




The University of Oklahoma Health Sciences Center

Independent Auditor's Reports and Financial Statements

June 30, 2023



The University of Oklahoma Health Sciences Center
June 30, 2023

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Independent Auditor's Report

Regents of the University of Oklahoma
The University of Oklahoma Health Sciences Center
Norman, Oklahoma

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The University of Oklahoma Health Sciences Center (the Center), an organizational unit of the Regents of the University of Oklahoma, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, as listed in the table of contents.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in *Note 1* to the financial statements, in 2023, the Center adopted new accounting guidance for accounting for subscription-based information technology arrangements. Our opinion is not modified with respect to this matter.

Reporting Entity

As discussed in *Note 1*, the accompanying financial statements of the Center are intended to present the financial position, changes in financial position, and cash flows of only the activities of the Center. They do not purport to, and do not, present fairly the financial position of The University of Oklahoma as of June 30, 2023 and the changes in its financial position or its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension information, and other postemployment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Center's basic financial statements. The accompanying supplementary information, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the related agency summary are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2023 on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

FORVIS,LLP

Tulsa, Oklahoma
October 30, 2023

The University of Oklahoma Health Sciences Center

Management's Discussion and Analysis

Year Ended June 30, 2023

The discussion and analysis of The University of Oklahoma Health Sciences Center's (the Center) financial statements provides an overview of the Center's financial activities for the year ended June 30, 2023.

Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis.

Financial Highlights

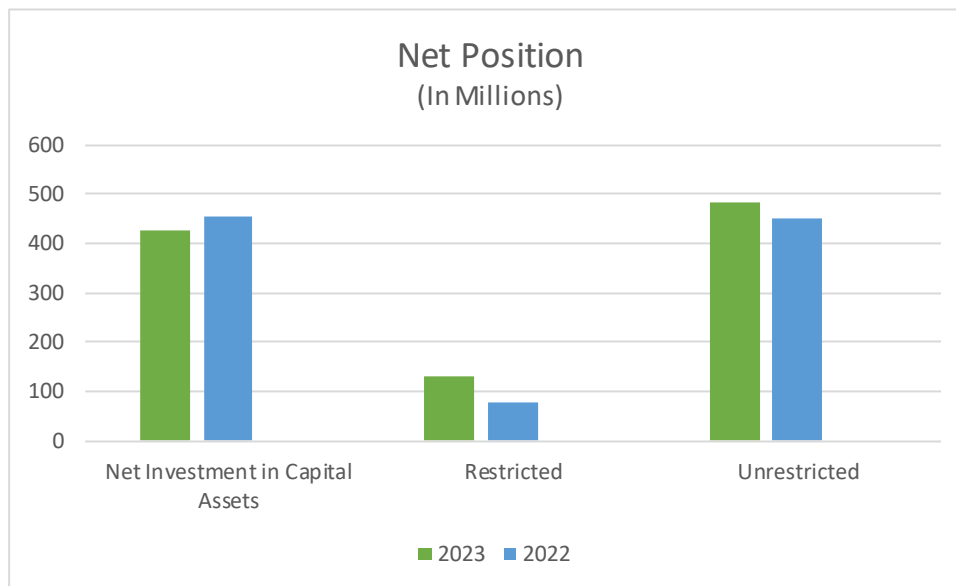
2023

The Center's financial position, as a whole, improved during the fiscal year ended June 30, 2023. Net position increased by \$61.9 million. The change resulted from a decrease in net investment in capital assets of \$27.4 million, an increase in restricted net position of \$55.2 million, and an increase in unrestricted net position of \$34.1 million.

2022

The Center's financial position, as a whole, declined during the fiscal year ended June 30, 2022. Net position decreased by \$57.9 million. The change resulted from an increase in net investment in capital assets of \$5.3 million, an increase in restricted net position of \$1.6 million, and a decrease in unrestricted net position of \$64.8 million.

The following graph illustrates the comparative change in net position by category for the years ended June 30:



Overview of the Financial Statements and Financial Analysis

This report consists of management’s discussion and analysis; the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. These statements provide both long-term and short-term financial information on the Center as a whole. The 2022 financial information contained herein has not been restated for the adoption of Governmental Accounting Standards Board (GASB) 96, *Subscription-Based Information Technology Arrangements*, disclosed in *Note 1* to the financial statements, because of the single-year presentation of the basic financial statements.

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position

The statement of net position and the statement of revenues, expenses, and changes in net position report the Center’s net position and how it has changed. Net position—the difference between combined assets and deferred outflows of resources and combined liabilities and deferred inflows of resources—is one way to measure the Center’s financial health or position. Over time, increases or decreases in the Center’s net position are indicators of whether its financial health is improving. Nonfinancial factors are also important to consider, including student enrollment, condition of campus buildings, patient census, and trends in national healthcare reimbursement policies.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. All of the current year’s revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the Center’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, as well as the Center’s revenues, expenses, and changes in net position for the years ended June 30:

Condensed Statements of Net Position – June 30 (in Millions)

| | 2023 | 2022 |
|--|------------|----------|
| Assets | | |
| Current assets | \$ 785.4 | \$ 774.0 |
| Capital, lease, and subscription assets, net | 605.0 | 586.7 |
| Other noncurrent assets | 317.8 | 276.6 |
| Total assets | 1,708.2 | 1,637.3 |
| Deferred Outflows of Resources | 85.9 | 84.2 |
| Liabilities | | |
| Current liabilities | 120.0 | 136.7 |
| Noncurrent liabilities | 550.8 | 419.6 |
| Total liabilities | 670.8 | 556.3 |
| Deferred Inflows of Resources | 81.4 | 185.1 |
| Net Position | | |
| Net investment in capital assets | 426.2 | 453.6 |
| Restricted | 131.2 | 76.0 |
| Unrestricted | 484.6 | 450.5 |
| Total net position | \$ 1,042.0 | \$ 980.1 |

Condensed Statements of Revenues, Expenses, and Changes in Net Position – Years Ended June 30 (in Millions)

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|-----------------|
| Operating Revenues | \$ 739.0 | \$ 859.8 |
| Operating Expenses | <u>834.1</u> | <u>933.5</u> |
| Operating Loss | (95.1) | (73.7) |
| Net Nonoperating Revenues (Expenses) | 142.1 | 110.0 |
| Other Revenues (Expenses) and Gains (Losses) | <u>14.9</u> | <u>(94.2)</u> |
| Change in Net Position | 61.9 | (57.9) |
| Net Position, Beginning of Year | <u>980.1</u> | <u>1,038.0</u> |
| Net Position, End of Year | <u>\$ 1,042.0</u> | <u>\$ 980.1</u> |

The following summarizes the Center’s operating revenues for the years ended June 30 (in millions):

| | <u>2023</u> | <u>2022</u> |
|--|-----------------|-----------------|
| Operating Revenues | | |
| Student tuition and fees | \$ 76.2 | \$ 71.2 |
| Patient care | 69.8 | 66.3 |
| Pharmaceutical sales | 77.3 | 106.6 |
| Grants and contracts | 438.2 | 522.8 |
| Sales and services of educational activities | 2.1 | 1.7 |
| Sales and services of auxiliary enterprises | 55.9 | 65.9 |
| Other | <u>19.5</u> | <u>25.3</u> |
| Total operating revenues | <u>\$ 739.0</u> | <u>\$ 859.8</u> |

Changes in operating revenues included the following:

2023

Student tuition and fees revenue remained steady with a slight increase of \$5.0 million primarily due to an increase in enrollment.

Patient care increased \$3.5 million primarily due to better than anticipated collections on patient receivables and continued run off from the OU Medicine, Inc. (d/b/a OUHealth) transaction.

Pharmaceutical sales decreased \$29.3 million due to the transition of several pharmacies to OUHealth, which was partially offset by the opening of a new pharmacy during the year.

Grants and contracts overall decreased by \$84.6 million. Federal grants and contracts remained steady with a slight increase of \$3.3 million. State grants and contracts increased \$10.1 million primarily due to increased activity from University Hospital Authority and Trust. Private grants and contracts decreased

by \$98.0 million due to contracts in the prior year with OU Health for provider services as part of the transition.

Sales and services of auxiliary enterprises – other decreased \$10.0 million primarily due to the sale of \$14.0 million in IT-related equipment to OU Health in the prior year.

Other revenues decreased by \$5.8 million primarily due to a statutory surplus return from the American Physicians Insurance Company in the prior year.

2022

Student tuition and fees revenue remained steady with a slight increase of \$0.4 million.

Patient care decreased over the past year by \$373.8 million. This was due to the transfer of the clinical practice (d/b/a OU Physicians) to OU Health.

Pharmaceutical sales increased \$5.4 million due primarily to increased activity in the Pharmacist Care Center retail pharmacy operated by the College of Pharmacy.

Federal grants and contracts increased by \$9.5 million due to increased federal-sponsored research related to family medicine, pediatrics, and pharmacy. State grants and contracts increased by \$11.9 million due to increased activity from University Hospital Authority and Trust and a reclassification of revenue. Private grants and contracts increased by \$162.5 million due to contracts to OU Health for provider services, which was partially offset by a decrease in sponsored grants and contracts and a decrease in mission support from OU Health.

Sales and services of auxiliary enterprises – other increased \$19.9 million primarily due to the sale of \$14.0 million in IT-related equipment to OU Health and an increase in auxiliary rent totaling \$4.0 million.

Other revenues increased by \$10.1 million due primarily to a statutory surplus return from the American Physicians Insurance Company.

The following summarizes the Center’s operating expenses for the years ended June 30 (in millions):

| | <u>2023</u> | <u>2022</u> |
|-------------------------------|-------------------|-------------------|
| Operating Expenses | | |
| Compensation and benefits | \$ 538.4 | \$ 595.7 |
| Contractual services | 109.0 | 117.7 |
| Supplies and materials | 93.8 | 135.5 |
| Depreciation and amortization | 29.9 | 26.6 |
| Utilities | 19.8 | 17.0 |
| Communications | 6.0 | 5.2 |
| Scholarships | 4.8 | 9.4 |
| Other | 32.4 | 26.4 |
| | <u> </u> | <u> </u> |
| Total operating expenses | <u>\$ 834.1</u> | <u>\$ 933.5</u> |

Changes in operating expenses were the result of the following:

2023

Compensation and benefits expense decreased by \$57.3 million primarily due to the transfer of clinician employees to OU Health. Additionally, a decrease in salaries associated with faculty/staff due to vacancies was offset by an increase in pension and OPEB expenses.

Contractual services expense decreased by \$8.7 million driven by a decrease in locum and temporary staffing service contracts from the prior year.

Supplies and materials expense decreased by \$41.7 million primarily driven by a decrease in the purchase of pharmaceuticals for resale with the transfer of those facilities to OU Health.

Other expenses increased by \$6.0 million primarily due to an uptick in travel expenses for increased activity and an increase in insurance premiums paid.

2022

Compensation and benefits expense decreased by \$104.3 million due to the transfer of employees to OU Health, partially offset by an increase in OPEB and pension expense of \$33.6 million. Regular compensation and benefits decreased by \$137.9 million.

Contractual services expense increased by \$8.2 million in part from increases in IT software and maintenance contracts, locum and temporary staffing services, and subrecipient-sponsored contracts.

Supplies and materials expense increased by \$9.4 million. Pharmaceuticals for resale increased by \$8.0 million and IT purchases increased by \$7.0 million. These were offset by declines in other areas mainly due to the transfer of OU Physicians to OU Health.

Other expenses decreased by \$18.8 million due primarily to the transfer of OU Physicians expenses to OU Health.

The following summarizes the Center's nonoperating revenues and expenses for the years ended June 30 (in millions):

| | <u>2023</u> | <u>2022</u> |
|---|-----------------|-----------------|
| Nonoperating Revenues (Expenses) | | |
| State appropriations | \$ 78.5 | \$ 76.5 |
| Federal grants and contracts | 1.2 | 6.0 |
| On-behalf payments | 15.1 | 10.1 |
| Private gifts | 13.0 | 11.5 |
| Interest on indebtedness | (5.3) | (5.0) |
| Investment income (loss) | 19.9 | (4.2) |
| Endowment income | <u>19.7</u> | <u>15.1</u> |
| Net nonoperating revenues (expenses) | <u>\$ 142.1</u> | <u>\$ 110.0</u> |

Changes in nonoperating revenues and expenses were the result of the following:

2023

State appropriations remained steady with a slight increase from prior year of \$2.0 million.

Federal grants and contracts decreased by \$4.8 million due to the prior year revenue including CARES Act Provider Relief Fund distributions of \$6.0.

Investment income increased by \$24.1 million for the year. The increase is primarily driven by a \$15.0 million swing in the fair market value of endowment investments held at the University of Oklahoma Foundation, Inc., and increases in other investments held by the Center.

Endowment income increased \$4.6 million primarily due to an increase in utilization of endowed chair funds.

2022

State appropriations increased from the prior year by \$1.9 million.

Federal grants and contracts decreased by \$5.7 million due to the prior year revenue including the CARES Act Provider Relief Fund distributions of \$8.2 million, which was partially offset by increased Higher Education Emergency Relief Fund distributions totaling \$3.0 million.

Interest on indebtedness remained steady with a slight increase of \$0.7 million.

Investment income decreased by \$30.6 million for the year. This was primarily due to a \$15.2 million decrease in the value of endowment investments held at the University of Oklahoma Foundation, Inc., and decreases in other investments held by the Center.

The Statement of Cash Flows

The primary purpose of the statement of cash flows is to provide information about the cash receipts and disbursements of an entity during a period. This statement also aids in the assessment of an entity's ability to generate future net cash flows and meet obligations as they come due as well as needs for external financing. The following summarizes the Center's cash flows for the years ended June 30:

Condensed Statements of Cash Flows – Years Ended June 30 (in Millions)

| | 2023 | 2022 |
|---|-----------------|-----------------|
| Net Cash Provided by (Used in) | | |
| Operating activities | \$ (77.7) | \$ (100.2) |
| Noncapital financing activities | 112.1 | 52.3 |
| Capital and related financing activities | 9.4 | (28.7) |
| Investing activities | 7.9 | 8.9 |
| Increase (Decrease) in Cash and Cash Equivalents | 51.7 | (67.7) |
| Cash and Cash Equivalents, Beginning of Year | 643.7 | 711.4 |
| Cash and Cash Equivalents, End of Year | <u>\$ 695.4</u> | <u>\$ 643.7</u> |

2023

The Center's overall liquidity increased during the year, with a net increase to cash of \$51.7 million. Cash used in operating activities was \$77.7 million, a net decrease of \$22.5 million over the prior year. An overall decrease in operating expenses sufficiently offset the decrease in operating revenues.

Overall, cash provided by noncapital financing activities was \$112.1 million, a net increase of \$59.8 million over the prior year. This increase in cash flows was primarily due to a significant contribution to OU Health pursuant to the membership agreement in the prior year.

Cash flows provided by capital and related financing activities totaled \$9.4 million, an increase of \$38.1 million compared to the prior year. This was primarily a result of proceeds received from the issuance of general revenue bonds in the current year of \$50.0 million.

Cash provided by investing activities was \$7.9 million, a decrease of \$1 million compared to the prior year. The decrease was primarily driven by a decrease in proceeds from the sale and maturities of investments.

2022

The Center's overall liquidity decreased during the year, with a net decrease to cash of \$67.7 million. Cash used in operating activities was \$100.2 million, a net increase of \$46.1 million over the prior year. The use of cash was due to overall revenues not being sufficient to offset operating expenses.

Overall, cash provided by noncapital financing activities was \$52.3 million, a net decrease of \$59.1 million over the prior year. This decrease in cash flows was primarily due to the contribution to OU Health pursuant to the membership agreement.

Cash flows used in connection with capital and related financing activities totaled \$28.7 million, a decrease of \$2.0 million compared to the prior year. This was primarily a result of a decrease in cash used for the purchase of capital assets of \$2.9 million, an increase in proceeds from sale of capital assets of \$3.0 million, and a decrease in cash provided by state grants and contracts for capital projects of \$5.0 million.

Cash provided by investing activities was \$8.9 million, a decrease of \$2.0 million compared to the prior year. The decrease was substantially the result of a decrease of cash received from investment income of \$16.6 million, partially offset by increases in cash provided by proceeds from sales and maturities of investments of \$7.3 million, and a decrease in the cash used to purchase investments of \$7.3 million.

Capital, Lease, and Subscription Assets and Debt Administration

The following summarizes the Center's capital, lease, and subscription assets at June 30:

Capital, Lease, and Subscription Assets, Net – June 30 (in Millions)

| | 2023 | 2022 |
|--|-----------------|-----------------|
| Art | \$ 1.3 | \$ 1.3 |
| Land and infrastructure | 37.7 | 38.0 |
| Construction in progress | 47.8 | 35.0 |
| Buildings | 449.7 | 456.3 |
| Furniture, fixtures, and equipment | 58.5 | 54.1 |
| Library materials | 0.9 | 0.7 |
| Leased buildings and equipment and subscription assets | <u>9.1</u> | <u>1.3</u> |
| Capital, lease, and subscription assets, net | <u>\$ 605.0</u> | <u>\$ 586.7</u> |

2023

At June 30, 2023, the Center had \$605.0 million invested in capital, lease, and subscription assets, net of accumulated depreciation and amortization of \$455.2 million. Depreciation and amortization charges for the current year increased by \$3.3 million to \$29.9 million for recognition of amortization for subscription assets due to implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

2022

At June 30, 2022, the Center had \$586.7 million invested in capital, lease, and subscription assets, net of accumulated depreciation of \$432.6 million. Depreciation charges for the current year remained steady at \$26.6 million.

Debt

The following summarizes outstanding debt by type at June 30:

Outstanding Debt – June 30 (in Millions)

| | 2023 | 2022 |
|------------------------------------|-----------------|-----------------|
| General revenue bonds | \$ 167.3 | \$ 123.9 |
| Financing arrangements | 12.2 | 13.8 |
| Lease and subscription liabilities | 6.5 | 1.3 |
| Total outstanding debt | <u>\$ 186.0</u> | <u>\$ 139.0</u> |

2023

At fiscal year-end 2023, the Center had \$186.0 million in outstanding debt, an increase of \$47.0 million over the prior year due to the issuance of General Revenue Bonds Series 2023 A&B.

Debt repayments of \$15.2 million were made during the year. More detailed information related to the Center's long-term liabilities is presented in *Note 13* to the financial statements.

2022

At fiscal year-end 2022, the Center had \$139.0 million in outstanding debt, a decrease of \$5.9 million over the prior year.

Outside of the accounting treatment for leases under GASB 87, *Leases*, the Center issued no new debt during 2022. Debt repayments of \$7.8 million were made during the year.

Economic Outlook

The Center's economic position is closely related to its role as the State's primary resource for the training of healthcare professionals. Future success is dependent upon the ability to recruit and retain highly qualified students, faculty, and staff, as well as ongoing financial and political support from state government. Support of the Center's mission remains steady; growth in the State's general revenue resulted in a 7.0% increase in appropriations for fiscal year 2024.

The Center's overall financial position enables it to provide consistent levels of service to students, patients, researchers, and citizens statewide. In July 2021, the Center's physician practice plan was integrated with the operations of OU Health. While a significant portion of the Center's clinical practice has transitioned to OU Health, future support from the integrated health system will be reinvested to grow the Center's educational and research mission.

The University of Oklahoma Health Sciences Center
Statement of Net Position
June 30, 2023
(In Thousands)

Assets

Current Assets

| | |
|---|----------------|
| Cash and cash equivalents | \$ 617,505 |
| Restricted cash and cash equivalents | 16,787 |
| Short-term investments and accrued interest receivable | 20,406 |
| Accounts receivable, net of allowances | 123,038 |
| Lease receivable | 3,923 |
| Inventories and supplies | 1,543 |
| Loans to students, net of allowance for uncollectible loans | 1,149 |
| Deposits and prepaid expenses | <u>1,081</u> |
| Total current assets | <u>785,432</u> |

Noncurrent Assets

| | |
|--|------------------|
| Restricted cash and cash equivalents | 61,107 |
| Endowment investments | 58,776 |
| Other long-term investments | 159,299 |
| Investments in real estate | 2,025 |
| Loans to students, net | 6,559 |
| Lease receivable | 27,601 |
| Deposits and prepaid expenses | 999 |
| Net OPEB asset | 1,409 |
| Capital, lease, and subscription assets, net | <u>605,001</u> |
| Total noncurrent assets | <u>922,776</u> |
| Total assets | <u>1,708,208</u> |

Deferred Outflows of Resources

Deferred Outflows

| | |
|----------|--------|
| Pensions | 70,486 |
| OPEB | 5,550 |

Deferred Charge on Debt Refunding

| | |
|--------------------------------------|---------------|
| | <u>9,888</u> |
| Total deferred outflows of resources | <u>85,924</u> |

The University of Oklahoma Health Sciences Center
Statement of Net Position, continued
June 30, 2023
(In Thousands)

Liabilities

Current Liabilities

| | |
|---|-----------|
| Accounts payable and accrued expenses | \$ 73,362 |
| Unearned revenue | 7,178 |
| Accrued interest payable | 2,640 |
| Deposits held in custody for others | 894 |
| Long-term liabilities – current portion | |
| Accrued compensated absences and other | 24,002 |
| Leases payable | 201 |
| Subscriptions payable | 2,791 |
| OFDA and OCIA financing arrangements | 1,478 |
| Revenue bonds payable | 7,443 |
| | <hr/> |
| Total current liabilities | 119,989 |

Noncurrent Liabilities

| | |
|---|---------|
| Accrued compensated absences and other | 8,607 |
| Net pension liability | 247,961 |
| Total OPEB liability | 112,667 |
| Leases payable | 410 |
| Subscriptions payable | 3,113 |
| Federal loan program contributions refundable | 7,447 |
| OFDA and OCIA financing arrangements | 10,691 |
| Revenue bonds payable | 159,876 |
| | <hr/> |
| Total noncurrent liabilities | 550,772 |
| | <hr/> |
| Total liabilities | 670,761 |

Deferred Inflows of Resources

Deferred Inflows

| | |
|----------|--------|
| Pensions | 36,106 |
| OPEB | 14,185 |
| Leases | 30,733 |

Deferred Credit on OCIA Financing Arrangement Restructure

340

Total deferred inflows of resources

81,364

The University of Oklahoma Health Sciences Center
Statement of Net Position, continued
June 30, 2023
(In Thousands)

Net Position

| | | |
|---|----|-----------|
| Net Investment in Capital Assets | \$ | 426,177 |
| Restricted for | | |
| Nonexpendable | | 33,427 |
| Expendable | | |
| Education, scholarships, and other | | 22,131 |
| OPEB | | 1,409 |
| Capital projects | | 56,674 |
| Debt service | | 17,618 |
| Unrestricted | | 484,571 |
| Total net position | \$ | 1,042,007 |

The University of Oklahoma Health Sciences Center
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2023
(In Thousands)

Operating Revenues

| | | |
|---|----|---------|
| Student tuition and fees, net of scholarship allowances – \$7,043 | \$ | 76,170 |
| Patient care, net of provisions for contractual, bad debt, and other adjustments – \$32,344 | | 69,806 |
| Pharmaceutical sales | | 77,311 |
| Federal grants and contracts | | 109,863 |
| State grants and contracts | | 92,069 |
| Private grants and contracts | | 236,248 |
| Sales and services of educational activities | | 2,141 |
| Sales and services of auxiliary enterprises | | |
| Steam and chilled water plant revenues | | 10,876 |
| Other | | 45,018 |
| Other revenues, including \$0 from interest on student loans | | 19,533 |
| Total operating revenues | | 739,035 |

Operating Expenses

| | | |
|-------------------------------|--|---------|
| Compensation and benefits | | 538,434 |
| Contractual services | | 109,012 |
| Supplies and materials | | 93,788 |
| Depreciation and amortization | | 29,935 |
| Utilities | | 19,762 |
| Communications | | 6,014 |
| Scholarships | | 4,794 |
| Other | | 32,433 |
| Total operating expenses | | 834,172 |

Operating Loss

(95,137)

Nonoperating Revenues (Expenses)

| | | |
|--------------------------------------|--|---------|
| State appropriations | | 78,548 |
| Federal grants and contracts | | 1,243 |
| On-behalf payments | | 15,043 |
| Private gifts | | 13,002 |
| Interest on indebtedness | | (5,369) |
| Investment income | | 19,909 |
| Endowment income | | 19,705 |
| Net nonoperating revenues (expenses) | | 142,081 |

The University of Oklahoma Health Sciences Center
Statement of Revenues, Expenses, and Changes in Net Position, continued
Year Ended June 30, 2023
(In Thousands)

| | | |
|---|-----------|------------------|
| Income Before Other Revenues and Gains | \$ | 46,944 |
| <hr/> | | |
| Other Revenues and Gains | | |
| State appropriations for capital projects | | 4,846 |
| Private gifts for capital projects | | 142 |
| State school land funds | | 3,998 |
| Additions to permanent endowment | | 5,948 |
| <hr/> | | |
| Total other revenues and gains | | 14,934 |
| <hr/> | | |
| Change in Net Position | | 61,878 |
| Net Position, Beginning of Year | | 980,129 |
| <hr/> | | |
| Net Position, End of Year | \$ | 1,042,007 |
| <hr/> <hr/> | | |

The University of Oklahoma Health Sciences Center
Statement of Cash Flows
Year Ended June 30, 2023
(In Thousands)

Operating Activities

| | |
|---|------------------|
| Tuition and fees | \$ 76,142 |
| Patient revenues | 55,852 |
| Pharmaceutical sales | 73,188 |
| Federal grants and contracts | 106,759 |
| State grants and contracts | 106,251 |
| Private grants and contracts | 243,632 |
| Sales and services of auxiliary enterprises | 42,073 |
| Sales and services of educational activities | 2,812 |
| Steam and chilled water plant revenues | 10,758 |
| Other additions | 21,868 |
| Loans issued to students | (1,225) |
| Collection of loans | 824 |
| Compensation and benefits | (551,550) |
| Contractual services | (104,842) |
| Supplies and materials, utilities, communications, scholarships, other, and deposits held in custody | <u>(160,226)</u> |

Net cash used in operating activities (77,684)

Noncapital Financing Activities

| | |
|---|--------------|
| State appropriations | 78,548 |
| Endowment income | 13,619 |
| Private gifts | 12,910 |
| Permanent additions to endowment | 5,948 |
| Federal grants and contracts | 1,243 |
| Direct loan receipts | 71,143 |
| Direct loan disbursements | (71,143) |
| Net decrease to federal loan program contributions refundable | <u>(139)</u> |

Net cash provided by noncapital financing activities 112,129

The University of Oklahoma Health Sciences Center
Statement of Cash Flows, continued
Year Ended June 30, 2023
(In Thousands)

| | |
|---|--------------------------|
| Capital and Related Financing Activities | |
| Proceeds from bonds payable | \$ 50,326 |
| State appropriations for capital projects | 5,779 |
| Private gifts for capital projects | 142 |
| Purchases of capital assets | (37,791) |
| Collections on leases receivable | 3,994 |
| Collections on accrued interest receivable for leases | 807 |
| Principal paid on capital debt, leases, and subscriptions | (13,675) |
| Interest paid on capital debt, leases, and subscriptions | (4,204) |
| Receipt of state school land funds | <u>3,998</u> |
| Net cash provided by capital and related financing activities | <u>9,376</u> |
| Investing Activities | |
| Investment income | 11,309 |
| Proceeds from sales and maturities of investments | 2,471 |
| Purchases of investments | <u>(5,948)</u> |
| Net cash provided by investing activities | <u>7,832</u> |
| Increase in Cash and Cash Equivalents | 51,653 |
| Cash and Cash Equivalents, Beginning of Year | <u>643,746</u> |
| Cash and Cash Equivalents, End of Year | <u><u>\$ 695,399</u></u> |
| Reconciliation of Cash and Cash Equivalents to the Statement of Net Position | |
| Current assets | |
| Cash and cash equivalents | \$ 617,505 |
| Restricted cash and cash equivalents | 16,787 |
| Noncurrent assets | |
| Restricted cash and cash equivalents | <u>61,107</u> |
| Total cash and cash equivalents | <u><u>\$ 695,399</u></u> |

The University of Oklahoma Health Sciences Center
Statement of Cash Flows, continued
Year Ended June 30, 2023
(In Thousands)

| | |
|--|--------------------|
| Reconciliation of Operating Loss to Net Cash Used in Operating Activities | |
| Operating loss | \$ (95,137) |
| Adjustments to reconcile operating loss to net cash used in operating activities | |
| Depreciation and amortization | 29,935 |
| Loss on disposal of capital assets | 159 |
| On-behalf contributions related to pensions | 13,255 |
| Change in assets and liabilities | |
| Accounts receivable | 8,733 |
| Inventories and supplies | 32 |
| Loans to students | (381) |
| Deposits and prepaid expenses | 7,317 |
| Net OPEB asset | 2,779 |
| Deferred outflows related to pensions and OPEB | (2,285) |
| Accounts payable and accrued expenses | (17,521) |
| Unearned revenue | 362 |
| Deposits held in custody for others | (2,929) |
| Compensated absences | 1,484 |
| Total OPEB liability | 3,134 |
| Net pension liability | 83,925 |
| Deferred inflows related to leases | (4,415) |
| Deferred inflows related to pensions and OPEB | (106,131) |
| | <u>(106,131)</u> |
| Net cash used in operating activities | <u>\$ (77,684)</u> |
| Noncash Investing and Financing Activities | |
| On-behalf interest paid by OCIA | \$ 565 |
| On-behalf principal payments made by OCIA | \$ 1,223 |
| Amortization of bond discount/premium | \$ 307 |
| Amortization of ODFA discount/premium | \$ 13 |
| Capital asset purchases in accounts payable | \$ 2,706 |
| Lease receivables obtained for leased assets | \$ 6,837 |
| Subscriptions payable incurred for subscription assets | \$ 4,681 |

The University of Oklahoma Health Sciences Center

Notes to Financial Statements

June 30, 2023

(In Thousands)

Note 1: Summary of Significant Accounting Policies

Nature of the Organization

The University of Oklahoma Health Sciences Center (the Center) is a comprehensive university operating under the jurisdiction of the Board of Regents of The University of Oklahoma (the Board of Regents) and the Oklahoma State Regents for Higher Education (the State Regents).

Reporting Entity

The Center is one of the four institutions of higher education in Oklahoma that comprise the Regents of the University of Oklahoma, which in turn is part of the Higher Education Component Unit of the State of Oklahoma. The Board of Regents has constitutional authority to govern, control, and manage the Regents of the University of Oklahoma, which consists of the Center, The University of Oklahoma – Norman Campus (the Norman Campus), Rogers State University, and Cameron University. This authority includes but is not limited to the power to designate management; the ability to significantly influence operations; acquire and take title to real and personal property in its name; and appoint or hire all necessary officers, supervisors, instructors, and employees for member institutions.

Accordingly, the Center is considered an organizational unit of the Regents of the University of Oklahoma reporting entity for financial reporting purposes due to the significance of its legal, operational, and financial relationships with the Board of Regents, as defined in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

The Center consists of seven academic colleges, including Colleges of Medicine, Public Health, Allied Health, Dentistry, Nursing, Pharmacy, and the Graduate College.

Faculty members in the Colleges of Medicine, Public Health, Allied Health, Dentistry, Nursing, and Pharmacy may participate in Professional Practice Plans (PPP). Faculty who participate in a PPP are primarily committed to the academic and research programs of the Center; however, they also engage in professional practice activities related to patient care and services. The financial position and operations of the PPPs are included in the accompanying financial statements of the Center.

For financial reporting purposes, the Center has included all funds, organizations, agencies, boards, commissions, and authorities within the reporting entity defined above. The Center has also considered all potential component units for which it is financially accountable and other organizations for which the nature of significance of their relationship with the Center are such that the exclusion would cause the Center's financial statements to be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and 1) the ability of the Center to impose its will on that organization or 2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Center. The Center does not have a component unit that meets the GASB criteria.

The University of Oklahoma Health Sciences Center

Notes to Financial Statements

June 30, 2023

(In Thousands)

Although the Center is a beneficiary of the University of Oklahoma Foundation, Inc. (the Foundation), the Foundation is independent of the Center in all respects. The Foundation is not a subsidiary or affiliate of the Center and is not directly or indirectly controlled by the Center or the Board of Regents. Assets that the Center places with the Foundation for investment, together with investment income, are held, administered, and distributed to the Center under the direction and supervision of the Foundation based upon the Center's policies and instructions. With the exception of assets that the Center and others have placed with the Foundation for investment (and the investment income from such assets), the assets held by the Foundation are the exclusive property of the Foundation. The Center is not accountable for, and does not have ownership of, any of the financial and capital resources of the Foundation. Neither the Center nor the Board of Regents has the power or authority to mortgage, pledge, or encumber the assets of the Foundation. The trustees of the Foundation are entitled to make all decisions regarding the business and affairs of the Foundation, including, without limitation, distributions made to the Center. Under state law, neither the principal nor income generated by the assets of the Foundation can be taken into consideration in determining the amount of state-appropriated funds allocated to the Center. Third parties dealing with the Center, the Board of Regents, the State Regents, and the State of Oklahoma (or any agency thereof) should not rely upon any financial information contained herein about the Foundation for any purpose without consideration of all of the foregoing conditions and limitations.

Financial Statement Presentation

GASB is the recognized standard-setting body for accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to public sector institutions of higher education. The Center applies all applicable GASB pronouncements.

Basis of Accounting

The accompanying financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, in accordance with U.S. GAAP. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. All intra-agency transactions have been eliminated.

Cash Equivalents

For purposes of the accompanying statement of cash flows, the Center considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State Treasurer's investment portfolio, OK INVEST, are considered cash equivalents.

Restricted Cash and Cash Equivalents

Cash and cash equivalents that are externally restricted to make debt service payments, to maintain sinking or reserve funds, or to purchase capital or other noncurrent assets are classified as restricted in the accompanying statement of net position. Restricted cash and cash equivalents available to be

The University of Oklahoma Health Sciences Center

Notes to Financial Statements

June 30, 2023

(In Thousands)

used for operating expenses, the repayment of liabilities classified as current, or other expenditures within a year are classified as current assets.

Short-Term Investments

Short-term investments include U.S. agency securities and treasury notes with an original maturity of 3 to 12 months, excluding restricted cash and investments.

Investments

The Center accounts for its investments at fair value. GASB Statement No. 72 specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. These classifications are summarized in the three broad levels listed below:

Level 1 – Unadjusted quoted prices for identical instruments in active markets that the reporting entity has the ability to access at the measurement date.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are directly or indirectly observable. Examples would be matrix pricing; market-corroborated pricing; and inputs, such as yield curves and indices.

Level 3 – Valuations derived from valuation techniques in which significant inputs or significant value drivers are unobservable and may rely on the reporting entity's own assumptions, but the market participant's assumptions may be used in pricing the asset or liability.

Inputs used to measure fair value might fall in different levels of the fair value hierarchy, in which case the Center defaults to the lowest level input that is significant to the fair value measurement in its entirety. These levels are not necessarily an indication of the risk or liquidity associated with the investments. In determining the appropriate levels, the Center performed a detailed analysis of the assets and liabilities that are subject to GASB 72. The Center establishes the fair value of certain investments that do not have a readily determinable fair value by using net asset value (NAV) per unit. Investments measured at NAV per unit are not categorized within the fair value hierarchy.

Certain investments held by the Foundation are pooled investments (see *Note 2*). Ownership interest in those pools is unitized. The Foundation calculates NAV per unit monthly based on the value of the underlying assets in each pool. New investments and withdrawals from those pools for the benefit of the unit holders are transmitted at NAV per unit on the monthly valuation dates. With the exception of alternative investments, the pooled funds are held in the custody of the Bank of New York Mellon. Changes in unrealized gain (loss), if any, on the carrying value of the investments are reported as a component of net investment income in the accompanying statement of revenues, expenses, and changes in net position.

The University of Oklahoma Health Sciences Center

Notes to Financial Statements

June 30, 2023

(In Thousands)

Equity holdings for which there is no traded market price are carried at historical cost instead of fair value and are evaluated annually for impairment. Changes in fair value are reported as a component of investment income in the accompanying statement of revenues, expenses, and changes in net position.

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students; auxiliary enterprise services provided to students, faculty, and staff; and amounts due for services provided through the PPPs and clinics. Amounts due from federal, state, and local governments and private sources, in connection with reimbursement of allowable expenditures made pursuant to the Center's grants and contracts, and construction projects are also included. Accounts receivable are recorded net of contractual adjustments and estimated uncollectible amounts. Payments on patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The Center determines its uncollectible balances and contractual allowances by considering several factors, including the length of time accounts receivable are past due and the Center's previous loss history (including historical payment trends by payor for PPP receivable balances), which is indirectly impacted by the condition of the general economy and the industry as a whole. The Center writes off specific accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to patient care revenue.

The Center grants credit without collateral to its patients. The following summarizes the estimated percentage of net patient accounts receivable from all payors as of June 30, 2023:

| | |
|---|-------------|
| Medicare | 17% |
| Medicaid | 44% |
| Other third-party and commercial payors | 17% |
| Other, including self-pay | 22% |
| | <hr/> |
| | 100% |
| | <hr/> <hr/> |

Inventories and Supplies

Inventories, consisting of merchandise for resale and supplies, are stated at the lower of aggregate cost or aggregate market. Cost is determined for the various types of inventory using the first-in, first-out and average cost methods, as deemed appropriate.

Capital Assets and Lease Assets

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. The Center's capitalization policy for furniture, fixtures, and equipment includes all items with a unit cost of \$5 or more and an estimated useful life of greater

The University of Oklahoma Health Sciences Center

Notes to Financial Statements

June 30, 2023

(In Thousands)

than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings; 20 years for infrastructure, land improvements, library materials, and capital improvements; 10 years for leasehold improvements, buses, construction equipment, furniture, fixtures, and equipment; 5 years for vehicles and software; and 3 years for computers, or the duration of the lease term for financing arrangements.

Costs incurred during construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service.

Lease assets are initially recorded as the sum of 1) the amount of the initial measurement of the lease liability, 2) lease payments made at or before the commencement of the lease term less any lease incentives received from the lessor at or before the commencement of the lease term, and 3) initial direct costs that are ancillary charges necessary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

Intangible assets are reported with capital assets. Intangible assets subject to amortization are amortized over their respective estimated useful lives ranging from 5 to 15 years. Intangible assets with indefinite useful lives are not material to the financial statements.

Capital assets and lease assets are subject to an evaluation of possible impairment when events or circumstances indicate that the related changes in carrying amounts may not be recoverable. If required, impairment losses are reported in the accompanying statement of revenues, expenses, and changes in net position. There were no events or changes in conditions requiring recognition of an impairment loss in 2023.

Subscription Assets

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

Subscription assets are subject to an evaluation of possible impairment when events or circumstances indicate that the related changes in carrying amounts may not be recoverable. If required, impairment losses are reported in the accompanying statement of revenues, expenses, and changes in net position. There were no events or changes in conditions requiring recognition of an impairment loss in 2023.

The University of Oklahoma Health Sciences Center

Notes to Financial Statements

June 30, 2023

(In Thousands)

Investments in Real Estate

Real estate held for investment is reported at fair value and changes in fair value are reported as a component of net investment income in the accompanying statement of revenues, expenses, and changes in net position.

Unearned Revenues

Unearned revenues consist primarily of grant receipts for which the work on the grant has not yet been completed. They also consist of amounts received for tuition and fees, auxiliary enterprises, and other activities prior to the end of the fiscal year but related to the subsequent accounting period.

Accrued Compensated Absences

Employees' compensated absences are accrued when earned. The obligation at the end of the year and expenditure incurred during the year are recorded as accrued compensated absences in the accompanying statement of net position and as a component of compensation and benefit expense in the accompanying statement of revenues, expenses, and changes in net position. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments, such as Social Security and Medicare taxes, computed using rates in effect at that date. The current portion of the obligation is determined by calculating a five-year average annual usage value and applying it to the total obligation.

Estimated Self-Insurance Reserves

The Center provides for self-insurance reserves for estimated incurred but not reported claims for its employee health plan, workers' compensation program, unemployment compensation insurance program, and student health insurance. These reserves, which are included in accounts payable and accrued expenses on the accompanying statement of net position, are estimated based upon historical submission and payment data, cost trends, utilization history, and other relevant factors. Adjustments to reserves are reflected in the operating results in the period in which the change in estimate is identified.

Medical Malpractice Coverage Claims

The Center is covered for medical malpractice risks under a medical malpractice insurance policy (see *Note 18*). The Center pays a fixed premium for coverage of malpractice claims the Center might potentially incur.

Noncurrent Liabilities

Noncurrent liabilities include principal amounts of revenue bonds payable and financing arrangements with contractual maturities greater than one year; federal loans liability; amounts for

The University of Oklahoma Health Sciences Center

Notes to Financial Statements

June 30, 2023

(In Thousands)

accrued compensated absences; total other postemployment benefits (OPEB) liability; net pension liability; and other liabilities that will not be paid within the next fiscal year. Bond issuance costs are expensed as incurred regardless of whether they are included in bond proceeds.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about and additions to/deductions from the fiduciary net position of the Oklahoma Teachers' Retirement System (OTRS) and other plans have been determined on the same basis as reported by OTRS and other plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by OTRS and other plans are reported at fair value by OTRS and other plans.

Deferred Outflows of Resources

Deferred outflows are the consumption of net position by the Center that are applicable to a future reporting period. The Center has deferred outflows of resources related to pensions, OPEB, and refunding of debt. The deferred outflows related to pensions and OPEB for contributions subsequent to the measurement date are recognized as a reduction of net pension liability in the following year. All other deferred outflows related to pensions and OPEB are recognized as a component of compensation expense over five years or the average expected remaining service life of the plan. The deferred outflows related to the refunding of debt are recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Deferred Inflows of Resources

Deferred inflows are the acquisition of net position by the Center that are applicable to a future reporting period. The Center has deferred inflows of resources related to an Oklahoma Capital Improvement Authority (OCIA) restructure, pensions, OPEB, and leases. The OCIA deferred inflows are recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. The deferred inflows related to pensions and OPEB are recognized as a component of compensation expense over five years or the average expected remaining service life of the plan. The deferred inflows related to leases are recognized as a component of operating revenue over the life of the lease.

Net Position

The Center's net position is classified as follows:

Net Investment in Capital Assets – Represents the Center's investment in capital, lease, and subscription assets (net of accumulated depreciation/amortization) and related deferred outflows of resources reduced by outstanding debt obligations and related deferred inflows of resources related to those capital, lease, and subscription assets. To the extent debt has been

The University of Oklahoma Health Sciences Center

Notes to Financial Statements

June 30, 2023

(In Thousands)

incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position – Nonexpendable – Consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted Net Position – Expendable – Includes resources in which the Center is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties or enabling legislation.

Unrestricted Net Position – Represents resources derived from student tuition and fees, state appropriations, sales and services of educational departments, and patient care revenue. These resources are used for transactions relating to the educational and general operations of the Center and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Center's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

Classification of Revenues

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

Operating Revenues – Include activities that have the characteristics of exchange transactions, such as student tuition and fees, net of scholarship allowances; patient revenues; sales and services of educational activities; sales and services of auxiliary enterprises; most federal, state, and local grants and contracts; and interest on student loans.

Nonoperating and Other Revenues – Include activities that have the characteristics of nonexchange transactions, such as gifts and contributions and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations, certain grants, and investment income.

Scholarship Allowances

Student tuition and fee revenue, and certain other revenues from students, are reported net of scholarship allowances in the accompanying statement of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the Center and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other

The University of Oklahoma Health Sciences Center

Notes to Financial Statements

June 30, 2023

(In Thousands)

federal, state, or nongovernmental programs are recorded as either operating or nonoperating revenues in the Center's financial statements.

Contributions

From time to time, the Center receives contributions from individuals and private organizations. Revenues from contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted for a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported as capital grants, gifts, and donations.

Endowments are provided to the Center on a voluntary basis by individuals and private organizations. Permanent endowments require that the principal or corpus of the endowment be retained in perpetuity. If a donor has not provided specific instructions, the net appreciation of the investments of endowment funds is recorded with investment income in nonoperating revenue.

Tax Status

As a state institution of higher education, the income of the Center is exempt from federal and state income taxes; however, income generated from activities unrelated to the exempt purpose is subject to income tax under Internal Revenue Code (IRC) Section 511(a)(2)(B). These amounts are immaterial to the financial statements of the Center.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

New Accounting Pronouncements Adopted in Fiscal Year 2023

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. GASB 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. GASB 91 is now in effect for reporting periods beginning after December 15, 2021.

Center management evaluated this standard and determined that it did not have a material impact on the financial statements that resulted in recognition.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. GASB 94 defines public-private and public-public partnerships (PPP) and availability payment arrangements (APA) and establishes that an intangible right-to-use asset should be recorded for a PPP owned by the transferor and a liability should be

The University of Oklahoma Health Sciences Center
Notes to Financial Statements
June 30, 2023
(In Thousands)

recorded for a PPP that is not owned by the transferor. GASB 94 is now in effect for reporting periods beginning after June 15, 2022.

Center management evaluated this standard and determined that it did not have a material impact on the financial statements that resulted in recognition.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users. GASB 96 defines a SBITA, establishes that a SBITA results in a right-to-use subscription intangible asset and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on standards established in GASB 87. GASB 96 is now in effect for reporting periods beginning after June 15, 2022.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. A portion of this standard provides additional information on interpreting and applying GASB 96 by clarifying the definition of the SBITA term and further explaining what is included and excluded in the term. GASB 99 also provides additional guidance on short-term SBITAs and the remeasurement of a subscription liability.

The Center recorded the cumulative effect of adopting GASB 96 and GASB 99, which resulted in recognizing activity associated with certain SBITAs. The adoption resulted in no impact to beginning net position as of July 1, 2022.

New Accounting Pronouncement Issued Not Yet Adopted

GASB has also issued several new accounting pronouncements that will be effective for the Center in subsequent years. The new accounting pronouncement and the fiscal year in which it is effective are described below.

In June 2022, GASB Statement No. 101, *Compensated Absences*, was issued, which provides further clarity and guidance on when and how to record liabilities associated with compensated absences. Additionally, it amends previous disclosure requirements to only require disclosure of the net change in the liability (instead of gross increases and decreases) and removes the requirement to disclose which governmental funds are typically used to liquidate the liability. GASB 101 is effective for periods beginning after December 15, 2023. Earlier application is encouraged.

Center management is currently evaluating the impact these standards will have on its financial statements.

The University of Oklahoma Health Sciences Center

Notes to Financial Statements

June 30, 2023

(In Thousands)

Note 2: Deposits and Investments

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Center's deposits may not be returned or the Center will not be able to recover collateral securities in the possession of an outside party. Generally, the Center deposits its funds with the Office of the State Treasurer (OST), and those funds are pooled with funds of other state agencies and then, in accordance with statutory limitations, are placed in financial institutions or invested as the OST may determine, in the State's name.

State Statutes require the OST to ensure that all state funds are either insured by Federal Deposit Insurance, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. The OST's responsibilities include receiving and collateralizing the deposit of state funds, investing state funds in compliance with statutory requirements, and maintaining adequate liquidity to meet the cash flow needs of the State and all its funds and agencies. If the Center deposits funds directly with financial institutions, those funds must be insured by the FDIC, collateralized by securities held by the cognizant Federal Reserve Bank in the Center's name, or invested in U.S. government obligations in the Center's name.

Some deposits with the OST are placed in the State Treasurer's investment pool, OK INVEST. OK INVEST pools the resources of all state funds and agencies and invests them in (a) U.S. treasury securities that are explicitly backed by the full faith and credit of the U.S. government; (b) U.S. agency securities that carry an implicit guarantee of the full faith and credit of the U.S. government; (c) money market mutual funds that participate in investments, either directly or indirectly, in securities issued by the U.S. Treasury and/or agency and repurchase agreements relating to such securities; (d) investments related to tri-party repurchase agreements that are collateralized at 102% and, whereby, the collateral is held by a third party in the name of the OST; (e) collateralized certificates of deposit; (f) commercial paper; (g) obligations of state and local governments; and (h) State of Israel bonds.

Deposits with financial institutions primarily consist of money market funds that invest in U.S. Treasury bills, notes, and securities backed by the full faith and credit of the U.S. government, some of which may be subject to repurchase agreements. Repurchase agreements are collateralized with securities backed by the full faith and credit of the U.S. government at 102% of maturity value.

Cash and Cash Equivalents

At June 30, 2023, the carrying amounts of the Center's deposits with the OST and other financial institutions were \$695,399. These amounts consisted of deposits with the OST (\$683,749), deposits with financial institutions (\$2,247), deposits with trustees (\$9,379), and petty cash and change funds (\$24) at June 30, 2023.

Of funds on deposit with the OST, amounts invested in OK INVEST total \$563,132 at June 30, 2023 and are reported as cash equivalents. Agencies and funds that are considered to be part of the

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State's reporting entity in the State's Annual Comprehensive Financial Report are allowed to participate in OK INVEST. Oklahoma Statutes and the OST establish the primary objectives and guidelines governing the investment of funds in OK INVEST. Safety, liquidity, and return on investment are the objectives that establish the framework for the day-to-day management of OK INVEST with an emphasis on safety of the capital, the probable income to be derived, and meeting the State's and its funds' and agencies' daily cash flow requirements.

Guidelines in the OK INVEST Investment Policy address credit quality requirements and diversification percentages and specify the types and maturities of allowable investments. The specifics regarding these policies can be found on the OST website at ok.gov/treasurer/. The State Treasurer, at his discretion, may further limit or restrict such investments on a day-to-day basis. OK INVEST includes investments in securities with an overnight maturity as well as in U.S. government securities with a maturity of up to 10 years. OK INVEST maintains an overall weighted-average maturity of no more than four years. Participants in OK INVEST maintain an interest in its underlying investments and, accordingly, may be exposed to certain risks. As stated in the OST information statement, the main risks are interest rate risk, credit/default risk, liquidity risk, and U.S. government securities risk.

Interest rate risk is the risk that during periods of rising interest rates, the yield and market value of the securities will tend to be lower than prevailing market rates; in periods of falling interest rates, the yield will tend to be higher. Credit/default risk is the risk that an issuer or guarantor of a security, or a bank or other financial institution that has entered into a repurchase agreement, may default on its payment obligations.

Liquidity risk is the risk that OK INVEST will be unable to pay redemption proceeds within the stated time period because of unusual market conditions, an unusually high volume of redemption requests, or other reasons. U.S. government securities risk is the risk that the U.S. government will not provide financial support to U.S. government agencies, instrumentalities, or sponsored enterprises if it is not obligated to do so by law. Various investment restrictions and limitations are enumerated in the State Treasurer's Investment Policy to mitigate those risks; however, any interest in OK INVEST is not insured or guaranteed by the State of Oklahoma, the FDIC, or any other government agency.

Unless significant or unusual losses are incurred by OK INVEST, the Center's interest in OK INVEST is stated at cost plus accrued interest. OK INVEST provides the Center with a stated rate of return rather than an equivalent share of investment gains or losses. Amounts invested in OK INVEST are available for unrestricted withdrawal.

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The distribution of investments in OK INVEST at June 30, 2023 is as follows:

| | |
|-----------------------------------|---------------|
| U.S. agency securities | 16.9% |
| Mortgage-backed agency securities | 17.1% |
| U.S. Treasury obligations | 57.6% |
| Money market mutual funds | 7.8% |
| Certificates of deposit | 0.3% |
| Foreign bonds | 0.3% |
| | <u>100.0%</u> |

As of June 30, 2023, the Center held approximately 3.5% of the OK INVEST fund. The market value of OK INVEST as of June 30, 2023 was \$15,441,302, and the amortized cost was \$16,134,587.

Investments

At June 30, 2023, the Center's investments, including the fair value inputs used, consisted of the following:

| | |
|--|-------------------|
| Short-term investments | |
| Marketable securities – Level 1 | \$ 20,341 |
| Accrued interest receivable | <u>65</u> |
| Total short-term investments | <u>20,406</u> |
| Endowment investments | |
| Consolidated Investment Fund – NAV | 45,616 |
| Expendable Investment Pool II – NAV | <u>13,160</u> |
| Total endowment investments | <u>58,776</u> |
| Other long-term investments | |
| Fidelity Revenue Sharing – Level 1 | 412 |
| Non-marketable securities – NAV | 2,795 |
| Expendable Investment Pool II – NAV | 14,108 |
| Special Purpose Investment Vehicle I – Level 3 | <u>141,984</u> |
| Total other long-term investments | <u>159,299</u> |
| Investments in real estate | |
| Real property – Level 3 | <u>2,025</u> |
| Total investments | <u>\$ 240,506</u> |

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Marketable Securities – Level 1 – These investments consist of short-term and long-term U.S. agency securities and treasury notes.

Fidelity Revenue Sharing – Level 1 – These investments consist of short-term money market mutual funds accumulated from revenue-sharing arrangements in employee defined contribution accounts held and managed by Fidelity.

Non-Marketable Securities – NAV – The investment is held as an alternative investment by the Foundation.

Expendable Investment Pool II (EIP II) – NAV – These investments consist of liquid money market funds, mutual funds, equities, and separate accounts holding U.S. government and corporate fixed income securities.

Special Purpose Investment Vehicle I (SPIV) – Level 3 – The investment is held as an alternative investment by the Foundation and valued using the income approach with certain unobservable input measures.

Real Property – Level 3 – These investments are owned directly by the Center and held for investment purposes. The real property is measured using an internal analysis that considers indications of impairment or changes in property values. Management does not adjust this investment for immaterial changes based on this assessment.

Endowment investments measured at NAV per unit: Title 70, Section 4306 of the Oklahoma Statutes directs, authorizes, and empowers the Center's Board of Regents to hold, invest, or sell donor-restricted endowments in a manner that is consistent with the terms of the gift as stipulated by the donor and with the provision of any applicable laws. The Center has entrusted the Foundation with a portion of its funds totaling \$58,776 as of June 30, 2023. The investments held at the Foundation on behalf of the Center within two separate investment pools are as follows:

Consolidated Investment Fund (CIF) – Investments in this pool consist primarily of domestic and international equity securities, U.S. government securities, derivative financial instruments, and alternative holdings. The Foundation considers the underlying investments within this pool to include Level 1, 2, 3, and NAV inputs. The Center owns approximately 2.5% of the fund as of June 30, 2023.

Expendable Investment Pool II (EIP II) – Investments in this pool primarily consist of liquid money market funds, mutual funds, equities, and separate accounts holding U.S. government and corporate fixed income securities. The Foundation considers the underlying investments within this pool to include Level 1, 2, and NAV inputs. The Center owns approximately 52.1% of the fund as of June 30, 2023.

Ownership interests in each pool are unitized. The Foundation calculates NAV per unit monthly based on the value of the underlying assets in each pool. New investments and withdrawals from these pools for the benefit of the unit holders are transmitted at NAV per unit on the monthly valuation dates.

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While the Center's investments have no unfunded commitments and funds may be redeemed daily with no redemption notice, within the CIF pool, certain investments held do have unfunded commitments and limitations on redemption frequency, including redemption notice periods. The total market value of the CIF as of June 30, 2023 was \$1,857,715. Unfunded commitments within this fund totaled \$250,928. There were redemption limitations that ranged from quarterly to three years with a 30- to 90-day redemption notice period on investments with a total market value of \$267,962. Investments held in real estate funds and private equity funds with a total market value at June 30, 2023 of \$616,192 cannot be redeemed and are subject to the terms of the individual funds. These funds typically have lives up to 10 years (with the potential for extensions if necessary) and distributions at the discretion of the general partners.

Non-marketable securities are measured at NAV per unit. The Center holds one alternative investment at the Foundation in a private equity fund that is fully funded. This investment cannot be redeemed and is subject to the terms of the individual fund.

Equity holdings measured at cost: The Center has acquired equity positions in commercial enterprises as consideration for various license agreements. The Center has no cost basis for these positions, and their fair value is not subject to a reasonable estimation. Therefore, the value of these investments is not reflected on the accompanying statement of net position. If the positions become actively traded equities and the fair value can be determined, then the Center will record the equity on the accompanying statement of net position at fair value and recognize related income. Per the individual agreements, the Center receives royalties from companies in which an equity position is held, which are currently recognized when received and are immaterial to the financial statements. The Center monitors its ownership position in each of the companies.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligation causing the Center to experience a loss of principal. As a means of limiting exposure to losses arising from credit risk, the Center limits its exposure to this risk as follows:

- State law limits investments in obligations of state and local governments to the highest rating from at least one nationally recognized rating agency acceptable to the State Treasurer.
- Short-term investments managed by the Center are generally limited to direct obligations of the U.S. government and its agencies, certificates of deposit, and demand deposits.
- The Board of Regents has authorized endowment and similar funds to be invested in direct obligations of the U.S. government and its agencies, certificates of deposit, prime commercial paper, banker's acceptances, demand deposits, corporate debt (no bond below a single A rating by Moody's Investors Service or Standard & Poor's Corporation may be purchased), convertible securities, and equity securities. In addition, the Board of Regents authorized investments in the CIF, EIP II, and SPIV with the Foundation.

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- The Center's marketable securities are generally limited to holdings of high-quality fixed income securities. As of June 30, 2023, the Center's investment in fixed income securities has a credit rating of AA+ as rated by Standard & Poor's Corporation.

Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the Center will not be able to recover the value of investment or collateral securities in the possession of an outside party. As a means of limiting its exposure to losses arising from custodial credit risk, the Center's investment policies limit the exposure to this risk as follows:

- Investment securities held in bond debt service reserve funds are held by the respective bond trustee for the benefit of the Center and bondholders.
- Endowment investments are pooled with the Norman Campus in the CIF and EIP II with the Foundation and held in the Board of Regents' name.
- Long-term investments are held in the EIP II and SPIV with the Foundation.

Concentration of Credit Risk

The Center's investments can be exposed to a concentration of credit risk if significant amounts are invested in any one issuer. The Center has adopted the Foundation's "Statement of Investment Policy" for the CIF, EIP II, and SPIV investments held with the Foundation. Within the CIF, investments consist of domestic and international equity securities, U.S. government securities, derivative financial instruments, and alternative holdings. Within the EIP II, investments consist of liquid money market funds, mutual funds, equities, and separate accounts holding U.S. government and corporate fixed income securities. Due to the diversification within the CIF and EIP II investments, the Center believes it does not have any significant concentrations of credit risk. The SPIV consists of one investment, which accounted for approximately 59.1% of the Center's total investments as of June 30, 2023.

Interest Rate Risk

Interest rate risk is the risk that an unexpected change in interest rates will negatively affect the value of an investment. The Center has a short-term investment strategy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Center has adopted the Foundation's "Statement of Investment Policy" for funds invested at the Foundation. The Center is responsible for determining its operating cash flow requirements and to ensure that adequate funds are available to maintain the Center's operations. In determining liquidity needs, the appropriate mix of short-term, intermediate, and long-term investments will be evaluated.

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Investment maturities were as follows at June 30, 2023:

| | Carrying Amount | Investment Maturities (in Years) | |
|------------------------|----------------------------|---|-------------|
| | | Less than 1 | 1-5 |
| U.S. agency securities | \$ 13,695 | \$ 13,695 | \$ - |
| U.S. Treasury notes | <u>6,646</u> | <u>6,646</u> | <u>-</u> |
| Total | <u>\$ 20,341</u> | <u>\$ 20,341</u> | <u>\$ -</u> |

Note 3: Accounts Receivable

Accounts receivable are shown net of contractual allowances and doubtful accounts in the accompanying statement of net position.

At June 30, 2023, the accounts receivable and allowances were as follows:

| | |
|--|-------------------|
| Accounts receivable | \$ 129,334 |
| Less allowance and contractual adjustments | <u>(6,296)</u> |
| Total | <u>\$ 123,038</u> |

The following is a breakdown of the June 30, 2023 accounts receivable balances:

| | |
|--|------------------|
| PPP patient billings | |
| Accounts receivable | \$ 16,299 |
| Less contractual adjustments | (5,187) |
| Less allowance | <u>(732)</u> |
| Accounts receivable, net | <u>\$ 10,380</u> |
| Due from federal, state, and private sources | |
| Accounts receivable, no allowance | <u>\$ 95,850</u> |
| Auxiliary enterprises | |
| Accounts receivable | \$ 7,858 |
| Less allowance | <u>(377)</u> |
| Accounts receivable, net | <u>\$ 7,481</u> |
| State tuition and fees | |
| Accounts receivable, no allowance | <u>\$ 1,886</u> |
| Other accounts receivable, no allowance | <u>\$ 7,441</u> |

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Note 4: Net Patient Care Revenue

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates.

A summary of the payment arrangements with major third-party payors follows:

Medicare – Inpatient acute care and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates that vary according to the Current Procedural Terminology (CPT) code billed by the provider. These codes are established by the American Medical Association and are adopted for use by the Centers for Medicare & Medicaid Services (CMS) as a basis for their provider reimbursement methodology.

Medicaid – Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed at a prospectively determined per diem rate or established fee.

Workers' Compensation – Inpatient and outpatient services rendered under workers' compensation are reimbursed according to the State of Oklahoma fee schedule or at a predetermined discount from the State of Oklahoma fee schedule.

Other Carriers – The Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates and discounts from established charges.

Differences between the Center's established patient care rates and agreed-upon rates with third-party payors totaled \$28,263 for the year ended June 30, 2023 and are reflected as contractual and other adjustments to patient care revenues in the accompanying statement of revenues, expenses, and changes in net position. The Center's bad debt expenses related to patient care services, which are determined after application of contractual and other adjustments, totaled \$4,081 for the year ended June 30, 2023 and are included in patient care revenues in the accompanying statement of revenues, expenses, and changes in net position.

The following summarizes the estimated percentage of gross patient charges from all payors for the year ended June 30, 2023:

| | |
|---|---|
| Medicare | 21% |
| Medicaid | 54% |
| Other third-party and commercial payors | 20% |
| Other, including self-pay | 5% |
| | <hr style="border-top: 1px solid black;"/> |
| | 100% |
| | <hr style="border-top: 3px double black;"/> |

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Notes to Financial Statements
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Note 5: Inventories and Supplies

Inventories and supplies consisted of the following at June 30, 2023:

| | | |
|---------------------|----|--------------|
| Pharmacies | \$ | 768 |
| Site support | | 250 |
| Dental supply store | | 237 |
| Telecommunications | | 128 |
| Other service units | | 107 |
| Other auxiliaries | | 53 |
| | | <hr/> |
| | \$ | <u>1,543</u> |

Note 6: Loans to Students

The Center had student loans outstanding made under the Health Professions Student Loan Program, the Nursing Faculty Loan Program, and the Nursing Student Loan Program of \$7,708 (net of allowance for uncollectible loans of \$406) at June 30, 2023. Under these programs, the U.S. Department of Health and Human Services, Bureau of Health Professions, provides funds for eight-ninths (8/9) of the loans, and the Center provides the remaining funds. The Center had a cash balance of \$669, which is included in cash and cash equivalents in the accompanying statement of net position at June 30, 2023 for these programs. At June 30, 2023, \$7,447 is included as federal loan program contributions refundable in the accompanying statement of net position as these amounts are refundable to the U.S. government upon cessation of the programs.

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Note 7: Capital, Lease, and Subscription Assets

Capital, lease, and subscription assets activity as of and for the year ended June 30, 2023 includes the following:

| | Beginning Balance (As Restated) | Additions | Transfers | Deductions | Ending Balance |
|--|--|------------------|------------------|-------------------|---------------------------|
| Capital assets not being depreciated | | | | | |
| Art | \$ 1,301 | \$ 40 | \$ - | \$ - | \$ 1,341 |
| Land | 34,089 | - | - | - | 34,089 |
| Construction in progress | 34,982 | 21,887 | (9,053) | - | 47,816 |
| Total capital assets not being depreciated | <u>70,372</u> | <u>21,927</u> | <u>(9,053)</u> | <u>-</u> | <u>83,246</u> |
| Capital, lease, and subscription assets being depreciated/amortized | | | | | |
| Buildings | 679,279 | 1,048 | 6,076 | - | 686,403 |
| Equipment | 168,905 | 12,844 | 2,647 | (4,517) | 179,879 |
| Leasehold improvements | 43,970 | 544 | 330 | (2,029) | 42,815 |
| Land improvements | 16,442 | (53) | - | - | 16,389 |
| Infrastructure | 7,889 | - | - | - | 7,889 |
| Library materials | 30,321 | 171 | - | - | 30,492 |
| Lease assets – building | 1,311 | - | - | (402) | 909 |
| Lease assets – equipment | 786 | - | - | (534) | 252 |
| Subscription assets | 7,208 | 4,681 | - | - | 11,889 |
| Total capital, lease, and subscription assets being depreciated/amortized | <u>956,111</u> | <u>19,235</u> | <u>9,053</u> | <u>(7,482)</u> | <u>976,917</u> |
| Less accumulated depreciation | | | | | |
| Buildings | 222,977 | 13,712 | - | - | 236,689 |
| Equipment | 122,437 | 10,665 | - | (4,549) | 128,553 |
| Leasehold improvements | 38,966 | 984 | - | (1,838) | 38,112 |
| Land improvements | 13,720 | 188 | - | - | 13,908 |
| Infrastructure | 3,957 | 344 | - | - | 4,301 |
| Library materials | 29,655 | (17) | - | - | 29,638 |
| Less accumulated amortization | | | | | |
| Lease assets – building | 374 | 374 | - | (402) | 346 |
| Lease assets – equipment | 464 | 299 | - | (534) | 229 |
| Subscription assets | - | 3,386 | - | - | 3,386 |
| Total accumulated depreciation and amortization | <u>432,550</u> | <u>29,935</u> | <u>-</u> | <u>(7,323)</u> | <u>455,162</u> |
| Total capital, lease, and subscription assets being depreciated/amortized, net | <u>523,561</u> | <u>(10,700)</u> | <u>9,053</u> | <u>(159)</u> | <u>521,755</u> |
| Capital, lease, and subscription assets, net | <u>\$ 593,933</u> | <u>\$ 11,227</u> | <u>\$ -</u> | <u>\$ (159)</u> | <u>\$ 605,001</u> |

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Note 8: Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following at June 30, 2023:

| | |
|---|-----------|
| Accounts payable and other accrued expenses | \$ 44,640 |
| Accrued payroll | 23,133 |
| Self-insurance reserves | 5,589 |
| | 73,362 |
| | \$ 73,362 |

Note 9: Unearned Revenue

Unearned revenue consisted of the following at June 30, 2023:

| | |
|--|----------|
| Prepaid tuition and student fees | \$ 1,231 |
| Auxiliary enterprises and other activities | 171 |
| Grants and contracts | 5,776 |
| | 7,178 |
| | \$ 7,178 |

Note 10: Funds Held in Trust by Others

Commissioners of the Land Office

The Norman Campus has a beneficial interest in the Section Thirteen State Educational Institutions Fund and the New College Fund held in the care of the Commissioners of the Land Office as trustees. The Norman Campus has the right to receive annually 30% of the distribution of income produced by Section Thirteen State Educational Institutions Fund assets and 100% of the distribution of income produced by the Norman Campus's New College Fund.

The Norman Campus received \$9,911 during the year ended June 30, 2023, which is restricted to acquisition of buildings, equipment, or other capital items. During 2023, the Norman Campus distributed \$3,998 of these funds to the Center. Current state law prohibits the distribution of any corpus of these funds. The estimated fair value of these trust funds totaled \$204,007 (\$198,806 restricted corpus) at June 30, 2023 and has not been reflected in the accompanying financial statements.

Oklahoma State Regents for Higher Education Endowment Fund Program

In connection with the State Regents' Endowment Fund Program, the State of Oklahoma has matched contributions received under the Endowment Fund Program. The cumulative state match amount plus any retained accumulated earnings totaled \$252,511 at June 30, 2023 and is invested by the State Regents on behalf of the Center. The Center is entitled to receive an annual

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distribution of earnings on these funds. As legal title of the state match is retained by the State Regents, only the funds available after distribution, or \$9,353 as of June 30, 2023, have been reflected in the accompanying statement of net position as accounts receivable. Institutional matching funds are on deposit with the Foundation for the benefit of the Center.

Note 11: Leases

Lease Receivable

The Center has entered into leases of its property, including buildings and equipment, to third parties for purposes such as office space. The terms of these leases expire in various years through 2042. Lease payments based on the future performance of the lessee are not included in the lease receivable because they are not fixed in substance.

Revenue recognized under lease contracts during the year ended June 30, 2023 was \$4,415, which includes both lease revenue and interest. The Center did not recognize any variable payments not previously included in the measurement of the lease receivable for the year ended June 30, 2023.

Lease Liability

The Center has entered into leases of equipment, office space, etc., the terms of which expire in various years through 2031. Variable payments based upon future performance of the lessee or usage of the underlying asset are not included in the lease liability because they are not fixed in substance.

During the year ended June 30, 2023, the Center did not recognize rental expense for variable payments (residual value guarantees or termination penalties) not previously included in the measurement of the lease liability.

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

| | Total to be Paid | Principal | Interest |
|-----------|-----------------------------|------------------|-----------------|
| 2024 | \$ 212 | \$ 201 | \$ 11 |
| 2025 | 191 | 183 | 7 |
| 2026 | 41 | 36 | 5 |
| 2027 | 41 | 36 | 4 |
| 2028 | 41 | 37 | 3 |
| 2029–2031 | 122 | 118 | 5 |
| | <u>\$ 648</u> | <u>\$ 611</u> | <u>\$ 35</u> |

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Note 12: Subscriptions

Subscription Liability

The Center has various SBITAs, the terms of which expire in various years through 2027. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance.

During the year ended June 30, 2023, the Center did not recognize any subscription expense for variable payments not previously included in the measurement of the subscription liability.

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

| | Total to be Paid | Principal | Interest |
|------|-----------------------------|------------------|-----------------|
| 2024 | \$ 3,020 | \$ 2,791 | \$ 229 |
| 2025 | 2,314 | 2,193 | 121 |
| 2026 | 483 | 447 | 36 |
| 2027 | 491 | 473 | 18 |
| | <u>\$ 6,308</u> | <u>\$ 5,904</u> | <u>\$ 404</u> |

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Note 13: Long-Term Liabilities

The following is a summary of long-term liability transactions of the Center as of and for the year ended June 30, 2023:

| | Interest Rates | Beginning Balance (As Restated) | Additions | Deductions | Ending Balance | Current Portion |
|--|---------------------------|--|------------------|-------------------|---------------------------|----------------------------|
| Revenue bonds payable | | | | | | |
| General Revenue Bonds, Series 2008B | 3.28%–6.63% | \$ 5,965 | \$ - | \$ 2,325 | \$ 3,640 | \$ 2,480 |
| General Revenue Bonds, Series 2013A | 3.85%–4.30% | 2,770 | - | 1,355 | 1,415 | 1,415 |
| General Revenue Bonds, Series 2017A | 1.49%–4.03% | 45,985 | - | 240 | 45,745 | 250 |
| General Revenue Bonds, Series 2020 A&B | 0.47%–5.00% | 68,270 | - | 2,660 | 65,610 | 2,750 |
| General Revenue Bonds, Series 2023 A&B | 5.00%–5.78% | - | 47,325 | - | 47,325 | - |
| | | <u>122,990</u> | <u>47,325</u> | <u>6,580</u> | <u>163,735</u> | <u>6,895</u> |
| Premium (discount) | | <u>890</u> | <u>3,001</u> | <u>307</u> | <u>3,584</u> | <u>548</u> |
| Total revenue bonds payable | | <u>123,880</u> | <u>50,326</u> | <u>6,887</u> | <u>167,319</u> | <u>7,443</u> |
| ODFA financing arrangements | | 709 | - | 435 | 274 | 193 |
| OCIA financing arrangements | | <u>13,117</u> | <u>-</u> | <u>1,222</u> | <u>11,895</u> | <u>1,285</u> |
| | | <u>13,826</u> | <u>-</u> | <u>1,657</u> | <u>12,169</u> | <u>1,478</u> |
| Premium (discount) | | <u>14</u> | <u>-</u> | <u>14</u> | <u>-</u> | <u>-</u> |
| Total financing | | <u>13,840</u> | <u>-</u> | <u>1,671</u> | <u>12,169</u> | <u>1,478</u> |
| Subscription liability | | <u>7,208</u> | <u>4,681</u> | <u>5,985</u> | <u>5,904</u> | <u>2,791</u> |
| Lease liability | | <u>1,285</u> | <u>-</u> | <u>674</u> | <u>611</u> | <u>201</u> |
| Total bonds, financing arrangements, subscription liability, and leases | | <u>146,213</u> | <u>55,007</u> | <u>15,217</u> | <u>186,003</u> | <u>11,913</u> |
| Accrued compensated absences and other | | 31,125 | 27,342 | 25,858 | 32,609 | 24,002 |
| Federal loan program contributions refundable | | <u>7,585</u> | <u>-</u> | <u>138</u> | <u>7,447</u> | <u>-</u> |
| Total other noncurrent | | <u>38,710</u> | <u>27,342</u> | <u>25,996</u> | <u>40,056</u> | <u>24,002</u> |
| Total | | <u>\$ 184,923</u> | <u>\$ 82,349</u> | <u>\$ 41,213</u> | <u>\$ 226,059</u> | <u>\$ 35,915</u> |

Revenue Bonds Payable

Beginning in fiscal year 2009 with General Revenue Bonds, Series 2008 A&B, bonds have been issued by the Board of Regents pursuant to the Master Resolution and Supplemental Resolutions (the Resolution) establishing the University of Oklahoma Health Sciences Center General Revenue Financing System. The revenue pledged as security for these obligations is any or all revenues of the Center, which are lawfully available for the payment of obligations, excluding revenues

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appropriated by the State Legislature (except for in certain circumstances the Dedicated Tobacco Tax Revenues), funds whose purpose has been restricted by the donors or grantors to a purpose inconsistent with the payment of such obligations, and any funds pledged for prior encumbered obligations.

In fiscal year 2023, General Revenue Bonds, Series 2023 A&B, were issued by the Board of Regents pursuant to the Master Resolution establishing the University of Oklahoma Health Sciences Center General Revenue Financing System. These bonds were issued to provide funds to acquire expansion and capital improvements for the steam and chilled water plant. The revenue pledged as security for these obligations is any or all revenues of the Center, which are lawfully available for the payment of obligations, excluding revenues appropriated by the State Legislature, funds whose purpose has been restricted by the donors or grantors to a purpose inconsistent with the payment of such obligations, and any funds pledged for prior encumbered obligations.

At June 30, 2023, the total principal and interest remaining to be paid on these bonds was \$238,516, and the total pledged revenue received was \$342,947. Debt service payments of \$10,960, including both principal and interest, were 3.2% of pledged revenues at June 30, 2023.

Interest rates and maturity dates for each series of bonds are as follows:

| Issue | Rate | Maturity Through |
|--------------|---------------|-------------------------|
| 2023A | 5.000%–5.250% | 7/1/2048 |
| 2023B | 5.222%–5.779% | 7/1/2048 |
| 2020A | 5.000% | 7/1/2030 |
| 2020B | 0.469%–3.223% | 7/1/2043 |
| 2017A | 1.491%–4.029% | 7/1/2036 |
| 2013A | 3.847%–4.297% | 7/1/2023 |
| 2008B | 3.280%–6.634% | 7/1/2024 |

Financing Arrangements

OCIA Financing Arrangements

OCIA periodically issues bonds, notes, or other obligations to finance construction of buildings or other facilities for the State of Oklahoma and its departments and agencies. OCIA may also issue refunding bonds to refinance its existing obligations. OCIA issues bonds and the State Regents allocate amounts to the Center, who then enters into an agreement with OCIA for the projects being funded. As a result, the Center recognizes its share of the liability and the related assets in connection with the projects being constructed or acquired in its financial statements. Annually, the State Legislature appropriates funds to the State Regents to make the monthly principal and interest payments on behalf of the Center.

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The assets under these agreements as of June 30, 2023 have been recorded as follows:

| | Issued | Term | Proceeds Received | Accumulated Depreciation* | Net Book Value |
|---|---------------|-------------|------------------------------|--------------------------------------|---------------------------|
| OCIA State Facilities Revenue Bonds 2005F, 2005G, 2010A, 2010B, 2014A | Fall 2005 | 25 years | \$ 26,146 | \$ 7,742 | \$ 18,404 |

*Depreciation expense on these financing arrangement assets is included on the accompanying statement of revenues, expenses, and changes in net position.

The Center's agreements with OCIA secure the OCIA bond debt and any future debt that might be issued to refund earlier bond issues.

During the year ended June 30, 2023, the State Regents made principal and interest payments totaling \$1,789 on behalf of the Center. These on-behalf payments have been recorded in the Center's statement of revenues, expenses, and changes in net position. As stated above, the on-behalf payments are subject to annual appropriations by the State Legislature.

ODFA Financing Arrangements

The Center has entered into various agreements with the Oklahoma Development Finance Authority (ODFA) and the State Regents as a beneficiary of a portion of the proceeds from the ODFA State Regents for Higher Education Master Lease Revenue Bonds.

These proceeds have been used by the Center to fund major capital projects on both the Oklahoma City and Tulsa campuses, and the assets under these arrangements as of June 30, 2023 have been recorded as follows:

| | Issued | Term | Amount Financed | Accumulated Depreciation* | Net Book Value |
|--|---------------|-------------|----------------------------|--------------------------------------|---------------------------|
| ODFA Financing Arrangements 2007B/2017C | December 2007 | 15 years | \$ 6,067 | \$ 1,819 | \$ 4,248 |
| 2007C/2017D | December 2007 | 15 years | 1,304 | 393 | 911 |
| 2019B | November 2019 | 5 years | 930 | 335 | 595 |
| | | | <u>\$ 8,301</u> | <u>\$ 2,547</u> | <u>\$ 5,754</u> |

*Depreciation expense on these financing arrangement assets is included on the accompanying statement of revenues, expenses, and changes in net position.

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Maturities of principal and interest requirements on revenue bonds payable and financing arrangements are as follows at June 30, 2023:

| Year Ending June 30, | Total | Principal | Interest |
|-------------------------------|-------------------|-------------------|------------------|
| Bonds | | | |
| 2024 | \$ 12,354 | \$ 6,895 | \$ 5,459 |
| 2025 | 13,948 | 8,145 | 5,803 |
| 2026 | 13,960 | 8,440 | 5,520 |
| 2027 | 12,183 | 6,900 | 5,283 |
| 2028 | 11,949 | 6,870 | 5,079 |
| 2029–2033 | 59,363 | 37,525 | 21,838 |
| 2034–2038 | 54,287 | 39,760 | 14,527 |
| 2039–2043 | 36,160 | 27,945 | 8,215 |
| 2044–2048 | 20,892 | 17,925 | 2,967 |
| 2049 | 3,420 | 3,330 | 90 |
| Total bonds | <u>238,516</u> | <u>163,735</u> | <u>74,781</u> |
| Financing Arrangements | | | |
| 2024 | 2,018 | 1,478 | 540 |
| 2025 | 1,876 | 1,399 | 477 |
| 2026 | 1,788 | 1,374 | 414 |
| 2027 | 1,788 | 1,441 | 347 |
| 2028 | 1,784 | 1,507 | 277 |
| 2029–2031 | 5,343 | 4,970 | 373 |
| Total financing arrangements | <u>14,597</u> | <u>12,169</u> | <u>2,428</u> |
| Combined | <u>\$ 253,113</u> | <u>\$ 175,904</u> | <u>\$ 77,209</u> |

Note 14: Retirement Plans

The Center’s academic and nonacademic personnel are covered by various retirement plans depending on job classification. The plans available to Center personnel include:

| Name of Plan/System | Type of Plan |
|--|---|
| Oklahoma Teachers’ Retirement System (OTRS) | Cost-Sharing Multiple Employer Defined Benefit Plan |
| Oklahoma Law Enforcement Retirement System (OLERS) – certain Center employees | Cost-Sharing Multiple Employer Defined Benefit Plan |
| Oklahoma Public Employees Retirement System (OPERS) – certain Center employees | Cost-Sharing Multiple Employer Defined Benefit Plan |
| University of Oklahoma Defined Contribution Plan (DCP) | Defined Contribution Plan |
| University of Oklahoma Optional Retirement Plan (ORP) | Defined Contribution Plan |

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Oklahoma Teachers' Retirement System

Plan Description

The Center participates in OTRS, a cost-sharing multiple-employer public employee retirement system that is self-administered. OTRS provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established and may be amended by the legislature of the State of Oklahoma. Title 70 of the Oklahoma Statutes assigns the authority for management and operation of OTRS to the Board of Trustees of OTRS. OTRS issues a publicly available annual financial report that can be obtained at ok.gov/TRS/.

Benefits Provided

OTRS provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O.S. Section 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature. Benefit provisions include:

- Members who joined OTRS prior to November 1, 2017 are 100% vested in retirement benefits earned to date after five years of credited Oklahoma service. Those who became members on or after November 1, 2017 will require seven years of service to be fully vested. Members who joined OTRS on June 30, 1992 or prior are eligible to retire at maximum benefits when age and years of creditable service total 80. Members joining OTRS after June 30, 1992 are eligible for maximum benefits when their age and years of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and at age 62 receive unreduced benefits based on their years of service. The maximum retirement benefit is equal to 2% of final compensation for each year of credited service.
- Final compensation for members who joined OTRS prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining OTRS after June 30, 1992 is defined as the average of the highest five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to \$40 or \$25, depending on the member's election. Monthly benefits are 1/12 of this amount. Service credits accumulated after June 30, 1995 are calculated based on each member's final average compensation, except for certain employees of the Center.
- Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100% of interest earned through the end of the fiscal year, with interest rates varying based on time of service. A surviving spouse of a qualified member may elect to receive, in lieu of the aforementioned benefits, the retirement benefit the member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.

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- Upon the death of a retired member, OTRS will pay \$5 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.
- A member is eligible for disability benefits after 10 years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable years of credited service.
- Upon separation from OTRS, members' contributions are refundable with interest based on certain restrictions provided in the plan or by the IRC.
- Members may elect to make additional contributions to a tax-sheltered annuity program up to the exclusion allowance provided under IRC Section 403(b).

Contributions

The contribution requirements of OTRS are at an established rate determined by Oklahoma Statutes and are not based on actuarial calculations. Employees are required to contribute 7% of their annual compensation. The Center's contribution rate is 8.55% for the year ended June 30, 2023. There is also a federal match required on all compensation paid from federal funds, which had a contribution rate of 8% for 2023. The Center's contributions to OTRS in 2023, which include the 8.55% regular employer contribution and the federal match, were \$15,778 equal to the required contributions. In addition, the State of Oklahoma also contributed 5% of state revenues from sales, use, and individual income taxes to OTRS. The amounts contributed on behalf of the Center and recognized in the Center's statement of revenues, expenses, and changes in net position as both revenues and compensation and benefits expense in 2023 were \$12,524. These on-behalf payments do not meet the definition of a special funding situation.

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

At June 30, 2023, the Center reported a liability of \$242,206 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The Center's proportion of the net pension liability was based on the Center's contributions to OTRS relative to total contributions of OTRS for all participating employers for the year ended June 30, 2022. Based upon this information, the Center's proportion was 2.95% as of June 30, 2022.

For the year ended June 30, 2023, the Center recognized pension expense of \$14,748.

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At June 30, 2023, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | |
|--|-------------------------|
| Deferred outflows of resources | |
| Changes in proportion | \$ 3,924 |
| Center contributions subsequent to measurement date | 15,778 |
| Changes of assumptions | 16,342 |
| Difference between expected and actual experience | 7,759 |
| Net difference between projected and actual earnings on pension plan investments | <u>23,058</u> |
| | <u><u>\$ 66,861</u></u> |
| Deferred inflows of resources | |
| Differences between expected and actual experience | \$ 3,030 |
| Changes in proportion | <u>32,529</u> |
| | <u><u>\$ 35,559</u></u> |

Deferred pension outflows and inflows related to changes in proportion, changes of assumptions, and differences between expected and actual experience are recognized in pension expense using the average expected remaining life of the plan. The average expected remaining service life of the plan is determined by taking the calculated total future service years of the plan divided by the number of people in the plan, including retirees. The total future service years of the plan are determined using the mortality, termination, retirement, and disability assumptions associated with the plan. The average expected service life of the plan equals 5.23 years at June 30, 2022 as of the valuation date.

At June 30, 2023, the Center reported \$15,778 as deferred outflows of resources related to pensions resulting from the Center contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

Deferred outflows of resources, excluding the Center's contribution subsequent to the measurement date, and deferred inflows of resources will be recognized in pension expense as follows:

| Year Ending June 30, | Deferred Inflows/ Outflows |
|-----------------------------|---|
| 2024 | \$ 6,759 |
| 2025 | 960 |
| 2026 | (9,714) |
| 2027 | 18,299 |
| 2028 | <u>(780)</u> |
| | <u><u>\$ 15,524</u></u> |

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Actuarial Assumptions

The total pension liability as of June 30, 2023 was determined based on actuarial valuations prepared as of June 30, 2022 using the following actuarial assumptions:

- Actuarial Cost Method – Entry Age Normal
- Inflation – 2.25%
- Future Ad Hoc Cost-of-Living Increases – None
- Salary Increases – Composed of 2.25% wage inflation, plus 0.75% productivity increase rate, plus step-rate promotional increase for members with less than 25 years of service
- Investment Rate of Return – 7.0%
- Retirement Age – Experience-based table of rates based on age, service, and gender. Adopted by the Board of Regents in July 2020 in conjunction with the five-year experience study for the period ending June 30, 2019
- Mortality Rates after Retirement – Males and females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020
- Mortality Rates for Active Members – Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:

| | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|------------------------------|---|
| Domestic equity | 38.3% | 4.9% |
| International equity | 16.7% | 5.5% |
| Fixed income | 22.0% | 1.3% |
| Real estate* | 10.0% | 3.5% |
| Private equity | 8.0% | 7.6% |
| Private debt | 5.0% | 4.6% |
| | 100.0% | |

*The real estate total expected return is a combination of U.S. Direct Real Estate (unleveraged) and U.S. Value-Added Real Estate (unleveraged).

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2022 was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 5% of sales, use, and individual income taxes, as established by State Statutes. Based on these assumptions, OTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of the Center calculated using the discount rate of 7%, as well as what the Center's net pension liability would be if OTRS calculated the total pension liability using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 1% Decrease (6.0%) | Current Discount Rate (7.0%) | 1% Increase (8.0%) |
|--------------------------------|-------------------------------|---|-------------------------------|
| Center's net pension liability | \$ 341,027 | \$ 242,206 | \$ 160,963 |

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Oklahoma Law Enforcement Retirement System

Certain Center employees are members of OLERS. The Center has recorded the following amounts related to these employees' participation in OLERS:

| | | |
|---------------------------------------|----|-------|
| Net pension liability | \$ | 5,682 |
| Deferred outflows related to pensions | \$ | 3,530 |
| Deferred inflows related to pensions | \$ | 543 |
| Pension expense | \$ | 1,241 |

Because the Center's participation in OLERS is not material to the Center's financial statements, additional information and disclosures are not included in these financial statements. OLERS issues a publicly available annual financial report that can be obtained at www.olders.state.ok.us.

Oklahoma Public Employees Retirement System

Certain Center employees are members of OPERS. The Center has recorded the following amounts related to these employees' participation in OPERS:

| | | |
|---------------------------------------|----|----|
| Net pension liability | \$ | 73 |
| Deferred outflows related to pensions | \$ | 94 |
| Deferred inflows related to pensions | \$ | 4 |
| Pension expense | \$ | 14 |

Because the Center's participation in OPERS is not material to the Center's financial statements, additional information and disclosures are not included in these financial statements. OPERS issues a publicly available annual financial report that can be obtained at www.opers.ok.gov.

Defined Contribution Plans

Plan Description

The Center offers two 401(a) defined contribution plans that are administered by Fidelity Investments Inc., the DCP and the ORP. All contributions to these plans are made by the Center and directed by the plan participants to a variety of different fund options and companies within the plans. All new employees eligible for either of the plans must complete a 12-month waiting period before receiving contributions from the Center. There is a three-year vesting period for both plans.

Participation

Eligible salaried employees hired prior to July 1, 2004 are automatically enrolled in OTRS, which includes participation in the DCP. Eligible salaried employees hired on or after July 1, 2004 have the option to elect either OTRS, which includes participation in the DCP, or the ORP within the first 30 days of employment. This is a one-time irrevocable election. If an employee does not make an election, the employee defaults into OTRS and will also participate in the DCP. Eligible

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hourly employees are automatically enrolled in the DCP but can elect to participate in OTRS at any time.

Contributions

Contributions to the DCP are based on the hire date of the plan participants. For participants hired prior to July 1, 1995 and enrolled in OTRS, the rate is 15% of regular salary, supplemental salary, and wages paid during the plan year in excess of \$9. For participants hired on or after July 1, 1995 but before January 1, 2023 and enrolled in OTRS, the rate is 8% of regular salary, supplemental salary, and wages paid during the plan year in excess of \$9. Employees hired on or after January 1, 2023 and enrolled in OTRS are not eligible for the DCP. The Center's contributions to the DCP for the year ended June 30, 2023 were \$18,117. The authority for contributing to this plan is contained in the policy document, "University of Oklahoma Defined Contribution Retirement Plan," amended and restated December 20, 2022.

The contribution rate for the ORP and hourly DCP participants is 9% of regular salary, supplemental salary, and wages paid for the plan year. The Center's contributions to the ORP for the year ended June 30, 2023 were \$13,401. The authority for contributing to this plan is contained in the policy document, "University of Oklahoma Optional Retirement Plan," amended and restated December 20, 2022.

Note 15: Other Postemployment Benefits

Retiree Insurance Plan

Plan Description

The Center's retiree insurance plan is considered a single-employer defined benefit plan and does not issue a stand-alone financial report. The Center, with approval by the Board of Regents, has the authority to establish and amend the benefit provisions and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Employees eligible for retirement who have been enrolled in the Center's medical insurance plan for five years immediately prior to retirement are eligible to participate in the group medical insurance plan as a retiree. Premiums are subsidized for employees hired prior to January 1, 2008, as described below. Employees hired on or after January 1, 2008 may participate in the retiree medical plan at the group rates at the retiree's own expense. Retirees may also elect the Center's medical coverage for eligible dependents at their own expense. Retirees will be allowed a one-time opportunity to opt out of the Center's retiree medical plan coverage if the individual is enrolled in other coverage. The retiree may return to the Center's plan if medical coverage is maintained during the opt-out period. After retirees become eligible for Medicare primary coverage, the Center's insurance continues in a secondary role. As of January 1, 2021, all Medicare-eligible retirees moved from the Center's self-insured plan to a fully insured Medicare Advantage plan.

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There are currently two eligible groups for subsidized retiree medical benefits:

- Group 1 – Employees who were eligible for retirement on or before December 31, 2015. The Center provides a 100% premium subsidy for retirees in this group.
- Group 2 – Employees who were eligible for retirement on or after January 1, 2016. The Center will subsidize premiums for retirees in this group as follows:

| Age at Retirement | Years of Service at Retirement | | | |
|-------------------|------------------------------------|--------------------------|--------------------------|------|
| | 10–14 | 15–19 | 20–24 | 25+ |
| Under 55 | No University Subsidy until age 55 | | | |
| 55 to 61 | No subsidy | 55% | 65% | 75% |
| | | Must meet the Rule of 80 | Must meet the Rule of 80 | |
| 62 to 64 | 55% | 65% | 75% | 85% |
| 65+ | 65% | 75% | 85% | 100% |

Employees eligible for retirement who have been enrolled in the Center’s dental insurance plan for five years immediately prior to retirement are eligible to participate in the group dental plan as a retiree. Dental premiums will be fully subsidized by the Center for employees hired prior to January 1, 2008. Retirees may also elect the Center’s dental coverage for eligible dependents at their own expense.

On June 30, 2023, there were 768 active employees eligible for subsidized benefits and 1,343 were retired and participated in the Center’s retiree insurance plan. All active employees who are eligible for subsidized benefits are assumed to elect coverage at retirement and are included in the calculation of the total OPEB liability. Active employees without subsidized benefits, who are required to pay the full cost of coverage, are not included in the calculation of the total OPEB liability.

Total OPEB Liability

The Center’s total OPEB liability of \$112,667 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

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The following schedule shows the changes in the Center’s total OPEB liability for fiscal year 2023:

| | |
|--|-------------------|
| Total OPEB liability, beginning of year | \$ 109,533 |
| Service cost | 1,622 |
| Interest | 4,466 |
| Changes in assumptions | 1,519 |
| Differences between expected and actual experience | (521) |
| Benefit payments | <u>(3,952)</u> |
| Total OPEB liability, end of year | <u>\$ 112,667</u> |

Actuarial Assumptions

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

- Discount Rate – 4.09% as of July 1, 2022 and 4.13% as of June 30, 2023
- Inflation – 3.00%
- Payroll Growth – Salary increases for teachers are based on the OTRS actuarial valuation as of June 30, 2022 and include wage inflation of 3.00%. Salary increases for public safety employees are based on the OLEERS actuarial valuation as of July 1, 2022 and include wage inflation of 3.50%. Salary increases for general employees are based on the OPERS actuarial valuation as of July 1, 2022 and include wage inflation of 3.25%
- Healthcare Trend Rates – 7.5% for 2023, decreasing annually to an ultimate rate of 4.50% for 2030 and later years
- Cost Method – Entry Age Normal
- Mortality
 - Healthy General Retirees: SOA PUB-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
 - Healthy Teacher Retirees: SOA PUB-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2021
 - Surviving Spouses: SOA PUB-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021
 - Disabled Retirees: SOA PUB-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2021

Group information was not provided for retirees, so blended teacher, public safety, and general mortality tables were developed such that they are representative of the active

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employment mix (52.6% teachers, 0.6% public safety, and 46.8% general). Actual group information was used to assign mortality tables for current actives

- Experience Study – Completed for the fiscal year ended June 30, 2015 with data through January 1, 2015
- Retiree Share of Benefit-Related Costs – Projections of sharing benefit-related costs between subsidized retiree groups and all other retirees follow established practices as described above.

The discount rate was based on a range of indices, including the Bond Buyer Go 20-Bond Municipal Bond Index, the S&P Municipal Bond 20-Year High Grade Rate Index, and the Fidelity 20-Year Go Municipal Bond Index.

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate and Discount Rate

The following tables present the total OPEB liability of the Center as of June 30, 2023 calculated using the current healthcare trend rate at an initial rate of 7.5% or decreasing to an ultimate rate of 4.5%, and the current discount rate of 4.13%, as well as what the Center's total OPEB liability would be if calculated using rates that are 1 percentage point lower or 1 percentage point higher than the current rates:

| | 1% Decrease (6.5% Decreasing to 3.5%) | Current Healthcare Trend Rate (7.5% Decreasing to 4.5%) | 1% Increase (8.5% Decreasing to 5.5%) |
|----------------------|--|--|--|
| Total OPEB liability | \$ 98,029 | \$ 112,667 | \$ 130,391 |
| | 1% Decrease (3.13%) | Current Discount Rate (4.13%) | 1% Increase (5.13%) |
| Total OPEB liability | \$ 127,486 | \$ 112,667 | \$ 100,365 |

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

For the year ended June 30, 2023, the Center recognized OPEB expense of \$(1,113). At June 30, 2023, the Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | |
|--|------------------|
| Deferred outflows of resources | |
| Changes of assumptions or other inputs | \$ 4,243 |
| | <u>\$ 4,243</u> |
| Deferred inflows of resources | |
| Differences between expected and actual experience | \$ 8,887 |
| Changes of assumptions or other inputs | 4,809 |
| | <u>\$ 13,696</u> |

Deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense using the average expected remaining service life of the plan as follows:

| | |
|------|-------------------|
| 2024 | \$ (9,787) |
| 2025 | 334 |
| | <u>\$ (9,453)</u> |

The average expected remaining service life of the plan is determined by taking the calculated total future service years of the plan divided by the number of people in the plan, including retirees. The average expected remaining service life of the plan equals two years at June 30, 2023.

Oklahoma Teachers' Retirement System

There is a closed group of 33 retirees at June 30, 2023 who are enrolled in the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB) plans. The Center pays the premiums for these retirees. The liability (asset) for these retirees is included in the OTRS valuation.

The Center has recorded the following amounts related to these retirees' participation in OTRS:

| | |
|-----------------------------------|----------|
| Net OPEB asset | \$ 1,401 |
| Deferred outflows related to OPEB | \$ 1,302 |
| Deferred inflows related to OPEB | \$ 484 |
| OPEB expense | \$ 111 |

Because the Center's participation in OTRS is not material to the Center's financial statements, additional information and disclosures are not included in these financial statements. OTRS issues a publicly available annual financial report that can be obtained at www.ok.gov/TRS/.

The University of Oklahoma Health Sciences Center
Notes to Financial Statements
June 30, 2023
(In Thousands)

Oklahoma Public Employees Retirement System

Certain Center retirees are members of OPERS. The Center has recorded the following amounts related to these retirees' participation in OPERS:

| | | |
|-----------------------------------|----|---|
| Net OPEB asset | \$ | 8 |
| Deferred outflows related to OPEB | \$ | 5 |
| Deferred inflows related to OPEB | \$ | 5 |
| OPEB expense | \$ | 1 |

Because the Center's participation in OPERS is not material to the Center's financial statements, additional information and disclosures are not included in these financial statements. OPERS issues a publicly available annual financial report that can be obtained at www.opers.ok.gov.

Note 16: Affiliates and Related-Party Transactions

OU Medicine, Inc. d/b/a OU Health

Effective July 1, 2021, the Center ceased to operate its Oklahoma City clinical faculty practice (d/b/a OU Physicians). At that time, the practice began operations as OU Health Partners, Inc. (OUHPI), a component of OU Health. The Center entered into definitive agreements, including a membership agreement between OU Health, the Center, and OUHPI. A final reconciliation will be completed after the conclusion of the external audit for OU Health's consolidated financial statements for the fiscal year ended June 30, 2023. The effects of the final reconciliation on the Center cannot be currently estimated.

The Center entered into several contracts with OU Health for the Center's staff to provide clinical services, in-service education, and administrative duties as well as campus services and space rental of properties owned by the Center. Total sales and services related to the above transactions were \$152,754 for fiscal year 2023. At June 30, 2023, amounts due from OU Health for auxiliary enterprises were \$1,330 and for private contracts were \$39,739. These amounts are included in accounts receivable, net of allowances on the accompanying statement of net position.

Note 17: The University of Oklahoma Foundation, Inc.

The Foundation is a public foundation organized to receive and administer gifts for the benefit of the Norman Campus and the Center. The Foundation expended on behalf of the Norman Campus and the Center \$161,949 (unaudited) in fiscal year 2023 for facilities and equipment, salary supplements, general university educational assistance, faculty awards, and scholarships. Of these expenditures, \$22,293 in fiscal year 2023 are reflected in the Center's financial statements as revenue. The amounts not reflected herein consist of direct Foundation expenditures for general university educational purposes and amounts reflected in the Norman Campus financial statements.

The University of Oklahoma Health Sciences Center

Notes to Financial Statements

June 30, 2023

(In Thousands)

The Center's investments, other than marketable securities, are also held by the Foundation (see *Note 2*).

Note 18: Risk Management

Due to the diverse risk exposure of the Center, the insurance portfolio contains a comprehensive variety of coverage. Oklahoma Statutes require participation of all state agencies in basic general liability, tort claim coverage, educators' legal liability, crime, and property and casualty programs provided by the Office of Management and Enterprise Services Division of Capital Assets Management Risk Management Department (OMES Risk Management). In addition to these basic policies, the Center's Office of Enterprise Risk Management (ERM) establishes protocols/guidelines in risk identification assessment, risk avoidance, risk acceptance, and risk transfer.

The Center and its individual employees are provided sovereign immunity when performing official business within the course and scope of their employment in accordance with the *Oklahoma Governmental Tort Claims Act*.

Beyond acceptable retention levels, complete risk transfer is practiced by purchasing conventional insurance coverage either directly from a provider or through OMES Risk Management. These coverages are as follows:

- The buildings and contents are insured for replacement value. Each loss incident is subject to a \$500 deductible.
- In addition, certain fine arts and valuable papers are covered under a separate policy of insurance.
- General liability and tort claim coverages (including comprehensive general liability, auto liability, personal injury liability, leased vehicles, and equipment) are provided to the Center by OMES Risk Management. Also included in OMES Risk Management coverages are Out-of-State Liability, Foreign General Liability, and ACE Executive Services to employees traveling internationally in the course and scope of their employment. The Out-of-State Liability Policy is subject to a \$250 deductible. The Governmental Crime Policy has differing deductibles, ranging from \$100 to \$500, depending on the type of coverage invoked. To complement coverage provided by State Statutes, additional coverage is purchased based on specific departmental and institutional needs and risks, but the related risks are not considered material to the Center as a whole. The Center has filed three claims with the State in the past three fiscal years.
- Educators' Legal Liability, with a \$150 retention (deductible).
- Cyber Liability has differing retentions ranging from \$250 to \$1,000, depending on the type of coverage invoked.
- Clinical Trials Liability Insurance, with a \$50 retention (deductible).
- Medical malpractice losses are insured by American Physicians Insurance Company.

The University of Oklahoma Health Sciences Center

Notes to Financial Statements

June 30, 2023

(In Thousands)

To the best of the Center's knowledge, settled claims have not exceeded coverage in any of the three preceding years.

Self-Funded Programs

The Center is self-funded for unemployment compensation, workers' compensation, employee health and dental care, and student healthcare. These programs are all administered by a third party and the estimated liabilities for incurred but not reported claims recorded on the Center's financial statements are based on annual actuarial valuations.

Unemployment benefits that separated employees receive are determined by State Statutes and are administered by the Oklahoma Employment Security Commission (OESC). As a reimbursing employer, the Center is billed quarterly by the OESC for benefits paid to former employees. The Center's reserve with the OESC is the average claims paid over the past three years.

Workers' compensation benefits are prescribed by State Statutes and include lump-sum payments for rated disabilities, in addition to medical expenses and a portion of salary loss, resulting from an on-the-job injury or illness. The Center maintains a cash deposit with the administrator and reimburses the administrator for claims paid on a monthly basis, and administrative expenses are paid on a quarterly basis.

Employee health and dental insurance premiums are collected and recorded in a self-insurance fund at the Center. The claims and administrative expenses are paid as incurred directly from this fund. The Center records the cash balance of the fund in its financial statements, as well as an actuarially determined liability for incurred but not reported claims. As of June 30, 2023, the cash balance for the plan was \$13,852, which is included in cash and cash equivalents on the accompanying statement of net position.

Student health insurance premiums are paid by the student directly to Academic Health Plans (AHP) into a fund managed by AHP. The claims and administrative expenses are paid as incurred directly from this fund. The Center records the cash balance of the fund in its financial statements, as well as an actuarially determined liability for incurred but not reported claims. As of June 30, 2023, the cash balance for the plan was \$2,221, which is included in cash and cash equivalents on the accompanying statement of net position.

The University of Oklahoma Health Sciences Center
Notes to Financial Statements
June 30, 2023
(In Thousands)

The changes in incurred but not reported claims, recorded as accounts payable and accrued expenses on the accompanying statement of net position, for the year ended June 30, 2023 were as follows:

| | Unemployment | Workers' Compensation | Employee Health and Dental | Student Health | Total |
|--|---------------------|------------------------------|-----------------------------------|-----------------------|-----------------|
| Liabilities, July 1, 2022 | \$ 371 | \$ 792 | \$ 3,289 | \$ 152 | \$ 4,604 |
| Claims incurred and changes in estimates | 73 | 643 | 58,837 | 871 | 60,424 |
| Claim payments | <u>(166)</u> | <u>(818)</u> | <u>(57,584)</u> | <u>(871)</u> | <u>(59,439)</u> |
| Liabilities, June 30, 2023 | <u>\$ 278</u> | <u>\$ 617</u> | <u>\$ 4,542</u> | <u>\$ 152</u> | <u>\$ 5,589</u> |

Note 19: Contingencies and Commitments

Commitments

At June 30, 2023, the Center had outstanding commitments under construction contracts of \$13,934.

Litigation, Claims, and Disputes

In the normal course of operations, the Center is a defendant in several lawsuits; however, Center officials are of the opinion, based on the advice of in-house legal counsel, that the ultimate outcome of this litigation will not have a material effect on the future operations or financial position of the Center.

The U.S. Department of Justice and other federal agencies are increasing resources dedicated to regulatory investigation and compliance audits of health care providers. The Center is subject to these regulatory efforts. Management is currently unaware of any regulatory matters that will have material adverse effect on the Center's financial position or results of operations.

The Center receives grants and other forms of reimbursement from various federal and state agencies. These activities are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. Management believes that the liability, if any, for reimbursement that may arise as the result of audits would not be material.

The Center is internally reviewing matters under either its internal audit program or Ethics in Research policy. At least one review was opened under direction from a federal agency. At this point, the Center is in the review phase and no claims have been brought against it. As these reviews are ongoing, it is not possible to estimate the final outcome.

The University of Oklahoma Health Sciences Center
Notes to Financial Statements
June 30, 2023
(In Thousands)

Note 20: Functional Classifications

For the year ended June 30, 2023, the following table represents operating expenses within functional classification:

| | |
|-------------------------------------|-------------------|
| Instruction | \$ 257,153 |
| Research | 116,787 |
| Public service | 32,707 |
| Academic support | 44,683 |
| Student services | 5,761 |
| Institutional support | 12,695 |
| Operations and maintenance of plant | 38,455 |
| Scholarships/fellowships | 2,345 |
| Clinical operations | 250,150 |
| Agency | 553 |
| Auxiliary enterprises | 19,848 |
| Service unit | 42,712 |
| Plant | <u>10,323</u> |
| | <u>\$ 834,172</u> |

Note 21: Subsequent Events

The Center has evaluated events and transactions that occurred subsequent to June 30, 2023 through October 30, 2023, the date these financial statements were available to be issued, for potential recognition or disclosure in the financial statements.

Required Supplementary Information

The University of Oklahoma Health Sciences Center
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
(In Thousands)

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Service cost | \$ 1,622 | \$ 2,854 | \$ 5,148 | \$ 2,872 | \$ 2,858 | \$ 3,231 |
| Interest | 4,466 | 3,035 | 6,234 | 7,544 | 7,969 | 7,050 |
| Changes in benefit terms | - | - | (100,486) | - | - | - |
| Changes in assumptions | 1,519 | (14,429) | 12,920 | 19,790 | 18,362 | (5,085) |
| Differences between expected and actual experience | (521) | (15,524) | (13,464) | (9,432) | (16,467) | 8,019 |
| Benefit payments | <u>(3,952)</u> | <u>(4,223)</u> | <u>(3,431)</u> | <u>(3,808)</u> | <u>(3,644)</u> | <u>(4,056)</u> |
| Net change in total OPEB liability | 3,134 | (28,287) | (93,079) | 16,966 | 9,078 | 9,159 |
| Total OPEB liability – beginning | <u>109,533</u> | <u>137,820</u> | <u>230,899</u> | <u>213,933</u> | <u>204,855</u> | <u>195,696</u> |
| Total OPEB liability – ending | <u><u>\$ 112,667</u></u> | <u><u>\$ 109,533</u></u> | <u><u>\$ 137,820</u></u> | <u><u>\$ 230,899</u></u> | <u><u>\$ 213,933</u></u> | <u><u>\$ 204,855</u></u> |
| Covered employee payroll | \$ 326,836 | \$ 311,772 | \$ 402,392 | \$ 349,913 | \$ 331,023 | \$ 325,233 |
| Total OPEB liability as a percentage of covered employee payroll | 34.5% | 35.1% | 34.3% | 66.0% | 64.6% | 63.0% |

Notes to Schedule

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

This schedule is presented as of the measurement date for the fiscal year.

Changes in benefit terms reflect a substantive plan provision change effective January 1, 2021, when all Medicare-eligible retirees moved to a fully insured Medicare Advantage plan.

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

The University of Oklahoma Health Sciences Center
Schedule of the Center's Proportionate Share of the Net Pension Liability (Unaudited)
Oklahoma Teachers' Retirement System
(In Thousands)

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Center's proportion of the net pension liability | 3.0% | 3.2% | 3.2% | 3.8% | 3.6% | 3.8% | 3.6% | 3.4% |
| Center's proportionate share of the net pension liability | \$ 242,206 | \$ 163,632 | \$ 306,773 | \$ 252,813 | \$ 218,129 | \$ 252,920 | \$ 312,670 | \$ 215,886 |
| Center's covered payroll | \$ 166,301 | \$ 167,918 | \$ 165,702 | \$ 162,784 | \$ 159,862 | \$ 156,440 | \$ 159,865 | \$ 156,304 |
| Center's proportionate share of the net pension liability as a percentage of its covered payroll | 145.6% | 97.4% | 183.0% | 152.6% | 134.0% | 158.2% | 199.9% | 135.0% |
| Plan fiduciary net position as a percentage of the total pension liability | 70.1% | 80.8% | 63.5% | 71.6% | 72.7% | 69.3% | 62.2% | 70.3% |

Note to Schedule

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

The University of Oklahoma Health Sciences Center
Schedule of the Center's Contributions (Unaudited)
Oklahoma Teachers' Retirement System
(In Thousands)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contractually required contribution | \$ 15,778 | \$ 14,336 | \$ 14,623 | \$ 14,474 | \$ 14,183 | \$ 13,799 | \$ 13,531 | \$ 13,734 | \$ 13,364 | \$ 13,291 |
| Contributions in relation to the contractually required contribution | <u>(15,778)</u> | <u>(14,336)</u> | <u>(14,623)</u> | <u>(14,474)</u> | <u>(14,183)</u> | <u>(13,799)</u> | <u>(13,531)</u> | <u>(13,734)</u> | <u>(13,364)</u> | <u>(13,291)</u> |
| Contribution (excess) deficiency | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Center's covered payroll | <u>\$ 162,810</u> | <u>\$ 166,301</u> | <u>\$ 167,918</u> | <u>\$ 165,702</u> | <u>\$ 162,784</u> | <u>\$ 159,862</u> | <u>\$ 156,440</u> | <u>\$ 159,865</u> | <u>\$ 156,304</u> | <u>\$ 155,156</u> |
| Contributions as a percentage of covered payroll | 9.69% | 8.62% | 8.71% | 8.73% | 8.71% | 8.63% | 8.65% | 8.59% | 8.55% | 8.57% |

Other Supplementary Information

The University of Oklahoma Health Sciences Center

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

| Sponsor | Program or Cluster Title | Direct/Pass through | Assistance Listing Number | Award Number | Expenditure | Subrecipient Expenditures |
|--|--|------------------------|------------------------------|-------------------------|------------------|------------------------------|
| Research and Development Cluster | | | | | | |
| Department of Agriculture | | | | | | |
| Department of Agriculture | AGRICULTURAL RESEARCH BASIC AND APPLIED RESEARCH | Direct | 10.001 | | \$ 61,358 | |
| Department of Agriculture | PLANT AND ANIMAL DISEASE, PEST CONTROL AND ANIMAL CARE | Direct | 10.025 | | 48,830 | |
| Department of Agriculture | NEW ERA RURAL TECHNOLOGY COMPETITIVE GRANTS PROGRAM | Direct | 10.314 | | <u>13,299</u> | |
| Total Department of Agriculture | | | | | 123,487 | |
| Department of Commerce | | | | | | |
| Economic Development Administration | ECONOMIC ADJUSTMENT ASSISTANCE | Direct | 11.307 | | 525,009 | |
| Department of Defense | | | | | | |
| Department of Defense | MILITARY MEDICAL RESEARCH AND DEVELOPMENT | Direct | 12.420 | | \$ 161,065 | |
| Department of the Army | MILITARY MEDICAL RESEARCH AND DEVELOPMENT | Direct | 12.420 | | 1,611,915 | \$ 10,244 |
| Johns Hopkins University | MILITARY MEDICAL RESEARCH AND DEVELOPMENT | Pass through | 12.420 | W81XWH1620060 | <u>28</u> | 92,975 |
| Henry M Jackson Found Adv Military Med | UNIFORMED SERVICES UNIVERSITY MEDICAL RESEARCH PROJECTS | Pass through | 12.750 | 4915 | (12,153) | |
| Henry M Jackson Found Adv Military Med | UNIFORMED SERVICES UNIVERSITY MEDICAL RESEARCH PROJECTS | Pass through | 12.750 | 5744 | <u>17,921</u> | 5,768 |
| Army Medical Research Acq Activity | | Direct | 12.RD | HT94252310223 | <u>34,164</u> | |
| CELLPHIRE | | Pass through | 12.RD | S-16-15 | 134,401 | |
| University of Colorado | | Pass through | 12.RD | FY23.1184.001 | 11,325 | |
| University of Texas Southwestern Medical | | Pass through | 12.RD | GMO 230911 PO0000002765 | 8,533 | |
| WESTAT, Inc. | | Pass through | 12.RD | 6556-04-SA001 | <u>27,267</u> | |
| Total Department of Defense | | | | | 1,994,466 | 103,219 |
| NASA | | | | | | |
| University of Oklahoma – Norman | AEROSPACE EDUCATION SERVICES PROGRAM | Pass through | 43.001 | 2023-40 | 10,585 | |
| Rensselaer Polytechnic Institute | BASIC RESEARCH, EDUCATIONAL OUTREACH, AND TRAINING OPPORTUNITIES IN THE AREA OF SPACE OPERATIONS | Pass through | 43.007 | A210012S001 | <u>1,368</u> | |
| Total NASA | | | | | 11,953 | |
| National Science Foundation | | | | | | |
| University of Oklahoma – Norman | ENGINEERING GRANTS | Pass through | 47.041 | 2023-09 | 20,101 | |
| National Science Foundation | EDUCATION AND HUMAN RESOURCES | Direct | 47.076 | | <u>40,641</u> | |
| Total National Science Foundation | | | | | 60,742 | |
| Department of Veterans Affairs | | | | | | |
| Department of Veterans Affairs | MEDICAL RESEARCH | Direct | 64.RD | 36C24E21P0108 | 1,030 | |
| Department of Education | | | | | | |
| National Center for Special Education | RESEARCH IN SPECIAL EDUCATION | Direct | 84.324 | | 133,234 | |

The University of Oklahoma Health Sciences Center

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

| Sponsor | Program or Cluster Title | Direct/Pass through | Assistance Listing Number | Award Number | Expenditure | Subrecipient Expenditures |
|--|---|------------------------|------------------------------|--------------------------|----------------|------------------------------|
| Department of Health and Human Services | | | | | | |
| Food and Drug Administration | | | 93.RD | 75F40122C00187 | 17,557 | |
| Natl Cancer Inst | PREVENT PRECLINICAL DRUG DEVELOPMENT PROGRAM | Direct | 93.RD | 75N91019D00020 | 2,434,002 | 1,439,716 |
| Natl Heart, Lung, and Blood Institute | PREVENT PRECLINICAL DRUG DEVELOPMENT PROGRAM | Direct | 93.RD | 75N92019D00027 | 1,851,887 | 1,067,335 |
| Natl Heart, Lung, and Blood Institute | PREVENT PRECLINICAL DRUG DEVELOPMENT PROGRAM | Direct | 93.RD | 75N92019D00028 | 829,362 | 26,313 |
| Duke University | R&D-MEDICAL: BIOMEDICAL (APPLIED RESEARCH/EXPLORATORY DEVELOPMENT) | Pass through | 93.RD | SA-D401-02 | 68,091 | |
| La Jolla Institute | PREVENT PRECLINICAL DRUG DEVELOPMENT PROGRAM | Pass through | 93.RD | 30039-03-130-381 | 44,140 | |
| Leidos | PREVENT PRECLINICAL DRUG DEVELOPMENT PROGRAM | Pass through | 93.RD | 18X103 | 2,869 | |
| Oklahoma State University | GENERAL SCIENCE AND TECHNOLOGY R&D SERVICES; GENERAL SCIENCE AND TECHNOLOGY; APPLIED RESEARCH | Pass through | 93.RD | 1-503851-OUHSC | 25,760 | |
| PIECES | | Pass through | 93.RD | 75N91021C00050 | <u>67,184</u> | 5,340,852 |
| Natl Inst on Drug Abuse | FAMILY SMOKING PREVENTION AND TOBACCO CONTROL ACT REGULATORY RESEARCH | Direct | 93.077 | | | 710,882 |
| OK Dept Mental Hlth Substance Abuse Svcs | ENHANCE SAFETY OF CHILDREN AFFECTED BY SUBSTANCE ABUSE | Pass through | 93.087 | 4529060779 | 15,673 | 62,687 |
| OK Dept Mental Hlth Substance Abuse Svcs | ENHANCE SAFETY OF CHILDREN AFFECTED BY SUBSTANCE ABUSE | Pass through | 93.087 | 4529065026 | <u>345,755</u> | 361,428 |
| Duke University | FOOD AND DRUG ADMINISTRATION RESEARCH | Pass through | 93.103 | 234691/240919 | | |
| Oklahoma State Department of Health | MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS | Pass through | 93.110 | 3409023991 | | 484,336 |
| Natl Inst Environmental Health Sciences | ENVIRONMENTAL HEALTH | Direct | 93.113 | | 129,454 | 13,339 |
| Columbia University | ENVIRONMENTAL HEALTH | Pass through | 93.113 | 3GG017501-01 | 27,680 | |
| Emory University | ENVIRONMENTAL HEALTH | Pass through | 93.113 | A570671 | 56,606 | |
| University of Oklahoma – Norman | ENVIRONMENTAL HEALTH | Pass through | 93.113 | 201924 | <u>5,092</u> | 218,832 |
| Natl Inst of Dental & Craniofacial Research | ORAL DISEASES AND DISORDERS RESEARCH | Direct | 93.121 | | 264,839 | |
| Oklahoma Medical Research Foundation | ORAL DISEASES AND DISORDERS RESEARCH | Pass through | 93.121 | 0325-01OUHSCCK | 215 | |
| University of Wisconsin – Madison | ORAL DISEASES AND DISORDERS RESEARCH | Pass through | 93.121 | 0000002076 | <u>2,909</u> | 267,963 |
| Maternal & Child Health Bureau | EMERGENCY MEDICAL SERVICES FOR CHILDREN | Direct | 93.127 | | | 104,412 |
| Columbia University | NIEHS SUPERFUND HAZARDOUS SUBSTANCES BASIC RESEARCH AND EDUCATION | Pass through | 93.143 | 4(GG015160-10) PROJECT 3 | | 16,299 |
| Agency for Healthcare Research & Quality | RESEARCH ON HEALTHCARE COSTS, QUALITY AND OUTCOMES | Direct | 93.226 | | | 837,276 |
| Natl Inst of Mental Health | MENTAL HEALTH RESEARCH GRANTS | Direct | 93.242 | | 294,782 | |
| Laureate Institute for Brain Research | MENTAL HEALTH RESEARCH GRANTS | Pass through | 93.242 | 1R01MH123652-01A1 OUHSC | 83,422 | 17,429 |
| RAND | MENTAL HEALTH RESEARCH GRANTS | Pass through | 93.242 | SCON00000400 | 31,246 | |
| University of Houston | MENTAL HEALTH RESEARCH GRANTS | Pass through | 93.242 | R-21-0075 | <u>703,424</u> | 1,112,874 |
| OK Dept Mental Hlth Substance Abuse Svcs | SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE | Pass through | 93.243 | 4529060554 | <u>110,575</u> | 110,575 |
| Colorado State University | OCCUPATIONAL SAFETY AND HEALTH PROGRAM | Pass through | 93.262 | G-81108-01 | | 10,559 |
| Medical University of South Carolina | ALCOHOL RESEARCH PROGRAMS | Pass through | 93.273 | A22-0288-S001 | 22,988 | |
| Medical University of South Carolina | ALCOHOL RESEARCH PROGRAMS | Pass through | 93.273 | A23-0095-S001 | 11,855 | |
| Univ of North Texas Health Science Ctr | ALCOHOL RESEARCH PROGRAMS | Pass through | 93.273 | RF00213-2021-0117 | <u>(4,291)</u> | 30,552 |
| National Institute on Drug Abuse | DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS | Direct | 93.279 | | 458,778 | |
| Univ of Texas MD Anderson Cancer Center | DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS | Pass through | 93.279 | 3001743995 | 6,626 | 76,367 |
| Georgia State University | DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS | Pass through | 93.279 | SP0001439502 | 24,443 | |
| Oklahoma State University Center for Health Sciences | DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS | Pass through | 93.279 | A22-0002-S001 | 19,657 | |
| University of Alabama at Birmingham | DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS | Pass through | 93.279 | 000525110-SC001 | 44,079 | |
| University of Illinois at Chicago | DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS | Pass through | 93.279 | 18119 | <u>40,592</u> | 594,175 |

The accompanying notes are an integral part of this Schedule.

The University of Oklahoma Health Sciences Center

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

| Sponsor | Program or Cluster Title | Direct/Pass through | Assistance Listing Number | Award Number | Expenditure | Subrecipient Expenditures |
|--|--|------------------------|------------------------------|--------------------|-------------|------------------------------|
| Natl Inst Biomedical Imaging & Bioeng | DISCOVERY AND APPLIED RESEARCH FOR TECHNOLOGICAL INNOVATIONS TO IMPROVE HUMAN HEALTH | Direct | 93.286 | | (10,939) | |
| Oklahoma Medical Research Foundation | DISCOVERY AND APPLIED RESEARCH FOR TECHNOLOGICAL INNOVATIONS TO IMPROVE HUMAN HEALTH | Pass through | 93.286 | 0310-03CA | 459 | |
| Oklahoma Medical Research Foundation | DISCOVERY AND APPLIED RESEARCH FOR TECHNOLOGICAL INNOVATIONS TO IMPROVE HUMAN HEALTH | Pass through | 93.286 | 0310-04MET | 7,825 | (2,655) |
| Natl Ctr on Minority Health & Health Disparities | MINORITY HEALTH AND HEALTH DISPARITIES RESEARCH | Direct | 93.307 | | 760,554 | 242,654 |
| Georgia College and State University | MINORITY HEALTH AND HEALTH DISPARITIES RESEARCH | Pass through | 93.307 | 366012-SUB001 | 14,733 | |
| Oklahoma State University Center for Health Sciences | MINORITY HEALTH AND HEALTH DISPARITIES RESEARCH | Pass through | 93.307 | A22-0004-S004 | 30,963 | |
| Oklahoma State University Center for Health Sciences | MINORITY HEALTH AND HEALTH DISPARITIES RESEARCH | Pass through | 93.307 | A22-0004-S005 | 3,974 | |
| University of Houston | MINORITY HEALTH AND HEALTH DISPARITIES RESEARCH | Pass through | 93.307 | R-21-0022 | 430,224 | 10,234 |
| Washington State University | MINORITY HEALTH AND HEALTH DISPARITIES RESEARCH | Pass through | 93.307 | 134649 SPC001321 | 116,277 | 1,356,725 |
| Natl Inst Child Health & Human Dev | TRANS-NIH RESEARCH SUPPORT | Direct | 93.310 | | 345,911 | |
| Cherokee Nation of Oklahoma | TRANS-NIH RESEARCH SUPPORT | Pass through | 93.310 | 3S06GM127983-03S1 | 145,694 | |
| Duke University | TRANS-NIH RESEARCH SUPPORT | Pass through | 93.310 | 303000384 | 3,377 | |
| Duke University | TRANS-NIH RESEARCH SUPPORT | Pass through | 93.310 | A032483 | 58,541 | |
| Univ of Arkansas for Medical Sciences | TRANS-NIH RESEARCH SUPPORT | Pass through | 93.310 | 54005 | (11) | |
| Univ of Arkansas for Medical Sciences | TRANS-NIH RESEARCH SUPPORT | Pass through | 93.310 | 54487 | 14,163 | |
| University of New Mexico HSC | TRANS-NIH RESEARCH SUPPORT | Pass through | 93.310 | 3RGJ7 | 62,765 | |
| University of Missouri | TRANS-NIH RESEARCH SUPPORT | Pass through | 93.310 | C00066571-7 | 35,359 | 665,799 |
| Natl Cancer Inst | 21ST CENTURY CURES ACT – BEAU BIDEN CANCER MOONSHOT | Direct | 93.353 | | | 2,368,066 |
| University of South Florida | NATIONAL CENTER FOR RESEARCH RESOURCES | Pass through | 93.389 | P000012077 | | 8,486 |
| Natl Cancer Inst | CANCER CAUSE AND PREVENTION RESEARCH | Direct | 93.393 | | 2,867,996 | 448,535 |
| George Washington University | CANCER CAUSE AND PREVENTION RESEARCH | Pass through | 93.393 | 23-S01 | 13,907 | |
| Moffitt Cancer Center | CANCER CAUSE AND PREVENTION RESEARCH | Pass through | 93.393 | 10-20154-99-01-G2 | 25,522 | |
| Moffitt Cancer Center | CANCER CAUSE AND PREVENTION RESEARCH | Pass through | 93.393 | 10-20262-99-01-G2 | 31,210 | |
| Moffitt Cancer Center | CANCER CAUSE AND PREVENTION RESEARCH | Pass through | 93.393 | 10-21464-02-01-G3 | 172,708 | |
| Ohio State University | CANCER CAUSE AND PREVENTION RESEARCH | Pass through | 93.393 | 60073077 | 410 | |
| Rutgers University | CANCER CAUSE AND PREVENTION RESEARCH | Pass through | 93.393 | SUB00002514 | 34,584 | |
| Univ of North Carolina at Chapel Hill | CANCER CAUSE AND PREVENTION RESEARCH | Pass through | 93.393 | 5122485 | 46,491 | |
| Virginia Commonwealth University | CANCER CAUSE AND PREVENTION RESEARCH | Pass through | 93.393 | FP00008961_SA003 | 11,650 | 3,204,478 |
| Natl Cancer Inst | CANCER DETECTION AND DIAGNOSIS RESEARCH | Direct | 93.394 | | 616,392 | 33,589 |
| Thomas Jefferson University | CANCER DETECTION AND DIAGNOSIS RESEARCH | Pass through | 93.394 | 080-34000-S44401 | 4,075 | |
| University of California, Irvine | CANCER DETECTION AND DIAGNOSIS RESEARCH | Pass through | 93.394 | 2020-1391 | 64,642 | |
| University of Oklahoma – Norman | CANCER DETECTION AND DIAGNOSIS RESEARCH | Pass through | 93.394 | 2023-63 | 19,147 | |
| Univ of Texas MD Anderson Cancer Center | CANCER DETECTION AND DIAGNOSIS RESEARCH | Pass through | 93.394 | 3001592723 | 2,621 | 706,877 |
| Natl Cancer Inst | CANCER TREATMENT RESEARCH | Direct | 93.395 | | 2,861,703 | 326,075 |
| Children's Hospital of Philadelphia | CANCER TREATMENT RESEARCH | Pass through | 93.395 | 1U10CA180886 | (111,453) | |
| Dana-Farber Cancer Institute | CANCER TREATMENT RESEARCH | Pass through | 93.395 | 1326302 | 14,808 | |
| ECOG-ACRIN | CANCER TREATMENT RESEARCH | Pass through | 93.395 | U10CA180820 | 8,371 | |
| NRG Oncology Foundation, Inc. | CANCER TREATMENT RESEARCH | Pass through | 93.395 | NRG-Mannel-GY10 | 94,931 | |
| NRG Oncology Foundation, Inc. | CANCER TREATMENT RESEARCH | Pass through | 93.395 | NRG-Moore-GY10 | 15,728 | |
| NRG Oncology Foundation, Inc. | CANCER TREATMENT RESEARCH | Pass through | 93.395 | NRG-Ulahannan-GY10 | 2,000 | |
| NRG Oncology Foundation, Inc. | CANCER TREATMENT RESEARCH | Pass through | 93.395 | 20191985 | 104,231 | 73,727 |
| Public Health Institute | CANCER TREATMENT RESEARCH | Pass through | 93.395 | 20220493 | 24,751 | |
| Public Health Institute | CANCER TREATMENT RESEARCH | Pass through | 93.395 | 20220496 | 16,727 | |

The accompanying notes are an integral part of this Schedule.

The University of Oklahoma Health Sciences Center

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

| Sponsor | Program or Cluster Title | Direct/Pass through | Assistance Listing Number | Award Number | Expenditure | Subrecipient Expenditures |
|--|--|---------------------|---------------------------|------------------------|-------------|---------------------------|
| State University of New York | CANCER TREATMENT RESEARCH | Pass through | 93.395 | R1296940 | 13,618 | |
| University of Minnesota | CANCER TREATMENT RESEARCH | Pass through | 93.395 | P008227701 | 27,782 | |
| University of Oklahoma – Norman | CANCER TREATMENT RESEARCH | Pass through | 93.395 | 2022-73 | 217,136 | |
| Yale University | CANCER TREATMENT RESEARCH | Pass through | 93.395 | GR109663 | 49,368 | 3,339,701 |
| Natl Cancer Inst | CANCER BIOLOGY RESEARCH | Direct | 93.396 | | 2,208,712 | 44,089 |
| Penn State University | CANCER BIOLOGY RESEARCH | Pass through | 93.396 | UOKHSCCA256911 | 234,908 | |
| University of Georgia | CANCER BIOLOGY RESEARCH | Pass through | 93.396 | SUB00002573 | 94,898 | |
| University of Nebraska Medical Center | CANCER BIOLOGY RESEARCH | Pass through | 93.396 | 34-5140-2081-701 | 223,366 | 2,761,884 |
| Natl Cancer Inst | CANCER CENTERS SUPPORT GRANTS | Direct | 93.397 | | 2,700,076 | 235,262 |
| Natl Cancer Inst | CANCER RESEARCH MANPOWER | Direct | 93.398 | | 175,898 | |
| University of Oklahoma – Norman | CANCER RESEARCH MANPOWER | Pass through | 93.398 | 2023-24 | 56,335 | 232,233 |
| Natl Cancer Inst | CANCER CONTROL | Direct | 93.399 | | 1,691,346 | |
| Alliance for Clinical Trials in Oncology | CANCER CONTROL | Pass through | 93.399 | OK003 | 326 | |
| NRG Oncology Foundation, Inc. | CANCER CONTROL | Pass through | 93.399 | NCORPWalkerGY6 | 140,470 | |
| Oregon Health Science University | CANCER CONTROL | Pass through | 93.399 | 1014562-SWOG-UOKLAHOMA | 1,630 | |
| Wayne State University | CANCER CONTROL | Pass through | 93.399 | WSU22061 | 3,756 | 1,837,528 |
| Oklahoma State Department of Health | IMPROVING THE HEALTH OF AMERICANS THROUGH PREVENTION AND MANAGEMENT OF DIABETES AND HEART DISEASE AND STROKE | Pass through | 93.426 | 3409023138 | 285,679 | |
| Administration for Children and Families | CHILD CARE AND DEVELOPMENT BLOCK GRANT | Direct | 93.575 | | 12,730 | |
| University of Oklahoma – Norman | HEAD START | Pass through | 93.600 | 2023-34 | 37,278 | |
| OK Dept Mental Hlth Substance Abuse Svcs | OPIOID STR | Pass through | 93.788 | 4529060554 | 27,518 | |
| OK Dept Mental Hlth Substance Abuse Svcs | OPIOID STR | Pass through | 93.788 | 4529065188 | 535,694 | 563,212 |
| Natl Heart, Lung, and Blood Institute | CARDIOVASCULAR DISEASES RESEARCH | Direct | 93.837 | | 1,091,275 | 149,764 |
| Boston Children's Hospital | CARDIOVASCULAR DISEASES RESEARCH | Pass through | 93.837 | GENFD0002224298 | 204,007 | |
| New England Research Institute | CARDIOVASCULAR DISEASES RESEARCH | Pass through | 93.837 | 20201161 | 18,140 | |
| New England Research Institute | CARDIOVASCULAR DISEASES RESEARCH | Pass through | 93.837 | U01HL107407 | 9,320 | |
| Oklahoma Medical Research Foundation | CARDIOVASCULAR DISEASES RESEARCH | Pass through | 93.837 | 032202020UHSC | 12,473 | |
| Oklahoma Medical Research Foundation | CARDIOVASCULAR DISEASES RESEARCH | Pass through | 93.837 | 0278-050UHSC.AP | 21,235 | |
| University of Alabama at Birmingham | CARDIOVASCULAR DISEASES RESEARCH | Pass through | 93.837 | 000503570-025 | (522) | |
| University of Alabama at Birmingham | CARDIOVASCULAR DISEASES RESEARCH | Pass through | 93.837 | 000530812-SC004 | 52,893 | |
| University of California San Diego | CARDIOVASCULAR DISEASES RESEARCH | Pass through | 93.837 | 99198911 | 147,286 | |
| Medical College of Wisconsin | CARDIOVASCULAR DISEASES RESEARCH | Pass through | 93.837 | 6205364 | 8,345 | 1,564,452 |
| Natl Heart, Lung, and Blood Institute | LUNG DISEASES RESEARCH | Direct | 93.838 | | 408,165 | 5,706 |
| Arkansas Children's Hospital Rsch Inst | LUNG DISEASES RESEARCH | Pass through | 93.838 | RECOVER | 283,349 | 87,574 |
| Columbia University | LUNG DISEASES RESEARCH | Pass through | 93.838 | 28GG01599701 | 52,600 | |
| Mayo Clinic | LUNG DISEASES RESEARCH | Pass through | 93.838 | THE-308614 | 40,040 | |
| University of Arizona | LUNG DISEASES RESEARCH | Pass through | 93.838 | 487318 | - | |
| University of Pennsylvania | LUNG DISEASES RESEARCH | Pass through | 93.838 | 831295 | 3,285 | |
| Wayne State University | LUNG DISEASES RESEARCH | Pass through | 93.838 | WSU22138 | 31,710 | |
| West Virginia University | LUNG DISEASES RESEARCH | Pass through | 93.838 | OTA-21-015B | 649,950 | 1,469,099 |
| Natl Heart, Lung and Blood Institute | BLOOD DISEASES AND RESOURCES RESEARCH | Direct | 93.839 | | 21,924 | |
| Emory University | BLOOD DISEASES AND RESOURCES RESEARCH | Pass through | 93.839 | A394591 | 253,238 | |
| Nationwide Children's Hospital | BLOOD DISEASES AND RESOURCES RESEARCH | Pass through | 93.839 | 700220-1221-01 | 13,591 | |
| University of Colorado | BLOOD DISEASES AND RESOURCES RESEARCH | Pass through | 93.839 | FY21952005 | (1) | 288,752 |
| University of Michigan | ARTHRITIS, MUSCULOSKELETAL AND SKIN DISEASES RESEARCH | Pass through | 93.846 | SUBK00013476 | 325 | |
| University of Oklahoma – Norman | ARTHRITIS, MUSCULOSKELETAL AND SKIN DISEASES RESEARCH | Pass through | 93.846 | 2022-53 | 453 | |

The accompanying notes are an integral part of this Schedule.

The University of Oklahoma Health Sciences Center

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

| Sponsor | Program or Cluster Title | Direct/Pass through | Assistance Listing Number | Award Number | Expenditure | Subrecipient Expenditures |
|--|--|---------------------|---------------------------|----------------------|----------------|---------------------------|
| Yale University | ARTHRITIS, MUSCULOSKELETAL AND SKIN DISEASES RESEARCH | Pass through | 93.846 | GR108929 | 29,373 | |
| Yale University | ARTHRITIS, MUSCULOSKELETAL AND SKIN DISEASES RESEARCH | Pass through | 93.846 | GR108957 | <u>34,108</u> | 64,259 |
| Natl Inst Diabetes Digestive Kidney Disease | DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH | Direct | 93.847 | | 6,237,530 | 930,503 |
| Baylor College of Medicine | DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH | Pass through | 93.847 | 7000001611 | 51,651 | |
| Children's Mercy Hospital | DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH | Pass through | 93.847 | 18-0023 | 63 | |
| George Washington University | DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH | Pass through | 93.847 | 17-D14 | 4,216 | |
| George Washington University | DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH | Pass through | 93.847 | 17-D26 | 226,642 | |
| Nationwide Children's Hospital | DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH | Pass through | 93.847 | 700198052200 | 11,532 | |
| Texas A&M University | DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH | Pass through | 93.847 | M2100374 | 2,536 | |
| Texas A&M University | DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH | Pass through | 93.847 | M2101122 | 1,515 | |
| Univ of Kansas Medical Ctr Rsch Inst | DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH | Pass through | 93.847 | ZAT00060 | 7,004 | |
| University of South Florida | DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH | Pass through | 93.847 | TrialNet | <u>552</u> | 6,543,241 |
| Natl Inst of Neurological Disorders and Stroke | EXTRAMURAL RESEARCH PROGRAMS IN THE NEUROSCIENCES AND NEUROLOGICAL DISORDERS | Direct | 93.853 | | 655,840 | 181,188 |
| University of Cincinnati | EXTRAMURAL RESEARCH PROGRAMS IN THE NEUROSCIENCES AND NEUROLOGICAL DISORDERS | Pass through | 93.853 | 010785138586 | 22,420 | |
| University of Cincinnati | EXTRAMURAL RESEARCH PROGRAMS IN THE NEUROSCIENCES AND NEUROLOGICAL DISORDERS | Pass through | 93.853 | 012043135856 | 3,997 | |
| University of Cincinnati | EXTRAMURAL RESEARCH PROGRAMS IN THE NEUROSCIENCES AND NEUROLOGICAL DISORDERS | Pass through | 93.853 | 012044135856 | 16,495 | |
| University of Cincinnati | EXTRAMURAL RESEARCH PROGRAMS IN THE NEUROSCIENCES AND NEUROLOGICAL DISORDERS | Pass through | 93.853 | 012340135856 | 874 | |
| University of Oklahoma – Norman | EXTRAMURAL RESEARCH PROGRAMS IN THE NEUROSCIENCES AND NEUROLOGICAL DISORDERS | Pass through | 93.853 | 2023-70 | <u>655</u> | 700,281 |
| Natl Inst of Allergy & Infectious Disease | ALLERGY, IMMUNOLOGY AND TRANSPLANTATION RESEARCH | Direct | 93.855 | | 2,883,325 | |
| Heartland Vaccines, LLC | ALLERGY, IMMUNOLOGY AND TRANSPLANTATION RESEARCH | Pass through | 93.855 | 20191050 | 28,628 | |
| Oklahoma Medical Research Foundation | ALLERGY, IMMUNOLOGY AND TRANSPLANTATION RESEARCH | Pass through | 93.855 | 0170-170851JMOUHSC | 170,312 | |
| Oklahoma Medical Research Foundation | ALLERGY, IMMUNOLOGY AND TRANSPLANTATION RESEARCH | Pass through | 93.855 | 0170170UHSCJM | 9,115 | |
| Oklahoma Medical Research Foundation | ALLERGY, IMMUNOLOGY AND TRANSPLANTATION RESEARCH | Pass through | 93.855 | 017018040-OUHSC-JM | (685) | |
| University of Alabama at Birmingham | ALLERGY, IMMUNOLOGY AND TRANSPLANTATION RESEARCH | Pass through | 93.855 | 000520244SP008SC004 | 181,708 | |
| University of Calgary | ALLERGY, IMMUNOLOGY AND TRANSPLANTATION RESEARCH | Pass through | 93.855 | 10034797 | 37,329 | |
| University of Chicago | ALLERGY, IMMUNOLOGY AND TRANSPLANTATION RESEARCH | Pass through | 93.855 | AWD103082 | 28,572 | |
| University of Chicago | ALLERGY, IMMUNOLOGY AND TRANSPLANTATION RESEARCH | Pass through | 93.855 | AWD100279SUB00000118 | <u>231,704</u> | 3,570,008 |
| Natl Inst of General Medical Sciences | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Direct | 93.859 | | 17,778,470 | 4,026,296 |
| Cherokee Nation of Oklahoma | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 272244 | 62,870 | |
| Cherokee Nation of Oklahoma | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 278481 | 41,791 | |

The accompanying notes are an integral part of this Schedule.

The University of Oklahoma Health Sciences Center

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

| Sponsor | Program or Cluster Title | Direct/Pass through | Assistance Listing Number | Award Number | Expenditure | Subrecipient Expenditures |
|--|--|------------------------|------------------------------|-------------------------|-------------|------------------------------|
| Cherokee Nation of Oklahoma | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 283694 | 72,661 | |
| Cherokee Nation of Oklahoma | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | S06GM146122 | 1,299 | |
| Laureate Institute for Brain Research | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | P20GM121312-OU | 4,404 | |
| Louisiana State University | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | GM104940-06S3-OUHSC-01 | 49,466 | |
| Oklahoma Medical Research Foundation | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 0249-0806OUHSC-JM | 1,278 | |
| Oklahoma Medical Research Foundation | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 0249-0904OUHSC-MW | 197,192 | |
| Oklahoma Medical Research Foundation | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 024910071_Jiang | 13,594 | |
| Oklahoma Medical Research Foundation | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 024910071_Morales | 63,415 | |
| Oklahoma State University Center for Health Sciences | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 5-555922 | 772 | |
| Oklahoma State University Center for Health Sciences | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | A23-0010-S001 | 170,268 | |
| Oklahoma State University Center for Health Sciences | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | A23-0010-S002 | 8,949 | |
| Oklahoma State University Center for Health Sciences | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 571137-01 | (17,085) | |
| Oklahoma State University | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 5554009 | 62,418 | |
| Oklahoma State University | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 5-554600GarciaContreras | 3,688 | |
| Oklahoma State University | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 1-512093-OUHSC | 2,914 | |
| University of Colorado | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | FY20.952.002 | 42,607 | |
| University of Oklahoma – Norman | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 2021-55 | 136,913 | |
| University of Oklahoma – Norman | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 2022-77 | 40,434 | |
| University of Oklahoma – Norman | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 2022-78 | 94,167 | |
| University of Oklahoma – Norman | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 2023-26 | 31,161 | |
| University of Oklahoma – Norman | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 2023-36 | 71,183 | |
| University of Oklahoma – Norman | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 2023-56 | 107,969 | |
| University of Oklahoma – Norman | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 2023-57 | 44,508 | 10,805 |
| University of Oklahoma – Norman | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 2023-58 | 113,869 | |
| University of Oklahoma – Norman | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 2023-59 | 197,877 | |
| University of Oklahoma – Norman | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 2023-60 | 7,061 | |
| Wake Forest University Health Sciences | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 605-45801-10000118471 | 50,400 | |
| West Virginia University | BIOMEDICAL RESEARCH AND RESEARCH TRAINING | Pass through | 93.859 | 12-303G-OUHSC | 127,164 | 19,583,677 |
| Natl Inst of Child Health & Human Development | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Direct | 93.865 | | 582,761 | 38,085 |
| Boston Children's Hospital | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Pass through | 93.865 | GENFD0001772364 | 3,329 | |
| Children's Hospital of Philadelphia | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Pass through | 93.865 | GRT-00000230 | 13,097 | |
| Indiana University | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Pass through | 93.865 | 8951 | 149,977 | |
| Johns Hopkins University | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Pass through | 93.865 | 2004896734 | 26,054 | |
| Miyazaki Enterprises | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Pass through | 93.865 | 2-004 | 60,558 | |
| Nationwide Children's Hospital | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Pass through | 93.865 | 700221-0521-00 | (1) | |
| Oklahoma State University | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Pass through | 93.865 | 1-57-1918OUHSC | 15,899 | |
| University of California, San Diego | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Pass through | 93.865 | 703944 | (304,520) | |

The accompanying notes are an integral part of this Schedule.

The University of Oklahoma Health Sciences Center

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

| Sponsor | Program or Cluster Title | Direct/Pass through | Assistance Listing Number | Award Number | Expenditure | Subrecipient Expenditures |
|--|--|------------------------|------------------------------|--------------------------|-------------------|------------------------------|
| University of Minnesota | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Pass through | 93.865 | P007776101 | 261,955 | |
| University of Oklahoma – Norman | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Pass through | 93.865 | 2023-30 | 13,460 | |
| University of Utah | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Pass through | 93.865 | 10063566-02-OUHSC | 534,845 | |
| Yale University | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Pass through | 93.865 | GR101952 | (2,442) | |
| Yale University | CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH | Pass through | 93.865 | GR115860 | 29,991 | 1,384,963 |
| Natl Inst on Aging | AGING RESEARCH | Direct | 93.866 | | 5,413,257 | 1,096,436 |
| American Federation for Aging Research | AGING RESEARCH | Pass through | 93.866 | 17-NSCC3-OKLAHOMA | 6,379 | |
| Buck Institute for Research on Aging | AGING RESEARCH | Pass through | 93.866 | SA21028-OUHSC | 56,936 | |
| City of Hope | AGING RESEARCH | Pass through | 93.866 | 60254.2005087.669306 | 7,768 | |
| Cleveland Clinic Foundation | AGING RESEARCH | Pass through | 93.866 | CCF22141713 | 20,231 | |
| Grand Valley State University | AGING RESEARCH | Pass through | 93.866 | GVSU-207047-01 | (2,736) | |
| Oklahoma Medical Research Foundation | AGING RESEARCH | Pass through | 93.866 | 03180101-OUHSC | 72,290 | |
| Oklahoma Medical Research Foundation | AGING RESEARCH | Pass through | 93.866 | 0345-01 | 34,402 | |
| Oregon State University | AGING RESEARCH | Pass through | 93.866 | P0452A-B | 22,026 | |
| University of Alabama at Birmingham | AGING RESEARCH | Pass through | 93.866 | 000529560-SC002-GAL | 20,104 | |
| University of Colorado | AGING RESEARCH | Pass through | 93.866 | FY21.367.001 | 26,178 | |
| University of Florida | AGING RESEARCH | Pass through | 93.866 | SUB00002627 | 44,341 | |
| University of Kentucky | AGING RESEARCH | Pass through | 93.866 | 3200002223-19-098 | 200,252 | |
| University of Texas Health Science Ctr | AGING RESEARCH | Pass through | 93.866 | 170785/165948 | 12,191 | |
| Washington State University | AGING RESEARCH | Pass through | 93.866 | 135230 SPC001436 | 167,862 | |
| Washington State University | AGING RESEARCH | Pass through | 93.866 | 138590 SPC002230 | 66,023 | |
| Washington State University | AGING RESEARCH | Pass through | 93.866 | 139127 SPC003117 | 41,194 | 6,208,698 |
| Natl Eye Inst | VISION RESEARCH | Direct | 93.867 | | 4,338,832 | 126,433 |
| Biolytx | VISION RESEARCH | Pass through | 93.867 | 2021STTR-B01 | 64,672 | |
| Dartmouth-Hitchcock Medical Center | VISION RESEARCH | Pass through | 93.867 | GC100060001 | - | |
| Excitant Therapeutics LLC. | VISION RESEARCH | Pass through | 93.867 | 2022SBIR-2R44EY032023-02 | 38,253 | |
| Jaeb Center for Health Research | VISION RESEARCH | Pass through | 93.867 | PON1 | (703) | |
| Jaeb Center for Health Research | VISION RESEARCH | Pass through | 93.867 | MTS1 | 1,249 | |
| Oklahoma Medical Research Foundation | VISION RESEARCH | Pass through | 93.867 | 035401020-Agbaga | 16,227 | |
| University of Colorado | VISION RESEARCH | Pass through | 93.867 | FY20.724.001 | 2,992 | |
| University of Houston | VISION RESEARCH | Pass through | 93.867 | R-20-0024 | 10,316 | |
| University of Florida | VISION RESEARCH | Pass through | 93.867 | SUB00002845 | 2,620 | |
| University of Southern California | VISION RESEARCH | Pass through | 93.867 | SCON-00004103 | 23,336 | 4,497,794 |
| Oklahoma State Department of Health | MATERNAL, INFANT AND EARLY CHILDHOOD HOME VISITING GRANT | Pass through | 93.870 | 3409024937 | 219,219 | |
| Oklahoma State Department of Health | MATERNAL, INFANT AND EARLY CHILDHOOD HOME VISITING GRANT | Pass through | 93.870 | 3409024962 | 296,714 | |
| Oklahoma State Department of Health | MATERNAL, INFANT AND EARLY CHILDHOOD HOME VISITING GRANT | Pass through | 93.870 | 3409025553 | 118,409 | 7,419 |
| Oklahoma State Department of Health | MATERNAL, INFANT AND EARLY CHILDHOOD HOME VISITING GRANT | Pass through | 93.870 | 3409025616 | 73,002 | 707,344 |
| OK Dept Mental Hlth Substance Abuse Svcs | OPIOID STR | Pass through | 93.959 | 4529065188 | 391,175 | 391,175 |
| Total Department of Health and Human Services | | | | | 77,252,855 | 11,369,722 |
| Total Research and Development Cluster | | | | | 80,102,776 | 11,472,941 |

The accompanying notes are an integral part of this Schedule.

The University of Oklahoma Health Sciences Center

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

| Sponsor | Program or Cluster Title | Direct/Pass through | Assistance Listing Number | Award Number | Expenditure | Subrecipient Expenditures |
|--|---|------------------------|------------------------------|-------------------------|------------------|------------------------------|
| Other Programs | | | | | | |
| Department of Agriculture | | | | | | |
| Oklahoma Department of Agriculture | REGIONAL FOOD SYSTEM PARTNERSHIPS | Direct | 10.177 | | 234,134 | 19,989 |
| Oklahoma Department of Human Services | STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM | Pass through | 10.561 | 22000470 | 1,503,226 | |
| Oklahoma Department of Human Services | SENIORS FARMERS MARKET NUTRITION PROGRAM | Pass through | 10.576 | 8309026387 | 8,138 | |
| The University of Southern Mississippi | NATIONAL FOOD SERVICE MANAGEMENT INSTITUTE ADMINISTRATION & STAFFING GRANT | Pass through | 10.587 | 8006320-01.03 BOR-UOHSC | 16,921 | |
| Total Department of Agriculture | | | | | 1,762,419 | 19,989 |
| Department of Justice | | | | | | |
| Office of Justice Programs | MISSING CHILDREN'S ASSISTANCE | Direct | 16.543 | | | 1,074,862 |
| Oklahoma District Attorneys Council | CRIME VICTIM ASSISTANCE | Pass through | 16.575 | 2022-VOCA-OUHSC-061 | 105,084 | |
| Oklahoma District Attorneys Council | CRIME VICTIM ASSISTANCE | Pass through | 16.575 | 2022-VOCA-OUHSC-097 | 44,083 | |
| Oklahoma District Attorneys Council | CRIME VICTIM ASSISTANCE | Pass through | 16.575 | 2021-VOCA-OUHSC-072 | 42,651 | |
| Oklahoma District Attorneys Council | CRIME VICTIM ASSISTANCE | Pass through | 16.575 | 2021-VOCA-OUHSC-080 | 22,568 | 214,386 |
| International Chiefs of Police | CRIME VICTIM ASSISTANCE – DISCRETIONARY GRANTS | Pass through | 16.582 | IACP2019761204 | | 18,769 |
| Total Department of Justice | | | | | 1,308,017 | |
| Department of Education | | | | | | |
| Department of Education | SPECIAL EDUCATION – PERSONNEL DEVELOPMENT TO IMPROVE SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES | Direct | 84.325 | | | 223,506 |
| Department of Health and Human Services – Other | | | | | | |
| Oklahoma Department of Human Services | | Pass through | 93.U01 | 23000060 | 65,521 | |
| Oklahoma Department of Human Services | | Pass through | 93.U02 | 23000116 | 95,759 | |
| Zero to Three | | Pass through | 93.U03 | 2021030280 | 567 | |
| Lighthouse Behavioral Wellness Centers | NATIONAL ORGANIZATIONS OF STATE AND LOCAL OFFICIALS SPECIAL PROGRAMS FOR THE AGING TITLE IV AND TITLE II | Pass through | 93.011 | G32HS42635 | 72,242 | |
| Oklahoma Department of Human Services | DISCRETIONARY PROJECTS | Pass through | 93.048 | 21006607 | 25,845 | |
| Oklahoma Department of Human Services | LIFESPAN RESPITE CARE PROGRAM | Pass through | 93.072 | 22002759 | 48,539 | |
| University of Texas Health Science Center | BLOOD DISORDER PROGRAM: PREVENTION, SURVEILLANCE, AND RESEARCH | Pass through | 93.080 | SA0001320 | | 18,067 |
| Okla Dept of Mental Health & Substance Abuse Services | ENHANCE SAFETY OF CHILDREN AFFECTED BY SUBSTANCE ABUSE | Pass through | 93.087 | 4529060360 | 17,570 | |
| Okla Dept of Mental Health & Substance Abuse Services | ENHANCE SAFETY OF CHILDREN AFFECTED BY SUBSTANCE ABUSE | Pass through | 93.087 | 4529062484 | 75,944 | |
| Okla Dept of Mental Health & Substance Abuse Services | ENHANCE SAFETY OF CHILDREN AFFECTED BY SUBSTANCE ABUSE | Pass through | 93.087 | 4529065107 | 62,745 | 156,259 |
| Maternal & Child Health Bureau | MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS | Direct | 93.110 | | 1,207,593 | 130,527 |
| Oklahoma State Department of Health | MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS | Pass through | 93.110 | 3409023998 | 530,911 | 291,412 |
| Univ of Texas Health Science Center | MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS | Pass through | 93.110 | SA0000862 | (487) | |
| Univ of Texas Health Science Center | MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS | Pass through | 93.110 | SA0002459 | 34,371 | 1,772,388 |
| Maternal & Child Health Bureau | EMERGENCY MEDICAL SERVICES FOR CHILDREN | Direct | 93.127 | | | 42,048 |

The accompanying notes are an integral part of this Schedule.

The University of Oklahoma Health Sciences Center

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

| Sponsor | Program or Cluster Title | Direct/Pass through | Assistance Listing Number | Award Number | Expenditure | Subrecipient Expenditures |
|---|---|---------------------|---------------------------|----------------------|-------------|---------------------------|
| University of New Mexico HSC HIV/Aids Bureau | AIDS EDUCATION AND TRAINING CENTERS COORDINATED SERVICES AND ACCESS TO RESEARCH FOR WOMEN, INFANTS, CHILDREN, AND YOUTH | Pass through | 93.145 | 3RGL7 | | 276,468 |
| Health Resources & Services Administration | GRADUATE PSYCHOLOGY EDUCATION PROGRAM AND PATIENT NAVIGATOR AND CHRONIC DISEASE PREVENTION PROGRAM | Direct | 93.153 | | | 134,950 |
| Center for Mental Health Services | SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE | Direct | 93.191 | | | 2,329 |
| Okla Dept of Mental Health & Substance Abuse Services | SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE | Direct | 93.243 | | 8,481,024 | 1,976,344 |
| Okla Dept of Mental Health & Substance Abuse Services | SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE | Pass through | 93.243 | 4529060975 | 7,048 | |
| Okla Dept of Mental Health & Substance Abuse Services | SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE | Pass through | 93.243 | 4529065108 | 82,061 | |
| Okla Dept of Mental Health & Substance Abuse Services | SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE | Pass through | 93.243 | 4529065188 | 157,974 | |
| University of Iowa | SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE | Pass through | 93.243 | S00950-03 | 38,843 | 8,766,950 |
| Health Resources & Services Administration | POISON CENTER SUPPORT AND ENHANCEMENT GRANT | Direct | 93.253 | | | 276,075 |
| Natl Inst of Occupational Safety & Health | OCCUPATIONAL SAFETY AND HEALTH PROGRAM | Direct | 93.262 | | | 216,872 |
| Oklahoma State Department of Health | IMMUNIZATION GRANTS | Pass through | 93.268 | 3409024377 | | - |
| Thrive, Inc | TEENAGE PREGNANCY PREVENTION PROGRAM | Pass through | 93.297 | 2021-006 | | 59,850 |
| Washington University in St. Louis | SICKLE CELL TREATMENT DEMONSTRATION PROGRAM | Pass through | 93.365 | WU-21-248 | (870) | |
| Washington University in St. Louis | SICKLE CELL TREATMENT DEMONSTRATION PROGRAM | Pass through | 93.365 | WU-23-0209 | 49,648 | 48,778 |
| Association of University Centers on Disabilities | STRENGTHENING PUBLIC HEALTH SYSTEMS AND SERVICES THROUGH NATIONAL PARTNERSHIPS TO IMPROVE AND PROTECT THE NATION'S HEALTH | Pass through | 93.421 | 03-8817-22 | 61,554 | |
| Association of University Centers on Disabilities | STRENGTHENING PUBLIC HEALTH SYSTEMS AND SERVICES THROUGH NATIONAL PARTNERSHIPS TO IMPROVE AND PROTECT THE NATION'S HEALTH | Pass through | 93.421 | 1208813 | (4) | |
| Association of University Centers on Disabilities | STRENGTHENING PUBLIC HEALTH SYSTEMS AND SERVICES THROUGH NATIONAL PARTNERSHIPS TO IMPROVE AND PROTECT THE NATION'S HEALTH | Pass through | 93.421 | 30-8814-22 | 21,766 | |
| Association of University Centers on Disabilities | STRENGTHENING PUBLIC HEALTH SYSTEMS AND SERVICES THROUGH NATIONAL PARTNERSHIPS TO IMPROVE AND PROTECT THE NATION'S HEALTH | Pass through | 93.421 | 20191235 | 3,820 | |
| Association of University Centers on Disabilities | STRENGTHENING PUBLIC HEALTH SYSTEMS AND SERVICES THROUGH NATIONAL PARTNERSHIPS TO IMPROVE AND PROTECT THE NATION'S HEALTH | Pass through | 93.421 | 20230044 | 4,235 | |
| National Assoc of County and City Health Officials | STRENGTHENING PUBLIC HEALTH SYSTEMS AND SERVICES THROUGH NATIONAL PARTNERSHIPS TO IMPROVE AND PROTECT THE NATION'S HEALTH | Pass through | 93.421 | 2022-090702 | 5,356 | 96,727 |
| Oklahoma State Department of Health | IMPROVING THE HEALTH OF AMERICANS THROUGH PREVENTION AND MANAGEMENT OF DIABETES AND HEART DISEASE AND STROKE | Pass through | 93.426 | 3409024095 | | 237,898 |
| Tulane University | AFFORDABLE CARE ACT (ACA) PUBLIC HEALTH TRAINING CENTERS PROGRAM | Pass through | 93.516 | TUL-HSC-559370-21/22 | 3,157 | |
| Tulane University | AFFORDABLE CARE ACT (ACA) PUBLIC HEALTH TRAINING CENTERS PROGRAM | Pass through | 93.516 | TUL-HSC-560506-22/23 | 30,904 | 34,061 |

The accompanying notes are an integral part of this Schedule.

The University of Oklahoma Health Sciences Center

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

| Sponsor | Program or Cluster Title | Direct/Pass through | Assistance Listing Number | Award Number | Expenditure | Subrecipient Expenditures |
|---|---|---------------------|---------------------------|--------------|-------------|---------------------------|
| NorthCare | TEMPORARY ASSISTANCE FOR NEEDY FAMILIES | Pass through | 93.558 | 8300001180 | | 61,706 |
| Oklahoma State Department of Health | COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS | Pass through | 93.590 | 3409023261 | 21,808 | |
| Oklahoma State Department of Health | COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS | Pass through | 93.590 | 3409025413 | 128,664 | |
| Oklahoma State Department of Health | COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS | Pass through | 93.590 | 3409025548 | 42,216 | 192,688 |
| Developmental Disabilities Council of OK | DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY GRANTS | Pass through | 93.630 | 0900118 | 99,553 | |
| Developmental Disabilities Council of OK | DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY GRANTS | Pass through | 93.630 | 22000118 | 21,481 | |
| Developmental Disabilities Council of OK | DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY GRANTS | Pass through | 93.630 | 22003812 | 14,666 | |
| Developmental Disabilities Council of OK | DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY GRANTS | Pass through | 93.630 | 22003813 | 1 | |
| Developmental Disabilities Council of OK | DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY GRANTS | Pass through | 93.630 | 23000055 | 16,743 | |
| Developmental Disabilities Council of OK | DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY GRANTS | Pass through | 93.630 | 23000117 | 9,869 | 162,313 |
| Administration on Developmental Disabilities | UNIVERSITY CENTERS FOR EXCELLENCE IN DEVELOPMENTAL DISABILITIES EDUCATION, RESEARCH, AND SERVICE | Direct | 93.632 | | | 486,681 |
| Oklahoma Department of Human Services | CHILDREN'S JUSTICE GRANTS TO STATES | Pass through | 93.643 | 22000224 | 12,611 | 22,960 |
| Oklahoma Department of Human Services | CHILDREN'S JUSTICE GRANTS TO STATES | Pass through | 93.643 | 22000225 | 2,381 | |
| Oklahoma Department of Human Services | CHILDREN'S JUSTICE GRANTS TO STATES | Pass through | 93.643 | 22000226 | (184) | |
| Oklahoma Department of Human Services | CHILDREN'S JUSTICE GRANTS TO STATES | Pass through | 93.643 | 22000227 | 1,608 | |
| Oklahoma Department of Human Services | CHILDREN'S JUSTICE GRANTS TO STATES | Pass through | 93.643 | 23000061 | 31,044 | |
| Oklahoma Department of Human Services | CHILDREN'S JUSTICE GRANTS TO STATES | Pass through | 93.643 | 23000062 | 23,580 | 71,040 |
| State University of New York at Albany | CHILD WELFARE SERVICES TRAINING GRANTS | Pass through | 93.648 | 15-92159 | | 102,820 |
| Oklahoma Department of Human Services | CHILD ABUSE AND NEGLECT STATE GRANTS | Pass through | 93.669 | 22001061 | | 404,266 |
| Bureau of Health Workforce | MEDICAL STUDENT EDUCATION | Direct | 93.680 | | | 3,441,494 |
| Administration for Community Living | EVIDENCE-BASED FALLS PREVENTION PROGRAMS FINANCED SOLELY BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF) | Direct | 93.761 | | | (77) |
| Oklahoma Department of Human Services | MEDICAL ASSISTANCE PROGRAM | Pass through | 93.778 | 21000244 | 228,733 | |
| Oklahoma Health Care Authority | MEDICAL ASSISTANCE PROGRAM | Pass through | 93.778 | 8079004156 | 292,690 | 521,423 |
| Oklahoma State Department of Health | MATERNAL, INFANT AND EARLY CHILDHOOD HOME VISITING GRANT | Pass through | 93.870 | 3409023222 | 615,849 | 492,138 |
| Oklahoma State Department of Health | MATERNAL, INFANT AND EARLY CHILDHOOD HOME VISITING GRANT | Pass through | 93.870 | 3409024904 | 43,714 | |
| Oklahoma State Department of Health | MATERNAL, INFANT AND EARLY CHILDHOOD HOME VISITING GRANT | Pass through | 93.870 | 3409025547 | 95,149 | |
| Oklahoma State Department of Health | MATERNAL, INFANT AND EARLY CHILDHOOD HOME VISITING GRANT | Pass through | 93.870 | 3409025552 | 6,313 | 761,025 |
| Bureau of Health Workforce | GRANTS FOR TRAINING IN PRIMARY CARE MEDICINE AND DENTISTRY | Direct | 93.884 | | | 365,143 |
| Oklahoma State Department of Health | HIV CARE FORMULA GRANTS | Pass through | 93.917 | 3409022107 | 959,570 | |
| Oklahoma State Department of Health | HIV CARE FORMULA GRANTS | Pass through | 93.917 | 3409022159 | 8,210 | |
| Oklahoma State Department of Health | HIV CARE FORMULA GRANTS | Pass through | 93.917 | 3409025427 | 83,430 | 1,051,210 |
| HIV/Aids Bureau | GRANTS TO PROVIDE OUTPATIENT EARLY INTERVENTION SERVICES WITH RESPECT TO HIV DISEASE | Direct | 93.918 | | | 779,067 |
| Okla Dept of Mental Health & Substance Abuse Services | BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE | Pass through | 93.959 | 4529062270 | 7,070 | |
| Okla Dept of Mental Health & Substance Abuse Services | BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE | Pass through | 93.959 | 4529065393 | 92,912 | 99,982 |
| Bureau of Health Workforce | PPHF GERIATRIC EDUCATION CENTERS | Direct | 93.969 | | | 951,026 |
| | | | | | | 207,825 |

The accompanying notes are an integral part of this Schedule.

The University of Oklahoma Health Sciences Center
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

| Sponsor | Program or Cluster Title | Direct/Pass through | Assistance Listing Number | Award Number | Expenditure | Subrecipient Expenditures |
|--|--|------------------------|------------------------------|--------------|-----------------------|------------------------------|
| Oklahoma Department of Human Services | MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES | Pass through | 93.994 | 18000224 | 24,782 | |
| Oklahoma Department of Human Services | MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES | Pass through | 93.994 | 23000018 | 613,998 | |
| Oklahoma Department of Human Services | MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES | Pass through | 93.994 | 8309024645 | 202,066 | |
| Oklahoma Department of Human Services | MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES | Pass through | 93.994 | 8309025670 | 16,924 | |
| Oklahoma State Department of Health | MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES | Pass through | 93.994 | 3409023998 | 260,615 | |
| Oklahoma State Department of Health | MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES | Pass through | 93.994 | 3409021762 | 4,099 | |
| Oklahoma State Department of Health | MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES | Pass through | 93.994 | 3409025611 | 71,994 | |
| Total Department of Health and Human Services – Other | | | | | <u>1,194,478</u> | <u>3,161,455</u> |
| Total Other Programs | | | | | 26,388,420 | 3,181,444 |
| Student Financial Assistance Cluster | | | | | | |
| Department of Education | | | | | | |
| Department of Education | FEDERAL DIRECT STUDENT LOANS | Direct | 84.268 | | 71,143,231 | |
| University of Oklahoma – Norman (SEOG) | FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS | Pass Through | 84.007 | 17-18002 | 75,000 | |
| University of Oklahoma – Norman (Pell) | FEDERAL PELL GRANT PROGRAM | Pass Through | 84.063 | 17-18001 | 1,167,791 | |
| Total Department of Education | | | | | <u>72,386,022</u> | |
| Department of Health and Human Services | | | | | | |
| Health Professions Nurse Faculty Loan – Advances | NURSE FACULTY LOAN PROGRAM | Direct | 93.264 | | 27,500 | |
| June 30, 2021 Nurse Faculty Loan Program | NURSE FACULTY LOAN PROGRAM | Loan Balance | 93.264 | | 150,864 | 178,364 |
| Health Professions Student Loan (HPSL & PCL) – Advances | HEALTH PROFESSIONS STUDENT LOANS | Direct | 93.342 | | 808,840 | |
| June 30, 2021 HPSL & PCL Programs | HEALTH PROFESSIONS STUDENT LOANS | Loan Balance | 93.342 | | 5,809,310 | 6,618,150 |
| Health Professions Undergraduate Nursing Student Loan – Advances | NURSING STUDENT LOANS | Direct | 93.364 | | 368,437 | |
| June 30, 2021 Nursing Student Loan Program | NURSING STUDENT LOANS | Loan Balance | 93.364 | | 1,753,367 | 2,121,804 |
| Total Department of Health and Human Services | | | | | <u>8,918,318</u> | |
| Total Student Financial Assistance Cluster | | | | | 81,304,340 | |
| Total Federal Expenditures | | | | | <u>\$ 187,795,536</u> | <u>\$ 14,654,385</u> |

The University of Oklahoma Health Sciences Center

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1: Basis of Presentation

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

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the cash basis of accounting. Federal awards provided to subrecipients are treated as expenditures when paid to the subrecipient. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

For purposes of the Schedule, federal awards have been identified into two types:

- Direct federal awards consisting of federal assistance and federal student financial aid, and
- Pass-through funds received from non-federal organizations made under federally sponsored programs conducted by those organizations.

Complete Assistance Listing numbers are presented for those programs for which such numbers were available. Assistance Listing number prefixes are presented for programs for which a complete Assistance Listing number is not available.

Federal direct programs are presented by federal department and, where applicable, the funding agency within the department. Federal pass-through programs are presented by the entity through which the University received the federal award. Amounts provided to subrecipients from each federal program have been separately identified for additional analysis. These pass-through awards are included in total cash basis expenditures.

The University of Oklahoma – Norman Campus administers the Pell Grant program, Supplemental Education Opportunity Grants, College Work Study, and other grant student award programs for students attending both the Norman and Center campuses of the University. Grant revenues and expenditures under such programs for students attending the Center campus are considered pass-through funds and are, therefore, included in the Schedule.

Note 3: Indirect Cost Rate

The Center has not elected to use the 10% de minimis cost rate allowed under the Uniform Guidance.

The University of Oklahoma Health Sciences Center
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 4: Student Loan Program

Federal Direct Student Loan Program

Under the Federal Direct Student Loan Program (Direct Loan Program), the U.S. Department of Education makes loans to enable a student or parent to pay the costs of the student’s attendance at a postsecondary school. The Direct Loan Program enables an eligible student or parent to obtain a loan to pay for the student’s cost of attendance directly from the U.S. Department of Education rather than through private lenders. The Center administers the origination and disbursement of the loans to eligible students or parents. The Center is not responsible for the collection of these loans.

Administered Loan Programs

The federal student loan programs listed subsequently are administered directly by the Center, and balances and transactions relating to these programs are included in the Center’s basic financial statements. Loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2023 consists of:

| Assistance Listing Number | Program Name | Outstanding Balance at June 30, 2023 |
|--|----------------------------------|---|
| 93.264 | Nurse Faculty Loan Program | \$ 174,191 |
| 93.342 | Health Professions Student Loans | \$ 6,038,296 |
| 93.364 | Nursing Student Loans | \$ 1,901,697 |

The University of Oklahoma Health Sciences Center
Agency Summary
Year Ended June 30, 2023

Research and Development

| | |
|---|----------------|
| Department of Health and Human Services | \$ 77,252,855 |
| Department of Defense | 1,994,466 |
| Department of Agriculture | 123,487 |
| Department of Commerce | 525,009 |
| Other departments | <u>206,959</u> |

| | |
|--------------------------------|-------------------|
| Total research and development | <u>80,102,776</u> |
|--------------------------------|-------------------|

Other

| | |
|---|----------------|
| Department of Health and Human Services | 23,094,478 |
| Department of Agriculture | 1,762,419 |
| Department of Justice | 1,308,017 |
| Department of Education | <u>223,506</u> |

| | |
|-------------|-------------------|
| Total other | <u>26,388,420</u> |
|-------------|-------------------|

Student Financial Assistance

| | |
|---|------------------|
| Department of Education | 72,386,028 |
| Department of Health and Human Services | <u>8,918,318</u> |

| | |
|------------------------------------|-------------------|
| Total student financial assistance | <u>81,304,340</u> |
|------------------------------------|-------------------|

| | |
|------------------------------------|------------------------------|
| Total federal program expenditures | <u><u>\$ 187,795,536</u></u> |
|------------------------------------|------------------------------|

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

Independent Auditor's Report

Regents of the University of Oklahoma
The University of Oklahoma Health Sciences Center
Norman, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of The University of Oklahoma Health Sciences Center (the Center), which comprise the Center's statement of net position as of June 30, 2023 and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 30, 2023, which contained "Emphasis of Matter" paragraphs regarding a change in accounting principles and the reporting entity.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Regents of the University of Oklahoma
The University of Oklahoma Health Sciences Center

Report on Compliance and Other Matters

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

Purpose of This Report

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

FORVIS,LLP

Tulsa, Oklahoma
October 30, 2023

Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

Regents of the University of Oklahoma
The University of Oklahoma Health Sciences Center
Norman, Oklahoma

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not

Regents of the University of Oklahoma
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identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

FORVIS,LLP

Tulsa, Oklahoma
October 30, 2023

The University of Oklahoma Health Sciences Center
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

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

- Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:

- Significant deficiency(ies) identified? Yes None reported
Material weakness(es) identified? Yes No

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

Federal Awards

4. Internal control over major federal awards program:

- Significant deficiency(ies) identified? Yes None reported
Material weakness(es) identified? Yes No

5. Type of auditor’s report issued on compliance for major federal program:

- Unmodified Qualified Adverse Disclaimer

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

7. Identification of major federal program:

Assistance Listing

| Number(s) | Name of Federal Program or Cluster |
|-----------|------------------------------------|
| Various | Research and Development Cluster |

8. Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000.

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

The University of Oklahoma Health Sciences Center
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2023

Section II – Financial Statement Findings

| Reference Number | Finding |
|-----------------------------|----------------|
|-----------------------------|----------------|

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

| Reference Number | Finding |
|-----------------------------|----------------|
|-----------------------------|----------------|

No matters are reportable.

The University of Oklahoma Health Sciences Center
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

| Reference Number | Summary of Finding | Status |
|-----------------------------|--|---------------|
| 2022-001 | Medical Student Education ALN 93.680 U.S. Department of Health and Human Services 2021–2022 Procurement, Suspension, and Debarment, 2 CFR Section 200 | Resolved |

The Center is responsible for establishing internal controls to ensure federal procurement requirements are met.

During 2022, documentation supporting that federal procurement requirements were met was not able to be obtained for one of eight purchases selected for testing.