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

Demographics

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

Degrees Awarded

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

STUDENT INFORMATION - COLUMBIA

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

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

Demographics

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

Degrees Awarded

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

STUDENT INFORMATION - KANSAS CITY

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

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

Demographics

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

Degrees Awarded

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

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

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

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

Demographics

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

Degrees Awarded

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

STUDENT INFORMATION - ST. LOUIS

Statistical Section

Supplementary Information - Unaudited - See Accompanying Independent Auditors' Report

Enrollment

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

Demographics

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

Degrees Awarded

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

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University of Missouri System

COLUMBIA | KANSAS CITY | ROLLA | ST. LOUIS

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APPENDIX C

BOOK-ENTRY ONLY SYSTEM

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BOOK-ENTRY ONLY SYSTEM

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC currently in effect. The information in this section concerning DTC has been obtained from sources that the University believes to be reliable, but neither the University nor the Underwriters take any responsibility for the accuracy, completeness or adequacy of the information in this section. Investors wishing to use the facilities of any of DTC are advised to confirm the continued applicability of the rules, regulations and procedures of DTC. The University will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Series 2024 Bonds held through the facilities of DTC or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2024 Bonds. The Series 2024 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 Series 2024 Bond certificate will be issued for each maturity of the Series 2024 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a 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 Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2024 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 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 Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 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 Series 2024 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 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Resolution. For example, Beneficial Owners of Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 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 2024 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 Series 2024 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 Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Series 2024 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, on 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 Paying Agent, or the University subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Series 2024 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent or the University. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the Paying Agent or the University. Under such circumstances, in the event that a successor depository is not obtained, Series 2024 Bond certificates are required to be printed and delivered.

The University may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2024 Bond certificates will be printed and delivered to DTC.

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 2024 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 2024 Bond, the person in whose name such Series 2024 Bond is recorded as the beneficial owner of such Series 2024 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 2024 Bonds, between the University and the Original Purchaser.

“Bonds” means the Series 2024 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 2024 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 Continuing Disclosure Agreement dated as of date of issuance of the Series 2024 Bonds, between the University and Digital Assurance Certification L.L.C., as dissemination agent, 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 U.S. Bank Trust Company, National Association, St. Louis, Missouri, and its successors and assigns.

“Escrow Agreement” means the Escrow Trust Agreement dated as of the closing date, by and between the University and the Escrow Agent pursuant to which any of the Refunded Bonds are being refunded, defeased and paid.

“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 2024 Bonds, May 1 and November 1 of each year, commencing May 1, 2025.

“Interest Rate” means, with respect to any Series 2024 Bond, the stated interest rate of such Series 2024 Bond.

“Interest Rate Agreement” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement.

“Maturity Date” means, with respect to any Series 2024 Bond, the stated maturity date of such Series 2024 Bond.

“Maximum Annual Debt Service” means the maximum Annual Debt Service payable in any future Fiscal Year.

“Minimum Authorized Denominations” means for the Series 2024 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 2024 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 2024 Bonds pursuant to the Bond Purchase Agreement, for whom Goldman Sachs & Co. LLC, the senior managing underwriter, acts as representative under the Bond Purchase Agreement.

“Outstanding” means, when used with reference to a respective Series of Series 2024 Bonds, as of any particular date, all Series 2024 Bonds of such Series theretofore authenticated and delivered under the Resolution, except:

(a) Series 2024 Bonds of such Series theretofore cancelled by the Paying Agent and Bond Registrar or delivered to the Paying Agent and Bond Registrar for cancellation;

(b) Series 2024 Bonds of such Series deemed paid in accordance with the provisions of the Resolution; and

(c) Series 2024 Bonds of such Series 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 2024 Bonds as securities depository.

“Paying Agent” and “Bond Registrar” means U.S. Bank Trust Company, National Association, St. Louis, 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 2007B Bonds;
- (b) The Series 2009A Bonds;
- (c) The Series 2010A Bonds;
- (d) The Series 2013B Bonds;
- (e) The Series 2014A Bonds;
- (f) The Series 2014B Bonds;
- (g) The Series 2020A Bonds; and
- (h) The Series 2020B 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 1998 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, the Series 2010 Resolution, the Series 2011 Resolution, the Series 2012 Resolution, the Series 2013 Resolution, the Series 2014A Resolution, the Series 2014B Resolution and the Series 2020 Resolution.

“Projects” means, collectively, the additions and improvements to the System Facilities to be financed or refinanced with the proceeds of the Series 2024 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.

“Projects Account” means the System Facilities Projects Account ratified and confirmed pursuant to the Resolution, including subaccounts established thereunder.

“Rating Service” means Moody’s, if the Series 2024 Bonds are rated by Moody’s at the time, and S&P, if the Series 2024 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 2024 Bonds at the request of the University.

“Record Date” means, with respect to any Series 2024 Bond, the fifteenth day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date.

“Refunded Bonds” means, collectively, the certain Prior System Bonds or other outstanding bonds or other obligations previously issued by the University and described in the Resolution which are to be refunded with a portion of the proceeds of the Series 2024 Bonds.

“Refunding Account” means the System Facilities Refunding Account ratified and confirmed pursuant to the Resolution.

“Representation Letter” means the Representation Letter from the University and the Paying Agent and Bond Registrar to DTC with respect to the Series 2024 Bonds, substantially in the form required by DTC.

“Resolution” means the Resolution adopted by the Board on August 6, 2024, authorizing the Series 2024 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” means any series or subseries of Series 2024 Bonds.

“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 2013 Resolution” means, collectively, the resolution adopted by the Board on October 23, 2013 and the resolution adopted by the Executive Committee of the Board on November 12, 2013 authorizing the Series 2013 Bonds, as from time to time amended in accordance with the terms thereof.

“Series 2013A Bonds” means the \$11,325,000 original principal amount of System Facilities Revenue Bonds, Series 2013A, of the University authorized and issued pursuant to the Series 2013 Resolution.

“Series 2013B Bonds” means the \$150,000,000 original principal amount of Taxable System Facilities Revenue Bonds, Series 2013B, of the University authorized and issued pursuant to the Series 2013 Resolution.

“Series 2014A Bonds” means the \$294,510,000 original principal amount of System Facilities Revenue Bonds, Series 2014A, of the University authorized and issued pursuant to the Series 2014A Resolution.

“Series 2014A Resolution” means the resolution adopted by the Board on May 1, 2014 authorizing the Series 2014A Bonds, as from time to time amended in accordance with the terms thereof.

“Series 2014B Bonds” means the \$150,000,000 original principal amount of Taxable System Facilities Revenue Bonds, Series 2014B, of the University authorized and issued pursuant to the Series 2014B Resolution.

“Series 2014B Resolution” means the resolution adopted by the Board on October 21, 2014 authorizing the Series 2014B Bonds, as from time to time amended in accordance with the terms thereof.

“Series 2020 Resolution” means the resolution adopted by the Board on April 9, 2020 authorizing the Series 2020A Bonds and the Series 2020B Bonds, as from time to time amended in accordance with the terms thereof.

“Series 2020A Bonds” means the \$400,000,000 original principal amount of Taxable System Facilities Revenue Bonds, Series 2020A, of the University authorized and issued pursuant to the Series 2020 Resolution.

“Series 2020B Bonds” means the \$190,200,000 original principal amount of System Facilities Revenue Bonds, Series 2020B, of the University authorized and issued pursuant to the Series 2020 Resolution.

“Series 2024 Bond” or “Series 2024 Bonds” means any bond or bonds of the series of System Facilities Revenue Bonds, Series 2024, 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 2024 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 2024 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 2024 Bonds, dated as of the date of issuance of the Series 2024 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 2024 Bonds.

“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 2024 Bonds. The University has authorized and directed the Series 2024 Bonds to be issued, sold and delivered to finance and/or refinance the Projects and to refund, refinance or defease (collectively, “refund”) the Refunded Bonds and to pay costs of issuance of the Series 2024 Bonds. The Series 2024 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 2024 Bonds. The Series 2024 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 2024 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 2024 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 2024 Bonds shall constitute “Additional Bonds” within the meaning of the Prior System Facilities Resolutions. The Projects financed or refinanced by the Series 2024 Bonds shall constitute “System Facilities Additions,” if not already “System Facilities,” 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 2024 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 2024 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 2024 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 hereafter.

Mutilated, Lost, Stolen or Destroyed Series 2024 Bonds. In the event any Series 2024 Bond is mutilated, lost, stolen, or destroyed, the University shall execute and the Paying Agent and Bond Registrar shall authenticate a new Series 2024 Bond of like series, date and denomination as that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated Series 2024 Bond, such mutilated Series 2024 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 2024 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 2024 Bond shall have matured, the University may direct the Paying Agent and Bond Registrar, instead of issuing a duplicate Series 2024 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 2024 Bond with their reasonable fees and expenses for such service. In executing a new Series 2024 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 2024 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 2024 Bonds. In the event any Series 2024 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 2024 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 2024 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 2024 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 2024 Bond. If any Series 2024 Bond shall not be presented for payment within twenty-four (24) months following the date when such Series 2024 Bond becomes due, whether by maturity or otherwise, the funds theretofore held by the Paying Agent and Bond Registrar for payment of such Series 2024 Bond shall be paid to the University and such Series 2024 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.

Redemption

The Series 2024 Bonds are subject to redemption as set forth in the forepart of this Official Statement under the heading **“THE SERIES 2024 BONDS – Redemption Provisions.”**

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 2024 Bonds:

- (a) Revenue Account;
- (b) Principal and Interest Account;

- (c) Costs of Issuance Account;
- (d) Projects Account and
- (e) Refunding Account.

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 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 2024 Bond Proceeds and Other Moneys. The proceeds received from the sale of the Series 2024 Bonds, including any accrued interest thereon, together with certain other moneys of the University, shall be deposited simultaneously with the delivery of the Series 2024 Bonds as follows:

- (a) The accrued interest, if any, received from the sale of the Series 2024 Bonds shall be deposited in the Principal and Interest Account;
- (b) The sum of \$855,344.81 representing the aggregate underwriters' discount with respect to the Series 2024 Bonds shall be netted from the Underwriter's payment of the purchase price of the Series 2024 Bonds, and \$812,190.70 received from the proceeds of the sale of the Series 2024 Bonds shall be deposited in the Costs of Issuance Account;
- (c) The sum of \$200,000,000.00 received from the proceeds of the Series 2024 Bonds shall be deposited in the Projects Account;
- (d) The sum of \$4,608,000.00 received from the proceeds of the Series 2024 Bonds shall be deposited with the Paying Agent and Bond Registrar and paid at the direction of the University to the counterparty in respect of that certain interest rate swap agreement related to a portion of the Refunded Bonds as the termination payment with respect to such swap agreement; and
- (e) The sum of \$238,979,479.21, consisting of \$208,356,445.19 received from the proceeds of the sale of the Series 2024 Bonds and \$30,623,034.02 received from other available moneys of the University shall be deposited with the Escrow Agent pursuant to the Escrow Agreement.

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 Series 2024 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 2024 Bonds as provided in the Resolution, or (b) the date which is ninety (90) days following the issuance of the Series 2024 Bonds, any funds remaining in the Costs of Issuance Account shall be transferred to the Principal and Interest Account.

Application of Moneys in the Projects Account. Moneys in the Projects Account shall be used by the University for the purpose of payment, or reimbursement for the payment, of the costs of acquisition, construction, improvement, renovation, furnishing or equipping of System Facilities (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 in the Resolution upon the execution of approved documentation in accordance with University disbursement procedures.

Surplus in Projects Account. Upon payment of the costs of the Projects, any surplus remaining in the Projects Account shall be deposited in the Principal and Interest Account.

Application of Moneys in the Refunding Account and the Escrow Fund. Moneys in the Refunding Account and the Escrow Fund shall be applied to refund the Refunded Bonds. Upon payment of the Refunded Bonds, any surplus remaining in the Refunding Account shall be deposited in the Principal and Interest Account.

Defeasance and Redemption of Refunded Bonds. The officers of the University and of the Board are authorized to cause the defeasance, redemption and/or payment of the Refunded Bonds pursuant to the terms of the Resolution and of the Escrow Agreement, including without limitation the payment of any amounts in respect of the termination of any Interest Rate Agreement with respect to any Refunded Bonds. The officers of the University and of the Board are authorized and directed to call such Refunded Bonds for redemption or payment on such dates as are reasonably practical and as set forth in the Escrow Agreement.

Application of Revenues

Revenue Account. The University covenants and agrees that from and after the delivery of the Series 2024 Bonds, and continuing as long as any of the Series 2024 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 2024 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 2024 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. Notwithstanding the foregoing, the terms of the Escrow Agreement shall control as to the proceeds of the Series 2024 Bonds deposited therein.

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 2024 Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or the interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes or otherwise adversely affect the exemption of interest on the Series 2024 Bonds from federal taxation or the exemption of interest on the Series 2024 Bonds from 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 2024 Bonds that so long as any of the Series 2024 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 2024 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 2024 Bond issued under the Resolution, on the dates and in the places and manner prescribed in such Series 2024 Bonds, and that it will, prior to the maturity of each installment of interest and prior to the maturity of each such Series 2024 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 2024 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 2024 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 2024 Bonds has been duly and effectively taken, and that the Series 2024 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 2024 Bonds are outstanding or after the Series 2024 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 2024 Bonds shall be issued and delivered, the System Facilities shall be maintained by the University so long as any of the Series 2024 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 Executive Vice President of Finance & Operations (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.

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.

Additional Bonds

The provisions of the Resolution authorizing the issuance of Additional Bonds on a parity with the Series 2024 Bonds are set forth in the forepart of this Official Statement under the heading **“THE SERIES 2024 BONDS – Additional Bonds.”**

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 within 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. U.S. Bank Trust Company, National Association, St. Louis, 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 2024 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 2024 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 2024 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 2024 Bonds as provided in the Resolution or otherwise materially adversely affect the Bondowner; or

(j) to provide for the changes described in 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 2024 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 2024 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 2024 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 2024 Bond;

(c) permit the creation of a lien on the System Revenues prior or equal to the lien of the Series 2024 Bonds, except as to Additional Bonds;

(d) permit preference or priority of any Series 2024 Bonds over any other Series 2024 Bonds; or

(e) reduce the percentage in principal amount of Series 2024 Bonds required for the written consent to any modification or alteration of the provisions of the Resolution.

Any provision of the Series 2024 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 2024 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 2024 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 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.

Changes that May be Made if Retain Rating

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.

Springing Amendment for University Financings

In addition to the rights reserved to the University described under “Changes that May be Made if Retain Rating” above, upon satisfaction of the conditions to effectiveness set forth in the final

paragraph of this Section, the Resolution shall be deemed amended and, 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):

(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 hereof, 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) hereof without meeting the requirements of the Resolution as it currently exists;

provided that, upon the occurrence of such of the foregoing as are to occur, 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 which 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 occurrence of such of the foregoing as are to occur, shall have been equal to at least two hundred percent (200%) of the Maximum Annual Debt Service required to be paid out of said System Revenues in any Fiscal Year following the date hereof on account of both principal and interest becoming due with respect to the Bonds. In determining the System Revenues for the purpose of this subsection, System Revenues may be adjusted by adding thereto, in the event the University shall have made and put into effect any increase in the rates, charges or fees constituting System Revenues and such increase shall not have been in effect during all of the Fiscal Year immediately preceding the occurrence of such of the foregoing as are to occur, the estimated amount of the additional System Revenues which would have resulted from the increase in the rates, charges or fees constituting System Revenues during said preceding Fiscal Year had such rate, charge or fee 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 occurrence of such of the foregoing as are to occur for the two Fiscal Years immediately following the year in which the occurrence of such of the foregoing as are to occur, shall be equal to at least two hundred percent (200%) of the average Annual Debt Service required to be paid out of said 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 any Additional Bonds proposed to be issued. In determining the amount of estimated System Revenues for the purpose of this subsection, System Revenues may be adjusted by (a) adding thereto any estimated increase in System Revenues resulting from any increase in the rates, charges or fees constituting the System Revenues which are economically feasible, and reasonably considered necessary, and (b) subtracting therefrom any estimated decrease in System Revenues resulting from any deletion of revenues, fees and reserves from the System Revenues due to the deletion of System Facilities; provided that along with any such deletion of such System Revenues such calculation shall also subtract the Annual Debt Service attributable to any Bonds to be refunded, redeemed, defeased or otherwise repaid in connection with such deletion. The computation of estimates shall be made by an officer selected by the University;

If so determined by the University in its sole discretion, the amendments to the Resolution set forth above shall become effective upon the consent thereto of the holders of not less than 100% of the

aggregate principal amount of the Bonds then Outstanding under the Resolution. By purchasing the Series 2024 Bonds and any Additional Bonds authenticated and delivered pursuant to the terms of the Resolution from the underwriter thereof, the initial beneficial owners of the Series 2024 Bonds and any Additional Bonds authenticated and delivered pursuant to the terms of the Resolution are deemed to consent for themselves and for all subsequent owners of the Series 2024 Bonds and any Additional Bonds authenticated and delivered pursuant to the terms of the Resolution, to the amendments to the Resolution set forth above.

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 2024 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 2024 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

FORM OF OPINION OF BOND COUNSEL

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APPENDIX E

FORM OF OPINION OF BOND COUNSEL

September 18, 2024

The Curators of the University of Missouri
Columbia, Missouri

U.S. Bank Trust Company, National Association,
as Paying Agent and Bond Registrar
St. Louis, Missouri

Re: **\$362,640,000 The Curators of the University of Missouri System Facilities Revenue Bonds, Series 2024**

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 2024 (the “Series 2024 Bonds”) in the aggregate principal amount of \$362,640,000, dated as of their date of issuance.

The Series 2024 Bonds have been authorized and issued under and pursuant to the Constitution and laws of the State of Missouri. The Series 2024 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 August 6, 2024 (the “Resolution”), for the purpose of paying (a) a portion of the cost of financing, refinancing or reimbursing for certain facilities of the University, (b) a portion of the costs of refunding, defeasing and/or paying certain outstanding bonds issued by the University, including payment of swap termination costs related to certain of such refunded bonds, all as more fully described in the Resolution (the bonds of the University refunded being referred to as the “Refunded Bonds”) and (c) costs of issuance of the Series 2024 Bonds. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

The Series 2024 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 2024 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 2024 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 2024 Bonds shall be payable at a payment office of U.S. Bank Trust Company, National Association, St. Louis, Missouri (the “Paying Agent and Bond Registrar”). The interest on the Series 2024 Bonds shall be payable by the Paying Agent and Bond Registrar on each Interest Payment Date to the persons in whose names the Series 2024 Bonds are registered on the Record Date preceding such Interest Payment Date at their addresses as they appear on the Bond registration books maintained by the Paying Agent and Bond Registrar.

In connection with the issuance of the Series 2024 Bonds, we have examined the following:

- A. The Constitution of the State of Missouri and such other laws as we deem relevant to this opinion.
- B. A certified copy of the proceedings of the Board preliminary to and in connection with the issuance of the Series 2024 Bonds, authorizing, among other things, the following:
 - (i) the issuance, sale and delivery of the Series 2024 Bonds; and
 - (ii) the execution and delivery of the Escrow Trust Agreement dated as of even date herewith (the “Escrow Agreement”), between the University and U.S. Bank Trust Company, National Association, as Escrow Agent; the Tax Compliance Agreement dated as of even date herewith (the “Tax Compliance Agreement”), of the University; the Continuing Disclosure Agreement dated as of September 18, 2024 (the “Continuing Disclosure Agreement”) between the University and the dissemination agent named therein; and the Bond Purchase Agreement dated as of September 4, 2024 (the “Bond Purchase Agreement” and, collectively with the Escrow Agreement, the Tax Compliance Agreement and the Continuing Disclosure Agreement, the “University Documents”) between the University and the original purchasers of the Series 2024 Bonds.
- C. An original certified copy of the Resolution and executed counterparts of the University Documents.
- D. A specimen of the Series 2024 Bonds.
- E. Representations and certifications of authorized officials of the University, including the general closing certificate of the University and the certificate of the Controller of the University regarding the issuance of additional System Facilities Revenue Bonds under the Resolution.
- F. Representations and certifications of the University, Goldman Sachs & Co. LLC, as representative of the original purchasers of the Series 2024 Bonds, and the Paying Agent and Bond Registrar.
- G. The opinion of even date herewith of the Office of General Counsel to the University.
- H. The Escrow Verification Report of Robert Thomas CPA, LLC, Shawnee Mission, Kansas, regarding certain of the Refunded Bonds.
- I. 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 and the University Documents and all other 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 2024 Bonds will be used in accordance with the Resolution and the University Documents and (d) that all covenants and requirements of the Resolution, the Escrow Agreement 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 September 4, 2024 with respect to the Series 2024 Bonds (the “Official Statement”) or other offering material relating to the Series 2024 Bonds and we express no opinion relating thereto.

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 2024 Bonds are in proper form, have been authorized and issued in accordance with the Constitution and laws 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 2024 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, the Escrow Agreement 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 2024 Bonds under the laws of the State of Missouri now in force. The Series 2024 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 2024 Bonds are and will continue to be payable by the University solely from the System Revenues (and as otherwise provided in the Resolution). The System Revenues have been duly assigned and pledged to the payment of the principal of, premium, if any, and interest on the Series 2024 Bonds as the same become due.

4. Interest on the Series 2024 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 2024 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 2024 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024 Bonds.

5. The Series 2024 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 2024 Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax.

6. The Series 2024 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 2024 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 2024 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,

