



The Curators of the University of Missouri

2024 Annual Report

Update of Financial and Operating Data (unaudited)

Contained in Official Statements

Pledged Revenues of the System – Historical System Revenues

Historical Pledged System Revenues (*\$ in thousands*)

	Fiscal Years Ended June 30,				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating Revenues					
Specifically Assessed Student Fees	\$ 23,960	\$ 25,798	\$ 26,577	\$ 29,696	\$ 28,494
Bookstore	31,410	29,025	31,444	31,302	32,547
Housing and Food Service, Net	89,917	101,759	108,868	118,236	123,061
Patient Medical Services, Net	1,291,491	1,422,607	1,525,954	1,686,372	2,094,361
Research Reactor	27,417	32,097	41,945	48,893	80,206
Parking	10,852	8,333	11,489	12,865	15,124
Other	<u>20,495</u>	<u>20,575</u>	<u>19,632</u>	<u>20,844</u>	<u>5,767</u>
Total	1,495,542	1,640,194	1,765,909	1,948,208	2,379,560
Student System Facilities Fee	<u>140,017</u>	<u>139,435</u>	<u>139,525</u>	<u>140,598</u>	<u>141,250</u>
Total	<u>\$1,635,559</u>	<u>\$1,779,629</u>	<u>\$1,905,434</u>	<u>\$2,088,806</u>	<u>\$2,520,810</u>

University Health Care Summary Financial Information and Operating Data

University Health Care Summary Financial Information (*\$ in thousands*)

	Fiscal Years Ended June 30,				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Net patient service revenue	\$950,319	\$1,040,116	\$1,088,905	\$1,186,436	\$1,412,488
Retail pharmacy revenues	109,896	134,378	170,243	199,827	204,223
Other operating revenues	<u>23,394</u>	<u>22,853</u>	<u>24,025</u>	<u>24,196</u>	<u>33,998</u>
Total operating revenues	1,083,609	1,197,347	1,283,173	1,410,459	1,650,709
Operating expenses	<u>1,018,370</u>	<u>1,106,762</u>	<u>1,254,403</u>	<u>1,349,759</u>	<u>1,600,789</u>
Operating income (loss)	65,239	90,585	28,769	60,700	49,920
Net non-operating revenues	<u>(12,760)</u>	<u>27,361</u>	<u>(9,325)</u>	<u>(8,202)</u>	<u>(1,628)</u>
Income before contributions and transfers	\$52,479	\$117,946	\$19,444	\$52,498	\$48,292

**University Health Care
Sources of Patient Service Revenue**

<u>Source of Payment</u>	<u>Fiscal Years Ended June 30,</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Medicare	39.7%	40.7%	40.4%	40.8%	42.0%
Medicaid	19.2	18.0	19.9	21.9	20.2
Managed Care / Commercial Insurance	31.3	31.4	32.1	30.5	30.3
Self-Pay / Other	<u>9.8</u>	<u>9.9</u>	<u>7.6</u>	<u>6.8</u>	<u>7.5</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%

University Health Care Utilization Data

	<u>Fiscal Years Ended June 30,</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Acute Staffed Beds	640	658	618	598	762
Patient Days	149,981	149,051	161,230	162,645	179,271
Average Daily Census ⁽¹⁾	410.9	408.4	441.7	445.6	515.3
Length of stay (days) ⁽¹⁾	5.56	5.67	6.02	5.95	5.94
Discharges ⁽¹⁾	26,958	26,302	26,792	27,333	30,179
Outpatient Visits	1,043,157	1,326,703	1,306,883	1,356,503	1,486,578

⁽¹⁾ Excludes normal newborns.

Historical Enrollment

The following table sets forth the historical enrollment for the University. Projected enrollment data is not readily available for all campuses and is therefore not included in this table.

Enrollment (Full- and Part-Time)

<u>Fall</u>	<u>MU</u>	<u>Historical Enrollment</u>		<u>UMSL</u>	<u>Total</u>
		<u>UMKC</u>	<u>Missouri S&T</u>		
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
2024	31,543	14,732	7,154	14,736	68,165

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	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
	2024	Freshmen	24,491	19,219	5,953
		Transfers	2,835	2,052	1,242
UMKC	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
	2024	Freshmen	6,186	4,465	1,343
		Transfers	2,210	1,768	943
Missouri S&T	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
	2024	Freshmen	8,352	6,059	1,269
		Transfers	1,549	1,140	275
UMSL	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
	2024	Freshmen	6,210	3,897	490
		Transfers	3,096	1,829	946

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

Student Quality Indicators

The academic demands of the curriculum require that students admitted possess a satisfactory preparatory education. The following tables set forth the high school class rank of freshmen entering the University during the Fall 2024 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 2024

<u>High School Class Rank</u>	<u>MU</u>	<u>UMKC</u>	<u>Missouri S&T</u>	<u>UMSL</u>
Top 10%	34%	27%	41%	21%
Top 20%	55	44	61	39
Top 40%	84	70	85	66

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</u>	<u>National</u>
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
2024	26.3	24.2	28.3	23.5	19.8	19.4

Financial Aid

The following table sets forth the total Financial Aid awarded by the University for fiscal year 2024, 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⁾	\$583,556,620	\$228,534,603	\$127,721,195	\$107,761,850	\$1,047,574,268
Aid from Institutional Sources	299,645,736	76,425,561	70,963,453	33,618,240	480,652,990
Students Receiving Aid	28,608	11,518	6,720	8,256	55,102
Total Financial Aid Awarded Per Student	\$20,398	\$19,842	\$19,006	\$13,053	\$19,012

⁽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.

Full-Time Ranked Faculty

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

<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 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 amended in June 2024 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, Risk Balanced, Alpha Portfolio, Private Debt, Venture Capital, Real Estate/Infrastructure, and the University's Endowment Pool. As of June 30, 2024, approximately 29% 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 \$3.2 billion as of June 30, 2024.

The investment policy for the General Pool incorporates a robust, risk-based framework for the management of three main components based on liquidity objectives, tolerance for volatility, and the expectations of investment returns. These three distinct portfolios within the General Pool include: the Working Capital, the Core Portfolio, and the Strategic Portfolio. The Working Capital portion of the General Pool is expected to have very low volatility, low (cash-like) returns, and is constructed utilizing securities and investment vehicles that primarily have same or next day liquidity with minimal day-to-day price fluctuations. The Core Portfolio portion of the General Pool is expected to have moderate volatility with moderate returns, invested primarily in public debt securities. The Strategic Portfolio portion of the General Pool is expected to have higher returns and a higher level of volatility, with investments of a longer-term nature.

The following illustrates actual General Pool balances for each General Pool component portfolio as of June 30, 2024, compared to the new minimums and maximums set forth in the June 2024 revised investment policy:

	General Pool – Portfolio Mix			
	(\$ millions)	%		
Portfolio:	<u>Total</u>	<u>Total</u>	<u>Minimum</u>	<u>Maximum</u>
Working Capital	\$936	29%	20%	100%
Core	1,342	41	0	60
Strategic	<u>967</u>	30	0	45
Total General Pool	\$3,245			

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, 2024, the Portable Alpha was 19.1% of the Endowment Pool. The long-term target asset mix and actual asset mix as of June 30, 2024, is 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, 2024</u>
Public Equity	35.0%	39.9%
Private Equity	15.0	13.6
US Treasuries	8.0	8.1
Inflation-Linked Bonds	10.0	10.1
Private Debt	7.0	5.9
Risk Balanced	12.0	12.1
Commodities	3.0	2.9
Real Estate	10.0	7.2
Cash	0.0	0.2

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

University of Missouri System Endowment Pool

<u>As of June 30,</u>	<u>Market Value</u>	<u>Annual Return</u>
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
2024	2,411,276,000	11.0

The Endowment Pool includes true endowment and quasi endowment funds. The market value of certain investments in the Endowment Pool (primarily, absolute return, private equity, and real estate) is reported on a lagged basis of one to three months. For the fiscal year ended June 30, 2024, the Endowment Pool had an annual return of 11.0%. Over the preceding 3, 5, 7 and 10 years respectively, the Endowment Pool returned 4.7%, 8.5%, 8.2% and 7.2%.

Starting in fiscal year 2018, the University began transitioning its 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's spending policy will apply a rate of 4.0% to a base equal to the 28-quarter trailing average market value as of December 31st of the prior year. Also, starting in fiscal year 2018, the University increased its Endowment 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 31st.

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 most recent three fiscal years ended June 30.

Summary Financial Information of the Plan (in thousands)

	Fiscal Years Ended June 30,		
Net Assets Held for Plan	2022	2023	2024
Assets:			
Cash and Cash Equivalents and Collateral for Securities Lending	\$ 801,959	\$ 528,107	\$ 430,787
Investments and Related Receivables	<u>3,626,451</u>	<u>3,842,447</u>	<u>4,152,043</u>
Total Assets	<u>4,428,410</u>	<u>4,370,554</u>	<u>4,582,830</u>
Liabilities:			
Payables and Accrued Liabilities	70,537	32,488	1,878
Collateral for Securities Lending	<u>31,802</u>	<u>18,392</u>	<u>0</u>
Total Liabilities	<u>102,339</u>	<u>50,880</u>	<u>1,878</u>
Net Assets Held in Trust for Retirement and OPEB	<u>\$4,326,071</u>	<u>\$4,319,674</u>	<u>\$4,580,952</u>
Changes in Plan Net Assets			
Net Revenues and Other Additions:			
Net Investment Income	\$ (104,559)	\$ 164,366	\$ 470,107
Contributions and other Revenues	<u>162,408</u>	<u>178,378</u>	<u>207,262</u>
Total Net Revenues and Other Additions	<u>57,849</u>	<u>342,744</u>	<u>677,369</u>
Expenses and Other Deductions:			
Administrative Expenses	3,219	4,986	5,084
Payments to Retirees and Beneficiaries	<u>325,195</u>	<u>344,155</u>	<u>411,007</u>
Total Expenses and Other Deductions	<u>328,414</u>	<u>349,141</u>	<u>416,091</u>
Increase (Decrease) in Net Position Held in Trust for Retirement and OPEB	(270,565)	(6,397)	261,278
Net Position Held in Trust for Retirement and OPEB, Beginning of Year	<u>4,596,636</u>	<u>4,326,071</u>	<u>4,319,674</u>
Net Position Held in Trust for Retirement and OPEB, End of Year	<u>\$4,326,071</u>	<u>\$4,319,674</u>	<u>\$4,580,952</u>

Net position held for the Plan increased by \$261.3 million, from \$4.320 billion at fiscal year ended June 30, 2023, to \$4.581 billion at fiscal year ended June 30, 2024.

The time-weighted return for the fiscal year ended June 30, 2024, was 11.1%, compared to the benchmark index of 8.8%. The Portable Alpha component has an allowable range of 0 - 27%. As of June 30, 2024, the Portable Alpha was 20.9% of the Retirement Plan. The allocation of the Retirement Plan investments and the time-weighted return on those investments for the fiscal year ended June 30, 2024, is shown in the following table:

Plan Investments
Fiscal Year ended June 30, 2024

	<u>Asset Distribution</u>	<u>Total Return</u>	<u>Benchmark Index Return ⁽¹⁾</u>
Public Equity	36.2%	19.2%	19.2%
Private Equity	13.2	8.9	4.9
US Treasuries	8.2	3.2	3.4
Inflation Linked Bond	8.9	4.5	4.3
Private Debt	5.8	7.7	12.4
Risk Balanced	12.3	11.4	11.4
Commodities	5.0	11.8	8.1
Real Estate	10.1	(6.4)	(12.0)
Cash	<u>0.3</u>	<u>6.7</u>	<u>5.4</u>
Total (Composite)	100.0	11.1	8.8

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

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	5,635,990	1,289,258	77.1	934,245	138.0

In fiscal year 2014, the University implemented Governmental Accounting Standards Board Statement Number 68. As of June 30, 2024, the net pension liability was \$1,115,200,000.

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	100.7	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

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