Lincoln University
A Component Unit of the State of Missouri

Independent Auditor's Reports and Financial Statements

June 30, 2023 and 2022

Lincoln University
A Component Unit of the State of Missouri
June 30, 2023 and 2022

Contents

FORVIS

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Independent Auditor's Report

Board of Curators
Lincoln University
Jefferson City, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lincoln University (the "University"), 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's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Lincoln University as of June 30, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audits' evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in *Note 1* to the financial statements, in 2023, the University adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is 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'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 opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 the University'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 the University'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 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the University's basic financial statements. The Auxiliary System Revenue Fund – Schedules of Revenues and Expenses, the Athletic Facilities Revenue Fund – Schedule of Revenues and Expenses, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2023, on our consideration of Lincoln University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

FORVIS, LLP

Springfield, Missouri
November 3, 2023

Lincoln University
A Component Unit of the State of Missouri
Management's Discussion and Analysis
Years Ended June 30, 2023 and 2022

The objective of management's discussion and analysis is to help readers of Lincoln University's financial statements better understand the financial position and operating activities for the years ended June 30, 2023 and 2022, with selected comparative information for the year ended June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements and related footnotes to the financial statements.

Lincoln University

Lincoln University is an academic institution that is part of the State of Missouri system of higher education. Founded in 1866 through the cooperative efforts of the enlisted men and officers of the 62nd and 65th Colored Infantries, Lincoln University was designed to meet the educational and social needs of freed African Americans. While remaining committed to this purpose, the University has expanded its historical mission to embrace the needs of a significantly broader higher education population. Our current mission statement further delineates the University's character and historical nature:

Lincoln University is a historically black, 1890 land-grant, public, comprehensive institution that provides excellent educational opportunities including theoretical and applied learning experiences to a diverse population within a nurturing, student-centered environment.

Academic Programs

The academic programs of the University are organized under three Colleges: the College of Arts and Sciences, the College of Professional Studies and the College of Agriculture, Environmental and Human Sciences, along with the Office of Graduate Studies. During fiscal year 2023, Lincoln University offered eight undergraduate degrees: Bachelor of Arts (B.A.), Bachelor of Liberal Studies (B.L.S.), Bachelor of Science (B.S.), Bachelor of Science in Education (B.S.Ed.), and Bachelor of Science in Nursing (B.S.N.), Associate of Arts (A.A.), Associate of Applied Science (A.A.S.), and Associate of Science (A.S.).

The Office of Graduate Studies coordinates all graduate programs. The Master of Business Administration (M.B.A.) degree programs are offered using an online modality. The University offers five graduate degrees: Master of Arts (M.A.) with majors in history, higher education (HBCU), sociology and sociology/criminal justice; Master of Education (M.Ed.) with majors in curriculum and instruction and guidance and counseling; Master of Business Administration (M.B.A.) with an emphasis in agribusiness, management, accounting, public administration/policy and management information systems; Master of Science (M.S.) in natural sciences and sustainable agriculture.

Lincoln University
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Management's Discussion and Analysis
Years Ended June 30, 2023 and 2022

Using the Annual Financial Report

The University's financial statements consist of a series of financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). A summary of significant accounting policies followed by the University is included in *Note 1* to the financial statements of this report.

The Statement of Net Position - This statement presents information on all University assets, deferred outflows, liabilities and deferred inflows. Assets and liabilities are generally measured using current values. One notable exception is the capital assets, which are stated at historical cost less an allowance for depreciation.

Statement of Revenues, Expenses and Changes in Net Position - This statement presents a summary of revenues and expenses classified as either operating or nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. The operating deficit is primarily a result of the classification of state appropriations as nonoperating revenue. Also, this statement reflects a change in the University's net position based upon expenses in excess of revenues.

Statement of Cash Flows - This statement classifies cash inflows and outflows into the following classifications: operating activities, noncapital financing activities, capital and related financing activities and investing activities. This information is useful in assessing the University's ability to meet maturing financial obligations.

In 2023, the University adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. 2022 comparative information contained herein has been restated for adoption of GASB 96. 2021 comparative information contained herein has not been restated for adoption of GASB 96.

Statement of Net Position

A summarized comparison of the University's assets, liabilities, and net position at June 30, 2023, 2022, and 2021, is as follows:

Net Position, End of Year

	2023	2022 (As Restated)	2021
		(In Millions)	
Assets and Deferred Outflows of Resources			
Current assets	$ 44.3	$ 38.5	$ 37.3
Capital assets, net	87.6	88.9	87.8
Right to use assets, net	1.6	1.1	0.1
Lease receivable	0.5	0.7	0.6
Other noncurrent assets	14.5	20.3	12.8
Deferred outflows of resources	9.4	7.2	7.5
Total assets and deferred outflows of resources	157.9	156.7	146.1
Liabilities and Deferred Inflows of Resources			
Current liabilities	11.7	10.8	9.6
Noncurrent liabilities	71.2	59.9	67.4
Deferred inflows of resources related to pensions	0.4	8.3	1.1
Deferred inflows of resources related to leases	0.5	0.6	0.6
Total liabilities and deferred inflows of resources	83.8	79.6	78.7
Net Position			
Net investment in capital assets	85.3	75.5	71.6
Restricted – nonexpendable	0.2	0.3	0.3
Restricted – expendable	5.7	6.0	5.0
Unrestricted	(17.1)	(4.7)	(9.5)
Total net position	$ 74.1	$ 77.1	$ 67.4

During the 2023 fiscal year, total assets and deferred outflows of resources increased by $1.2 million, total liabilities and deferred inflows of resources increased by $4.2 million. The total net position decreased by $3.0 million compared to fiscal year 2022. In fiscal year 2023, the University's current assets of $44.3 million were sufficient to cover current liabilities of $11.7 million. The current ratio of 3.8 increased in 2023 as compared to 3.6 in 2022 and decreased as compared to 3.9 in 2021.

The University's liabilities and deferred inflows of resources totaled $83.8 million at June 30, 2023, and $79.6 million at June 30, 2022. Noncurrent liabilities totaled $71.2 million in 2023 and $59.9 million in 2022. Noncurrent liabilities are comprised of net pension liability as required by Governmental Accounting Standards Board (GASB) Statements No. 68 and No. 71 (see *Note 9*), postemployment benefit liability as required by GASB Statement No. 75 (see *Note 10*), lease and subscription liabilities required by GASB Statements No. 87 and 96 (see *Note 7* and *Note 8*) as well as bonds and notes payable. The change in liabilities and deferred inflows of resources in fiscal year 2023 was primarily a result of an increase in net pension liability of $12.0 million offset by a $8.0 million decrease in deferred inflows of resources related to pension. Current liabilities also increased by $0.9 million primarily due to an increase in deferred revenue as relates to grants and contracts and an increase in the current portion of compensated absences.

The unrestricted portion of net position in 2023 was a negative $17.1 million compared to a negative $4.7 million in 2022. Unrestricted fund balance includes the noncash adjustments for post-retirement benefits outlined under GASB No. 68 and 75. The balance was also impacted by the allocation of $12.0 million from unrestricted fund balance to net invested in capital assets to support the renovation of Dawson Hall. Below is a chart that further outlines the unrestricted net position by fund.

Unrestricted Net Position by fund

	2023	2022 (As Restated)	2021
		(In Millions)	
General Fund	$ 19.6	$ 29.6	$ 24.5
General Fund (GASB 68)	(44.2)	(41.9)	(41.1)
General Fund (GASB 75)	(0.5)	(0.4)	(0.6)
Auxiliary Fund	4.9	4.6	4.1
Restricted Fund	2.0	2.6	2.5
Endowment Fund	0.3	0.2	0.3
Plant Fund	0.8	0.6	0.8
Office of Institutional Advancement	0.0	0.0	0.0
Total unrestricted net position	$ (17.1)	$ (4.7)	$ (9.5)

The general fund unrestricted net position decreased from $29.6 million in 2022 to $19.6 million in 2023. The decrease is primarily due to the allocation of $12.0 million from the general unrestricted fund to net invested in capital assets to support the renovation of Dawson Hall.

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 financial activity for the year.

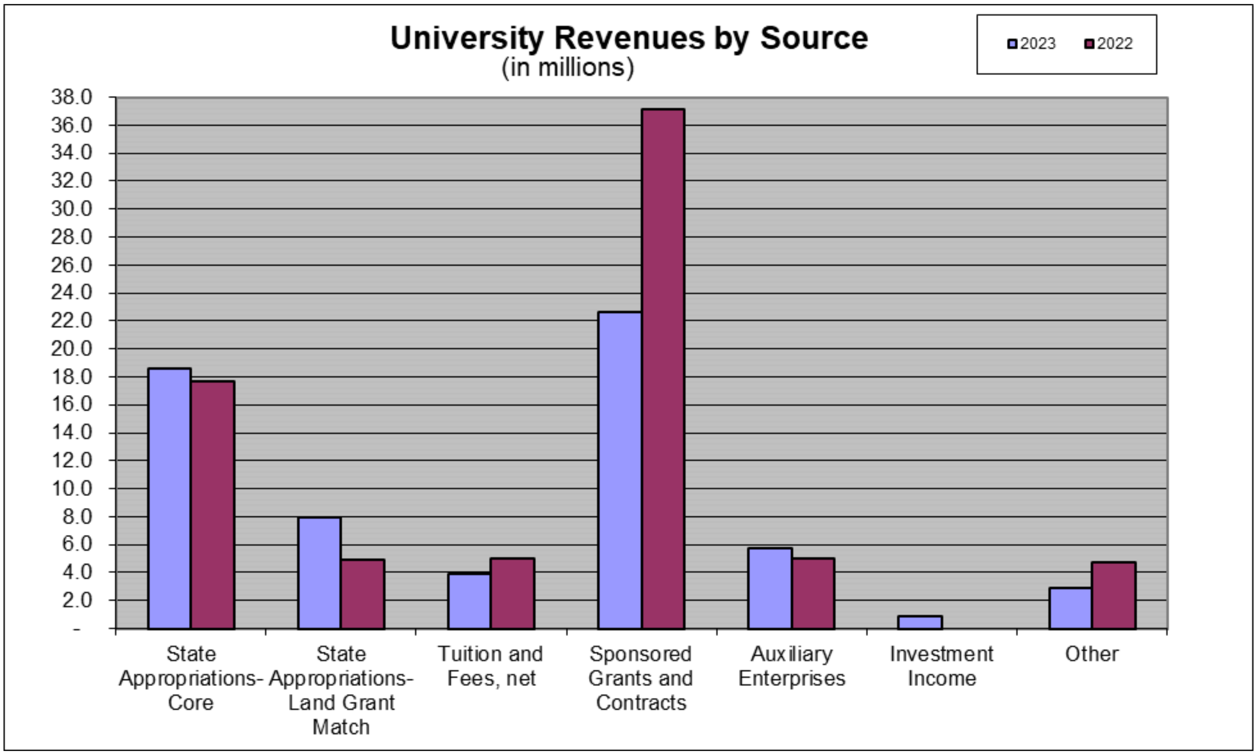
A summarized comparison of the University's revenues, expenses and changes in net assets for the years ended June 30, 2023, 2022, and 2021, is as follows:

	2023	2022 (As Restated)	2021
		(In Millions)	
Operating revenues	$ 9.9	$ 11.3	$ 9.9
Operating expenses	65.7	62.8	55.1
Operating loss	(55.8)	(51.5)	(45.2)
Net nonoperating revenues	51.9	61.4	53.9
Income (loss) before other revenues, expenses, gains, or losses	(3.9)	9.9	8.7
Capital appropriations	0.3	0.1	0.0
Capital grants and gifts	0.5	(0.2)	3.7
Increase (decrease) in net position	(3.1)	9.8	12.4
Net position, beginning of year	77.2	67.4	55.0
Net position, end of year	$ 74.1	$ 77.2	$ 67.4

The total operating loss for fiscal year 2023 was $55.8 million which was largely offset by nonoperating revenues of $51.9 million. The largest component of nonoperating revenues is state appropriations followed by federal grants and contracts. Although these revenues support operating expenses, GASB mandates that these revenues be recorded as nonoperating revenues. An increase in operating expenses of $2.9 million as well as a decrease in net nonoperating revenues of $9.5 million resulted in a loss of $3.9 million in fiscal year 2023, a decrease of $13.8 million compared to fiscal year 2022. This decrease is primarily a result of the expiration of $13.7 million in Higher Education Emergency Relief Fund (HEERF) allocations. Operating revenues decreased by $1.4 million in fiscal year 2023 primarily due to an increase in scholarship allowances followed by a decrease in other operating revenues. Operating expenses were impacted by an increase in expenses associated with GASB No. 68 postemployment benefits, contractual services, and personnel costs offset by a decrease in scholarships due to the expiration of HEERF funds as compared to 2022.

Revenues (Operating and Nonoperating)

The following graph displays the components of the University's revenues for fiscal years 2023 and 2022:



As shown above, the largest component of total revenues (operating and nonoperating) is sponsored grants and contracts which surpassed core state appropriations in 2023 and 2022. Historically, core state appropriations were the University's largest revenue source, making up 30 percent of University revenues in 2023 and 24 percent in 2022. For fiscal year 2023, the University was appropriated $18.6 million, net of 3 percent reserves, compared to $17.7 million, net of 3 percent reserves, appropriated in 2022. In 2022, the University also received federal HEERF funding to offset lost revenue which was recorded in sponsored grants and contracts. The HEERF funding expiration led to a decrease in sponsored grants and contracts in fiscal year 2023 as compared to 2022.

For fiscal year 2023, student tuition and fees revenue of $3.9 million is shown net of $8.5 million in scholarship allowances, $3.1 million in tuition discounts, and $0.3 million in bad debt. For fiscal year 2022, student tuition and fees revenue of $5.0 million is shown net of $7.3 million in scholarship allowances and $2.7 in tuition discounts.

The following table represents the details of the University's grants and contracts revenue for the year ended June 30, 2023:

Federal sources	
Department of Agriculture	$ 8,480,963
Department of Education (excluding financial aid)	6,910,700
Department of Defense	303,452
Department of Health and Human Services	55,608
National Aeronautics and Space Administration	72,154
National Science Foundation	503,517
Other Federal Sources	1,146,126
Total federal sources	$ 17,472,520

Operating Revenues

The following table summarizes the University's operating revenues by source for the years ended June 30, 2023, 2022, and 2021:

Operating Revenues

	2023	2022 (As Restated)	2021
		(In Millions)	
Tuition and fees, net	$ 3.9	$ 5.0	$ 4.4
Grants and contracts	0.3	0.2	0.6
Sales and services of educational activities	0.0	0.1	0.1
Auxiliary enterprises, net	5.5	4.8	4.6
Other	0.2	1.2	0.2
Total operating revenues	$ 9.9	$ 11.3	$ 9.9

In fiscal year 2023, operating revenues decreased from fiscal year 2022. Tuition and fees declined by $1.1 million due to an increase in scholarship allowances. Auxiliary enterprises increased by $0.7 million from fiscal year 2022 due to an increase in occupancy on campus. Other operating revenues decreased by $1.0 million in 2023 as compared to 2022 due to substantial insurance proceeds received in 2022.
In fiscal year 2022, operating revenues increased from fiscal year 2021. Tuition and fees grew by $0.6 million due to a decrease in scholarship allowances and bad debt expense. Bad debt declined from utilizing HEERF funds to assist with past due student balances. Additionally, auxiliary enterprises increased by $0.2 million from fiscal year 2021. In fiscal year 2022, other operating revenues increased by $1.0 million due to insurance claim proceeds.

Operating Expenses

The following table summarizes the University's operating expenses for the years ended June 30, 2023, 2022, and 2021:

Operating Expenses

	2023	2022 (As Restated)	2021
		(In Millions)	
Compensation	$ 23.5	$ 22.2	$ 21.9
Benefits	10.7	8.7	10.6
Contractual services	14.3	11.0	8.8
Supplies and materials	3.0	2.1	1.9
Depreciation and amortization	7.7	7.0	5.8
Utilities/communications	2.3	2.3	1.9
Scholarships and fellowships	0.3	6.4	2.0
Other	3.9	3.1	2.2
Total operating expenses	$ 65.7	$ 62.8	$ 55.1

Operating expenses in 2023 increased to $65.7 million from $62.8 million in 2022. The largest components of operating expenses are compensation and benefits followed by contractual services. The increase in benefits is primarily due to an increased expense associated with GASB No. 68 of $1.9 million. Contractual services increased by $3.3 million due to higher expenses associated with outsourced services such as marketing and communications, legal services, facilities management, and food services.

Operating expenses in 2022 increased to $62.8 million from $55.1 million in 2021. The largest components of operating expenses are compensation and contractual services. Compensation increased by $0.3 million compared to 2021 while benefits decreased by $1.9 million primarily due to a decreased expense associated with GASB No. 68 of $2.0 million. Contractual services increased by $2.2 million as compared to 2021. This increase was primarily due to outsourced services including human resources, legal services, marketing and communications as well as expenses related to the presidential search. Other expenses increased by $0.9 million due to an increase in travel expenses and an increase in spending through the Advancement Office. Scholarships and fellowships increased by $4.4 million primarily due to HEERF funding provided directly to the students and used toward outstanding student balances.

In addition to their natural (object) classification, it is also informative to review operating expenses by function. A comparative summary of the University's expenses by functional classification for the years ended June 30, 2023, 2022, and 2021, is as follows:

Expenses by Functional Category

	2023	2022 (As Restated)	2021
		(In Millions)	
Instruction	$ 10.5	$ 9.9	$ 9.7
Research	7.5	6.7	6.2
Community service	8.4	7.4	6.3
Academic support	3.6	3.1	4.0
Student services	7.6	6.1	5.4
Institutional support	13.2	11.0	11.4
Operations and maintenance of plant	6.9	5.2	4.3
Scholarships and fellowships	0.3	6.4	2.0
Depreciation and amortization	7.7	7.0	5.8
Total expenses	$ 65.7	$ 62.8	$ 55.1

The University's total operating expenses directly support the mission of the University: instruction, research and community service. In 2023, the total of these three categories was $26.4 million or 40.2 percent of the total expenses compared to $24.0 million or 38.2 percent of total expenses in 2022. Instruction and institutional support are the largest components of expenses by functional category. In fiscal year 2023, instruction expense increased by $0.6 million while institutional support increased by $2.2 compared to fiscal year 2022. The increase of $1.0 million in community service and $0.8 million in research was due to the receipt of increased land-grant match funding from the state. Depreciation and amortization increased by $0.7 million due to increased depreciation on new infrastructure and equipment.

Lincoln University
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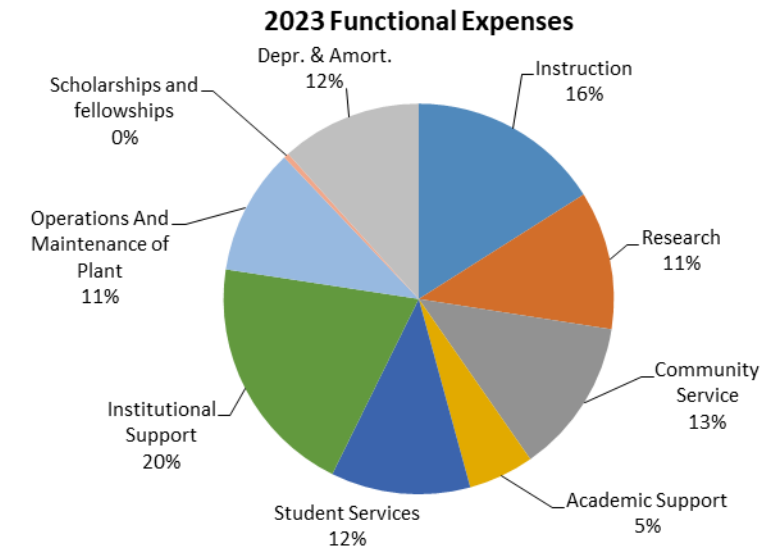
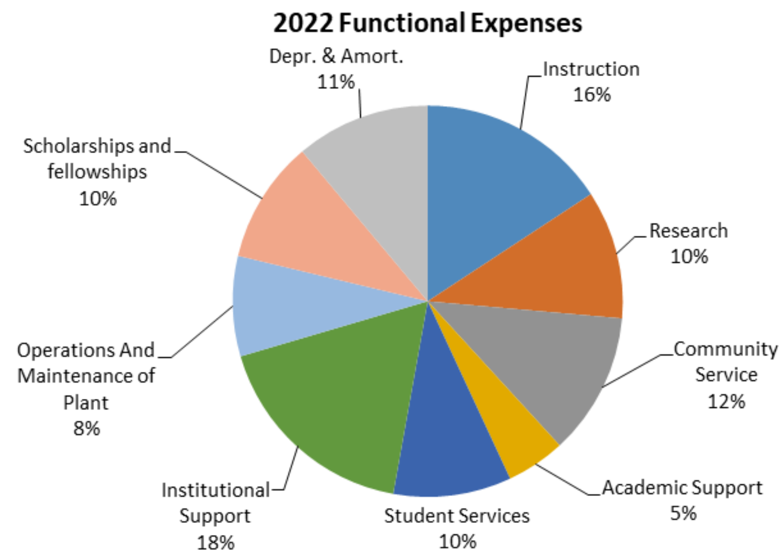
Management's Discussion and Analysis
Years Ended June 30, 2023 and 2022

The following graphic illustrations present total expenses by function:





Nonoperating Revenues and Expenses

The following table summarizes the University's nonoperating revenues and expenses for the years ended June 30, 2023, 2022, and 2021:

Nonoperating Revenues and Expenses

	2023	2022 (As Restated)	2021
		(In Millions)	
State appropriations	$ 26.6	$ 22.6	$ 19.3
Federal grants and contracts	21.8	36.7	32.6
State grants and contracts	0.5	0.2	0.6
Interest on indebtedness	(0.7)	(0.7)	(0.8)
Investment income	0.9	(0.7)	0.1
Other	2.8	3.3	2.1
Total nonoperating revenues and expenses	$ 51.9	$ 61.4	$ 53.9

State appropriations are the largest component of the University's nonoperating revenues followed by federal grants and contracts. State appropriations increased by $4.0 million in 2023 as the state increased the core appropriations from 2022 by $5.4 million and fully funded the land grant match. Federal grants and contracts decreased by $14.9 million in 2023 primarily due to the expiration of $13.7 million in HEERF funding from 2022. Other nonoperating revenues decreased by $0.5 million in 2023 due to a decrease in gifts/contributions as compared to 2022. Investment income increased by $1.6 million in 2023 due to higher interest rates as well as improved market conditions.

Statement of Cash Flows

The primary purpose of the statement of cash flows is to provide information about the cash receipts and disbursements of an entity during a period. This statement also aids in the assessment of an entity's ability to generate future net cash flows, ability to meet obligations as they come due and needs for external financing.

The following table summarizes the University's cash flows for the years ended June 30, 2023, 2022, and 2021:

Cash Flows

	2023	2022 (As Restated)	2021
		(In Millions)	
Cash Provided by (Used in)			
Operating activities	$ (45.0)	$ (42.1)	$ (34.3)
Noncapital financing activities	58.5	59.8	48.0
Capital and related financing activities	(7.2)	(9.6)	(9.6)
Investing activities	(2.9)	(12.0)	(4.3)
Net Increase (Decrease) in Cash and Cash Equivalents	3.4	(3.9)	(0.2)
Cash and Cash Equivalents, Beginning of the Year	11.2	15.1	15.3
Cash and Cash Equivalents, End of the Year	$ 14.6	$ 11.2	$ 15.1

In fiscal year 2023, cash and cash equivalents increased by $3.4 million compared to 2022. Approximately $45.0 million of cash was used for operating activities, offset by $58.5 million of cash provided by noncapital financing activities. Noncapital financing activities, as defined by GASB, include state appropriations and federal and state grants and contract revenues received for other than capital purposes.

The change in operating activities in 2023 was an overall increase in cash used of $2.9 million. The change in operating activities relates to the overall decrease in cash received from insurance proceeds as well as an increase in cash paid to suppliers.

There was a decrease in cash received from noncapital financing activities in 2023 of $1.3 million. The change in noncapital financing activities was affected by the expiration of HEERF funding as well as a decrease in gifts/contributions offset by an increase in state appropriations.

The decrease in cash used for capital and related financing activities in 2023 compared to 2022 was $2.4 million due to a decrease in the purchase of capital assets.

Cash used by investing activities in fiscal year 2023 was $2.9 million compared to $12.0 million used in 2022. This is a decrease in cash used of $9.1 million. The University purchased $9.2 million less in investments in 2023, while the sale of investments also decreased by $1.7 million. Interest revenue increased by $1.5 million in fiscal year 2023 compared to 2022 as a result of higher interest rates and improved market conditions.

In fiscal year 2022, cash and cash equivalents decreased by $3.9 million compared to 2021. Approximately $42.1 million of cash was used for operating activities, offset by $59.8 million of cash provided by noncapital financing activities. Noncapital financing activities, as defined by GASB, include state appropriations and federal and state grants and contract revenues received for other than capital purposes.

The change in operating activities in 2022 was an overall increase in cash used of $7.8 million. The change in operating activities primarily relates to the overall increase of $9.7 million in cash used for payments to suppliers which includes contractual services as well as scholarships, offset by an increase in cash of $0.8 million provided by tuition and fees, net of scholarship allowances.

There was an increase in cash received from noncapital financing activities in 2022 of $11.8 million. This change is primarily a result of an increase of $3.3 million in state appropriations; an increase of $5.0 million in federal appropriations and grants for other than capital purposes; and an increase of $1.4 million in gifts and contributions.

Investing activities changes were based on the value of investments purchased and those maturing in 2022 compared to 2021. Cash used by investing activities in fiscal year 2022 was $12.0 million compared to cash used by investments of $4.3 million in 2021. This is an increase in cash used of $7.7 million. The University purchased $3.5 million less in investments in 2022, while the sales of investments decreased by $10.4 million. Interest revenue decreased by $0.8 million in fiscal year 2022 compared to 2021.

The University's investment options are restricted to United States Treasury Securities, Government Sponsored Enterprises, collateralized public deposits, bankers' acceptances, commercial paper, and bank repurchase agreements collateralized by those obligations.

Capital Assets

At June 30, 2023, the University had approximately $87.6 million invested in capital assets, net of accumulated depreciation of approximately $136.0 million. At June 30, 2022, the University had approximately $88.9 million invested in capital assets, net of accumulated depreciation of approximately $129.3 million.

Depreciation charges for the current year totaled approximately $6.7 million. The following table summarizes the University's capital assets, net of accumulated depreciation, as of June 30, 2023, 2022, and 2021.

Capital Assets, Net

	2023	2022	2021
	(In Millions)		
Land and land improvements	$ 6.7	$ 6.9	$ 7.0
Buildings	69.1	72.4	69.2
Furniture, fixtures, and equipment	7.8	7.3	6.1
Infrastructure	2.9	2.0	2.0
Library materials	0.1	0.1	0.1
Construction in progress	1.0	0.2	3.4
Total capital assets, net	$ 87.6	$ 88.9	$ 87.8

Major projects that began in fiscal year 2022 that were completed in fiscal year 2023 include the installation of direct digital controls for campus HVAC units and fire alarm access control as well as installation of separate electrical metering of all buildings. These two projects allow the University to utilize a centralized management system for remote monitoring and control of facilities. The renovation of the softball field was completed as well as an upgrade of the door access controls at the LINC. Building inspection and repairs were completed at Reed Stadium, Shipping and Receiving, and Jason Hall. Several smaller but expensive projects including the replacement of the chiller at Page Library with a temporary chiller and the replacement of the Scruggs University Center chiller were also completed.

Revenue Bonds

As of June 30, 2023, the University had approximately $15.7 million in outstanding revenue bonds compared to $16.7 million in 2022, a decrease of $1.0 million.

Revenue Bond Debt

	2023	2022	2021
	(In Millions)		
Revenue bonds	$ 15.7	$ 16.7	$ 17.6

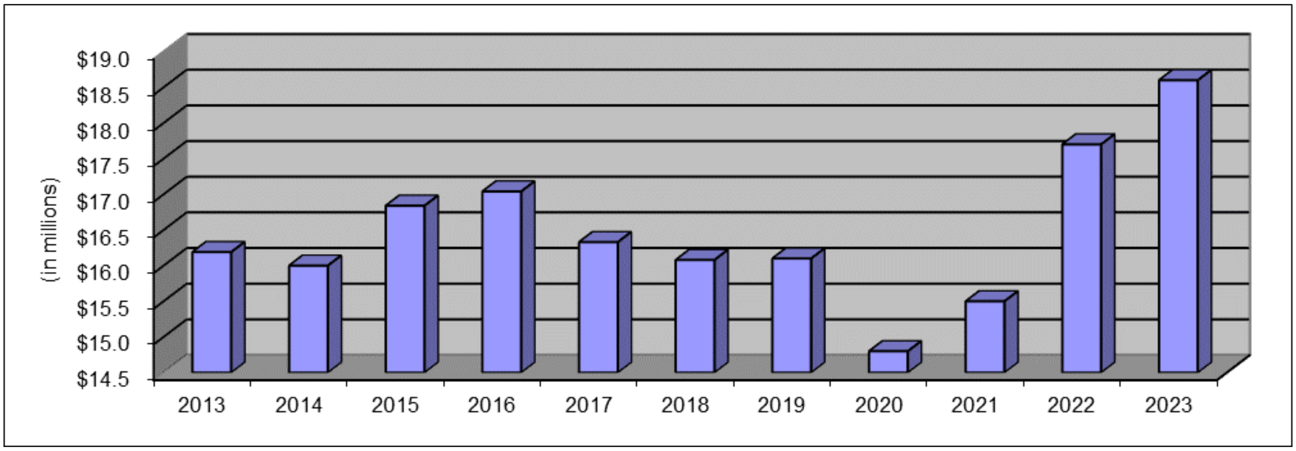
Student Enrollment

Following are highlights of student demographics for the fall 2022, 2021 and 2020 semesters of fiscal years 2023, 2022, and 2021, respectively.

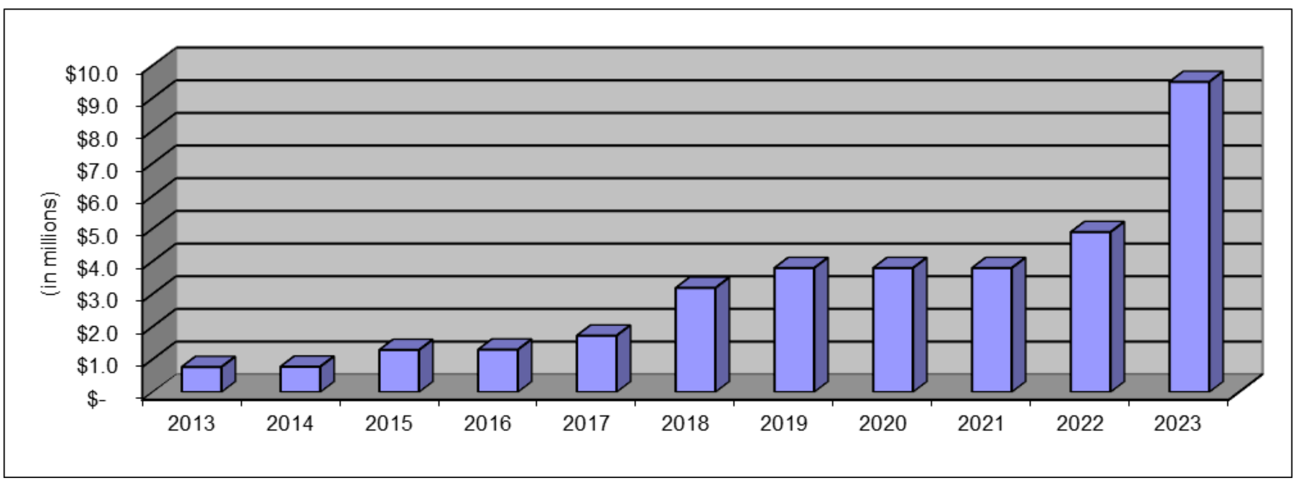
	2023	2022	2021
Undergraduate	1,730	1,689	1,892
Graduate	103	105	120
Total students	1,833	1,794	2,012
Full-time	1,236	1,208	1,354
Part-time	597	586	658
Male	750	729	800
Female	1,083	1,065	1,212
Credit hours generated	20,631	21,058	23,423
Student full-time equivalent	1,388	1,415	1,575
Resident	655	615	692
Commuter	1,178	1,179	1,320
Total students	1,833	1,794	2,012
In-state	1,359	1,310	1,502
Out-state	386	407	442
International	88	77	68
Total students	1,833	1,794	2,012
Number of students in dual-credit courses	402	342	380
Total number of degrees conferred	258	308	312
Certificate programs	6	4	4
Associate degree programs	5	5	5
Bachelor degree programs	42	41	42
Graduate degree programs	11	13	14
Total programs	64	63	65

Trends

Core State Appropriations by Fiscal Year



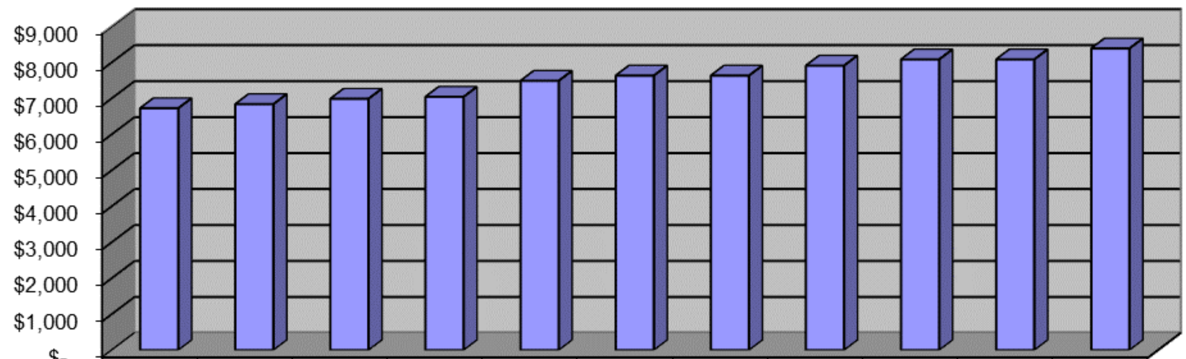
Land Grant Match State Appropriations by Fiscal Year



The University received approximately $10.2 million in federal land grant capacity funding for fiscal year 2023. The land grant capacity funding must be matched on a dollar-for-dollar basis with state resources. In fiscal year 2023, the University received $9.5 million in state appropriations for the land grant mission, leaving a match shortfall of $0.7 million due to the increase in federal funding.

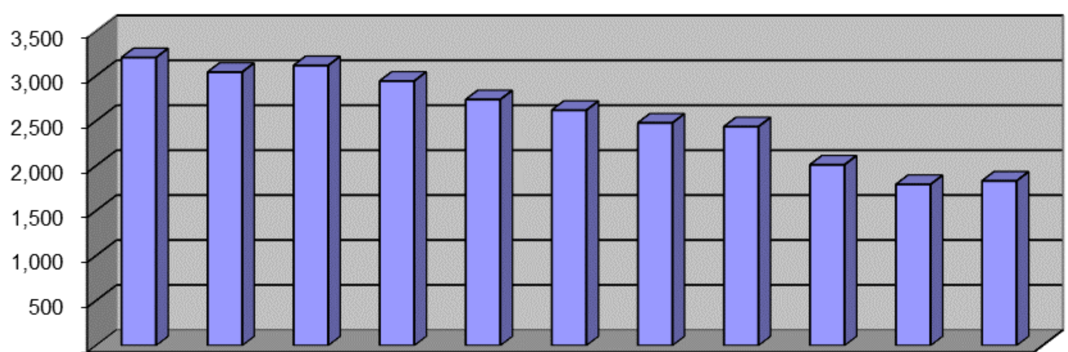
The University received approximately $9.5 million in federal land grant capacity funding for fiscal year 2022. In fiscal year 2022, the university received $4.9 million in state appropriations for the land grant mission, leaving a match shortfall of $4.6 million.

Full-Time Resident Tuition and Required Fees per Year



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual Costs	$6,725	$6,838	$6,988	$7,042	$7,488	$7,632	$7,632	$7,910	$8,083	$8,083	$8,386

Student Enrollment for Fall Semesters by Fiscal Year



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Students	3,205	3,043	3,117	2,944	2,738	2,619	2,478	2,436	2,012	1,794	1,833

Fiscal Year 2024 Outlook

General Fund Operating Budget

The Lincoln University Board of Curators approved a $33.0 million general fund operating budget for fiscal year 2024 in June 2023. The fiscal year 2024 budget was built on an anticipated reduction in enrollment and a 7 percent increase in gross core state appropriations, with an additional estimated $2.1 million to cover the increased cost associated with rejoining the state's Missouri Consolidated Healthcare Plan (MCHCP). The budget anticipated a 4 percent decrease in enrollment for the 2023-2024 academic year. This decline in enrollment, coupled with a 5 percent increase in tuition and fees, resulted in a slight increase of the tuition and fee budget. State appropriations remain the largest component of the general operating budget in 2024. In fiscal year 2023, the budget methodology for funds associated with land grant match changed. These funds are no longer displayed with the general operations (education and general). Separation of these funds from the display of the general operating budget continues to provide a more transparent depiction of core operational revenues and expenses.

Capital Projects

During fiscal year 2023 the University entered into contracts with both an architectural firm and a construction management firm for the renovation of Dawson Hall. The planning efforts currently have resulted in the complete closure of Dawson Hall effective summer 2023. The plan is to renovate and reopen the largest residential hall on our campus in January 2025.

Renovations were also started on Pawley Theater in fiscal year 2023 with the project completion now estimated to be November 2023 due to delays experienced in supply chain for seating and drapes. The design phase for the Security Sciences Institute also began in fiscal year 2023 with a contract approved for construction in fall 2023. The project will renovate space located in Leslie Plaza.

Planning and bidding of an obstacle course on campus has been completed with construction to be completed in fiscal year 2024. The outdoor basketball courts were bid in fiscal year 2023 but were placed on hold due to the significant price associated with their construction.

The Health Sciences and Crisis Center is a new $40 million American Rescue Plan Act (ARPA) project that began planning in fiscal year 2023 and is estimated to be completed in fiscal year 2027 using state appropriated federal and other funding. This project includes $4 million in renovations for Elliff Hall.

A small ruminant processing facility was in the planning phases in fiscal year 2023 with site visits conducted to other such plants and the hiring of a design consultant in fall 2023. Planning was also begun for a new hemp processing plant and testing facility, a new radio tower on Freeman Farm, and upgrades to the Aquaculture Center and pond renovations for the program. These are expected to be completed in 2024.

Other Significant Factors

The University completed a comprehensive evaluation with the Higher Learning Commission (HLC) in February 2023 and received notification of reaffirmation of accreditation for 10 years. Lincoln University selected to remain on HLC's Standard Pathway. The next reaffirmation of accreditation will be in 2032-2033.

The Accreditation Commission for Education in Nursing (ACEN) accredited the Bachelor of Science in Nursing (BSN) program after a site visit in November 2015. The entire nursing program was reviewed for reaccreditation in October 2017 leading to continuing accreditation. The next site visit for the Nursing Program is scheduled for fall 2025. The nursing program continues to exceed the national average for the National Council Licensure Examination (NCLEX) pass rate.

Lincoln University's Social Work program was accredited by the Council on Social Work Education (CSWE) in 2013. The program's accreditation was reaffirmed in 2019, and the next reaffirmation is scheduled for 2026.

The School of Business was accredited by Accreditation Council for Business Schools and Programs (ACBSP) in August 2003. The first reaffirmation of accreditation occurred in August 2013, and the next reaffirmation is scheduled for 2024.

Lincoln University
A Component Unit of the State of Missouri
Statements of Net Position
June 30, 2023 and 2022

Assets and Deferred Outflows of Resources

	2023	2022 (As Restated)
Current Assets		
Cash and cash equivalents	$ 13,122,031	$ 9,723,244
Short-term investments	24,382,851	14,792,537
Accounts receivable, net of allowance; 2023 – $1,123,869 2022 – $746,334	872,168	354,978
Federal and state grants receivable	5,439,931	12,995,868
Prepaid expenses	27,582	578
Promises to give	100,000	215,000
Current portion of leases receivable	34,902	53,093
Other	297,100	354,900
Total current assets	44,276,565	38,490,198
Noncurrent Assets		
Restricted cash equivalents	1,553,990	1,510,719
Short-term endowment investments	2,186,093	359,006
Long-term endowment investments	328,642	2,017,526
Long-term investments	10,326,527	16,310,279
Bond insurance costs	150,171	160,898
Capital assets, net	87,458,721	88,894,381
Leases receivable	547,735	659,776
Lease assets, net	697,873	24,850
Subscription assets, net	924,875	1,084,942
Total noncurrent assets	104,174,627	111,022,377
Total assets	148,451,192	149,512,575
Deferred Outflows of Resources		
Loss on refunding of bonds	266,744	285,797
Deferred outflows of resources related to pension	9,140,601	6,977,747
Total deferred outflows of resources	9,407,345	7,263,544
Total assets and deferred outflows of resources	$ 157,858,537	$ 156,776,119

See Notes to Financial Statements

Liabilities, Deferred Inflows of Resources, and Net Position

	2023	2022 (As Restated)
Current Liabilities		
Accounts payable and accrued liabilities	$ 3,211,084	$ 2,963,422
Accrued compensated absences	945,652	667,887
Unearned revenue	5,634,779	5,350,330
Current portion of long-term debt	1,221,305	1,189,897
Current portion of lease liabilities	103,925	-
Current portion of subscription liabilities	551,643	664,685
Total current liabilities	11,668,388	10,836,221
Noncurrent Liabilities		
Other noncurrent liabilities	1,075	1,075
Accrued compensated absences	445,013	667,886
Total other postemployment benefit liability	468,263	467,068
Long-term debt	16,391,631	17,729,558
Lease liabilities	608,909	-
Subscription liabilities	287,354	363,182
Net pension liability	52,989,942	40,643,279
Total noncurrent liabilities	71,192,187	59,872,048
Total liabilities	82,860,575	70,708,269
Deferred Inflows of Resources		
Deferred inflows of resources related to pension	352,491	8,260,030
Deferred inflows of resources related to leases	513,280	644,790
Total deferred inflows of resources	865,771	8,904,820
Net Position		
Net investment in capital assets	85,259,842	75,515,171
Restricted nonexpendable for endowment	196,564	311,564
Restricted expendable for		
Research	411,738	469,576
Debt service	107,090	63,646
Term endowment	2,360,081	2,344,578
Other	2,891,452	3,116,732
Unrestricted (deficit)	(17,094,576)	(4,658,237)
Total net position	74,132,191	77,163,030
Total liabilities, deferred inflows of resources, and net position	$ 157,858,537	$ 156,776,119

Lincoln University
A Component Unit of the State of Missouri
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2023 and 2022

	2023	2022 (As Restated)
Operating Revenues		
Tuition and fees (net of scholarship allowances of $8,494,725 – 2023 and $7,332,763 – 2022 and bad debt expense of $261,945 – 2023 and $44,048 – 2022)	$ 3,898,651	$ 4,983,479
Federal grants and contracts	303,452	245,470
Sales and services of educational activities	225	31,570
Auxiliary enterprises (net of scholarship allowances of $390,244 – 2023 and $256,605 – 2022 and bad debt expense of $65,069 – 2023 and $9,530 – 2022)	5,505,857	4,852,029
Other	204,928	1,201,786
Total operating revenues	9,913,113	11,314,334
Operating Expenses		
Compensation and benefits	34,190,995	30,860,587
Contractual services	14,271,051	11,027,773
Travel	1,622,946	1,082,258
Supplies and materials	3,013,378	2,100,450
Scholarships and fellowships	287,705	6,375,569
Depreciation and amortization	7,656,359	6,985,110
Communications	120,790	106,670
Utilities	2,328,677	2,196,422
Other	2,173,498	2,149,271
Total operating expenses	65,665,399	62,884,110
Operating Loss	(55,752,286)	(51,569,776)
Nonoperating Revenues (Expenses)		
State appropriations	26,578,618	22,566,652
Federal grants and contracts	21,891,952	36,708,329
Recovery of administrative costs	9,294	1,592
State and local grants and contracts	460,310	203,444
Contributions	700,618	1,888,027
Student fees for capital projects	180,812	176,471
Gain (loss) on disposal of capital assets	(121,583)	53,660
Investment income (loss)	856,837	(695,246)
Interest on capital asset-related debt	(672,955)	(686,764)
Other nonoperating revenues	2,069,165	1,192,792
Net nonoperating revenues	51,953,068	61,408,957

Lincoln University
A Component Unit of the State of Missouri
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2023 and 2022

	2023	2022 (As Restated)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	$ (3,799,218)	$ 9,839,181
Other Revenues, Expenses, Gains, or Losses		
Capital appropriations – state	266,850	11,193
Capital grants and gifts	501,529	(136,543)
Total Other Revenues, Expenses, Gains, or Losses	768,379	(125,350)
Increase (Decrease) in Net Position	(3,030,839)	9,713,831
Net Position, Beginning of Year	77,163,030	67,449,199
Net Position, End of Year	$ 74,132,191	$ 77,163,030

Lincoln University
A Component Unit of the State of Missouri
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022 (As Restated)
Cash Flows from Operating Activities		
Tuition and fees	$ 4,870,498	$ 4,060,533
Grants and contracts	303,452	245,470
Payments to suppliers	(23,768,926)	(22,495,068)
Payments to employees	(31,849,588)	(30,309,864)
Sales and services of auxiliary enterprises	5,200,715	5,275,020
Sales and services of educational activities	225	31,570
Other receipts and deposits	268,181	1,072,634
Net cash used in operating activities	(44,975,443)	(42,119,705)
Cash Flows from Noncapital Financing Activities		
State appropriations	26,578,618	22,566,652
Gifts and grants for other than capital purposes	29,858,569	36,085,561
Other receipts	2,066,847	1,190,793
Net cash provided by noncapital financing activities	58,504,034	59,843,006
Cash Flows from Capital and Related Financing Activities		
State appropriations for capital improvements	-	11,193
Capital grants and gifts	608,353	239,115
Student fees for capital projects	180,812	176,471
Purchase of capital assets	(5,225,904)	(7,443,775)
Principal paid on capital debt	(1,189,898)	(1,158,594)
Interest paid on capital debt	(750,047)	(787,966)
Principal payments received on lease receivables	130,233	43,870
Interest received on lease receivables	12,452	12,047
Principal payments on subscription liabilities	(664,684)	(669,149)
Interest payments on subscription liabilities	(9,140)	(315)
Principal payments on lease liabilities	(285,983)	(50,415)
Interest payments on lease liabilities	(4,795)	(466)
Net cash used in capital and related financing activities	(7,198,601)	(9,627,984)
Cash Flows from Investing Activities		
Investment income (loss)	856,837	(695,246)
Proceeds from sales and maturities of investments	18,109,024	19,768,991
Purchases of investments	(21,853,793)	(31,045,846)
Net cash used in investing activities	(2,887,932)	(11,972,101)
Increase (Decrease) in Cash and Cash Equivalents	3,442,058	(3,876,784)
Cash and Cash Equivalents, Beginning of Year	11,233,963	15,110,747
Cash and Cash Equivalents, End of Year	$ 14,676,021	$ 11,233,963

Lincoln University
A Component Unit of the State of Missouri
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022 (As Restated)
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Cash and cash equivalents	$ 13,122,031	$ 9,723,244
Restricted cash equivalents	1,553,990	1,510,719
Total cash and cash equivalents	$ 14,676,021	$ 11,233,963
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (55,752,286)	$ (51,569,776)
Depreciation and amortization	7,656,359	6,985,110
Changes in operating assets, liabilities, and deferred outflows/inflows		
Receivables, net	571,338	978,132
Prepaid expenses, bond insurance costs, and other assets	(27,005)	10,678
Deferred outflows of resources related to pension	(2,162,854)	231,256
Accounts payable and accrued liabilities	375,303	867,272
Other noncurrent liabilities	-	(8,750)
Accrued compensated absences	54,893	(27,965)
Total other postemployment benefit liability	1,195	(84,852)
Net pension liability	12,346,663	(6,610,697)
Deferred inflows of resources related to leases	(131,510)	(65,050)
Deferred inflows of resources related to pension	(7,907,539)	7,174,937
Net cash used in operating activities	$ (44,975,443)	$ (42,119,705)
Noncash Investing, Capital, and Financing Activities		
Accounts payable incurred for capital asset purchases	$ 433,370	$ 283,101
Lease assets acquired with lease liabilities	$ 998,817	$ -
Lease receivables issued	$ -	$ 96,252
Subscription assets acquired with subscription liabilities	$ 475,814	$ 151,136
Subscription assets terminated	$ -	$ 39,057

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Lincoln University (the "University") is a state-assisted university with its campus located in Jefferson City, Missouri, operating under the jurisdiction of a nine-member Board of Curators that is appointed by the Governor and confirmed by the Senate of the State of Missouri. The University is a component unit of the State of Missouri. Major federally funded student financial aid programs in which the University participates include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work-Study, and Federal Direct Loan Programs. The University extends unsecured credit to students.

Basis of Accounting and Presentation

The financial statements of the University have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities, and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements unless they relate to services provided and used internally. Operating revenues and expenses include exchange transactions and program-specific, government-mandated, or voluntary nonexchange transactions. Government-mandated or voluntary nonexchange transactions that are not program specific (such as state appropriations), investment income, and interest on capital asset-related debt are included in nonoperating revenues and expenses. The University first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, and other changes in net position during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The University considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2023 and 2022, cash equivalents consisted of money market treasury funds held with brokers.

Investments and Investment Income

Investments in U.S. Treasury, U.S. agency, and government-sponsored enterprises obligations and money market mutual funds are carried at fair value. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit and repurchase agreements are carried at cost.

Investment income consists of interest and dividend income and the net change for the year in the fair value of investments carried at fair value.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and charges for auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable is recorded net of estimated uncollectible amounts.

Bond Insurance Costs

Bond insurance costs incurred on the revenue bond issues have been capitalized and are being amortized over the life of the bonds using the straight-line method. Total amortization was $10,727 for each of the years ended June 30, 2023 and 2022.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the University:

Land improvements	20 years
Buildings	40 years
Building improvements	27 years
Infrastructure	40 years
Furniture, fixtures, and equipment	6–10 years
Library materials	5 years
Software	4 years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at, and certain prepayments made before, the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Capital, Lease, and Subscription Asset Impairment

The University evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital, lease, and subscription asset has occurred. If a capital, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation or lease or subscription asset historical cost and related accumulated amortization are decreased proportionately such that the net decrease equals the impairment loss.

No impairment loss was recognized during the years ended June 30, 2023 and 2022.

Deferred Outflows of Resources

The University reports the consumption of net assets that relates to future reporting periods as deferred outflows of resources in a separate section of its statements of net position.

Compensated Absences

University policies permit full-time employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits when earned whether the employee is expected to realize the benefit as time off or in cash. 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. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

Unearned Revenue

Unearned revenue represents student fees and advances on grants and contract awards for which the University has not met all of the applicable eligibility requirements.

Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to workers' compensation and natural disasters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The State of Missouri self-insures workers' compensation benefits for all state employees, including University employees. Claims are administered by the Missouri Office of Administration, Risk Management Section.

Cost-Sharing Defined Benefit Pension Plan

As a component unit of the State of Missouri, the University participates in the Missouri State Employees' Plan (MSEP), a cost-sharing multiple-employer defined benefit pension plan as defined by GASB 68. MSEP is administered by the Missouri State Employee's Retirement System (MOSERS), also a component unit of the State of Missouri. In accordance with the provision of GASB 68, the University accounts for and reports its participation in the single-employer plan as if it was a cost-sharing employer. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of MOSERS and additions to/deductions from MOSERS' fiduciary net position has been determined on the same basis as they are reported by MOSERS. 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.

Defined Benefit Other Postemployment Benefit Plan

The University has a single-employer defined benefit other postemployment benefit (OPEB) plan, providing health insurance to certain retired professor emeriti. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Inflows of Resources

The University reports the acquisition of net assets that relates to future reporting periods as deferred inflows of resources in a separate section of its statements of net position.

Net Position

Net position of the University is classified in four components on its statements of net position.

- Net investment in capital assets consists of capital assets, including lease and SBITA assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets.
- Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors, or donors external to the University, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings.
- Restricted nonexpendable net position consists of noncapital assets that are required to be maintained in perpetuity as specified by parties external to the University, such as permanent endowments.
- Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Classification of Revenues

The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues include activities that have the characteristics of exchange transactions, such as:

(1) student tuition and fees, net of scholarship allowances

(2) sales and services of auxiliary enterprises

(3) interest on student loans

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as:

(1) gifts and contributions

(2) other revenue sources that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*

(3) GASB No. 34, such as state appropriations and investment income

Tuition and Fees Revenue

Tuition and fees revenue is recognized in the terms to which it relates. The summer term is allocated by number of days falling within each fiscal year.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, are recorded as nonoperating revenues and other governmental grants are recorded as operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship allowance.

Tuition Discount Programs

Student tuition and fee revenues are reduced by tuition discounts awarded to qualifying students. Currently the University offers tuition discounts for participants in the Neighboring States Program and Midwest Student Exchange Program where in-state tuition rates are granted to out-of-state students. The University also offers a graduate tuition reduction to University graduates where undergraduate rates are charged for the first nine graduate hours.

Income Taxes

As a state institution of higher education, the income of the University is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of state law. However, the University is subject to federal income tax on any unrelated business taxable income.

Change in Accounting Principle

In 2023, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Under the standard, all long-term SBITAs will now be required to be recognized on the statement of net position as both a subscription asset and a subscription liability. As a result of the implementation amounts in *Note 5*, *Note 6*, and *Note 12* have been restated, and the following financial statement line items for fiscal year 2022 were restated:

	As Restated	As Previously Reported	Effect of Change
Statement of Net Position			
Noncurrent Assets			
Subscription assets, net	$ 1,084,942	$ -	$ 1,084,942
Current Liabilities			
Accounts payable and accrued liabilities	$ 2,963,422	$ 2,954,856	$ 8,566
Current portion of subscription liabilities	664,685	-	664,685
Noncurrent Liabilities			
Subscription liabilities	$ 363,182	$ -	$ 363,182
Net Position			
Net investment of capital assets	$ 75,515,171	$ 75,466,662	$ 48,509
Statement of Revenues, Expenses, and Changes in Net Position			
Operating Expenses			
Depreciation and amortization	$ 6,985,110	$ 6,318,400	$ 666,710
Other	2,149,271	2,818,735	(669,464)
Nonoperating Revenues (Expenses)			
Other nonoperating revenue	$ 1,192,792	$ 1,201,674	$ (8,882)
Increase in Net Position	$ 9,713,831	$ 9,719,959	$ (6,128)
Net Position, Beginning of Year	$ 67,449,199	$ 67,394,562	$ 54,637
Statement of Cash Flows			
Cash Flows from Operating Activities			
Payments to suppliers	$ (22,495,068)	$ (23,164,532)	$ 669,464
Cash Flows from Capital and Related Financing Activities			
Principal payments on subscription liabilities	$ (669,149)	$ -	$ (669,149)
Interest payments on subscription liabilities	(315)	-	(315)
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating loss	$ (51,569,776)	$ (51,572,530)	$ 2,754
Depreciation and amortization	6,985,110	6,318,400	666,710
Noncash Investing, Capital, and Financing Activities			
Subscription assets acquired with subscription liabilities	$ 151,136	$ -	$ 151,136

Note 2: Deposits, Investments, and Investment Income

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The University's deposit policy for custodial credit risk requires compliance with the provisions of state law which requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies, or instrumentalities, or the state of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state; a surety bond having an aggregate value at least equal to the amount of the deposits; tax anticipation notes issued by any first class county; irrevocable standby letters of credit issued by a Federal Home Loan Bank; or out-of-state municipal bonds rated in the highest category by a nationally recognized statistical rating agency.

At June 30, 2023 and 2022, the University's bank balances were $13,586,178 and $10,104,104, respectively. None of these deposits were exposed to custodial credit risk at June 30, 2023 and 2022.

Investments

The University may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements.

The University considers money market treasury funds to be cash and cash equivalents and has included this balance in restricted cash equivalents on the statement of net position. At June 30, 2023 and 2022, the University had the following investments and maturities:

	June 30, 2023				
		Maturities in Years			
Type	**Fair Value**	**Less than 1**	**1–5**	**6–10**	**More than 10**
Certificates of deposit	$ 1,672,206	$ 511,650	$ 1,160,556	$ -	$ -
U.S. Treasury obligations	7,526,500	5,623,974	1,902,526	-	-
Money market treasury funds	1,488,556	1,488,556	-	-	-
Government-sponsored enterprises obligations	28,025,407	20,433,320	7,592,087	-	-
	$ 38,712,669	$ 28,057,500	$ 10,655,169	$ -	$ -

		June 30, 2022			
		Maturities in Years			
Type	Fair Value	Less than 1	1–5	6–10	More than 10
Certificates of deposit	$ 3,511,396	$ 1,833,940	$ 1,677,456	$ -	$ -
U.S. Treasury obligations	12,941,812	8,890,210	4,051,602	-	-
Money market treasury funds	1,447,156	1,447,156	-	-	-
Government-sponsored enterprises obligations	17,026,141	4,427,393	12,598,748	-	-
	$ 34,926,505	$ 16,598,699	$ 18,327,806	$ -	$ -

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by managing the duration of the portfolio in a manner which satisfies the anticipated liquidity needs of the University.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2023 and 2022, the University's investments in government-sponsored enterprises obligations not directly guaranteed by the U.S. government were rated AA+ by Standard & Poor's and Aaa by Moody's Investor Service.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the University's investments in repurchase agreements at June 30, 2023 and 2022, are held by the counterparties in other than the University's name. The University's investment policy does not address how securities underlying repurchase agreements are to be held.

Concentration of Credit Risk – The University places no limit on the amount that may be invested in any one issuer. At June 30, 2023 and 2022, the University's investments in government-sponsored enterprises obligations of the following entities constituted the following percentages of total investments:

	2023	2022
Federal Farm Credit Bank (FFCB)	11%	15%
Federal Home Loan Mortgage Corporation (FHLMC)	14%	7%
Federal Home Loan Bank (FHLB)	48%	27%

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the statements of net position as follows:

	2023	2022
Carrying value		
Deposits	$ 13,187,465	$ 9,786,806
Investments	38,712,669	34,926,505
	$ 51,900,134	$ 44,713,311

Deposits and investments are included in the following statements of net position captions:

	2023	2022
Cash and cash equivalents	$ 13,122,031	$ 9,723,244
Short-term investments	24,382,851	14,792,537
Restricted cash equivalents	1,553,990	1,510,719
Short-term endowment investments	2,186,093	359,006
Long-term endowment investments	328,642	2,017,526
Long-term investments	10,326,527	16,310,279
	$ 51,900,134	$ 44,713,311

Investment Income

Investment income for the years ended June 30, 2023 and 2022, consisted of:

	2023	2022
Interest and dividend income	$ 526,327	$ 216,325
Net realized and unrealized gains (losses) on investments	330,510	(911,571)
	$ 856,837	$ (695,246)

Note 3: Endowment Funds

The University's endowment funds are substantially composed of term endowment funds received from the U.S. Department of Education Title III program and state matching funds of $1,104,000. The grant provisions require the University to maintain the endowment corpus for 20 years. After the termination of the grant period, the University may use the endowment fund corpus plus any endowment fund income for any educational purpose. Endowment fund income is defined as the total value of the endowment fund established minus the endowment fund corpus. Each year the University is allowed to spend no more than 50 percent of the total aggregate endowment fund income related to the grant award. During each of the years ended June 30, 2023 and 2022, $0 was transferred out of the endowment fund to the operating fund.

Note 4: Leases Receivable

The University leases a portion of its property to various third parties, the terms of which expire in the years 2024 through 2042. The leases were measured based upon the interest rate implicit per the contract or the University's incremental borrowing rate at lease commencement.

Revenue recognized under lease contracts during the years ended June 30, 2023 and 2022, were $65,544 and $77,523, respectively, which includes both lease revenue and interest.

Note 5: Capital, Lease, and Subscription Assets

Lease assets activity for the years ended June 30, 2023 and 2022, was:

	2023				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Buildings and leasehold improvements	$ 59,639	$ -	$ -	$ -	$ 59,639
Equipment	61,998	998,816	-	-	1,060,814
	121,637	998,816	-	-	1,120,453
Less accumulated amortization					
Buildings and leasehold improvements	34,789	21,850	-	-	56,639
Equipment	61,998	303,943	-	-	365,941
	96,787	325,793	-	-	422,580
Lease assets, net	$ 24,850	$ 673,023	$ -	$ -	$ 697,873

	2022				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Buildings and leasehold improvements	$ 59,639	$ -	$ -	$ -	$ 59,639
Equipment	61,998	-	-	-	61,998
	121,637	-	-	-	121,637
Less accumulated amortization					
Buildings and leasehold improvements	4,970	29,819	-	-	34,789
Equipment	41,332	20,666	-	-	61,998
	46,302	50,485	-	-	96,787
Lease assets, net	$ 75,335	$ (50,485)	$ -	$ -	$ 24,850

Capital assets activity for the years ended June 30, 2023 and 2022, was:

	2023				
	Beginning Balance	**Additions**	**Disposals**	**Transfers**	**Ending Balance**
Land	$ 3,882,167	$ 11,474	$ -	$ -	$ 3,893,641
Land improvements	7,329,229	90,790	-	-	7,420,019
Buildings and improvements	162,108,691	836,118	-	112,221	163,057,030
Infrastructure	6,713,162	1,014,372	-	54,378	7,781,912
Furniture, fixtures, and equipment	35,762,687	2,329,050	22,226	-	38,069,511
Library materials	2,174,050	3,012	-	-	2,177,062
Construction in progress	241,839	1,035,861	71,960	(166,599)	1,039,141
	218,211,825	5,320,677	94,186	-	223,438,316
Less accumulated depreciation					
Land improvements	4,360,014	333,606	-	-	4,693,620
Buildings and improvements	89,682,061	4,246,484	-	-	93,928,545
Infrastructure	4,670,343	266,171	-	-	4,936,514
Furniture, fixtures, and equipment	28,442,380	1,853,869	41,453	-	30,254,796
Library materials	2,162,646	3,474	-	-	2,166,120
	129,317,444	6,703,604	41,453	-	135,979,595
Net capital assets	$ 88,894,381	$ (1,382,927)	$ 52,733	$ -	$ 87,458,721

	2022				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 3,882,167	$ -	$ -	$ -	$ 3,882,167
Land improvements	7,155,156	52,750	-	121,323	7,329,229
Buildings and improvements	154,800,258	4,092,636	-	3,215,797	162,108,691
Infrastructure	6,466,529	246,633	-	-	6,713,162
Furniture, fixtures, and equipment	33,105,004	2,755,201	97,518	-	35,762,687
Library materials	2,170,377	3,673	-	-	2,174,050
Construction in progress	3,392,580	186,379	-	(3,337,120)	241,839
	210,972,071	7,337,272	97,518	-	218,211,825
Less accumulated depreciation					
Land improvements	4,005,039	354,975	-	-	4,360,014
Buildings and improvements	85,589,381	4,092,680	-	-	89,682,061
Infrastructure	4,435,687	234,656	-	-	4,670,343
Furniture, fixtures, and equipment	26,964,511	1,572,107	94,238	-	28,442,380
Library materials	2,159,876	2,770	-	-	2,162,646
	123,154,494	6,257,188	94,238	-	129,317,444
Net capital assets	$ 87,817,577	$ 1,080,084	$ 3,280	$ -	$ 88,894,381

Subscription assets activity for the years ended June 30, 2023 and 2022, was:

	2023				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Subscription IT assets	$ 1,751,651	$ 475,815	$ -	$ -	$ 2,227,466
	1,751,651	475,815	-	-	2,227,466
Less accumulated amortization					
Subscription IT assets	666,709	635,882	-	-	1,302,591
	666,709	635,882	-	-	1,302,591
Subscription Assets, Net	$ 1,084,942	$ (160,067)	$ -	$ -	$ 924,875

	2022				
	Beginning Balance (As Restated)	Additions	Disposals	Transfers	Ending Balance
Subscription IT assets	$ 1,639,573	$ 151,136	$ 39,058	$ -	$ 1,751,651
	1,639,573	151,136	39,058	-	1,751,651
Less accumulated amortization					
Subscription IT assets	-	666,709	-	-	666,709
	-	666,709	-	-	666,709
Subscription Assets, Net	$ 1,639,573	$ (515,573)	$ 39,058	$ -	$ 1,084,942

Note 6: Noncurrent Liabilities

The following is a summary of noncurrent obligation transactions for the University for the years ended June 30, 2023 and 2022:

	2023				
	Beginning Balance (As Restated)	Additions	Deductions	Ending Balance	Current Portion
Long-term debt					
Revenue bonds payable					
Series 2015B	$ 1,234,323	$ -	$ 422,263	$ 812,060	$ 427,637
Series 2017	1,230,710	-	251,340	979,370	253,428
Series 2019	14,215,000	-	320,000	13,895,000	340,000
Loan payable – DNR					
Energize MO	490,107	-	196,295	293,812	200,240
Lease liability	-	998,817	285,983	712,834	103,925
Subscription liability	1,027,867	475,815	664,685	838,997	551,643
Reoffering premium	1,749,315	-	116,621	1,632,694	-
Total long-term debt	19,947,322	1,474,632	2,257,187	19,164,767	1,876,873
Other noncurrent liabilities					
Accrued compensated absences	1,335,773	1,002,396	947,504	1,390,665	945,652
Deposits held in custody for others	1,075	-	-	1,075	-
Total other postemployment benefits liability	467,068	51,961	50,766	468,263	-
Net pension liability	40,643,279	15,817,227	3,470,564	52,989,942	-
Total other noncurrent liabilities	42,447,195	16,871,584	4,468,834	54,849,945	945,652
Total noncurrent liabilities	$ 62,394,517	$ 18,346,216	$ 6,726,021	$ 74,014,712	$ 2,822,525

	2022				
	Beginning Balance (As Restated)	Additions	Deductions	Ending Balance	Current Portion
Long-term debt					
Revenue bonds payable					
Series 2015B	$ 1,651,220	$ -	$ 416,897	$ 1,234,323	$ 422,263
Series 2017	1,479,980	-	249,270	1,230,710	251,340
Series 2019	14,515,000	-	300,000	14,215,000	320,000
Loan payable – DNR					
Energize MO	682,534	-	192,427	490,107	196,294
Lease liability	50,415	-	50,415	-	-
Subscription liability	1,584,936	151,136	708,205	1,027,867	664,685
Reoffering premium	1,865,936	-	116,621	1,749,315	-
Total long-term debt	21,830,021	151,136	2,033,835	19,947,322	1,854,582
Other noncurrent liabilities					
Accrued compensated absences	1,363,736	642,591	670,554	1,335,773	667,887
Deposits held in custody for others	9,825	-	8,750	1,075	-
Total other postemployment benefits liability	551,920	14,812	99,664	467,068	-
Net pension liability	47,253,976	-	6,610,697	40,643,279	-
Total other noncurrent liabilities	49,179,457	657,403	7,389,665	42,447,195	667,887
Total noncurrent liabilities	$ 71,009,478	$ 808,539	$ 9,423,500	$ 62,394,517	$ 2,522,469

Revenue Bonds Payable

On November 20, 2015, the University issued $3,610,582 of Auxiliary System Refunding Revenue Bonds, Series 2015A and $2,513,530 of Auxiliary System Revenue Bonds, Series 2015B. The Series 2015A and Series 2015B bonds bear interest, payable semiannually, at rates of 1.94 percent and 2.56 percent, respectively, beginning June 1, 2016. Principal maturities begin June 1, 2016, and continue until 2025. Proceeds from the issuance of the Series 2015A bonds were used to pay the costs of refunding the Auxiliary System Revenue Bonds, Series 2005, and to pay certain costs of issuance related to the Series 2015A bond issue. Proceeds from the issuance of the Series 2015B bonds were used to provide funds to pay costs associated with the renovation of Martin Hall and to pay certain costs of issuance related to the Series 2015B bond issue. The Martin Hall renovation costs are paid by the University and then the University is reimbursed by disbursement of the bond proceeds.

On February 15, 2017, the University issued $2,500,000 of Athletic System Revenue Bonds, Series 2017. The Series 2017 bonds bear interest, payable quarterly, at a rate of 3.25 percent, beginning June 1, 2017. Principal maturities begin March 1, 2018, and continue until 2027. Proceeds from the issuance of the Series 2017 bonds were used to provide funds to pay costs associated with the improvement of certain athletic facilities and to pay certain costs of issuance related to the Series 2017 bond issue. The athletic facilities include Dwight T. Reed Stadium and Annex and the basement level of the LINC Recreation and Wellness Center.

On June 11, 2019, the University issued $14,515,000 of Auxiliary System Refunding Revenue Bonds, Series 2019. The Series 2019 bonds bear interest, payable semiannually, at a rate of 5.00 percent, beginning December 1, 2019. Principal maturities began June 1, 2022, and continue until 2037. Proceeds from the issuance of the Series 2019 bonds were used to pay the costs of refunding the Auxiliary System Subordinate Revenue Bonds, Series 2007.

The revenue bond issues, payable from and secured by net revenues of the Auxiliary Activity Fund, require the University to establish and fund Debt Service Reserve Funds and maintain a Debt Service Coverage Ratio of 1.15.

The revenue bond issues, payable from and secured by net revenues of the Athletic Facilities, require the University to establish and fund a Debt Service Reserve Fund and maintain a Debt Service Coverage Ratio of 1.00.

The debt service requirements as of June 30, 2023, are as follows:

Year Ending June 30,	Total to be Paid	Principal	Interest
2024	$ 1,727,151	$ 1,021,065	$ 706,086
2025	1,724,450	1,054,954	669,496
2026	1,717,985	1,087,655	630,330
2027	1,663,457	1,082,756	580,701
2028	1,441,900	910,000	531,900
2029–2033	7,223,250	5,295,000	1,928,250
2034–2038	5,781,650	5,235,000	546,650
	$ 21,279,843	$ 15,686,430	$ 5,593,413

Loan Payable

The University has a loan payable with the Missouri Department of Natural Resources (MDNR), dated June 14, 2012, in the maximum amount of $1,863,000 bearing interest at 2 percent. The proceeds of the loan were used to implement the Energy Conservation Measures as designated by the MDNR and payments began in June 2015. The loan requires semiannual payments equal to one-half of the annual energy savings until paid in full. During 2015, the final loan amount was reduced to $1,857,912 due to the return of excess proceeds in the amount of $5,088. The semiannual principal and interest payments, in the amount of $102,560, are due June 1 and November 1.

The debt service requirements of the loan as of June 30, 2023, are as follows:

Year Ending June 30,	Total to be Paid	Principal	Interest
2024	$ 205,120	$ 200,240	$ 4,880
2025	94,509	93,573	936
	$ 299,629	$ 293,813	$ 5,816

Note 7: Lease Liabilities

The University leases equipment and building space, the terms of which expire in various years through 2030. The leases were measured based upon the interest rate implicit per the contract or the University's incremental borrowing rate at lease commencement. Variable payments based upon the use of the underlying asset are not included in the lease liability because they are not fixed in substance. As of June 30, 2023 and 2022, the balance of the lease liability was $712,833 and $0, respectively.

The following is a schedule by year of payments under the leases as of June 30, 2023:

Year Ending June,	Total to Be Paid	Principal	Interest
2024	$ 125,869	$ 103,925	$ 21,944
2025	126,259	108,609	17,650
2026	126,250	112,212	14,038
2027	128,146	117,869	10,277
2028	77,899	70,929	6,970
2029 - 2030	207,293	199,290	8,003
	$ 791,716	$ 712,834	$ 78,882

Note 8: Subscription Liabilities

The University has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2027. The subscriptions were measured based upon the interest rate implicit per the contract or the University's incremental borrowing rate at commencement. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance. There were no outflows of resources recognized in the reporting period for variable payments not previously recorded in the measurement of the subscription liability.

The following is a schedule by year of payments under the SBITAs as of June 30, 2023:

Year Ending June,	Total to Be Paid	Principal	Interest
2024	$ 561,830	$ 551,643	$ 10,187
2025	121,185	115,087	6,098
2026	91,172	88,299	2,873
2027	84,189	83,968	221
	$ 858,376	$ 838,997	$ 19,379

Note 9: Pension Plans

MOSERS

Plan Description

The Missouri State Employees' Plan (MSEP) is a cost-sharing multiple-employer, defined benefit public employee retirement plan with two benefit structures known as the MSEP (closed plan) and MSEP 2000, which are administered by the Missouri State Employees' Retirement System (MOSERS or the "System") in accordance with Sections 104.010 and 104.312 to 104.1215 of the Revised Statutes of Missouri (RSMo). As established under Section 104.320, RSMo, MOSERS is a body corporate and an instrumentality of the state. In the System are vested the powers and duties specified in Sections 104.010 and 104.312 to 104.1215, RSMo and such other powers as may be necessary or proper to enable it, its officers, employees, and agents to carry out fully and effectively all the purposes of Sections 104.010 and 104.312 to 104.1215, RSMo. Responsibility for the operation and administration of the System is vested in the 11-member MOSERS Board of Trustees as defined by state law. Due to the nature of MOSERS' reliance on funding from the MState of Missouri and other state government agencies and the overall control of the plan document by the legislative and executive branches of state government, the MSEP is considered a component unit of the State of Missouri financial reporting entity and is included in the state's financial reports as a pension trust fund.

Generally, all full-time state employees hired before July 2000, who were not covered under another state-sponsored retirement plan, are eligible for membership in the MSEP (closed plan). Full-time state employees hired after July 2000, and before January 2011, are eligible for membership in the MSEP 2000. Employees hired for the first time on or after January 2011 are eligible for membership in the MSEP 2011 tier of the MSEP 2000. The MSEP provides retirement, survivor, and disability benefits. MOSERS issues an Annual Comprehensive Financial Report (ACFR), a publicly available financial report that can be obtained at www.mosers.org.

Benefits Provided

MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific funding structure in which the employee participates, which is based on the employee's hire date. Information on the three funding structures administered by MOSERS (MSEP, MSEP 2000, and MSEP 2011) and how eligibility and the benefit amount is determined for each funding structure may be found in the Notes to the Financial Statements of MOSERS' ACFR starting on page 26.

Contributions

Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. No employee contribution is required for the MSEP and MSEP 2000 plans. Employees in the MSEP 2011 plan are required to contribute 4.00 percent of their annual pay. The University's required contribution rate for all plans for the year ended June 30, 2023, was 26.33 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The contribution rate for the MOSERS plan years ended June 30, 2022 and 2021, was 23.51 percent and 22.88 percent, respectively, which are the years of measurement for the net pension liability. Contributions to the pension plan from the University were $3,890,704 and $3,471,017 for the years ended June 30, 2023 and 2022, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023 and 2022, the University reported a liability of $52,989,942 and $40,643,279, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates.

The University's proportion of the net pension liability was based on the University's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan years ended June 30, 2022 and 2021. At June 30, 2022, the University's proportion was 0.74002 percent, which was an increase of 0.013 percent from its proportion measured as of June 30, 2021. At June 30, 2021, the University's proportion was 0.7270 percent, which was a decrease of 0.0174 percent from its proportion measured as of June 30, 2020.

There were no changes in benefit terms during the MOSERS plan years ended June 30, 2022 and 2021, that affected the measurement of total pension liability.

For the years ended June 30, 2023 and 2022, the University recognized pension expense of $6,166,521 and $4,266,391, respectively. At June 30, 2023 and 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 675,186	$ 14,184
Changes of assumptions	1,257,136	-
Net difference between projected and actual earning on pension plan investments	2,819,860	-
Changes in University proportion and differences between the University's contributions and the University proportionate share of contributions	497,715	338,307
University's contributions subsequent to the measurement date	3,890,704	-
Total	$ 9,140,601	$ 352,491

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 648,069	$ 179,819
Changes of assumptions	2,842,601	-
Net difference between projected and actual earning on pension plan investments	-	7,327,549
Changes in University proportion and differences between the University's contributions and the University proportionate share of contributions	16,060	752,662
University's contributions subsequent to the measurement date	3,471,017	-
Total	$ 6,977,747	$ 8,260,030

At June 30, 2023 and 2022, the University reported $3,890,704 and $3,471,017, respectively, as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date that will be/was recognized as a reduction of the net pension liability in the years ending June 30, 2024 and 2023, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2023, related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount Recognized
2024	$ 2,286,183
2025	498,730
2026	(52,065)
2027	2,164,558
	$ 4,897,406

Actuarial Assumptions

The total pension liability in the June 30, 2022 and 2021, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2022: 2.25%, 2021: 2.25%
Salary increases	2022: 2.75 % to 10.00% including inflation
	2021: 2.75% to 10.00% including inflation
Wage inflation	2022: 2.25%, 2021: 2.25%
Investment rate of return	2022: 6.95%, compounded annually, net after investment expenses and including inflation
	2021: 6.95%, compounded annually, net after investment expenses and including inflation

The actuarial assumptions used in the June 30, 2022 and 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2015, to June 30, 2020. As a result of this actuarial experience study, the MOSERS' Board made various demographic assumption changes to more closely reflect actual experience. The most significant changes include the following: subsequent changes in the unfunded actuarial accrued liability due to actuarial gains/losses or assumption changes are now amortized over a closed 25-year period instead of 30 years; mortality assumptions are now based on generational tables; and the merit component of the salary increase assumption was adjusted to partially reflect observed experience. The changes in assumptions recorded as deferred inflows and outflows of resources were due to these changes from the actuarial experience study.

Mortality rates used in the June 30, 2022 and 2021, actuarial valuations for postretirement mortality are based on the Pub-2010 General Members Below Median Healthy Retiree mortality table, scaled by 104 percent, set back two years for males and set forward one year for females. Mortality projected generationally from 2010 to 2020 using Scale MP-2020 and 75 percent of Scale MP-2020 for years after 2020. Preretirement mortality rates were based on the Pub-2010 General Members Below Median Employee mortality table, set back two years for males and set forward one year for females. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 7 percent of Scale MP-2020 for years after 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in MOSERS target asset allocation as of June 30, 2022 and 2021, are summarized in the following table:

Asset Class	Policy Allocation	Long-Term Expected Nominal Rate of Return*	Weighted Average Long-Term Expected Nominal Rate of Return
Global public equities	30.00%	7.70%	2.30%
Global private equities	15.00%	9.30%	1.40%
Long treasuries	25.00%	3.50%	0.90%
Core bonds	10.00%	3.10%	0.30%
Commodities	5.00%	5.50%	0.30%
TIPS	25.00%	2.70%	0.70%
Private real assets	5.00%	7.10%	0.30%
Public real assets	5.00%	7.70%	0.40%
Hedge funds	5.00%	4.80%	0.20%
Alternative beta	10.00%	5.30%	0.50%
Private credit	5.00%	9.50%	0.50%
Cash and cash equivalents	-40.00%	0.00%	0.00%
	100.00%		7.8%

*Represent best estimates of geometric rates of return for each major asset class included.

Discount Rate

The discount rate used to measure the total pension liability was 6.95 percent at both June 30, 2022 and 2021. 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 contributions from employers will be made at required rates, actuarially determined. 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.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.95 percent) or 1 percentage point higher (7.95 percent) than the current rate as of June 30, 2023:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
University's proportionate share of the net pension liability	$ 66,282,769	$ 52,989,942	$ 41,884,813

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS financial report.

Payable to the Pension Plan

At June 30, 2023 and 2022, the University reported a payable of $34,667 and $26,398, respectively, for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2023 and 2022, respectively.

CURP

Beginning July 1, 2002, in accordance with Section 104.1200 through 104.1215 of the Revised Statutes of Missouri, employees hired who meet the criteria of an "education employee" participate in the College and University Retirement Plan (CURP). It is a noncontributory 401(a) defined contribution plan for education employees at regional colleges/universities in Missouri. The MOSERS has been given the responsibility by law to implement and oversee the administration of the plan. The TIAA-CREF group of companies is the third-party administrator for the CURP and manages the investment options under the plan. Contributions made by the University are self-directed by participants into their selected individual accounts. By law, the CURP contribution rate is equal to 1 percent less than the normal cost contribution rate of the Missouri State Employees' Plan 2000 (MSEP 2000). After participating in CURP for at least six years, a faculty member may elect to become a member of MOSERS.

The University is required to contribute at an actuarially determined rate; the rate was 6.00 percent of annual covered payroll for 2023 and 2022. The University's contributions to the plan for the years ended June 30, 2023 and 2022, were $293,979 and $270,300, respectively, which equaled the required contributions for each year.

Note 10: Other Postemployment Benefit Plan

Plan Description

In addition to the pension benefits described in *Note 8,* the University provides health care benefits, through a commercial insurance carrier, to certain retirees (the "OPEB Plan"). The plan is a single-employer defined benefit OPEB plan. The Lincoln University Board of Curators, which is appointed by the Governor with the approval of the State Legislature, has the authority to establish and amend benefit provisions of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

The plan is operated as a fully insured arrangement. For retiree plan participants that have obtained professor emeritus status and retired July 1, 2008, and prior, the University pays the full amount of the health and prescription drug insurance premium for the lifetime of the retiree. To be eligible for professor emeritus status an employee must have 1) held the rank of full professor, have served the University for at least 20 years, and have made a major, positive impact on the growth, development, and/or image of the University; or 2) held the rank of associate professor, have served the University for at least 30 years, and have made a major, positive impact on the growth, development, and/or image of the University.

Retiree plan participants that have not obtained professor emeritus status are required to contribute the entire amount of the monthly premium to the plan. The University charges pre-65 retirees, that do not have professor emeritus status, a higher premium than active employees to more closely reflect market value. The factor applied to the premium rates for pre-65 retirees is based on the State of Missouri Health System's pre-65 retiree group rate relative to its active employee rate. Medicare eligible retirees without professor emeritus status are referred for enrollment in Medicare supplement insurance independent of the University's plan.

Benefits Provided

The OPEB Plan provides medical and prescription drug premium benefits to professor emeritus retirees. Benefits are provided through a third-party insurer. Prescription drug premiums ranged from $102.20 to $124.30 per month and from $92.50 to $109.10 per month for the years ended June 30, 2023 and 2022, respectively. Medicare Supplement premiums, which are Issue-Age rated, ranged from $182.08 to $310.41 per month and from $215.06 to $319.67 per month for the years ended June 30, 2023 and 2022, respectively. In addition, certain retirees receive $5,000 of life insurance coverage through the University's group plan. The University's group rate is 40 cents per thousand per month for the years ended June 30, 2023 and 2022. The actuarial benefit is valued as the amount of insurance times the probability of death and the assumed age-banded rate times the probability of survival for the years ended June 30, 2023 and 2022, respectively.

The employees covered by the benefit terms at June 30, 2023 and 2022, are:

	2023	2022
Professor emeritus retirees receiving health and prescription drug coverage	11	11
Retirees receiving group life insurance coverage	1	1
	12	12

Total OPEB Liability

The University's total OPEB liability of $468,263 and $467,068 was measured as of June 30, 2023 and 2022, respectively, and was determined by actuarial valuations as of those dates.

The total OPEB liability in the June 30, 2023 and 2022, actuarial valuations was determined using the following actuarial assumptions:

Discount rate	2023: 4.00%, 2022: 3.90%
Health care cost trend rates	2023: 4.25% per year for Medicare Supplement coverage; 6.00% per year for prescription drug coverage
	2022: 4.50% per year for Medicare Supplement coverage; 5.50% per year for prescription drug coverage

The discount rate used for the plan was the 20-year, tax-exempt municipal bond rate as there are no assets in the plan. The rate was determined by taking the average of the published yields from the S&P Municipal Bond 20 Year High Grade and the Fidelity GO AA-20 Years indexes.

Mortality rates used in the June 30, 2023, valuation were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount weighted Teachers Mortality Tables using Scale MP-2022 Full Generational Improvement.

Mortality rates used in the June 30, 2022, valuation were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount weighted Teachers Mortality Tables using Scale MP-2021 Full Generational Improvement.

The actuarial assumptions used in the June 30, 2023 and 2022, valuations were based on the ongoing actuarial analysis.

Changes in Total OPEB Liability

Changes in total OPEB liability are:

	2023	2022
Balance, beginning of year	$ 467,068	$ 551,920
Interest	17,295	10,600
Changes in assumptions and inputs	(3,561)	(55,784)
Differences between actual and expected experience	34,666	4,212
Benefit payments	(47,205)	(43,880)
Net changes	1,195	(84,852)
Balance, end of year	$ 468,263	$ 467,068

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates

The total OPEB liability of the University has been calculated using a discount rate of 4 percent. The following presents the total OPEB liability using a discount rate 1 percent higher and 1 percent lower than the current discount rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
University's total OPEB liability	$ 500,550	$ 468,263	$ 439,506

The total OPEB liability of the University has been calculated using health care cost trend rates of 4.25 percent. The following presents the total OPEB liability using health care cost trend rates 1 percent higher and 1 percent lower than the current health care cost trend rates:

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
University's total OPEB liability	$ 441,700	$ 468,263	$ 497,458

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the University recognized OPEB expense of $48,400. For the year ended June 30, 2022, the University recognized a reduction in OPEB expense of $40,972. At June 30, 2023 and 2022, the University did not report deferred outflows of resources or deferred inflows of resources related to OPEB, as the average expected service life of current retirees is zero.

Note 11: Commitments and Contingencies

Claims and Litigation

The University is currently involved in various claims and pending legal actions related to matters arising from the ordinary conduct of business. The University administration believes the ultimate disposition of the actions will not have a material effect on the financial statements of the University. At June 30, 2023 and 2022, there was no accrual recorded in the statements of net position.

Government Grants

The University is currently participating in numerous grants from various departments and agencies of the federal and state governments. The expenditures of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting department or agency, the grants are considered closed.

Labor Agreement

On August 13, 2018, the Lincoln University Board of Curators signed a collective bargaining agreement with LUMNEA/MNEA (Missouri National Education Association) which covers tenured and tenured-track academic faculty whose academic appointment is 0.75 FTE or higher excluding supervisory, managerial, and confidential employees. This agreement is in effect through December 31, 2023, and thereafter until the parties agree on a successor agreement or reach impasse. This represents 18 percent of the University's employees at both June 30, 2023 and 2022.

Note 12: Natural Classifications with Functional Classifications

For the years ended June 30, 2023 and 2022, the following tables represent operating expenses with both natural and functional classifications:

	2023						
	Compensation and Benefits	Contractual Services	Travel	Supplies and Materials	Utilities	Communications and Other	Total
Instruction	$ 9,833,861	$ 279,429	$ 84,045	$ 171,360	$ -	$ 147,804	$ 10,516,499
Research	4,689,518	1,528,730	168,421	624,926	335,883	181,648	7,529,126
Community service	5,830,983	1,284,382	450,049	415,757	154,601	287,312	8,423,084
Academic support	2,894,424	293,483	49,637	98,040	-	235,374	3,570,958
Student services	4,171,919	1,723,632	695,221	386,928	15,358	595,217	7,588,275
Institutional support	6,590,507	4,587,456	174,034	1,127,704	44,820	690,074	13,214,595
Operations and maintenance of plant	179,783	4,573,939	1,539	188,663	1,778,015	156,859	6,878,798
Scholarships and fellowships	-	-	-	-	-	287,705	287,705
Depreciation and amortization	-	-	-	-	-	7,656,359	7,656,359
	$ 34,190,995	$ 14,271,051	$ 1,622,946	$ 3,013,378	$ 2,328,677	$ 10,238,352	$ 65,665,399

	2022 (As Restated)						
	Compensation and Benefits	Contractual Services	Travel	Supplies and Materials	Utilities	Communications and Other	Total
Instruction	$ 9,225,800	$ 303,688	$ 36,264	$ 186,151	$ 447	$ 158,701	$ 9,911,051
Research	4,109,433	1,289,703	126,690	664,725	272,744	209,843	6,673,138
Community service	5,392,621	915,836	288,179	360,840	137,165	307,123	7,401,764
Academic support	2,617,928	147,526	20,546	48,760	1,320	228,740	3,064,820
Student services	3,770,390	583,089	459,606	368,248	4,389	958,146	6,143,868
Institutional support	5,569,789	4,467,164	141,713	320,515	277,675	351,464	11,128,320
Operations and maintenance of plant	174,626	3,320,767	9,260	151,211	1,502,682	41,924	5,200,470
Scholarships and fellowships	-	-	-	-	-	6,375,569	6,375,569
Depreciation and amortization	-	-	-	-	-	6,985,110	6,985,110
	$ 30,860,587	$ 11,027,773	$ 1,082,258	$ 2,100,450	$ 2,196,422	$ 15,616,620	$ 62,884,110

Note 13: Disclosure About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2023 and 2022:

		2023		
Description	**Total**	**Level 1**	**Level 2**	**Level 3**
Certificates of deposit	$ 1,672,206	$ 1,672,206	$ -	$ -
Money market treasury funds	1,488,556	1,488,556	-	-
U.S. Treasury obligations	7,526,500	7,526,500	-	-
Government-sponsored enterprises obligations	28,025,407	-	28,025,407	-
Total investments measured at fair value	$ 38,712,669	$ 10,687,262	$ 28,025,407	$ -

		2022		
Description	**Total**	**Level 1**	**Level 2**	**Level 3**
Certificates of deposit	$ 3,511,396	$ 3,511,396	$ -	$ -
Money market treasury funds	1,447,156	1,447,156	-	-
U.S. Treasury obligations	12,941,812	12,941,812	-	-
Government-sponsored enterprises obligations	17,026,141	-	17,026,141	-
Total investments measured at fair value	$ 34,926,505	$ 17,900,364	$ 17,026,141	$ -

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2023.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, the fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Required Supplementary Information

Lincoln University
A Component Unit of the State of Missouri
Required Supplementary Information
Schedule of the University's Proportionate Share of the Net Pension Liability
Missouri State Employees' Retirement System
Last Nine Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
University's proportion of the net pension liability	0.7400%	0.7270%	0.7444%	0.7482%	0.7438%	0.8186%	0.8224%	0.8660%	0.8448%
University's proportionate share of the net pension liability	$ 52,989,942	$ 40,643,279	$ 47,253,976	$ 45,197,670	$ 41,490,650	$ 42,624,658	$ 38,177,503	$ 27,798,365	$19,918,271
University's covered-employee payroll	$ 14,776,039	$ 14,762,075	$ 14,874,862	$ 14,534,557	$ 14,456,872	$ 16,112,220	$ 15,928,030	$ 16,754,310	$15,852,748
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	358.62%	275.32%	317.68%	310.97%	287.00%	264.55%	239.69%	165.92%	125.65%
Plan fiduciary net position as a percentage of the total pension liability	53.53%	63.00%	55.48%	56.72%	59.02%	60.41%	63.60%	72.62%	79.49%

*The amounts presented for each fiscal year were determined as of the end of the preceding fiscal year.

This schedule presents the information available to the University and will include ten-year trend information once available.

Lincoln University
A Component Unit of the State of Missouri
Required Supplementary Information
Schedule of University Pension Contributions
Missouri State Employees' Retirement System
Last Nine Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 3,890,704	$ 3,471,017	$ 3,352,767	$ 3,238,148	$ 2,937,434	$ 2,811,886	$ 2,734,246	$ 2,702,988	$ 2,843,875	$ 2,757,130
Contributions in relation to the contractually required contribution	3,890,704	3,471,017	3,352,767	3,238,148	2,937,434	2,811,886	2,734,246	2,702,988	2,843,875	2,757,130
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered-employee payroll	$ 14,776,689	$ 14,764,028	$ 14,762,075	$ 14,874,862	$ 14,534,557	$ 14,456,872	$ 16,112,220	$ 15,928,030	$ 16,754,310	$ 15,852,748
Contributions as a percentage of covered-employee payroll	26.33%	23.51%	22.71%	21.77%	20.21%	19.45%	16.97%	16.97%	16.97%	17.39%

This schedule presents the information available to the University and will include ten-year trend information once available.

Notes to Schedule

Benefit Changes

There were no changes to benefit terms for MOSERS for the plan years ended June 30, 2022 or 2021. During the MOSERS plan year ended June 30, 2017, the vesting requirements were changed for the MSEP 2011 plan from 10 years of credited service to 5 years for members employed on or after January 1, 2018. There were no other changes in benefit terms during the MOSERS plan year ended June 30, 2017, that affected the measurement of total pension liability.

There were no changes to benefit terms for MOSERS for the other years presented above.

Changes of Assumptions

There were no changes to actuarial assumptions used in the June 30, 2022, valuation.

The assumed investment rate of return was 6.95 percent for the June 30, 2021, valuation, consistent with the June 30, 2020, valuation. The salary increase rate was 2.75 percent, consistent with the June 30, 2020, valuation. The wage inflation rate was 2.25 percent, consistent with the June 30, 2020, valuation. There were no other changes in actuarial assumptions for the June 30, 2021, valuation.

The assumed investment rate of return was reduced from 7.10 percent to 6.95 percent for the June 30, 2020, valuation. The salary increase rate was reduced from 2.85 percent to 2.75 percent. The wage inflation rate was reduced from 2.35 percent to 2.25 percent. There were no other changes in actuarial assumptions for the June 30, 2020, valuation.

Lincoln University
A Component Unit of the State of Missouri
Required Supplementary Information
Schedule of University Pension Contributions
Missouri State Employees' Retirement System
Last Nine Fiscal Years

The assumed investment rate of return was reduced from 7.25 percent to 7.10 percent for the June 30, 2019, valuation. The salary increase rate was reduced from 3.00 percent to 2.85 percent. The wage inflation rate was reduced from 2.50 percent to 2.35 percent. There were no other changes in actuarial assumptions for the June 30, 2019, valuation.

The assumed investment rate of return was reduced from 7.50 percent to 7.25 percent for the June 30, 2018, valuation. The salary increase rate was reduced from 3.25 percent to 3.00 percent. The wage inflation rate was reduced from 3.00 percent to 2.50 percent. There were no other changes in actuarial assumptions for the June 30, 2018, valuation.

The assumed investment rate of return was reduced from 7.65 percent to 7.50 percent for the June 30, 2017, valuation. There were no other changes in actuarial assumptions for the June 30, 2017, valuation.

Actuarial assumptions used in the June 30, 2016, valuation were changed as follows:

Salary increases:	3.25% to 8.75% including inflation
Wage inflation:	3.00%
Investment rate of return:	7.65%
Postretirement mortality tables:	RP-2014 Healthy Annuitant projected to 2026 with Scale MP-2015 and scaled by 120%
Preretirement mortality tables:	RP-2014 Employee projected to 2026 with Scale MP-2015 and scaled by 95% for males and 90% for females

There were no changes to actuarial assumptions used in the June 30, 2015, valuation, other than the assumption that there would be no pay increases for fiscal year ending June 30, 2016.

There were no changes to actuarial assumptions used in the June 30, 2014, valuation.

Lincoln University
A Component Unit of the State of Missouri
Required Supplementary Information
Schedule of Changes in the University's Total OPEB Liability and Related Ratios
Last Six Fiscal Years

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Interest	$ 17,295	$ 10,600	$ 13,911	$ 17,911	$ 25,190	$ 26,642
Changes in assumptions and inputs	(3,561)	(55,784)	43,995	(45,284)	(91,004)	2,016
Differences between actual and expected experience	34,666	4,212	(17,797)	16,315	(44,081)	-
Benefit payments	(47,205)	(43,880)	(46,476)	(55,350)	(57,514)	(63,679)
Net Change in Total OPEB Liability	1,195	(84,852)	(6,367)	(66,408)	(167,409)	(35,021)
Total OPEB Liability – Beginning	467,068	551,920	558,287	624,695	792,104	827,125
Total OPEB Liability – Ending	$ 468,263	$ 467,068	$ 551,920	$ 558,287	$ 624,695	$ 792,104
Covered-Employee Payroll*	$ -	$ -	$ -	$ -	$ -	$ -
Total OPEB Liability as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A

*OPEB valuation includes only current retirees.

This schedule presents the information available to the University and will include ten-year trend information once available.

Notes to Schedule

Benefit Changes

There were no changes to benefit terms for the years ended June 30, 2023, 2022, 2021, 2020, 2019, or 2018.

Changes of Assumptions

The following changes were made to actuarial assumptions during the year ended June 30, 2023:

- The census was updated from June 30, 2022, to June 30, 2023.
- The discount rate changed from 3.90 percent to 4.00 percent.
- The retiree per capita costs and trend assumptions were updated as part of the actuarial evaluation. The 2023 Medical and Rx renewals resulted in actuarial losses as premium costs increased greater than assumed.

- The assumed trend on premiums was revised from 4.5 percent to 4.25 percent for Medical coverage and from 5.5 percent to 6 percent for Rx coverage.

The following changes were made to actuarial assumptions during the year ended June 30, 2022:

- The census was updated from June 30, 2021, to June 30, 2022.
- The discount rate changed from 2.00 percent to 3.90 percent. Absent the change in the discount rate the liability would have been approximately $535,000.
- The mortality assumption was changed from Society of Actuaries Scale MP-2020 Full Generational Improvement to the Society of Actuaries Scale MP-2021 Full Generational Improvement.
- The retiree per capita costs and trend assumptions were updated as part of the actuarial evaluation. The 2022 Medical and Rx renewals resulted in actuarial losses as premium costs increased greater than assumed.

The following changes were made to actuarial assumptions during the year ended June 30, 2021:

- The retiree per capita costs and trend assumptions were updated as part of the actuarial evaluation. The 2021 Medical and Rx renewals resulted in actuarial losses as premiums increased greater than assumed.
- The mortality assumption was changed from Society of Actuaries Pub-2010 Public Retirement Plans Headcount-weighted General Mortality Tables using Scale MP-2019 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-weighted Teachers Mortality Tables using Scale MP-2020 Full Generational Improvement.
- The discount rate was changed from 2.60 percent to 2.00 percent for the end of year measurement.
- Life insurance is valued as the probability of death times the amount of insurance rather than assumed age-banded rate times the probability of survival.
- The number of health insurance participants decreased by 2.

The following changes were made to actuarial assumptions during the year ended June 30, 2020:

- The retiree per capita costs and trend assumptions were updated as part of the actuarial evaluation. The 2020 renewal resulted in an average increase of 4.5 percent – Medical and 3.5 percent – Rx relative to 2019.

- The mortality assumption was changed from Society of Actuaries RPH 2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with MP-2018 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-weighted General Mortality Tables using Scale MP-2019 Full Generational Improvement.
- The discount rate was changed from 3.00 percent to 2.60 percent for the end of year measurement.
- Life insurance is valued as the probability of death times the amount of insurance rather than assumed age-banded rate times the probability of survival.
- The number of health insurance participants decreased by 1.

The following changes were made to actuarial assumptions during the year ended June 30, 2019:

- The per capita costs-premium rates and trend assumptions were updated as part of the ongoing actuarial analysis. Premium costs were lower than expected.
- The assumed mortality was updated to reflect the Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality table with MP-2018 Full Generational Improvement.
- The discount was changed from 3.35 percent to 3.00 percent for the end of year measurement.
- The number of health insurance and life insurance participants decreased by 2 and 1, respectively.

The following changes were made to actuarial assumptions during the year ended June 30, 2018:

- The assumed mortality was updated to reflect the Society of Actuaries RPH-2014 Adjusted to 2006 White Collar Headcount-weighted Mortality table with MP-2017 Full Generational Improvement.
- The per capita costs and trend assumptions were updated as part of the ongoing actuarial analysis.
- The discount rate was changed from 3.50 percent (GASB 45) to 3.35 percent as of the beginning of the year and 3.30 percent as of the end of the year in accordance with GASB 75.
- The life insurance benefit for two retirees was valued and included in the results.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Supplementary Information

Lincoln University
A Component Unit of the State of Missouri
Auxiliary System Revenue Fund
Schedules of Revenues and Expenses
Years Ended June 30, 2023 and 2022

	2023					
	Residence Halls	Cafeteria	Bookstore	Vending and Other	Student Union	Total
Revenues						
Residence hall contracts	$ 3,272,832	$ -	$ -	$ -	$ -	$ 3,272,832
Housing system appropriation	180,812	-	-	-	-	180,812
Food service	-	2,630,063	-	-	-	2,630,063
Bookstore	-	-	16,477	-	-	16,477
Other	-	-	-	15,743	-	15,743
Vending	-	-	-	26,054	-	26,054
	3,453,644	2,630,063	16,477	41,797	-	6,141,981
Direct Expenses						
Salaries and wages	302,753	-	-	10,458	15,042	328,253
Fringe benefits	123,915	-	-	908	1,288	126,111
Equipment purchases	1,395	3,500	-	-	-	4,895
Contractual services	859,711	1,878,199	1,620	-	157,422	2,896,952
Travel	6,558	-	-	-	-	6,558
Supplies, cost of sales	10,294	2,506	-	3,183	54	16,037
Communications	6,891	(6,353)	-	340	1,441	2,319
Utilities	738,974	-	-	-	-	738,974
Other operating	565,888	1,615	-	249	4,399	572,151
	2,616,379	1,879,467	1,620	15,138	179,646	4,692,250
Excess (Deficiency) of Revenues Over Direct Expenses	$ 837,265	$ 750,596	$ 14,857	$ 26,659	$ (179,646)	1,449,731
Indirect Expenses						
Bad debts						65,069
Audit						12,225
						77,294
Excess of Revenues Over Expenses						1,372,437
Transfers In						359,511
Mandatory Transfer for Principal and Interest on Indebtedness						(1,427,691)
Nonmandatory Transfer to Plant Fund						-
Net Increase for the Year						304,257
Net Position, Beginning of Year						4,604,099
Net Position, End of Year						$ 4,908,356

2022					
Residence Halls	Cafeteria	Bookstore	Vending and Other	Student Union	Total
$ 2,715,942	$ -	$ -	$ -	$ -	$ 2,715,942
176,471	-	-	-	-	176,471
-	2,343,792	-	-	-	2,343,792
-	-	13,931	-	-	13,931
-	-	-	24,193	-	24,193
-	-	-	20,306	-	20,306
2,892,413	2,343,792	13,931	44,499	-	5,294,635
297,748	-	-	-	10,013	307,761
142,425	-	-	3,808	3,153	149,386
-	-	-	-	-	-
795,292	1,663,140	1,620	2,520	155,817	2,618,389
835	-	-	433	-	1,268
3,908	-	-	-	2,353	6,261
5,251	(5,632)	-	240	1,440	1,299
831,961	-	-	-	-	831,961
386,787	-	-	6,608	192	393,587
2,464,207	1,657,508	1,620	13,609	172,968	4,309,912
$ 428,206	$ 686,284	$ 12,311	$ 30,890	$ (172,968)	984,723
					9,530
					7,500
					17,030
					967,693
					2,212,211
					(1,445,193)
					(1,200,000)
					534,711
					4,069,388
					$ 4,604,099

Lincoln University
A Component Unit of the State of Missouri
Athletic Facilities Revenue Fund
Schedule of Revenues and Expenses
Years Ended June 30, 2023 and 2022

	2023	2022
Revenues		
Student athletic fees		
Student athletic fees	$ 379,860	$ 494,181
Student experience expenses	(52,896)	(30,935)
Net student athletic fees	326,964	463,246
Football ticket sales	33,642	19,785
Facility rental fees	1,200	4,718
	361,806	487,749
Direct Expenses		
Property insurance	22,238	2,895
Building improvements	194,864	-
Custodial and grounds	131,409	122,922
Utilities	60,187	56,207
Other	-	5,936
	408,698	187,960
Excess (Deficiency) of Revenues Over Direct Expenses	(46,892)	299,789
Transfers In	373,856	163,458
Transfers Out	(42,434)	(160,629)
Mandatory Transfer for Principal and Interest on Indebtedness	(290,396)	(296,552)
Net Increase (Decrease) for the Year	(5,866)	6,066
Net Position, Beginning of Year	206,521	200,455
Net Position, End of Year	$ 200,655	$ 206,521

This schedule presents revenues and expenses of the Athletic Facilities Revenue Fund for the years ended June 30, 2023 and 2022.

Lincoln University
A Component Unit of the State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Student Financial Assistance Cluster				
U.S. Department of Education				
Federal Pell Grant Program	84.063		$ -	$ 4,572,487
Federal Work-Study Program	84.033		-	274,065
Federal Supplemental Educational Opportunity Grants	84.007		-	96,994
Federal Direct Student Loans	84.268		-	7,443,453
Total Student Financial Assistance Cluster			-	12,386,999
Research and Development Cluster				
U.S. Department of Agriculture				
Cooperative Research, Education and Extension Service	10.205		-	2,744,752
Establish and Enhancement of Animal Science Graduate Training	10.210		-	25,507
Assessment of Nutritional, Bioactive Components and Human Health Benefits of Green Leaves of Quinoa	10.216		-	5,931
Assessments of the Impact of Cryptic E. Coli on Current Water Quality Monitoring and Management	10.216		28,906	82,942
Improving Drinking Water Safety for Small Rural Community Through Toxic Disinfection Byproduct Control by Advanced Chemical Oxidation	10.216		5,058	54,326
Evaluation of Promising Quinoa Lines in the Midwest for Enhanced Food Security and Sustainability	10.216		-	128,417
Building Research, Extension and Outreach/Education Capacity to Establish Industrial Hemp Production in the Midwest	10.216		3,095	41,264
Efficient Nanotechnology Methodology	10.216		37,196	97,477
Spatial Variability of Soil Greenhouse Gas Emissions & Soil Microbial Diversity & Function in Conventional & Alternate Land Use Systems in Floodplain Soils	10.216		-	1,289
Disseminating Geospatial Information Science & Technology Knowledge to K-12 Educators & Youth	10.216		13,836	44,068
Developing a Framework for Spatial Modeling of Oak Decline in the Ozark Highlands	10.216		23,286	157,802
Incorporating Geographic Information Systems into the Agribusiness Curriculum at Lincoln University	10.216		-	44,952
Sustainable Gastrointestinal Parasite Control in Small Ruminants	10.216		-	56,924
Ensuring Food Safety Competency	10.328		-	14,118
Development of a Community Culinary Incubator to Improve Food Safety and Value-Added Opportunities for Small Farmers, Producers, Processors and potential entrepreneurs (FPPE)	10.328		-	62,728
Collaborative Education & Training Project to Increase Food Safety Capabilities for Missouri Small Farmers and Processors, & Their On-Farm and Direct Service Providers with Food Safety Training	10.328		-	15,543
U.S. Department of Agriculture/University of Missouri				
Development and Implementation of a Customized and Culturally Sensitive FSMA Supplemental Training Program for Hmong Farmers	10.328		-	13,326
U.S. Department of Agriculture/University of Missouri				
Establishing a Food Safety Model Farm as a Training Center to Advance Food Safety for Hmong Farmers in Missouri	10.328		-	15,462
Scale Appropriate Strategies	10.307		-	18,297
Impact of Long-Term Cover Cropped Organic Farming Practices on the Development of Disease Suppressive Soils	10.307		-	71,375
Cover Cropping and Crop Rotation Strategies in Organic Vegetable Production Systems to Build Soil Health and Improve Yield Profitability	10.303		-	113,907
Use of Endophytic Pseudomonas SPP to Improve Food Safety of Lettuce While Eliminating the Postharvest Sanitation	10.310		-	44,149
Resilient and Sustainable Small Farm: Lessons from the COVID-19 Pandemic	10.310		16,147	82,250
1890 Agricultural Scholarships Program	10.524		-	612,825
Total forward			127,524	4,549,631

Lincoln University
A Component Unit of the State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Total forward			$ 127,524	$ 4,549,631
Research and Development Cluster (Continued)				
U.S. Department of Agriculture/Washington University				
Development of a Machine Learning Pipeline for Assisting Strain Design of Nonmodal Yeasts	47.074		-	21,083
U.S. Department of Agriculture/DE State University				
Reducing the Impact of SARS-Cov2 & the Latest Disruptions on the Local Food Chain in Minority Communities	10.310		-	12,401
1890 AG Scholars	10.524		-	379,784
Expanding Markets for Climate-Smart Hemp in Missouri and Farmer Implementation & Monitoring of Climate-Smart Practices	10.937		-	133,969
National Science Foundation				
Unraveling the Elemental Abundances and Dust Properties of the Interstellar Medium	47.076		-	26,496
A Pathway to Equity: Recruiting and Retaining Underrepresented Populations in STEM Education	47.076		-	164,031
Building Accessible Pathways for a Broad Workforce of Mathematics and Science Teachers	47.076		-	1,438
Excellence in Research	47.041		141,404	187,773
EIR: Incorporating Attention into Computational Auditory Scene Analysis Using Spectral Clustering with Focal Templates	47.070		-	72,967
Collaborative Research: A Partnership in Central MO in the Era of Multi-Messenger Astrophysics	47.049		-	3,168
Catalyst Award: New Hydrazine Reagents for Late-Stage Diversification of Bioactive Molecules	47.076		-	23,431
NSF Convergence Accelerator Track J: Rapid Detection Technologies and Decision-Support Systems to Mitigate Food Supply Chain Threats	47.084		-	3,131
Environmental Protection Agency/Missouri Department of Natural Resources				
Clark Fork Watershed Planning Project	66.460		-	23,574
Total Research and Development Cluster			268,928	5,602,877
Cooperative Extension Service				
U.S. Department of Agriculture/University of Nebraska				
Engagement and Education on Risks Enhancement	10.500		-	4,018
U.S. Department of Agriculture/University of Missouri				
Assistive Technology Program	10.500		-	9,933
U.S. Department of Agriculture/University of Missouri				
Missouri Arability Program	10.500	C00063072-2	-	420
U.S. Department of Agriculture CES: Capital Improvements	10.500		-	163,910
			-	178,281
Soil and Water Conservation				
U.S. Department of Agriculture				
Promoting the Use of GIS Technology	10.902		-	72,796
Conduct Outreach Events and Activities to Promote NRCS Programs and Services and to get Farmers in SE and Central Missouri	10.902		-	4,012
Providing Soil Health Training and Workshops for Historically Underserved Landowners	10.902		-	9,799
			-	86,607
Cooperative Forestry Research				
U.S. Department of Agriculture				
McIntire Stennis Cooperative Forestry Act Funds	10.202		-	65,820
U.S. Department of Agriculture/1890 Universities Foundation				
Value Added Systems and Technologies in the Fifth Thrust Ares	10.523		-	12,037
U.S. Department of Agriculture/North Carolina A&T State University				
1890 Centers of Excellence to Motivate and educate for Achievement (MEA)	10.523		-	3,197
U.S. Department of Agriculture/Tuskegee University				
Value Added Systems and Technologies	10.523		-	43,780
U.S. Department of Agriculture/DE State University				
Collaborative Network	10.523		-	13,206
			-	72,220

Lincoln University
A Component Unit of the State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture/Michigan State University North Central Integrated Pest Management Center (NCIPMC) A Regional Approach to Pest Management Implementation FY-18 through FY-22	10.329		$ 7,176	$ 8,927
U.S. Department of Agriculture/Cornell University Northeastern IPM Center 2019-2022	10.329		-	10,485
U.S. Department of Agriculture/University of Missouri				
IPM for Missouri Agriculture and Horticulture	10.329		-	6,743
			7,176	26,155
U.S. Department of Agriculture				
Agriculture Extension at 1890 Land-Grant Institutions Program	10.512		-	2,246,670
U.S. Department of Agriculture				
EFNEP – Expanded Food Nutritional Program	10.514		-	101,782
U.S. Department of Agriculture				
RREA - Renewable Resource Extension Act	10.515		-	17,909
U.S. Department of Agriculture/University of Nebraska				
North Central Extension Risk Management Education Center	10.520		-	13,824
U.S. Department of Agriculture				
HBCU-HIS-RIU Consortium: A Synergistic Paradigm for Training the Next Generation Agriculture Workforce for a Sustainable Future	10.237		-	1,009
U.S. Department of Agriculture/Animal and Plant Health Inspection Service				
2022 Agriculture Discovery Summer Enrichment Program	10.025		-	35,170
U.S. Department of Agriculture/Extension Foundation/1890 Universities Foundation				
Excite - Extension Collaborative on Immunization, Teaching, & Engagement	10.229		-	192,485
U.S. Department of Agriculture/University of Missouri				
Moving American Elderberry into Mainstream Production and Processing	10.309		-	61,509
U.S. Department of Agriculture				
U.S. Department of Agriculture/University of Minnesota/University of Missouri				
Developing Natural Resource Professionals Capacity to Support Forest Farming	10.215	2208352	-	9,152
U.S. Department of Agriculture/University of Minnesota Entrepreneurial				
Sustainable Agriculture for Latinx and Limited Resource Producers in Missouri	10.215	H008917102	-	29,459
U.S. Department of Agriculture/University of Minnesota 2023-2024 NCR-SARE				
State Plan	10.215		-	8,466
U.S. Department of Agriculture/University of Minnesota 2021-2022 NCR-SARE				
State Plan	10.215	H008568320	-	17,678
			-	64,755
Outreach and Assistance for Socially Disadvantaged and Veteran Farmers	10.443		-	11,677
Entrepreneurship and Marketing Capacity Building to Access Specialty and High-Value Markets amongst Latino Farmers in Missouri and Nebraska	10.311		93,399	147,616
U.S. Department of Agriculture/MO Department of Agriculture				
Evaluating Native Edible Plants	10.170		-	16,685
Pest Management to enhance the profitability of Missouri Elderberry	10.170		-	5,959
			-	22,644
U.S. Department of Health and Human Services/Missouri Department of Health and Senior Services				
Community Garden	93.569		-	55,608
Higher Education Institutional Aid				
U.S. Department of Education				
Title III SAFRA – Fiscal Year 15 Awards	84.031B		-	84,253
Title III – Fiscal Year 17 Awards	84.031B		-	2,296,828
Title III - Part F - Fiscal Year 21 Awards	84.031B		-	906,066
Title III - Fiscal Year 23 Awards	84.031B		-	1,875,757
			-	5,162,904

Lincoln University
A Component Unit of the State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education/Mineral Area College				
Carl D Perkins Grant	84.048A	163-163 / 117-117	$ -	$ 11,275
U.S. Department of Education/Missouri Department of Elementary and Secondary Education/Missouri Department of Corrections				
FY22 Carl D Perkins Grant - Social and Behavioral Sciences Employability and Life Skills Courses	84.048		-	4,547
Education Stabilization Fund				
U.S. Department of Education				
Higher Education Emergency Relief Fund (HEERF) - Institutional portion	84.425F		-	147,446
Higher Education Emergency Relief Fund (HEERF) - HBCU Funds	84.425J		-	1,145,964
Governor's Emergency Education Relief Fund (GEER)	84.425C		-	5,467
Teacher Recruitment	84.425D		-	7,336
			-	1,306,213
U.S. Department of Education/Missouri Department of Elementary and Secondary Education				
FY23 Adult Education and Literacy	84.002		-	425,761
NASA/Missouri University of Science and Technology		80NSSC20M0100/		
Missouri Space Grant Consortium	43.008	00070245-01	-	64,058
Missouri Space Grant Consortium	43.008		-	8,096
			-	72,154
U.S. Department of Defense Office of the Secretary of Defense				
Prime Power School	12.630		-	303,452
Intelligence Community Centers for Academic Excellence (IC CAE)	12.630		-	19,365
			-	322,817
U.S. Department of Energy				
Training a Diverse STEM Workforce to Measure & Model Energy, Water, and Carbon Budgets	81.049		-	26,423
National Park Service				
African American Civil Rights Grants - Preservation of Mitchell Hall	15.904		-	(629)
U.S. Department of Justice				
OVW - Domestic and Dating Violence, Sexual Assault and Stalking Prevention and Education	16.525		-	8,792
Small Business Administration/University of Missouri				
Missouri Small Business Development Center	59.037	C00073069-4	-	62,793
KC Health IQ	93.137		-	140,614
U.S. Department of Commerce				
LU Connects: Connecting Lincoln University Students through Enhanced Technology & Internet Access	11.028		-	843,314
			$ 369,503	$ 29,778,595

Lincoln University
A Component Unit of the State of Missouri
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Lincoln University under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Lincoln University, it is not intended to and does not present the financial position, changes in financial position, or cash flows of Lincoln University.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

Lincoln University has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Federal Loan Programs

Federal Direct Student Loan balances are not included in Lincoln University's basic financial statements. Loans disbursed during the year are included in federal expenditures presented in the Schedule.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Curators
Lincoln University
Jefferson City, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Lincoln University (the "University"), a component unit of the State of Missouri, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated December 1, 2022 which contained an emphasis-of-matter paragraph regarding a change in accounting principle.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

University's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS, LLP

Springfield, Missouri
November 3, 2023

FORVIS

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Curators
Lincoln University
Jefferson City, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lincoln University's ("the University") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2023. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lincoln University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of Lincoln University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-002, 2023-003, and 2023-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002, 2023-003, and 2023-004, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

FORVIS, LLP

Springfield, Missouri
November 3, 2023

Lincoln University
A Component Unit of the State of Missouri
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Significant deficiency(ies) identified? ☒ Yes ☐ None reported

   Material weakness(es) identified? ☐ Yes ☒ No

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal awards programs:

   Significant deficiency(ies) identified? ☒ Yes ☐ None reported

   Material weakness(es) identified? ☐ Yes ☒ No

5. Type of auditor's report issued on compliance for major federal program(s):

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? ☒ Yes ☐ No

Lincoln University
A Component Unit of the State of Missouri
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

7. Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
	Student Financial Assistance Cluster:
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
	COVID-19 Higher Education Emergency Relief Fund
84.425F	Institutional Portion
84.425J	HBCU Portion
84.425C	Governor's Emergency Education Relief Fund
84.425D	Teacher Recruitment
10.512	Agriculture Extension at 1890 Land-Grant Institutions

8. Dollar threshold used to distinguish between Type A and Type B programs: $893,358.

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Lincoln University
A Component Unit of the State of Missouri
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section II – Financial Statement Findings

Reference Number	Finding
2023-001	Criteria – Management is responsible for establishing and maintaining effective internal control over financial reporting

Condition - The University's financial statements required adjustments to be in conformity with accounting principles generally accepted in the United States of America (GAAP). Areas in which adjustments were proposed and recorded include promises to give, a receivable, and contribution revenue.

Cause - The University's policies and procedures in effect did not identify certain necessary adjustments required to present the financial statements in accordance with GAAP or identify the needed adjustments on a timely basis.

Effect or Potential Effect – Adjusting journal entries were proposed during the financial statement audit.

Recommendation - The University should modify month-end closing procedures to ensure controls in place are sufficient to assure financial statements are prepared in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Actions - The Office of Institutional Advancement (OIA) will continue to provide Administration and Finance with copies of all monthly reconciliation documentation and journal entry documentation for their review and approval before finalization of the monthly financial statements. Additionally, OIA will provide Administration and Finance a reconciliation report of all pledged receivables monthly to ensure that all receivables are still collectible, and a report of all contributions to tie to the financial statements to ensure that all contributions are being reported correctly.

At the end of the fiscal year the Fiscal Services Specialist will provide Administration and Finance, the Vice President of Advancement, and the Director of Advancement with a final reconciliation report of all pledge receivables for the fiscal year to determine if they will be collectible in the upcoming fiscal year. If they are not deemed collectible, an adjustment will be entered to remove the receivable from the financial statements. Additionally, if they are collectible, documentation will be retained recording the decision of the VP/Director/Administration and Finance to support the pledge receivables.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
2023-002	Student Financial Assistance Cluster, CFDA Number 84.268 Federal Direct Student Loans, CFDA Number 84.063 Federal Pell Grant Program, U.S. Department of Education Program Year 2021-2022 Criteria or Specific Requirement – Special Tests: Enrollment Reporting 34 CFR Sections 690.83 (b)(2) and 685.309 Condition – Out of 480 attributes tested, there were 42 enrollment status changes during the year that were not communicated to the National Student Loan Data System (NSLDS) or were incorrectly reported. Questioned costs – None Context – Out of a population of 1,013 student enrollment status changes requiring notification transmitted to NSLDS, a sample of 40 student enrollment status changes was selected for testing. Our sample was not and was not intended to be statistically valid. Seven student enrollment changes were not reported to NSLDS timely. One student enrollment change was not reported with the correct effective date. Twenty nine student program lengths, program begin dates, or program enrollment dates were incorrectly reported. Five address changes were incorrectly reported. Effect – NSLDS was not properly notified of student enrollment status changes of Direct Loan and Pell Grant recipients. Cause – The Registrar’s Office and the Enrollment Services Technical Coordinator do not have adequate processes and controls around enrollment reporting to ensure reporting is accurate and timely. Identification as a Repeat Finding - Repeat finding, 2022-001 Recommendation – The Registrar’s Office and the Enrollment Services Technical Coordinator should review processes and controls around enrollment reporting and consider substantial changes to address this recurring finding. Views of Responsible Officials and Planned Corrective Actions – The Registrar's Office reports student enrollment status to the National Student Clearinghouse according to the predetermined reporting schedule based on our census dates. The University opened a case with the Clearinghouse's audit resource department to gather information on what may have led to reporting delays. The Clearinghouse has indicated there was an NSLDS outage between July 2022 and March 2023 which could have resulted in several delays, such as those noted in the audit. If future NSLDS outages are anticipated or known, the Registrar's Office will adjust our reporting practices accordingly. The Registrar's Office has created and made available a procedural guide to running and submitting reports to make sure program length and other data submitted is accurate.

Reference Number	Finding
2023-003	Student Financial Assistance Cluster, CFDA Number 84.268 Federal Direct Student Loans, CFDA Number 84.063 Federal Pell Grant Program, U.S. Department of Education Program Year 2021-2022

Criteria or Specific Requirement – Special Tests: Return of Title IV Funds
34 CFR Sections 668.22 (a)

Condition – Return of Title IV funds calculations were incorrectly performed during the year.

Questioned costs – None

Context – Out of a population of 37 student accounts requiring return of Title IV funds, a sample of 4 was selected for testing. Our sample was not
and was not intended to be statistically valid. 2 of the calculations were performed incorrectly and were not returned timely.

Effect – Refund calculations completed were not correct and funds were not remitted to the Department of Education properly.

Cause – The Financial Aid department does not have adequate processes and controls around return of funds to ensure calculations are accurate and return of funds are timely.

Identification as a Repeat Finding - Not a repeat finding

Recommendation – The Financial Aid department should review processes and controls around return of title IV funds and consider substantial changes to address this recurring finding.

Views of Responsible Officials and Planned Corrective Actions - The Student Financial Services Office is notified by the Registrar's Office when a student has completed the withdrawal process. Once that notification has been received, the Director of Financial Aid will complete the return of Title IV funds worksheet on the Common Origination and Disbursement (COD) website and update Colleague accordingly. A letter will be sent to the student notifying them of the modification to their financial aid award. To ensure all withdrawn students receiving federal financial aid have been processed, the Argos Withdrawn Student report will be run monthly. Each student will be reviewed to see if federal financial aid was awarded and disbursed for the term in which they withdrew. If there is a student that still needs to be processed, the Director of Financial Aid will complete those steps immediately.

Reference Number	Finding
2023-004	Student Financial Assistance Cluster, CFDA Number 84.268 Federal Direct Student Loans, CFDA Number 84.063 Federal Pell Grant Program, U.S. Department of Education Program Year 2021-2022

Criteria or Specific Requirement – Special Tests: Disbursements to or on behalf of students 34 CFR Sections 668.164(b)(1)

Condition – Disbursement notification/right to cancel letters were not sent to students.

Questioned costs – None

Context – Out of a population of 7,784 student accounts receiving aid, a sample of 40 was selected for testing. Our sample was not and was not intended to be statistically valid. Disbursement notification emails were not sent to any of the students in the sample.

Effect – Students did not receive disbursement notification and right to cancel communication for federal aid received.

Cause – The Financial Aid department does not have adequate processes and controls around return of funds to ensure notifications are sent to students.

Identification as a Repeat Finding - Not a repeat finding

Recommendation – The Financial Aid department should review processes and controls around disbursements to or on behalf of students and consider substantial changes to address this finding.

Views of Responsible Officials and Planned Corrective Actions – The University moved from an on-premise solution to a cloud environment in fiscal year 2022. This upgrade included a new reporting tool. The reports used to identify and send disbursement notifications were not working as expected, therefore notifications were not sent out in a timely manner. The Director of Financial Aid has created a process to ensure all students and parents receiving loan funds are being notified about their right to cancel their loans. This process will be run immediately after loans have been transmitted to a student's account. The letters will be emailed to the student and parent email address.

Lincoln University
A Component Unit of the State of Missouri
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

Reference Number	Finding	Status
2022-001	Student Financial Assistance Cluster, CFDA Number 84.268 Federal Direct Student Loans, CFDA Number 84.063 Federal Pell Grant Program, U.S. Department of Education Program Year 2020-2021 Criteria or Specific Requirement – Special Tests: Enrollment Reporting 34 CFR Sections 690.83 (b)(2) and 685.309 Condition – Student enrollment status changes during the year were not communicated to the National Student Loan Data System (NSLDS). Questioned costs – None Context – Out of a population of 16,260 student enrollment status changes requiring notification transmitted to NSLDS, a sample of 40 student enrollment status changes was selected for testing. Our sample was not and was not intended to be statistically valid. None of the student enrollment changes tested were reported to NSLDS. Effect – NSLDS was not properly notified of student enrollment status changes of Direct Loan and Pell Grant recipients. Cause – The Registrar's Office and the Enrollment Services Technical Coordinator do not have adequate processes and controls around enrollment reporting to ensure reporting is accurate and timely. Identification as a Repeat Finding – Repeat finding, 2021-001 Recommendation – The Registrar's Office and the Enrollment Services Technical Coordinator should review processes and controls around enrollment reporting and consider substantial changes to address this recurring finding. Views of Responsible Officials and Planned Corrective Actions – The Registrar's Office will create and make available a procedural guide to running and submitting reports. Redundant staff will be set to receive the notifications of upcoming and delinquent enrollment reports.	Not Resolved - See Finding 2023-002

Lincoln University
A Component Unit of the State of Missouri
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

Reference Number	Finding	Status
2022-002	CFDA Number 84.425 Education Stabilization Fund Under the *Coronavirus Aid, Relief, and Economic Security Act* , U.S. Department of Education Program Year 2021-2022; Higher Education Emergency Relief Fund (HEERF) Student Aid, Institutional Aid, and HBCU Portions	Resolved

Criteria or Specific Requirement – Reporting

Condition – Section 18004(e) of the CARES Act requires each institution that received funds under HEERF I, II, and III to submit quarterly Institutional Aid and HBCU funding portion reports by July 10, 2021, October 10, 2021, January 10, 2022, and April 10, 2022. Lincoln University did not submit the quarter 2 (due July 10, 2021) or the quarter 3 (due October 10, 2021) reports within the required timeframe.

Similarly, Lincoln University was required to post quarterly public disclosures for the Student Aid funding portion, due July 10, 2021, October 10, 2021, January 10, 2022, and April 10, 2022. Lincoln University did not post the quarter 2 (due July 10, 2021) or the quarter 3 (due October 10, 2021) information within the required timeframe.

Of the 13 HEERF reports during the year, 6 were not submitted or posted within the required timeframe.

Questioned costs – None

Context – Out of a population of 13 reports required to be submitted during the fiscal year, a sample of 4 reports was selected for testing, one of each type (student, institutional, HBCU, and annual). One of the reports was not submitted within the required timeframe (HBCU report due October 10, 2021).

Effect – The University did not submit reports or post required information timely.

Reference Number	Finding
2022-002 (Continued)	Cause – The University did not have strong controls in place that would trigger the posting of the information within the required timing and that included all required elements. These factors resulted in the University temporarily overlooking this requirement and posting the information past the required deadline, and excluding the number of students that had received the awards and the method of distributing the funds.
	Identification as a Repeat Finding – Repeat finding, 2021-002
	Recommendation – The University should strengthen the internal controls surrounding the HEERF reporting by establishing policies and procedures to ensure that reporting information is submitted timely and accurately.
	Views of Responsible Officials and Planned Corrective Actions – A specific timeline for inclusion of the Office of Grants and Sponsored Research, the Comptroller's Office, and the Office of Student Aid has been established to provide reports to the Vice President of Administration and Finance and Office of Information Technology for timely posting. All reports and proof of public posting will be saved for retrieval and documentation of the reporting process.