

The University of Tulsa

Independent Auditor's Report and Consolidated Financial Statements

June 30, 2023 and 2022

The University of Tulsa

June 30, 2023 and 2022

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Independent Auditor's Report

Board of Trustees
The University of Tulsa
Tulsa, Oklahoma

Opinion

We have audited the consolidated financial statements of The University of Tulsa (the University), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as of June 30, 2023 and 2022 and the changes in its net assets 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). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date that these consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the consolidating schedules are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

FORVIS, LLP

Assets

See Notes to Consolidated Financial Statements

Liabilities and Net Assets

	2023	2022
Current Liabilities		
Accounts payable	\$ 8,008	\$ 4,647
Accrued expenses	8,549	8,715
Notes and mortgages payable, net – current	215	51
Deposits payable	1,836	2,436
Deferred revenue	3,221	5,669
Advances under grants and contracts	3,747	3,115
Bonds payable, net – current	8,090	9,011
Operating lease liabilities – current	1,450	1,621
Postretirement benefit obligation – current	568	804
Total current liabilities	35,684	36,069
Notes and mortgages payable, net	2,385	-
Advances under federal loan programs	2,167	3,525
Bonds payable, net	74,386	87,788
Postretirement benefit obligation	5,038	6,847
Operating lease liabilities	2,801	4,461
Other noncurrent liabilities	466	435
Total liabilities	122,927	139,125
Net Assets		
Without donor restrictions	214,240	197,750
With donor restrictions	1,350,190	1,363,636
Total net assets	1,564,430	1,561,386
Total liabilities and net assets	\$ 1,687,357	\$ 1,700,511

The University of Tulsa
Consolidated Statements of Activities
Years Ended June 30, 2023 and 2022
(In Thousands)

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Student tuition and fees	\$ 65,101	\$ -	\$ 65,101
Sales and services of educational departments and public services	7,888	-	7,888
Sales and services of auxiliary enterprises, net	32,633	-	32,633
Research services and sponsored projects	16,505	508	17,013
Gifts, grants, and pledges	9,127	8,586	17,713
Contributions from nonfinancial assets	-	200	200
Endowment income	12,074	33,428	45,502
Nonendowment investment gain	1,659	58	1,717
Distributions from beneficial interest in funds held by others	32,108	191	32,299
Other	2,808	9	2,817
Net assets released from restrictions	57,944	(57,944)	-
Total revenues, gains, and other support	237,847	(14,964)	222,883
Expenses			
Instruction	61,688	-	61,688
Research	20,733	-	20,733
Public services	12,874	-	12,874
Academic support	27,749	-	27,749
Student services	20,317	-	20,317
Institutional support and other	39,821	-	39,821
Auxiliary enterprises	39,580	-	39,580
Total expenses	222,762	-	222,762
Operating Income (Loss)	15,085	(14,964)	121
Other Income (Expense)			
Net endowment loss in excess of income designated for operations	(368)	(28,714)	(29,082)
Gifts for capital acquisitions and endowments	3	22,888	22,891
Collection items purchased not capitalized	(45)	-	(45)
Other permanently restricted income, net	-	15	15
Change in donor restrictions	(2)	2	-
Adjustment of unrecognized postretirement costs	1,817	-	1,817
Increase in fair value of beneficial interest in funds held by others	-	7,327	7,327
Total other income (expense)	1,405	1,518	2,923
Increase (Decrease) in Net Assets	16,490	(13,446)	3,044
Net Assets, Beginning of Year	197,750	1,363,636	1,561,386
Net Assets, End of Year	\$ 214,240	\$ 1,350,190	\$ 1,564,430

See Notes to Consolidated Financial Statements

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Student tuition and fees	\$ 59,051	\$ -	\$ 59,051
Sales and services of educational departments and public services	7,812	-	7,812
Sales and services of auxiliary enterprises, net	31,296	-	31,296
Research services and sponsored projects	13,607	700	14,307
Gifts, grants, and pledges	7,648	16,323	23,971
HEERF for student grants	3,514	-	3,514
Contributions from nonfinancial assets	2	451	453
Endowment income	10,448	18,977	29,425
Nonendowment investment gain	92	23	115
Distributions from beneficial interest in funds held by others	20,278	11,849	32,127
Other	3,393	-	3,393
Net assets released from restrictions	41,444	(41,444)	-
Total revenues, gains, and other support	198,585	6,879	205,464
Expenses			
Instruction	57,009	-	57,009
Research	16,931	-	16,931
Public services	11,192	-	11,192
Academic support	22,953	-	22,953
Student services	15,053	-	15,053
Institutional support and other	29,817	-	29,817
Auxiliary enterprises	39,558	-	39,558
HEERF for student grants	3,514	-	3,514
Total expenses	196,027	-	196,027
Operating Income	2,558	6,879	9,437
Other Income (Expense)			
Net endowment loss in excess of income designated for operations	(346)	(29,188)	(29,534)
Gifts for capital acquisitions and endowments	-	16,047	16,047
Other permanently restricted loss, net	-	(222)	(222)
Change in donor restrictions	(5)	5	-
Adjustment of unrecognized postretirement costs	3,281	-	3,281
Decrease in fair value of beneficial interest in funds held by others	-	(79,974)	(79,974)
Total other income (expense)	2,930	(93,332)	(90,402)
Increase (Decrease) in Net Assets	5,488	(86,453)	(80,965)
Net Assets, Beginning of Year	192,262	1,450,089	1,642,351
Net Assets, End of Year	\$ 197,750	\$ 1,363,636	\$ 1,561,386

The University of Tulsa
Consolidated Statement of Functional Expenses
Year Ended June 30, 2023
(In Thousands)

	Instruction	Research	Public Services	Academic Support	Student Services	Institutional Support and Other	Auxiliary Enterprises	Total
Salaries and wages	\$ 33,619	\$ 9,312	\$ 5,769	\$ 11,495	\$ 7,424	\$ 9,674	\$ 11,301	\$ 88,594
Employee benefits	12,677	1,991	1,813	3,809	2,078	3,491	2,973	28,832
Professional services	713	1,513	2,042	1,836	4,255	10,382	2,490	23,231
Travel	1,219	469	130	535	404	303	4,232	7,292
Entertainment	125	136	180	201	694	1,049	412	2,797
Memberships	303	57	610	663	135	551	186	2,505
Interest	-	-	-	-	-	3,059	-	3,059
Depreciation	4,234	1,212	310	1,381	1,105	574	5,519	14,335
Operation and maintenance of physical plant	7,881	2,591	506	1,707	577	1,181	2,433	16,876
Supplies and other	917	3,452	1,514	6,122	3,645	9,557	10,034	35,241
Total expenses included in the expenses section on the statement of activities	<u>\$ 61,688</u>	<u>\$ 20,733</u>	<u>\$ 12,874</u>	<u>\$ 27,749</u>	<u>\$ 20,317</u>	<u>\$ 39,821</u>	<u>\$ 39,580</u>	<u>\$ 222,762</u>

The University of Tulsa
Consolidated Statement of Functional Expenses
Year Ended June 30, 2022
(In Thousands)

	Instruction	Research	Public Services	Academic Support	Student Services	Institutional Support and Other	Auxiliary Enterprises	HEERF for Student Grants	Total
Salaries and wages	\$ 33,414	\$ 7,553	\$ 5,486	\$ 9,117	\$ 6,508	\$ 9,674	\$ 13,307	\$ -	\$ 85,059
Employee benefits	8,740	1,563	1,399	2,478	1,652	1,829	2,982	-	20,643
Professional services	1,805	1,403	1,348	1,515	1,872	5,550	2,081	-	15,574
Travel	598	200	51	170	238	97	3,478	-	4,832
Entertainment	101	51	110	104	575	434	385	-	1,760
Memberships	235	47	617	615	122	285	108	-	2,029
Interest	-	-	-	-	-	3,791	-	-	3,791
Depreciation	3,970	1,132	290	1,293	1,032	536	5,154	-	13,407
Operation and maintenance of physical plant	6,859	2,236	447	1,491	596	1,044	2,236	-	14,909
Supplies and other	1,287	2,746	1,444	6,170	2,458	6,577	9,827	3,514	34,023
Total expenses included in the expenses section on the statement of activities	<u>\$ 57,009</u>	<u>\$ 16,931</u>	<u>\$ 11,192</u>	<u>\$ 22,953</u>	<u>\$ 15,053</u>	<u>\$ 29,817</u>	<u>\$ 39,558</u>	<u>\$ 3,514</u>	<u>\$ 196,027</u>

The University of Tulsa
Consolidated Statements of Cash Flows
Years Ended June 30, 2023 and 2022
(In Thousands)

	2023	2022
Operating Activities		
Increase (decrease) in net assets	\$ 3,044	\$ (80,965)
Items not requiring (providing) cash		
Depreciation	14,335	13,407
Provision for uncollectible accounts	552	1,123
Loss on disposal of educational plant	206	291
Amortization of bond issuance costs	65	162
Amortization of bond discounts and premiums, net	(118)	(195)
Net realized and unrealized (gains) losses on investments	(11,082)	1,239
Contributions restricted for endowment	(10,124)	(5,710)
Contributions received for purchases of educational plant	(12,767)	(10,337)
Change in fair value of beneficial interest in funds held by others	(7,327)	79,974
Noncash operating lease expense	1,821	1,628
Changes in operating assets and liabilities		
Accounts receivable	1,623	(1,347)
Inventories	(36)	57
Prepaid expenses and deferred charges	(964)	40
Contributions receivable	3,187	(4,606)
Student loans receivable	(1,470)	726
Accounts payable	3,361	(462)
Accrued expenses	(166)	(2,197)
Deposits payable	(600)	(43)
Deferred revenue	(2,448)	(107)
Advances under grants and contracts	632	(1,613)
Postretirement benefit obligation	(2,045)	(3,601)
Operating lease liabilities	(1,831)	(1,628)
Other noncurrent liabilities	(1,327)	(939)
Net cash used in operating activities	<u>(23,479)</u>	<u>(15,103)</u>
Investing Activities		
Changes in deposits with trustee	4,190	256
Proceeds from sale of investments	198,295	176,864
Purchases of investments	(162,932)	(154,104)
Student loans collected	757	1,531
Proceeds from sale of educational plant	1,006	-
Purchases of educational plant	(28,876)	(5,869)
Net cash provided by investing activities	<u>12,440</u>	<u>18,678</u>

See Notes to Consolidated Financial Statements

	2023	2022
Financing Activities		
Principal payments on notes and mortgages payable	\$ (54)	\$ (128,164)
Proceeds from issuance of notes and mortgages payable	2,603	123,599
Principal payments on bonds payable	(14,270)	(7,395)
Contributions received for endowment	11,502	10,399
Contributions received for purchases of educational plant	<u>2,740</u>	<u>1,032</u>
Net cash provided by (used in) financing activities	<u>2,521</u>	<u>(529)</u>
Increase (Decrease) in Cash and Cash Equivalents	(8,518)	3,046
Cash and Cash Equivalents, Beginning of Year	<u>34,582</u>	<u>31,536</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 26,064</u></u>	<u><u>\$ 34,582</u></u>
Supplemental Cash Flows Information		
Interest paid	\$ 3,407	\$ 3,857
Contributed nonfinancial assets	\$ 200	\$ 453

The University of Tulsa
Notes to Consolidated Financial Statements
June 30, 2023 and 2022
(In Thousands)

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

Nature of Operations

The University of Tulsa is an independent comprehensive institution providing undergraduate, graduate, and professional education in a variety of multicultural programs. The University of Tulsa has an undergraduate enrollment of approximately 2,600 students and a graduate and law enrollment of approximately 1,100 students.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of The University of Tulsa, The Gilcrease Museum Management Trust (the Trust), Blackrock Properties, LLC (Blackrock), and Heart of Tulsa Event Services, LLC (Heart of Tulsa) (collectively, the University). Effective July 1, 2008, The University of Tulsa formed the Trust and entered into a Management Agreement with the City of Tulsa and the Board of Trustees of the Thomas Gilcrease Institute of American History and Art to manage and operate the Gilcrease Museum. The University has agreed that it will incorporate fundraising for the endowment and operations of the Gilcrease Museum into its fundraising efforts and will separately account for such funds and manage the investment of such funds within the University's policies. The Trust is consolidated due to The University of Tulsa's control and economic interest in it. Blackrock and Heart of Tulsa were formed to execute certain transactions for the University. The University is the sole member of Blackrock and Heart of Tulsa. All material intercompany transactions and balances have been eliminated in the accompanying consolidated financial statements.

Basis of Financial Statements

The accompanying consolidated financial statements of the University have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets are classified based on the existence or absence of donor-imposed restrictions as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

With Donor Restrictions – Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Generally, the donors of these assets permit the University to use all or part of the income earned on related investments for general or specific purposes. Such net assets also include the University's beneficial interests in irrevocable agreements held by others.

The University of Tulsa
Notes to Consolidated Financial Statements
June 30, 2023 and 2022
(In Thousands)

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Operating Income (Loss)

The operating income (loss) reflected in the accompanying consolidated statements of activities excludes net endowment loss in excess of income designated for operations, changes in the fair value of beneficial interest in funds held by others, gifts for capital acquisitions and endowments, collection items purchased not capitalized, other permanently restricted income (loss), adjustments of unrecognized postretirement costs, changes in donor restrictions, and other reclassifications.

Cash and Cash Equivalents

The University considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts, including endowment accounts, but excluding cash and cash equivalents in deposits held by trustee, are considered to be cash and cash equivalents. At June 30, 2023 and 2022, cash equivalents consisted primarily of money market accounts with brokers. At June 30, 2023, the University's cash accounts exceeded federally insured limits by \$14,240.

Accounts Receivable

Accounts receivable include student accounts, grants, and other receivables. Student accounts receivable represent amounts due for tuition, fees, and room and board from currently enrolled and former students. Credit is extended to students and collateral is not required. Accounts receivable are stated at the amount of consideration due from students, which the University has an unconditional right to receive. The University provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Accounts outstanding beyond the beginning of the semester are considered past due. Students whose accounts are not current are not allowed to enroll in classes for the following semester and a hold is placed on the account. It is the University's policy to pursue collection of accounts unless the amount is legally discharged. Accounts with no payment activity in more than one year are written off as uncollectible.

Student Loans Receivable

Student loans receivable consist primarily of loans made to students under U.S. government loan programs. The loans are stated at estimated net realizable value. Loans are made to students based on demonstrated financial need and satisfaction of federal eligibility requirements. Principal and interest payments on loans generally do not commence until after the borrower graduates or

The University of Tulsa
Notes to Consolidated Financial Statements
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(In Thousands)

otherwise ceases enrollment. The University provides an allowance for doubtful loans, if deemed necessary, which is based upon a review of outstanding loans, historical collection information, and existing economic conditions. Loans that are delinquent continue to accrue interest. Loans that are past due for at least one payment are considered delinquent. For the Federal Perkins Loan Program, the federal government bears the risk of loss of uncollectible loans provided the University performs required collection due diligence procedures. Delinquent loans are written off based on individual credit evaluation and specific circumstances of the student.

Deposits with Trustee

Deposits with trustee consist of the unexpended bond proceeds, debt service funds for bonds payable, and proceeds from promissory notes. These funds are invested in cash equivalents and will be used for required bond reserves or payment of debt service.

Inventories

Inventories are stated at the lower of cost or net realizable value on the first-in, first-out basis.

Contributions

Contributions are initially recorded at fair value. Unconditional promises to give are recorded net of an allowance for doubtful receivables estimated based on such factors as prior collections history, types of contributions, and the nature of the fundraising activity. Amounts due in more than one year are recorded at net realizable discounted cash flow using an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same period are recorded as contributions without donor restrictions.

Gifts of land, buildings, and equipment and other long-lived assets are recorded at their estimated fair value on the date of gift and are reported as support without donor restrictions unless explicit donor stipulations specify how or how long the donated assets must be used, in which case the gift is reported as support with donor restrictions.

Conditional promises to give are recorded when conditions are substantially met or the likelihood of not meeting the condition is remote.

Investments

The University's investments in common stocks and mutual funds with readily determinable fair values and investments in debt securities, including corporate obligations, commercial paper, and U.S. Treasury obligations, are reported at fair value in the accompanying consolidated statements of financial position. Nonmarketable investments in hedge funds and private equities are recorded at net asset value (NAV) reported by the sponsor or manager of the investor entity, as a practical

The University of Tulsa
Notes to Consolidated Financial Statements
June 30, 2023 and 2022
(In Thousands)

expedient, to determine fair value of the investments. Other investments are reported at amounts that are not materially different from their fair value.

The University's investments are exposed to various risks, such as fluctuating interest rates, credit quality, overall market volatility, and uncertainty regarding the time required to realize returns from alternative investments that are not traded in public markets. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated statements of activities. Significant fluctuations in fair values could occur from year to year, and the amounts the University will ultimately realize could differ materially.

Income and gains or losses on investments are generally reported as follows:

- Increases in net assets with donor restrictions if the terms of the gift that gave rise to the investment or applicable law require income and gains or losses be added to the principal of a permanent endowment
- Other investment return is reflected in the accompanying consolidated statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions

Educational Plant

Plant facilities, including library books, are stated at cost less accumulated depreciation or, if received as a gift, at fair value or appraised value at the date received less accumulated depreciation. Leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. Generally, improvements, renovations, and equipment purchases in excess of \$5 are capitalized.

Depreciation is recognized on a straight-line basis over the following estimated useful lives:

Buildings	50 years
Improvements	10–20 years
Furniture, fixtures, equipment, and library books	5–20 years

The University records impairments to its educational plant when, and if, it becomes probable that the carrying value of these assets will not be fully recovered over the estimated lives of the assets. Impairments, if any, are recorded to reduce the carrying value of the asset to the net realizable value determined by management based on facts and circumstances in existence at the time of the determination, estimates of probable future economic conditions, and other information. No impairments were required during the years ended June 30, 2023 or 2022.

Beneficial Interest in Funds Held by Others

Beneficial interest in funds held by others represents amounts held for the beneficial interest of the University under irrevocable perpetual agreements between donors and third-party trustees or

The University of Tulsa
Notes to Consolidated Financial Statements
June 30, 2023 and 2022
(In Thousands)

agents. The University's interest is recorded at the fair value of the net assets of the funds held by others, with net increases or decreases in net assets being reported as changes to net assets with donor restrictions. The amounts the University will ultimately realize could differ materially, and significant fluctuations in fair values could occur from year to year.

Advances Under Grants and Contracts

Grants and contracts consist primarily of contractual agreements with governmental and private entities for the performance of research services and other sponsored programs. Revenues are generally recognized as the University meets the conditions prescribed by the grant agreement by performing the contracted services or incurring expenses eligible for reimbursement. Advances are generally considered refundable in the unlikely event specified services are not performed.

Advances Under Federal Loan Programs

Funds provided by the U.S. government primarily under the Federal Perkins Loan Program are loaned to qualified students. These funds are ultimately refundable to the government. No new loans are allowed under this program after fiscal year 2018.

Tuition and Auxiliary Enterprises Revenue, Tuition Discounts, Financial Aid, and Deferred Revenue

Tuition revenue and auxiliary enterprises are recognized over the term of the semester as the University provides services to students. Revenue is reported at the amount of consideration to which the University expects to be entitled in exchange for providing tuition and auxiliary enterprises, which include housing and dining, athletics, and other revenue. The University determines the transaction price based on standard charges for goods and services provided reduced by discounts provided for scholarships and other price concessions provided to students. Tuition discounts granted to employees and their dependents are recorded as compensation expense in the appropriate functional expense classification. Deferred revenue, primarily tuition, includes those payments received before services or products are provided by the University.

Collections, Works of Art, and Historical Treasures

The University's collections, which were acquired through purchases and contributions since the University's inception, are not recognized as assets on the accompanying consolidated statements of financial position. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired or as decreases in net assets with donor restrictions if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the accompanying consolidated financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

The University's collections are made up of artifacts of historical significance, scientific specimens, and art objects that are held for educational, research, scientific, and curatorial

The University of Tulsa
Notes to Consolidated Financial Statements
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(In Thousands)

purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. Certain collection items are subject to requirements that proceeds from their sales are to be used to acquire other items for collections.

Expenses and Other Activity

Expenses are reported as decreases in net assets without donor restrictions. Net assets with donor restrictions for which donor-imposed conditions are met are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Net assets released from restrictions represent satisfaction of purpose restrictions or passage of the stipulated time period on expenditures made pursuant to donor specifications. Investment income, contributions, and distributions restricted for scholarships and financial aid are released from restrictions as awards are made by the University in accordance with its policies governing the administration of financial aid and the requirements of donors.

The costs of providing the various programs and supporting activities of the University have been summarized on a functional basis in the accompanying consolidated statements of activities. The accompanying consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated based on total personnel costs or other systematic bases. Fundraising expense incurred was \$7,650 and \$6,667 for the years ended June 30, 2023 and 2022, respectively.

Income Taxes

The University is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under Section 509(a) of the Code. As a result, as long as the University maintains its tax exemption, it will not be subject to income tax. However, the University is subject to federal income tax on any unrelated business taxable income.

Related Parties

In the ordinary course of business, the University may have business transactions with related parties, including board members and entities in which the University board members or employees have an interest.

Revisions

A revision has been made to the 2022 consolidated statement of cash flows to break out \$1,628 of noncash operating lease expense from the changes in operating lease liabilities. There was no change to the overall cash used in operating activities based on this revision. The revision has no impact on the consolidated statement of financial position or statement of activities.

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An immaterial revision has been made to *Note 7* to move \$2,310 of term endowments from perpetual to operating net assets. This revision has no impact on the consolidated financial statements.

Subsequent Events

Subsequent events have been evaluated through October 30, 2023, which is the date the consolidated financial statements were issued.

Note 2: Receivables

Accounts receivable at June 30 consisted of the following:

	2023	2022
Current		
Student tuition and fees, net of allowance for doubtful accounts; 2023 – \$611, 2022 – \$1,072	\$ 5,282	\$ 5,237
Student loans, net of allowance for doubtful accounts; 2023 – \$0, 2022 – \$141	-	1,873
Government receivables	414	497
Accrued interest	288	208
Federal and nonfederal research receivables	2,835	4,003
Other receivables	2,070	783
	<u>\$ 10,889</u>	<u>\$ 12,601</u>
Noncurrent		
Student loans, net of allowance for doubtful accounts; 2023 – \$399, 2022 – \$258	<u>\$ 2,924</u>	<u>\$ 2,211</u>

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The aging of the student loan portfolio as of June 30 is presented as follows:

	Not in Repayment	Current	Less than 240 Days Past Due	Greater than 240 Days but Less than 2 Years Past Due	Greater than 2 Years but Less than 5 Years Past Due	Greater than 5 Years Past Due	Total
2023							
Federal Perkins loans	\$ 709	\$ 2,295	\$ 148	\$ 68	\$ 77	\$ 26	\$ 3,323
As a percentage of total loan portfolio	21.3%	69.1%	4.5%	2.0%	2.3%	0.8%	
2022							
Federal Perkins loans	\$ 972	\$ 3,155	\$ 169	\$ 187	\$ -	\$ -	\$ 4,483
As a percentage of total loan portfolio	21.7%	70.4%	3.8%	4.2%	0.0%	0.0%	

The allowance for estimated losses on loans as of June 30:

	Federal Perkins Loans	
	2023	2022
Allowance for loans collectively evaluated for impairment	\$ 399	\$ 399
Loans collectively evaluated for impairment	\$ 3,323	\$ 4,483
Allowance as a percentage of loans collectively evaluated for impairment	12%	9%

The following presents the recorded investment by credit quality indicator as of June 30:

	Federal Perkins Loans	
	2023	2022
Performing	\$ 3,004	\$ 4,127
Nonperforming	319	356
	<u>\$ 3,323</u>	<u>\$ 4,483</u>

For student loans, the credit quality indicator's performance is determined by delinquency status and, for federal Perkins loans, origination and servicing of the loan. Delinquency status is updated monthly by the University's third-party loan servicer. Federal Perkins loans that are originated and serviced properly under U.S. Department of Education regulations can be assigned to the U.S. Department of Education when deemed no longer collectible. The University believes that all federal Perkins loan balances were originated properly and have been serviced in accordance with U.S. Department of Education regulations.

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Contributions receivable at June 30 consisted of the following:

	2023			2022		
	Less than 1 Year	1–5 Years	More than 5 Years	Less than 1 Year	1–5 Years	More than 5 Years
Unconditional promises	\$ 9,373	\$ 26,566	\$ 996	\$ 10,859	\$ 21,078	\$ 304
Less unamortized discount and allowance for doubtful accounts	(642)	(3,844)	(272)	(1,093)	(3,873)	(97)
	<u>\$ 8,731</u>	<u>\$ 22,722</u>	<u>\$ 724</u>	<u>\$ 9,766</u>	<u>\$ 17,205</u>	<u>\$ 207</u>

Contributions that are expected to be received in more than one year have been discounted to present value using a rate of 4% and 5% for the years ended June 30, 2023 and 2022, respectively.

Note 3: Endowment Investments, Investments, and Investments Held by Others

The fair value of investments at June 30 consisted of the following:

	2023	2022
Beneficial interest in funds held by others	\$ 599,328	\$ 592,001
Endowment investments	638,151	661,385
Nonendowment investments	<u>4,284</u>	<u>3,323</u>
	<u>\$ 1,241,763</u>	<u>\$ 1,256,709</u>

Investments are classified in the accompanying consolidated statements of financial position as follows:

	2023	2022
Cash and cash equivalents	\$ 2,008	\$ -
Investments	640,427	664,708
Beneficial interest in funds held by others	<u>599,328</u>	<u>592,001</u>
	<u>\$ 1,241,763</u>	<u>\$ 1,256,709</u>

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At June 30, the fair value of endowment assets, including beneficial interest in funds held by others for the University's benefit, consisted of the following:

	2023	2022
Beneficial interest in funds held by others		
J.A. and Leta M. Chapman 1949 Trust	\$ 44,734	\$ 44,151
J.A. and Leta M. Chapman Charitable Trust	334,354	329,947
Leta McFarlin Chapman Memorial Trust	166,975	165,616
Pauline McFarlin Walter Memorial Trust	41,877	41,332
Jay P. Walker Charitable Trust	3,960	3,960
Virginia Mayo Ownby Memorial Trust	3,725	3,442
Doris K. Catlett Trust	1,980	1,829
Other	1,723	1,724
	<u>599,328</u>	<u>592,001</u>
Other endowment assets		
Cash and cash equivalents	22,091	16,009
Contributions receivable	4,429	6,106
Investments	638,151	661,385
	<u>664,671</u>	<u>673,500</u>
Total endowment assets	<u>\$ 1,263,999</u>	<u>\$ 1,275,501</u>

Endowment investments include perpetual endowments included in net assets with donor restrictions; gifts, gains, and term endowments included in net assets with donor restrictions; and designated endowments and related gains included in net assets without donor restrictions.

The University's endowments consist of 856 individual funds established for a variety of purposes, as well as the beneficial interest in 15 funds managed by outside trustees or agents to function as endowments. The endowments include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Laws

The University interprets the *Uniform Prudent Management of Institutional Funds Act of 2006* (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to

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the fund. The remaining portion of the donor-restricted endowment fund that is not classified as a permanent endowment is classified as net assets with donor restrictions until these amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the University and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the University
- 7) The investment policies of the University

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in net assets with donor restrictions (referred to as underwater endowments) were \$0 and \$47 as of June 30, 2023 and 2022, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new donor-restricted perpetual contributions and continued appropriation for certain programs that were deemed prudent by the Board of Trustees.

In accordance with the terms of donor gift instruments, the University is permitted to reduce the balance of several restricted endowments below the original amount of the gift. Subsequent investment gains are then used to restore the balance up to the fair value of the original amount of the gift.

Strategies Employed for Achieving Objectives

Certain of the University's external investment managers are authorized to use specified derivative financial instruments in managing the assets under their control, subject to restrictions and limitations adopted by the Board of Trustees. From time to time, the managers may enter into forward currency contracts to hedge currency exchange risk on investments in foreign securities and other future contracts to adjust asset allocation for a more efficient portfolio. The managers settle these contracts on a net basis and, accordingly, the cash requirements are substantially less than the contract amounts. Changes in the fair value of the derivative contracts are included in investment income and are not significant for the years ended June 30, 2023 or 2022.

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Spending Policy and How Investment Objectives Relate to the Spending Policy

The University's endowment spending policy has two components. The first component uses the previous year's spending rate and adjusts it for inflation, which is defined as the previous calendar year's Consumer Price Index increase plus 1%. This component is 70% of the calculation. The second component uses the average endowment market value as of September 30 and December 31 of the preceding year and multiplies the result by a fixed percentage, which was 5% for the years ended June 30, 2023 and 2022. The second component is the remaining 30% of the calculation.

In establishing this policy, the University considered the long-term expected return on its endowments. Accordingly, over the long term, the University expects the current spending policy to allow its endowments to grow at or near the inflation rate, as represented by the Consumer Price Index, before the effect of new gifts. This is consistent with the University's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts.

The annual withdrawal includes amounts for operations and amounts utilized in accordance with the terms of donor-restricted and board-designated endowments. During 2023, the board approved an additional withdrawal of \$11,800 to pay down University debt.

Endowment net asset composition by type of fund as of June 30 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
2023			
Pure endowment funds	\$ -	\$ 627,051	\$ 627,051
Quasi-endowment funds	8,089	27,316	35,405
Term endowment funds	-	2,215	2,215
Beneficial interest in funds held by others	-	599,328	599,328
	<u>\$ 8,089</u>	<u>\$ 1,255,910</u>	<u>\$ 1,263,999</u>
2022			
Pure endowment funds	\$ -	\$ 644,840	\$ 644,840
Quasi-endowment funds	8,323	28,027	36,350
Term endowment funds	-	2,310	2,310
Beneficial interest in funds held by others	-	592,001	592,001
	<u>\$ 8,323</u>	<u>\$ 1,267,178</u>	<u>\$ 1,275,501</u>

Quasi-endowment funds include donor-restricted contributions that have been designated by the Board of Trustees as endowment net assets.

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Changes in endowment net assets for the years ended June 30, 2023 and 2022 were:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2021	\$ 8,764	\$ 1,366,396	\$ 1,375,160
Total investment return	10,102	(90,185)	(80,083)
Transfers	(95)	4,939	4,844
Contributions	-	5,005	5,005
Distributions from beneficial interest in funds held by others	20,278	11,849	32,127
Use of endowment assets for expenditures			
Annual transfer for operations	(30,726)	(30,826)	(61,552)
Endowment net assets, June 30, 2022	<u>\$ 8,323</u>	<u>\$ 1,267,178</u>	<u>\$ 1,275,501</u>

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2022	\$ 8,323	\$ 1,267,178	\$ 1,275,501
Total investment return	11,706	12,041	23,747
Transfers	132	-	132
Contributions	5	10,119	10,124
Distributions from beneficial interest in funds held by others	32,108	191	32,299
Use of endowment assets for expenditures			
Annual transfer for operations	(44,185)	(33,619)	(77,804)
Endowment net assets, June 30, 2023	<u>\$ 8,089</u>	<u>\$ 1,255,910</u>	<u>\$ 1,263,999</u>

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Beneficial interest in funds held by others is a resource that is neither in the possession of, nor under the control of, the University. It is held and administered by external fiscal agents with the income distributed to the University according to the terms of the gift instruments. Only the distributions from these funds are expendable.

Investment return on beneficial interest in funds held by others is as follows, including a percentage of the prior year's ending balance of the beneficial interest:

	2023		2022	
Beneficial interest in funds held by others				
Distributions of income	\$ 32,299	5.5%	\$ 32,127	4.8%
Increase (decrease) in fair value	<u>7,327</u>	<u>1.2%</u>	<u>(79,974)</u>	<u>-11.9%</u>
Total investment return on beneficial interest in funds held by others	<u>\$ 39,626</u>	<u>6.7%</u>	<u>\$ (47,847)</u>	<u>-7.1%</u>

Note 4: Fair Value of Assets and Liabilities

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 significant to the fair value of the assets or liabilities

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Recurring Measurements

The following table presents the University's assets that are measured at fair value on a recurring basis for each hierarchy level, including both current and noncurrent portions, as of June 30:

	Total	Fair Value Measurements			Unfunded Commitments	Redemption or Liquidation	Days' Notice
		Level 1	Level 2	Level 3			
2023							
Cash and cash equivalents	\$ 9,965	\$ 9,965	\$ -	\$ -	N/A	N/A	N/A
Fixed income	36,125	36,125	-	-	N/A	N/A	N/A
Equities	8,491	8,491	-	-	N/A	N/A	N/A
Mutual funds	300	300	-	-	N/A	N/A	N/A
Real estate measured at NAV (A)	5,495	-	-	-	None	Illiquid	Illiquid
Private equities measured at NAV (A)	345,658	-	-	-	\$ 116,333	Illiquid	Illiquid
Hedge funds							
Equity long/short measured at NAV (A)	90,107	-	-	-	None	Daily/Monthly	10 to 120
Multistrategy measured at NAV (A)	154,015	-	-	-	None	Monthly	90
Life income	39	-	39	-	N/A	N/A	N/A
Life insurance	465	-	465	-	N/A	N/A	N/A
Beneficial interest in funds held by others	599,328	-	-	599,328	N/A	N/A	N/A
	<u>\$ 1,249,988</u>	<u>\$ 54,881</u>	<u>\$ 504</u>	<u>\$ 599,328</u>			
2022							
Cash and cash equivalents	\$ 12,427	\$ 12,427	\$ -	\$ -	N/A	N/A	N/A
Fixed income	37,902	37,902	-	-	N/A	N/A	N/A
Equities	6,000	6,000	-	-	N/A	N/A	N/A
Mutual funds	2,150	2,150	-	-	N/A	N/A	N/A
Real estate measured at NAV (A)	4,266	-	-	-	None	Illiquid	Illiquid
Private equities measured at NAV (A)	343,012	-	-	-	\$ 147,163	Illiquid	Illiquid
Hedge funds							
Equity long/short measured at NAV (A)	110,266	-	-	-	None	Daily/Quarterly	10 to 120
Multistrategy measured at NAV (A)	160,540	-	-	-	None	Monthly	90
Life income	37	-	37	-	N/A	N/A	N/A
Life insurance	523	-	523	-	N/A	N/A	N/A
Beneficial interest in funds held by others	592,001	-	-	592,001	N/A	N/A	N/A
	<u>\$ 1,269,124</u>	<u>\$ 58,479</u>	<u>\$ 560</u>	<u>\$ 592,001</u>			

Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

Alternative investments measured at NAV per share include:

- **Real Estate** – This category primarily includes producing and nonproducing mineral interests of property in Texas and New Mexico.

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- **Private Equities** – This category includes investments made primarily through private investment funds. The private investment funds may invest in real estate, oil and gas, venture capital, and private equity, among others. Generally, these investments cannot be redeemed. Instead, the nature of the investments in this category is that distributions are received through the liquidation of underlying assets of the funds. This is expected to occur as investments are liquidated or the fund is dissolved.
- **Hedge Funds – Equity Long/Short** – This category includes investments made primarily through private investment funds but also includes investments in securities and derivative contracts. The private investment funds may employ leverage, sell securities short, purchase and sell options, and invest in futures contracts. Investors may redeem daily to quarterly with 10 to 120 days' notice.
- **Hedge Funds – Multistrategy** – This category includes investments made primarily through private investment funds. The private investment funds invest across multiple sectors, including long/short equity, long-biased equity, and credit. The private investment funds may employ leverage, sell securities short, purchase and sell options, and invest in futures contracts. Investors may redeem monthly with 90 days' notice.

The University's assets measured at fair value are reported in the accompanying consolidated statements of financial position at June 30 as follows:

	2023	2022
Cash and cash equivalents	\$ 2,008	\$ -
Deposits with trustee – current	8,225	5,339
Investments	640,427	664,708
Deposits with trustee	-	7,076
Beneficial interest in funds held by others	599,328	592,001
	<u>\$ 1,249,988</u>	<u>\$ 1,269,124</u>

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 consolidated 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. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Investments

When quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of investments with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced

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market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such investments are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy.

Beneficial Interest in Funds Held by Others

Fair value is estimated at the University's percentage of the fair value of the underlying assets held in trust. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying consolidated statements of financial position using significant unobservable (Level 3) inputs:

Balance, July 1, 2021	\$ 671,975
Net depreciation	<u>(79,974)</u>
Balance, June 30, 2022	592,001
Net appreciation	<u>7,327</u>
Balance, June 30, 2023	<u><u>\$ 599,328</u></u>
The amount of total net losses for the year ended June 30, 2022, included in change in net assets that are attributable to the change in unrealized gains or losses relating to assets still held at June 30, 2022	
	<u><u>\$ (79,974)</u></u>
The amount of total net gains for the year ended June 30, 2023, included in change in net assets that are attributable to the change in unrealized gains or losses relating to assets still held at June 30, 2023	
	<u><u>\$ 7,327</u></u>

Uncertainty of Fair Value Measurement

The following is a description of the uncertainty of the fair value measurement at the reporting date from the use of significant unobservable inputs, whether those inputs reasonably could have been different at the reporting date, the inter-relationships among the unobservable inputs used in the recurring fair value measurement, and how those inputs might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement.

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Beneficial Interest in Funds Held by Others

The significant unobservable inputs used in the fair value measurement of the University's beneficial interest in funds held by others are discount rates and market return rates. The discount rate is the interest rate utilized to discount future cash flows in a present value cash flow calculation. The discount rate used often represents the return market participants would demand on similar assets. Therefore, significant increases (decreases) in the discount used would result in (lower) higher fair value measurements.

Note 5: Educational Plant

Net investment in educational plant consisted of the following at June 30:

	2023	2022
Land and improvements	\$ 90,103	\$ 85,250
Buildings and leasehold improvements	446,813	435,005
Furniture, fixtures, and equipment	70,185	59,919
Library books	38,585	40,178
	<u>645,686</u>	<u>620,352</u>
Less accumulated depreciation	<u>288,222</u>	<u>276,218</u>
	<u><u>\$ 357,463</u></u>	<u><u>\$ 344,134</u></u>

Depreciation expense was \$14,335 and \$13,407 for the years ended June 30, 2023 and 2022, respectively.

Note 6: Bonds, Notes, and Mortgages Payable

Bonds

Bonds payable consisted of the following at June 30:

- TIA Revenue Refunding Bonds (The University of Tulsa) Series 2011 (the 2011 Series Bonds)
- TIA Student Housing Revenue Bonds (The University of Tulsa) Series 2013 (the 2013 Series Bonds)
- TIA Student Housing Revenue Bonds (The University of Tulsa) Series 2015 (the 2015 Series Bonds)
- TIA Revenue Refunding Bonds (The University of Tulsa) Series 2017 (the 2017 Series Bonds)

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- TIA Revenue Refunding Bonds (The University of Tulsa) Series 2019 (the 2019 Series Bonds)

TIA Revenue Refunding Bonds (The University of Tulsa) Series 2011 Dated March 3, 2011

The proceeds from these bonds were used to advance refund \$19,130 in aggregate principal amount of the 1996A Series Bonds maturing October 1, 2022 and to fund capital projects.

The 2011 Series Bonds maturing October 1 in each of the years 2021, 2026, and 2030 (the Term Bonds) are subject to mandatory sinking fund redemption in part by Tulsa Industrial Authority (TIA) prior to their scheduled maturity at a redemption price equal to 100% of the principal amount, without premium, plus accrued but unpaid interest to the redemption date. The 2011 Series Bonds were paid in full in October 2022.

TIA Student Housing Revenue Bonds (The University of Tulsa) Series 2013 Dated November 7, 2013

The proceeds from these bonds were used to build a student dormitory to house approximately 330 students. The bonds were issued in parity with the 2006 Series Bonds and are secured by future housing fee revenues from the new dormitory as well as the existing apartments.

The 2013 Series Bonds maturing October 1 in each of the years 2033 and 2038 (the Term Bonds) are subject to mandatory sinking fund redemption in part by TIA prior to their scheduled maturity at a redemption price equal to 100% of the principal amount, without premium, plus accrued but unpaid interest to the redemption date.

Maturities, interest rates, and outstanding principal amounts at June 30, 2023 are as follows:

Serial Bond, due October 1, 2023	5.00%	\$	1,075
Serial Bond, due October 1, 2024	5.00%		1,130
Serial Bond, due October 1, 2025	5.00%		1,185
Serial Bond, due October 1, 2026	3.75%		1,245
Serial Bond, due October 1, 2027	4.00%		1,290
Term Bond, due October 1, 2033	4.50%		9,010
Term Bond, due October 1, 2038	4.75%		9,615
Unamortized bond issuance costs			(190)
Unamortized net bond discount/premiums			(454)
			<hr/>
2013 Series Bonds		\$	<u>23,906</u>

TIA Student Housing Revenue Bonds (The University of Tulsa) Series 2015 Dated November 5, 2015

The proceeds from these bonds were used to advance refund \$27,935 in aggregate principal amount of the 2006 Series Bonds maturing October 1, 2015 through 2037. The bonds are secured by future revenues from the apartments built with the 2006 Series Bond proceeds.

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The 2015 Series Bonds maturing October 1 in each of the years 2034 and 2037 (the Term Bonds) are subject to mandatory sinking fund redemption in part by TIA prior to their scheduled maturity at a redemption price equal to 100% of the principal amount, without premium, plus accrued but unpaid interest to the redemption date.

Maturities, interest rates, and outstanding principal amounts at June 30, 2023 are as follows:

Serial Bond, due October 1, 2023	3.00%	\$	1,135
Serial Bond, due October 1, 2024	3.00%		1,170
Serial Bond, due October 1, 2025	3.00%		1,210
Serial Bond, due October 1, 2026	3.00%		1,240
Serial Bond, due October 1, 2027	3.13%		1,280
Serial Bond, due October 1, 2028	3.25%		1,320
Serial Bond, due October 1, 2029	3.25%		1,360
Serial Bond, due October 1, 2030	3.38%		1,410
Term Bond, due October 1, 2034	3.75%		6,155
Term Bond, due October 1, 2037	4.00%		5,260
Unamortized bond issuance costs			(179)
Unamortized net bond discount/premiums			<u>(107)</u>
2015 Series Bonds		\$	<u><u>21,254</u></u>

TIA Revenue Refunding Bonds (The University of Tulsa) Series 2017 Dated December 14, 2017

The proceeds from these bonds were used to advance refund \$20,715 in aggregate principal amount of the 2006 Series Bonds maturing October 1, 2018 through 2031.

The 2017 Series Bonds maturing October 1, 2031 (the Term Bonds) are subject to mandatory sinking fund redemption in part by TIA prior to their scheduled maturity at a redemption price equal to 100% of the principal amount, without premium, plus accrued but unpaid interest to the redemption date.

Maturities, interest rates, and outstanding principal amounts at June 30, 2023 are as follows:

Serial Bond, due October 1, 2023	5.00%	\$	1,395
Serial Bond, due October 1, 2024	5.00%		1,460
Serial Bond, due October 1, 2025	5.00%		1,450
Term Bond, due October 1, 2031	5.00%		7,505
Term Bond, due October 1, 2031	3.85%		2,060
Unamortized bond issuance costs			(162)
Unamortized net bond discount/premiums			<u>414</u>
2017 Series Bonds		\$	<u><u>14,122</u></u>

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TIA Revenue Refunding Bonds (The University of Tulsa) Series 2019 Dated August 1, 2019

The proceeds from these bonds were used to advance refund \$27,155 in aggregate principal amount of the 2009 Series Bonds maturing October 1, 2019 through 2027.

Maturities, interest rates, and outstanding principal amounts at June 30, 2023 are as follows:

Serial Bond, due October 1, 2023	2.25%	\$	2,310
Serial Bond, due April 1, 2024	2.25%		2,310
Serial Bond, due October 1, 2024	2.25%		2,393
Serial Bond, due April 1, 2025	2.25%		2,393
Serial Bond, due October 1, 2025	2.25%		2,440
Serial Bond, due April 1, 2026	2.25%		2,440
Serial Bond, due October 1, 2026	2.25%		2,490
Serial Bond, due April 1, 2027	2.25%		2,490
Serial Bond, due October 1, 2027	2.25%		4,125
Deferred bond issuance costs			(197)
			<u>23,194</u>
2019 Series Bonds		\$	<u>23,194</u>

Total bonds outstanding at June 30 are as follows:

	<u>2023</u>	<u>2022</u>
2011 Series Bonds	\$ -	\$ 7,987
2013 Series Bonds	23,906	25,002
2015 Series Bonds	21,254	22,321
2017 Series Bonds	14,122	15,558
2019 Series Bonds	23,194	25,931
	<u>82,476</u>	<u>96,799</u>
Less current portion	<u>8,090</u>	<u>9,011</u>
Total long-term portion	<u>\$ 74,386</u>	<u>\$ 87,788</u>

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The annual sinking fund redemption requirements for the bonds are as follows:

	2013 Series	2015 Series	2017 Series	Total
2024	\$ -	\$ -	\$ -	\$ -
2025	-	-	-	-
2026	-	-	-	-
2027	-	-	1,455	1,455
2028	-	-	1,435	1,435
2029–2033	7,340	2,965	6,675	16,980
2034–2038	9,180	8,450	-	17,630
2039	2,105	-	-	2,105
	<u>\$ 18,625</u>	<u>\$ 11,415</u>	<u>\$ 9,565</u>	<u>\$ 39,605</u>

The University is subject to various financial and related covenants contained in the bond agreements.

The University is in compliance with the alternate calculation of the available funds ratio requirement, as defined in the bond agreements, at June 30, 2023 and 2022.

Notes and Mortgages Payable

Notes and mortgages payable consisted of the following at June 30:

	2023	2022
The University has purchased certain properties for academic and community outreach purposes. The related notes and mortgages mature in various years through 2035 and bear interest at 3.09% to 8.00%. The notes are secured by the related properties	\$ 2,600	\$ 51
Revolving line of credit with BOKF, NA dba Bank of Oklahoma for up to \$75,000; interest is due monthly at the Adjusted Term SOFR beginning April 2023) and One-Month LIBOR plus 2.00% (7.20% and 3.06% at June 30, 2023 and 2022, respectively); the line is unsecured; due July 2024	-	-
	<u>2,600</u>	<u>51</u>
Less current portion	<u>215</u>	<u>51</u>
	<u>\$ 2,385</u>	<u>\$ -</u>

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Total interest costs incurred on indebtedness during the years ended June 30, 2023 and 2022 were \$3,059 and \$3,791, respectively.

Required maturities of all long-term debt, including bonds payable, at June 30, 2023 are as follows:

2024	\$ 8,440
2025	8,862
2026	9,042
2027	9,237
2028	8,447
Thereafter	<u>41,923</u>
	85,951
Unamortized debt issuance costs	(728)
Unamortized net bond discount/premiums	<u>(147)</u>
	<u><u>\$ 85,076</u></u>

Note 7: Net Assets

Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Restricted for time or purpose		
Capital construction	\$ 35,882	\$ 25,941
Operating, including term and quasi endowments	86,671	100,129
Perpetual	<u>1,227,637</u>	<u>1,237,566</u>
	<u><u>\$ 1,350,190</u></u>	<u><u>\$ 1,363,636</u></u>

Included in perpetual above are cumulative gains on pure endowments of \$233,098 and \$260,955 for the years ended June 30, 2023 and 2022, respectively, that can be appropriated into operations based on the spending policy in *Note 3*.

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Net Assets Without Donor Restrictions

Net assets without donor restrictions at June 30 are designated for the following purposes or periods:

	2023	2022
Undesignated	\$ 164,501	\$ 137,277
Designated by the Board for operating reserve	41,650	52,150
Designated by the Board for endowment	<u>8,089</u>	<u>8,323</u>
	<u><u>\$ 214,240</u></u>	<u><u>\$ 197,750</u></u>

Note 8: Revenue Recognition

Tuition and Auxiliary Enterprises Revenue

Revenue from contracts with students for tuition and auxiliary enterprises is reported at the amount that reflects the consideration to which the University expects to be entitled in exchange for providing instruction and housing, food, and other services. These amounts are due from students, third-party payers, and others and include variable consideration for institutional scholarships and awards.

Revenue is recognized as performance obligations are satisfied over time, which is ratably over the academic term. Generally, the University bills students prior to the beginning of the semester.

Refunds are issued in the case of withdrawals either before the semester begins or early in the semester. Because of the timing of the published refund schedule, all refunds are recognized before the end of the fiscal year.

Tuition and auxiliary services revenue are considered to be separate performance obligations. The University allocates the fees charged to students to tuition and housing, food, and other services based on stand-alone charges to students for tuition and those services besides housing. The University uses the adjusted market assessment approach to estimate the stand-alone selling price for housing.

Sponsored Research Revenue

The University receives sponsored research funding from various governmental, corporate, and other private sources. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a nonreciprocal transaction in which the resources provided are for the benefit of the University, the funding organization's mission, or the public at large.

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Revenues from exchange (reciprocal) transactions are recognized as performance obligations are satisfied over time, which in most cases are as related costs are incurred.

Revenues from nonexchange transactions (contributions) may be subject to conditions in the form of a barrier to entitlement or a refund of amounts paid (or a release from obligation to make future payments). Revenues from conditional nonexchange transactions are recognized when the barrier is satisfied. In addition, the University has elected the simultaneous release option for conditional contributions that are also subject to purpose restrictions. Under this option, net assets without donor restrictions will include the donor-restricted contributions for which the purpose restrictions are met in the same reporting period as the revenue is recognized.

Sales and Services of Educational Departments and Public Services and Other Revenue

Performance obligations are determined based on the nature of the goods or services provided by the University in accordance with the contract. Sales and services of educational departments revenue and public services revenue relate mostly to miscellaneous sales from the University and Gilcrease Museum. These revenues are recognized as sales occur or services are performed as these goods or services were transferred at a point in time and the University does not believe it is required to provide additional goods or services related to that sale. Revenue recognized at a point in time is not significant. Any other revenue for performance obligations satisfied over time is recognized ratably over the period based on time elapsed. The University believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Transaction Price and Recognition

The University determines the transaction price based on standard charges for goods and services provided, reduced by certain institutional scholarships and aid in accordance with the University's policies for granting certain merit-based aid. The University determines the estimates of explicit price concessions based on its discount policies and merit awards. The University determines its estimates of implicit price concessions based on its historical collection experience with each type of student or customer. From time to time, the University will incur student credit balances and student deposits, which represent the excess of tuition and fees and other student payments received as compared to amounts recognized as revenue. These amounts are excluded from revenue and are recorded as liabilities until they are refunded. No material liabilities existed at June 30, 2023 or 2022.

Performance Obligations and Transaction Price Allocated to Remaining Performance Obligations

Because all of its performance obligations relate to contracts with a duration of less than one year, the University has elected to apply the optional exemption provided in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to

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performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to providing instruction and housing to students. The performance obligations for these contracts are generally completed when the academic term is completed.

During the years ended June 30, 2023 and 2022, the University recognized revenue of \$8,784 and \$10,072, respectively, that was recognized as a contract liability at the beginning of the year. This liability is included in deferred revenue and advances under grants and contracts on the accompanying consolidated statements of financial position.

The University expects to recognize revenue of \$6,924 of tuition and auxiliary enterprises revenue in fiscal year 2024 when the summer 2023 academic term is completed.

The University's net tuition and fees are comprised of the following components for the years ended June 30:

	2023	2022
Student tuition and fees	\$ 151,564	\$ 153,136
University-funded scholarships	(60,540)	(67,787)
University-funded athletic scholarships	(12,543)	(12,450)
Scholarships funded by other sources	<u>(13,380)</u>	<u>(13,848)</u>
Student tuition and fees, net of student financial aid	<u><u>\$ 65,101</u></u>	<u><u>\$ 59,051</u></u>

Scholarships funded by other sources are comprised of the following sources for the years ended June 30:

	2023	2022
Endowments	\$ 8,439	\$ 7,937
Endowments and gifts	1,360	1,260
Endowments and trusts	783	859
Gifts	2,701	3,781
Trusts	<u>97</u>	<u>11</u>
	<u><u>\$ 13,380</u></u>	<u><u>\$ 13,848</u></u>

The University has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the various service lines.

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Disaggregation of Revenue

The composition of revenue by material revenue category for the years ended June 30 is as follows:

	2023	2022
Student tuition and fees	\$ 65,101	\$ 59,051
Sales and services of educational departments and public services		
Gilcrease Museum	\$ 3,556	\$ 3,369
University School	2,495	2,634
Other	1,837	1,809
	<u>\$ 7,888</u>	<u>\$ 7,812</u>
Sales and services of auxiliary enterprises, net		
Student housing and dining	\$ 20,620	\$ 19,317
Athletics	11,898	11,809
Other	115	170
	<u>\$ 32,633</u>	<u>\$ 31,296</u>
Research services and sponsored projects		
Federal	\$ 9,121	\$ 6,656
State	416	390
Private	7,476	7,261
	<u>\$ 17,013</u>	<u>\$ 14,307</u>

Financing Component

The University has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from students and third parties for the effects of a significant financing component due to the University's expectation that the period between the time the service is provided to a student and the time the student or a third-party payer pays for that service will be one year or less.

Additionally, some sponsored research revenue contracts require more than one year to complete. In these cases, the financing component is not deemed to be material.

Note 9: Retirement Plans

Full-time faculty and staff are eligible to participate in a contributory retirement and annuity program through the Teachers Insurance and Annuity Association of America and the College Retirement Equities Fund (TIAA/CREF) immediately upon hire into an eligible position. The University matching contribution, as defined below, is not effective until the first of the month

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following their date of hire. The University has no liability other than annual contributions. Annual contributions are based upon a percentage of employee compensation. Individual contracts are issued under the program and there is immediate vesting of both the University's and employees' contributions. Effective September 2020, the University suspended its contributions to the plan. There were no University contributions to the plan for the year ended June 30, 2022. Effective July 1, 2022, the University reinstated its contributions to the plan based on a match of a certain level of employee contributions. University contributions to this program were \$2,409 during the year ended June 30, 2023.

Note 10: Postretirement Benefits

Employees who retire and have met minimum service requirements are eligible to receive postretirement benefits in the form of health insurance coverage for themselves and their dependents until they reach the age of 70. The University recognizes postretirement benefits on an accrual basis as employees perform services to earn such benefits.

The University uses a June 30 measurement date for the postretirement benefit plan. The following table sets forth the funded status of the postretirement benefit plan at June 30:

	2023	2022
Accumulated postretirement benefit obligation		
Retirees	\$ 1,877	\$ 2,594
Fully eligible plan participants	829	1,263
Other active plan participants	<u>2,900</u>	<u>3,794</u>
Accumulated postretirement benefits	5,606	7,651
Plan assets, at fair value	<u>-</u>	<u>-</u>
Accumulated postretirement benefit obligation in excess of plan assets	5,606	7,651
Current portion of postretirement benefit accrual	<u>(568)</u>	<u>(804)</u>
Total long-term portion of postretirement benefit accrual	<u><u>\$ 5,038</u></u>	<u><u>\$ 6,847</u></u>
Amounts recognized in nonoperating activities		
Net actuarial gain	<u>\$ 1,817</u>	<u>\$ 3,281</u>
Net gain recognized in nonoperating activities	<u><u>\$ 1,817</u></u>	<u><u>\$ 3,281</u></u>

Postretirement benefit expense for the year ended June 30, 2023 was \$506 and included \$427 service cost, \$345 interest cost, and \$(266) amortization gains. Postretirement benefit expense for

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the year ended June 30, 2022 was \$811 and included \$544 service cost, \$267 interest cost, and \$0 amortization gains.

Benefits paid to participants during 2023 and 2022 were \$1,000 and \$1,133, respectively.

For measurement purposes, a 7.5% annual rate of increase in the per capita cost of covered medical care benefits was assumed for the year ended June 30, 2023; the rate was assumed to decrease 0.25% per year to 4.5% for 2036 and remain at that level thereafter. The medical care cost trend rate assumption has an effect on the amounts reported.

The weighted-discount rate used in determining the accumulated postretirement benefit obligation was 5.34% and 4.77% for the years ended June 30, 2023 and 2022, respectively.

Gross benefit payments, which reflect expected future service, are expected to be paid as follows:

2024	\$ 583
2025	589
2026	537
2027	513
2028	472
2029–2033	<u>2,570</u>
	<u><u>\$ 5,264</u></u>

Contributions expected to be paid to the plan are consistent with the benefits above.

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Note 11: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions or board designations limiting their use, within one year of June 30, 2023 and 2022, comprise the following:

	2023	2022
Total financial assets	\$ 1,320,034	\$ 1,345,696
Externally imposed restrictions		
Beneficial interest in funds held by others	599,328	592,001
Deposits with trustee	8,225	12,415
Endowment investments	602,746	625,035
Nonendowment investments	4,284	3,323
Other endowment assets		
Cash and cash equivalents	22,091	16,009
Contributions receivable	4,429	6,106
Net financial assets after externally imposed restrictions	78,931	90,807
Internal designations		
Quasi-endowments	35,405	36,350
Other noncurrent assets		
Contributions receivable	23,769	13,601
Student loans receivable, net	2,924	2,211
Financial assets available to meet cash needs for general expenditures within one year	16,833	38,645
Funding available from line of credit to meet cash needs for general expenditures within one year	75,000	75,000
Total financial assets and line of credit available to meet cash needs for general expenditures within one year	<u>\$ 91,833</u>	<u>\$ 113,645</u>

The University receives significant contributions restricted by donors and considers contributions restricted for programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended June 30, 2023 and 2022, restricted contributions of \$3,979 and \$7,471, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.

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The University's endowment funds consist of donor-restricted endowments and funds designated by the Board of Trustees as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditures.

The quasi-endowment funds of \$35,405 and \$36,350 at June 30, 2023 and 2022, respectively, are subject to an annual spending rate described in *Note 3*. The remaining amount could be made available if necessary. To help manage unanticipated liquidity needs, the University has a committed line of credit in the amount of \$75,000. As of June 30, 2023 and 2022, \$75,000 of the line of credit remained available to draw down.

The Board of Trustees has also designated an operating reserve of \$41,650 and \$52,150 at June 30, 2023 and 2022, respectively, that can be made available for general expenditures, as necessary.

The University does not have a formal liquidity policy. However, the University forecasts and monitors its future cash flows on a monthly basis in order to ensure continued prudent levels of liquidity.

Note 12: Commitments, Contingencies, and Concentrations

The University is subject to various legal proceedings and claims that arise in the ordinary course of business. Management of the University believes the amount of ultimate liability with respect to these actions will be immaterial.

Certain land included in educational plant may not be sold, assigned, conveyed, leased, or transferred without prior approval of the Tulsa Development Authority (TDA). In addition, the land may not be used for any purposes other than those purposes specified in the Urban Renewal Plan agreed to by TDA and the University.

The University conducts certain programs pursuant to grants and contracts funded and subject to audit by various federal and state agencies. Amounts questioned as a result of audits, if any, may result in reimbursements to these governmental agencies. Management of the University believes the amounts questioned, if any, will be immaterial.

The University began participation in the Federal Direct Student Loan Program (the Program) as mandated by the *Health Education Reconciliation Act of 2010* effective July 1, 2010. The total amount loaned under the Program during the years ended June 30, 2023 and 2022 was \$29,273 and \$28,231, respectively, and is not included in the accompanying consolidated financial statements. The University performs certain administrative functions in accordance with federal regulations. If the University fails to perform these functions, it may be liable to the federal government for a portion of the outstanding loans. Management of the University believes that it has satisfactorily administered this program and that the University's liability, if any, will be immaterial.

Approximately 26% of all contributions were received from two donors in 2023.

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Note 13: Leases

Accounting Policies

The University determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right-of-use assets and lease liabilities on the accompanying consolidated statements of financial position. Right-of-use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease measured on a discounted basis. The University determines lease classification as operating or finance at the lease commencement date.

The University combines lease and nonlease components, such as common area and other maintenance costs, in calculating the right-of-use assets and lease liabilities for its office buildings and employee vehicles. The University allocates the consideration to the lease and nonlease components using their relative stand-alone values.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The right-of-use asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The University has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the University is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The University has elected not to record leases with an initial term of 12 months or less on the accompanying consolidated statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

The University has entered into the following lease arrangements:

Finance Leases

The University has no leases classified as finance at the lease commencement date.

Operating Leases

The University has leases for building space that expire in various years through 2025. These leases generally contain renewal options and require the University to pay all executory costs (property taxes, maintenance, and insurance). Certain lease payments have an escalating fee schedule of a 2% increase each year. Termination of the leases is generally prohibited unless there is a violation under the lease agreement. A portion of the leased space is subleased under leases expiring in 2025.

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The University has an operating lease for solar panels that expires in 2036. The University has an operating lease for equipment for student housing that expires in 2024.

All Leases

The University has no material related-party leases. The University's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As of June 30, 2023, the University has not entered into additional operating and finance leases that have not yet commenced.

Quantitative Disclosures

The lease cost and other required information for the years ended June 30 are:

	2023	2022
Lease cost		
Operating lease cost	\$ 1,574	\$ 1,646
Sublease income	(323)	(317)
	<u>\$ 1,251</u>	<u>\$ 1,329</u>
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 1,831	\$ 1,607
Weighted-average remaining lease term		
Operating leases	5.54 years	5.64 years
Weighted-average discount rate		
Operating leases	0.84%	0.38%

Future minimum lease payments and reconciliation to the accompanying consolidated statements of financial position at June 30, 2023 are as follows:

2024	\$ 1,450
2025	1,253
2026	668
2027	91
2028	91
Thereafter	845
Total future undiscounted lease payments	<u>4,398</u>
Less interest	<u>147</u>
Operating lease liabilities	<u>\$ 4,251</u>

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Notes to Consolidated Financial Statements
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Note 14: Conditional Gifts

The University has received the following conditional promises to give at June 30 that are not recognized in the accompanying consolidated financial statements:

	<u>2023</u>	<u>2022</u>
Contingent on research costs incurred		
Federal agencies	\$ 17,095	\$ 8,122
Private nonprofit organizations	253	385
State agencies	<u>289</u>	<u>366</u>
	<u>\$ 17,637</u>	<u>\$ 8,873</u>

Note 15: COVID-19 Pandemic

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of COVID-19 as a global pandemic. In response, the University made significant changes to its operations. In addition, the University received grant funds through the Higher Education Emergency Relief Fund (HEERF) to be paid to students and to cover institutional costs associated with significant changes to the delivery of instruction due to COVID-19. The student portion of these grants is paid directly to students and are recorded as pass-through grants with no impact on the change in net assets on the accompanying consolidated statements of activities. The institutional portion amounts expended below were used for technology upgrades under HEERF I and for lost revenues under HEERF II and HEERF III.

Grants awarded, cash received, and expenditures charged to the HEERF grant for the year ended June 30, 2022 are as follows. No amounts were awarded, received, or expended during the year ended June 30, 2023.

	<u>HEERF I</u>	<u>HEERF II</u>	<u>HEERF III</u>	<u>Total</u>
2022				
Grant awarded				
Student portion	\$ -	\$ -	\$ -	\$ -
Institutional portion	\$ -	\$ -	\$ 1,014	\$ 1,014
Cash received				
Student portion	\$ -	\$ -	\$ 3,514	\$ 3,514
Institutional portion	\$ -	\$ -	\$ 1,014	\$ 1,014
Amount expended				
Student portion	\$ -	\$ -	\$ 3,514	\$ 3,514
Institutional portion	\$ -	\$ -	\$ 1,014	\$ 1,014

Supplementary Information

The University of Tulsa
Consolidating Schedule of Financial Position
June 30, 2023
(In Thousands)

Assets

	The University of Tulsa	The Gilcrease Museum Management Trust	Total
Current Assets			
Cash and cash equivalents	\$ (4,099)	\$ 30,163	\$ 26,064
Accounts receivable, net	10,889	-	10,889
Deposits with trustee – current	8,225	-	8,225
Inventories	264	28	292
Prepaid expenses and deferred charges	5,272	35	5,307
Contributions receivable, net – current	<u>3,527</u>	<u>5,204</u>	<u>8,731</u>
Total current assets	24,078	35,430	59,508
Contributions receivable, net	11,485	11,961	23,446
Student loans receivable, net	2,924	-	2,924
Investments	606,505	33,922	640,427
Educational plant, net	357,361	102	357,463
Right-of-use assets – operating leases	4,259	2	4,261
Beneficial interest in funds held by others	<u>599,257</u>	<u>71</u>	<u>599,328</u>
Total assets	<u><u>\$ 1,605,869</u></u>	<u><u>\$ 81,488</u></u>	<u><u>\$ 1,687,357</u></u>

Liabilities and Net Assets

	The University of Tulsa	The Gilcrease Museum Management Trust	Total
Current Liabilities			
Accounts payable	\$ 7,888	\$ 120	\$ 8,008
Accrued expenses	8,353	196	8,549
Notes and mortgages payable, net – current	215	-	215
Deposits payable	1,833	3	1,836
Deferred revenue	3,218	3	3,221
Advances under grants and contracts	3,747	-	3,747
Bonds payable, net – current	8,090	-	8,090
Operating lease liabilities – current	1,448	2	1,450
Postretirement benefit obligation – current	554	14	568
Total current liabilities	35,346	338	35,684
Notes and mortgages payable, net	2,385	-	2,385
Advances under federal loan programs	2,167	-	2,167
Bonds payable, net	74,386	-	74,386
Postretirement benefit obligation	4,914	124	5,038
Operating lease liabilities	2,801	-	2,801
Other noncurrent liabilities	466	-	466
Total liabilities	122,465	462	122,927
Net Assets			
Without donor restrictions	207,843	6,397	214,240
With donor restrictions	1,275,561	74,629	1,350,190
Total net assets	1,483,404	81,026	1,564,430
Total liabilities and net assets	\$ 1,605,869	\$ 81,488	\$ 1,687,357

The University of Tulsa
Consolidating Schedule of Financial Position
June 30, 2022
(In Thousands)

Assets

	The University of Tulsa	The Gilcrease Museum Management Trust	Total
Current Assets			
Cash and cash equivalents	\$ 9,320	\$ 25,262	\$ 34,582
Accounts receivable, net	12,601	-	12,601
Deposits with trustee – current	5,339	-	5,339
Inventories	228	28	256
Prepaid expenses and deferred charges	4,321	22	4,343
Contributions receivable, net – current	6,551	3,215	9,766
	<hr/>	<hr/>	<hr/>
Total current assets	38,360	28,527	66,887
Contributions receivable, net	10,457	6,955	17,412
Student loans receivable, net	2,211	-	2,211
Investments	631,676	33,032	664,708
Deposits with trustee	7,076	-	7,076
Educational plant, net	344,007	127	344,134
Right-of-use assets – operating leases	6,077	5	6,082
Beneficial interest in funds held by others	591,935	66	592,001
	<hr/>	<hr/>	<hr/>
Total assets	<u><u>\$ 1,631,799</u></u>	<u><u>\$ 68,712</u></u>	<u><u>\$ 1,700,511</u></u>

Liabilities and Net Assets

	The University of Tulsa	The Gilcrease Museum Management Trust	Total
Current Liabilities			
Accounts payable	\$ 4,599	\$ 48	\$ 4,647
Accrued expenses	8,565	150	8,715
Notes and mortgages payable, net – current	51	-	51
Deposits payable	2,363	73	2,436
Deferred revenue	5,669	-	5,669
Advances under grants and contracts	3,115	-	3,115
Bonds payable, net – current	9,011	-	9,011
Operating lease liabilities – current	1,618	3	1,621
Postretirement benefit obligation – current	785	19	804
	<hr/>	<hr/>	<hr/>
Total current liabilities	35,776	293	36,069
Advances under federal loan programs	3,525	-	3,525
Bonds payable, net	87,788	-	87,788
Postretirement benefit obligation	6,689	158	6,847
Operating lease liabilities	4,459	2	4,461
Other noncurrent liabilities	435	-	435
	<hr/>	<hr/>	<hr/>
Total liabilities	138,672	453	139,125
	<hr/>	<hr/>	<hr/>
Net Assets			
Without donor restrictions	191,579	6,171	197,750
With donor restrictions	1,301,548	62,088	1,363,636
	<hr/>	<hr/>	<hr/>
Total net assets	1,493,127	68,259	1,561,386
	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 1,631,799</u>	<u>\$ 68,712</u>	<u>\$ 1,700,511</u>

The University of Tulsa
Consolidating Schedule of Activities
Year Ended June 30, 2023
(In Thousands)

	The University of Tulsa		The Gilcrease Museum Management Trust		Eliminations		Total	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Revenues, Gains, and Other Support								
Student tuition and fees	\$ 65,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,101	\$ -
Sales and services of educational departments and public services	4,332	-	3,556	-	-	-	7,888	-
Sales and services of auxiliary enterprises, net	32,633	-	-	-	-	-	32,633	-
Research services and sponsored projects	16,260	508	245	-	-	-	16,505	508
Gifts, grants, and pledges	8,336	5,356	791	3,230	-	-	9,127	8,586
Contributions from nonfinancial assets	-	200	415	-	(415)	-	-	200
Endowment income	11,212	32,636	862	792	-	-	12,074	33,428
Nonendowment investment gain	1,653	-	6	58	-	-	1,659	58
Distributions from beneficial interest in funds held by others	32,108	191	-	-	-	-	32,108	191
Other	2,808	9	-	-	-	-	2,808	9
Net assets released from restrictions	56,837	(56,837)	1,107	(1,107)	-	-	57,944	(57,944)
Total revenues, gains, and other support	231,280	(17,937)	6,982	2,973	(415)	-	237,847	(14,964)
Expenses								
Instruction	61,688	-	-	-	-	-	61,688	-
Research	20,733	-	-	-	-	-	20,733	-
Public services	7,413	-	5,876	-	(415)	-	12,874	-
Academic support	27,749	-	-	-	-	-	27,749	-
Student services	20,317	-	-	-	-	-	20,317	-
Institutional support and other	39,821	-	-	-	-	-	39,821	-
Auxiliary enterprises	39,580	-	-	-	-	-	39,580	-
Total expenses	217,301	-	5,876	-	(415)	-	222,762	-
Operating Income (Loss)	13,979	(17,937)	1,106	2,973	-	-	15,085	(14,964)
Other Income (Expense)								
Net endowment gain (loss) in excess of income designated for operations	512	(28,048)	(880)	(666)	-	-	(368)	(28,714)
Gifts for capital acquisitions and endowments	3	12,614	-	10,274	-	-	3	22,888
Collection items purchased not capitalized	(45)	45	-	(45)	-	-	(45)	-
Other permanently restricted income, net	-	15	-	-	-	-	-	15
Change in donor restrictions	(2)	2	-	-	-	-	(2)	2
Adjustment of unrecognized postretirement costs	1,817	-	-	-	-	-	1,817	-
Increase in fair value of beneficial interest in funds held by others	-	7,322	-	5	-	-	-	7,327
Total other income (expense)	2,285	(8,050)	(880)	9,568	-	-	1,405	1,518
Increase (Decrease) in Net Assets	16,264	(25,987)	226	12,541	-	-	16,490	(13,446)
Net Assets, Beginning of Year	191,579	1,301,548	6,171	62,088	-	-	197,750	1,363,636
Net Assets, End of Year	\$ 207,843	\$ 1,275,561	\$ 6,397	\$ 74,629	\$ -	\$ -	\$ 214,240	\$ 1,350,190

The University of Tulsa
Consolidating Schedule of Activities
Year Ended June 30, 2022
(In Thousands)

	The University of Tulsa		The Gilcrease Museum Management Trust		Eliminations		Total	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Revenues, Gains, and Other Support								
Student tuition and fees	\$ 59,051	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,051	\$ -
Sales and services of educational departments and public services	7,812	-	-	-	-	-	7,812	-
Sales and services of auxiliary enterprises, net	27,927	-	3,369	-	-	-	31,296	-
Research services and sponsored projects	13,258	700	349	-	-	-	13,607	700
Gifts, grants, and pledges	7,042	15,672	606	651	-	-	7,648	16,323
HEERF for student grants	3,514	-	-	-	-	-	3,514	-
Contributions from nonfinancial assets	2	451	421	-	(421)	-	2	451
Endowment income	9,702	18,355	746	622	-	-	10,448	18,977
Nonendowment investment gain	92	-	-	23	-	-	92	23
Distributions from beneficial interest in funds held by others	20,278	11,849	-	-	-	-	20,278	11,849
Other	3,393	-	2	-	(2)	-	3,393	-
Net assets released from restrictions	39,803	(39,803)	1,641	(1,641)	-	-	41,444	(41,444)
Total revenues, gains, and other support	191,874	7,224	7,134	(345)	(423)	-	198,585	6,879
Expenses								
Instruction	57,009	-	-	-	-	-	57,009	-
Research	16,931	-	-	-	-	-	16,931	-
Public services	5,594	-	6,021	-	(423)	-	11,192	-
Academic support	22,953	-	-	-	-	-	22,953	-
Student services	15,053	-	-	-	-	-	15,053	-
Institutional support and other	29,817	-	-	-	-	-	29,817	-
Auxiliary enterprises	39,558	-	-	-	-	-	39,558	-
HEERF for student grants	3,514	-	-	-	-	-	3,514	-
Total expenses	190,429	-	6,021	-	(423)	-	196,027	-
Operating Income (Loss)	1,445	7,224	1,113	(345)	-	-	2,558	6,879
Other Income (Expense)								
Net endowment loss in excess of income designated for operations	(237)	(27,828)	(109)	(1,360)	-	-	(346)	(29,188)
Gifts for capital acquisitions and endowments	-	5,570	-	10,477	-	-	-	16,047
Other permanently restricted loss, net	-	(222)	-	-	-	-	-	(222)
Change in donor restrictions	(5)	5	-	-	-	-	(5)	5
Adjustment of unrecognized postretirement costs	3,281	-	-	-	-	-	3,281	-
Decrease in fair value of beneficial interest in funds held by others	-	(79,970)	-	(4)	-	-	-	(79,974)
Total other income (expense)	3,039	(102,445)	(109)	9,113	-	-	2,930	(93,332)
Increase (Decrease) in Net Assets	4,484	(95,221)	1,004	8,768	-	-	5,488	(86,453)
Net Assets, Beginning of Year	187,095	1,396,769	5,167	53,320	-	-	192,262	1,450,089
Net Assets, End of Year	\$ 191,579	\$ 1,301,548	\$ 6,171	\$ 62,088	\$ -	\$ -	\$ 197,750	\$ 1,363,636