University of Central Missouri

A Component Unit of the State of Missouri

Independent Auditor's Reports and Financial Statements

June 30, 2023 and 2022

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

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FORVIS

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Independent Auditor's Report

Board of Governors
University of Central Missouri
Warrensburg, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of the University of Central Missouri (the "University"), collectively a component unit of the state of Missouri, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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 University, 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 opinions. The financial statements of the University of Central Missouri Foundation, the discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

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

The 2022 financial statements, before they were restated for the matters discussed in *Note 2*, were audited by other auditors, and their report thereon, dated November 2, 2022, expressed an unmodified opinion. Our opinions were not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 opinions on the financial statements that collectively comprise the University's basic financial statements. The schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, is 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The Stadium Bonds – Series 1999, Series 2013B, and Series 2018B – Selected Information; Condensed Statement of Revenues, Expenses, and Changes in Net Position- Student Housing System; Insurance Coverage – Student Housing System Bonds; and Enrollment and Occupancy Statistics – Student Housing System Bonds, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 December 15, 2023, on our consideration of University of Central Missouri'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 University of Central Missouri'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 University of Central Missouri's internal control over financial reporting and compliance.

FORVIS, LLP

Springfield, Missouri
December 15, 2023

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

Overview

Founded in 1871, the University of Central Missouri (the "University") was originally known as the State Normal School for the Second Normal District, an institution created by the Missouri General Assembly to educate teachers for the state's public schools. Building upon this tradition, the University has evolved to meet academic and career needs of new generations of Missouri students and beyond as a major comprehensive institution with four academic colleges and nearly 150 areas of study. The University has achieved national recognition for many of its academic programs, including aviation, criminal justice, and education, and it is a leader among Missouri's public universities in program-specific accreditations.

The University takes ongoing pride in providing a student-centered learning environment where tenured professors teach the majority of classes. The University has a 22:1 student-faculty ratio and a 96 percent first destination success rate. This means that within six months after earning their diplomas, graduates are either beginning employment, joining the military, or returning to higher education to earn a graduate degree. The University's 2023 fall enrollment is 12,788. Students are served by 381 full-time faculty members, and at least 274 of these faculty members have earned doctorates.

The University is also well known for its culture of friendship and service that extends far outside its campus boundaries. UCM has 29 international exchange agreements with institutions worldwide, and international students from six continents (excluding Antarctica), 66 countries, 48 states (excluding West Virginia and Vermont), and 109 of 114 counties in Missouri, which contribute to a diverse student body. Through Graduate and International Student Services, students can study in over 60 countries at a variety of institutions.

The University is the only public university in Missouri to own and operate its own airport. Other special facilities which contribute to a quality learning environment include its 322,000-watt public broadcasting facilities - KMOS-TV, the Prussing Research Farm, and the Missouri Safety Center.

Academic Programs

The academic programs at the University are organized under four colleges: the College of Arts, Humanities, and Social Sciences; the Harmon College of Business and Professional Studies; the College of Education; and the College of Health, Science and Technology. The University also has the Honors College, which is one of the oldest honors colleges in the Midwest, and Graduate Studies.

In addition to opportunities on the Warrensburg campus, a number of degree programs can be taken at the University of Central Missouri - Lee's Summit, UCM's main extended campus location in Lee's Summit, Missouri, which serves about 2,000 students in the Kansas City metropolitan area. Many undergraduate courses and programs also are offered online. Including its airport and other special facilities, the University occupies more than 1,500 acres.

The University offers programs within the following undergraduate degrees: Bachelor of Arts, Bachelor of Fine Arts, Bachelor of Music, Bachelor of Music Education, Bachelor of Science, Bachelor of Science in Business Administration, Bachelor of Science in Education and Bachelor of Social Work. It offers Master of Arts, Master of Arts in Teaching, Master of Business Administration, Master of Science, and Master of Science in Education degrees.

The University provides additional graduate-level study for Education Specialist degrees in the areas of School Administration, Curriculum and Instruction, and Human Services, in addition to cooperating with the University of Missouri-Columbia (MU) on a doctorate in education (Ed.D.) in educational leadership, a degree conferred by MU.

Awards and Accomplishments

In fall 2023, UCM was named to two national lists that help guide students in their college selection process. The University was recognized by The Princeton Review as one of the best colleges and universities in the Midwest for the 20th consecutive year, and was also ranked by U.S. News & World Report among the nation's best regional institutions in the Midwest category. Released in September 2023, U.S. News & World Report rankings are included in the 2024 Best Colleges guidebook, which is online. UCM climbed five spots from a year ago with its #57 ranking as a Best Value School among Regional Universities in the Midwest, and it leaped 94 spots forward with its #319 ranking among all Nursing programs in the nation. Regionally, UCM also was recognized as #18 among Top Public Schools, #29 among Best Colleges for Veterans; #67 overall in the regional rankings; and #99 as a Top Performer in Social Mobility. For the first time, UCM received a national ranking in the Undergraduate Engineering Programs category, which was listed at #207. Other national program listings for UCM included its Undergraduate Business Programs and Computer Science Programs, which did not change from last year in their rankings.

In publishing results online, The Princeton Review, which does not provide numerical rankings, notes, "At the University of Central Missouri, a top-notch education comes with a very low price tag." Citing student responses, The Princeton Review adds that one satisfied senior stated, "With small class sizes, a tradition of excellence, and affordable tuition, UCM is an excellent choice for those who are looking for the most bang for their buck."

University Foundation

The University of Central Missouri Foundation (Foundation) is a legally separate, tax-exempt component unit of the University. The Foundation's primary function is to raise and hold funds to support the University and its programs. Although the University does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are restricted by donors for the benefit of the University. The Foundation is considered a component unit of the University because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University. During the years ended June 30, 2023 and 2022, the Foundation provided support to the University of $8,728,016 and $5,463,635, respectively.

Management Discussion and Analysis

This discussion and analysis of the University's financial statements provides a comparative overview of the University's financial performance during the years ended June 30, 2023, 2022, and 2021. Since the management's discussion and analysis is designed to focus on current activities, resulting changes, and current known facts, it should be read in conjunction with the University's basic financial statements and the footnotes. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) pronouncements.

Effective July 1, 2004, the University adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - An Amendment of GASB Statement No. 14*. The Foundation meets the criteria set forth for component units under GASB Statement No. 39. Thus, the University's Annual Report includes audited University Foundation financial statements, which are prepared in accordance with Financial Accounting Standards Board (FASB) standards.

Effective July 1, 2015, the University implemented GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement also provides guidance for determining a fair value measurement for financial reporting purposes. Additionally, this Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Please see *Note 3* of the financial statements for further details.

In fiscal year 2022, the University implemented GASB Statement No. 87, *Leases*, effective July 1, 2020. Please see *Notes 4* and *6* of the financial statements for further details.

In fiscal year 2023, the University implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2021. Please see *Notes 1, 4* and *7* of the financial statements for further details.

Statement of Net Position

The statement of net position presents the consolidated financial position of the University at a point in time. The statement of net position has five major components which include 1.) Assets, 2.) Deferred Outflows of Resources, 3.) Liabilities, 4.) Deferred Inflows of Resources, and 5.) Net Position. A description of each component is as follows:

Assets - Current assets are those anticipated to be liquidated within one year or less and include items such as cash and cash equivalents, investments, accounts receivable, inventories, loans to students, and prepaid expenses. Noncurrent assets include that portion of accounts receivable, investments, loans to students, and prepaid expenses not expected to liquidate within one year plus capital assets such as buildings, building improvements, infrastructure, equipment, etc.

Deferred Outflows of Resources - Deferred outflows are the consumption of net assets applicable to a future reporting period. These balances are attributable to the deferred amount on debt refunding and pension expense.

Liabilities - Current liabilities are those anticipated to be recognized within one year or less and include items such as accounts payable and accrued liabilities, accrued compensated absences, unearned revenue, interest payable, student deposits, the current portion of long-term debt, and accrued settlements. Noncurrent liabilities include that portion of accrued liabilities, compensated absences, long-term debt, and settlements that are not due within one year.

Deferred Inflows of Resources - Deferred inflows are the acquisition of net assets applicable to a future reporting period. These balances are attributable to the future period pension liabilities.

Net Position - Net position represents the University's total assets, plus deferred outflows of resources, less total liabilities. Net position is classified in three major categories which include 1.) Net Investment in Capital Assets, 2.) Restricted, and 3.) Unrestricted.

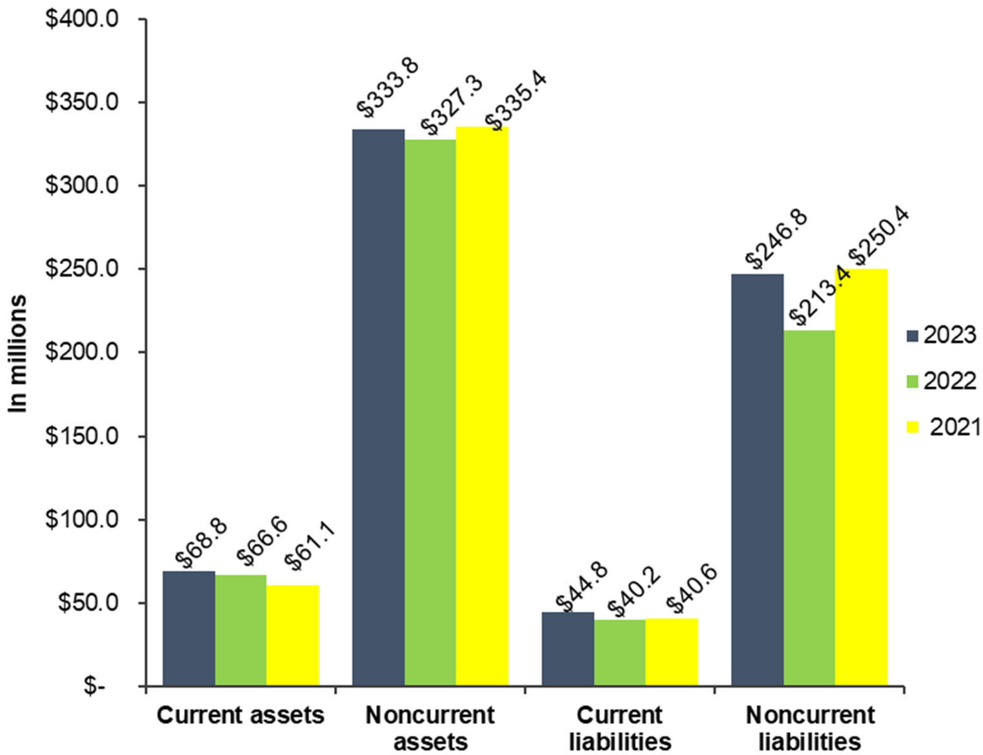
1.) Net Investment in capital assets represents buildings, building improvements, equipment, etc., that is net of accumulated depreciation and related debt.

2.) Restricted net positions are those whose purpose has been determined by an outside party for a specific use such as scholarships, loans, and capital projects.

3.) Unrestricted net position represents balances from operational activities that have not been restricted by parties external to the University. This includes funds that have been designated for specific purposes as well as amounts that have been contractually committed for goods and services not yet received.

Following is a summary of the University's assets, deferred out (in)flows of resources, liabilities, and net position at June 30 (in millions):

	2023	2022 (As Restated)	2021 (As Restated)
Current assets	$ 68.8	$ 66.6	$ 61.1
Noncurrent assets	333.8	327.3	335.4
Total assets	402.6	393.9	396.5
Deferred outflows of resources	33.4	23.8	25.7
Current liabilities	44.8	40.2	40.6
Noncurrent liabilities	246.8	213.4	250.4
Total liabilities	291.6	253.6	291.0
Deferred inflows of resources	4.2	32.3	8.1
Net position			
Net investment in capital assets	160.7	148.4	147.6
Restricted	3.9	4.4	5.2
Unrestricted	(24.4)	(21.0)	(29.7)
Total net position	$ 140.2	$ 131.8	$ 123.1



Comparative Analysis of Fiscal Years 2023 and 2022

Current Assets - Current assets for fiscal year 2023 totaled $68.8 million, which is an increase of $2.1 million from fiscal year 2022 current assets of $66.6 million. This increase is attributed to an increase in the amount due from the Foundation of $4.5 million for contributions received for capital projects funded by the Foundation, and an increase in the student accounts receivable of $1.5 million, and an increase in other receivables in the amount of $1.2 million and a decrease of total cash of $2.0 million in cash and restricted cash and a decrease in short-term investments of $1.7 million primarily due to an increase in long-term investments at year-end, and a decrease in federal grant receivables of $1.1 million at year-end. In addition, there was a combined decrease of $0.3 million in prepaid expenses, inventory, and loans to students at year-end.

Noncurrent Assets - Total noncurrent assets increased approximately $6.5 million. The increase is primarily due to the increase in long-term investments of $1.9 million, an increase in net capital assets of $7.0 million and an increase in net subscription asset of $1.1 million. A decrease of $3.3 million in net right to use assets and a combined decrease of $0.2 million in noncurrent loans to students and due from the Foundation. Refer to *Note 4* for additional information on capital asset activity.

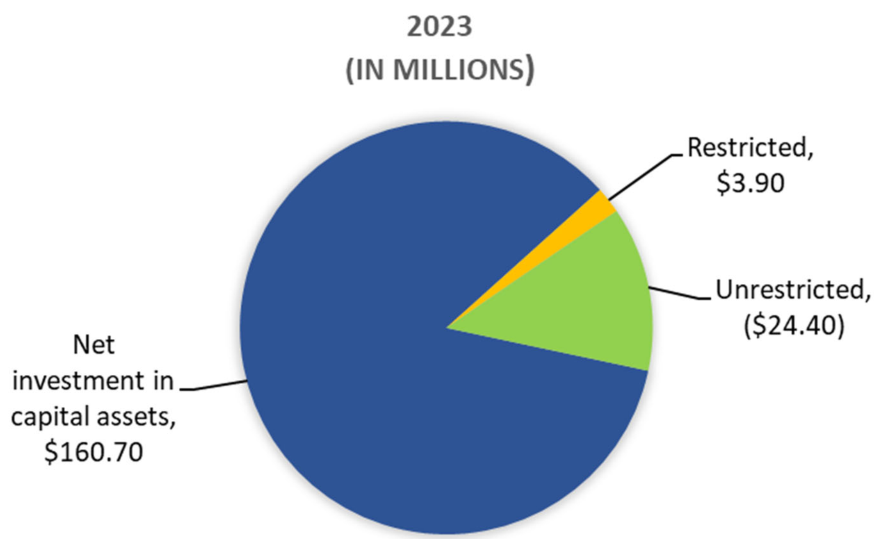
Deferred Outflows of Resources - Total deferred outflows of resources had an increase of $9.6 million due to an increase of $9.7 million, the net difference between projected and actual earnings on plan investment associated with GASB 68.

Current Liabilities - Current liabilities totaled $44.8 million increasing by approximately $4.6 million compared to the prior year total of $40.2 million. This is attributed primarily to an increase in accounts payable and accrued liabilities of $5.6 million and a combined increase of $1.1 million in lease liability, subscription liability and student deposits, and a decrease of $2.1 million in unearned revenue.

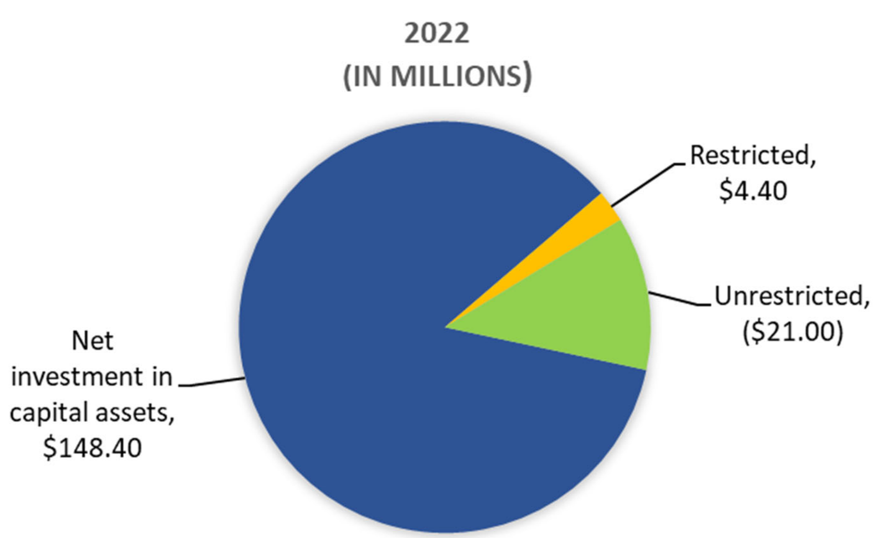
Noncurrent Liabilities - Total noncurrent liabilities increased approximately $33.4 million. This increase is primarily attributed to the $43.6 million increase in pension liability and a decrease in lease liability of $4.3 million and $4.8 million in long-term debt. In addition, other long-term liabilities decreased by $1.3 million.

Deferred Inflows of Resources - Total deferred inflows of resources had a decrease of $28.1 million due to a decrease of $27.9 million to the University's proportionate share of MOSERS deferred inflows related to GASB Statement No. 68 and an increase of $0.2 million to the University's OPEB deferred inflows related to GASB Statement No. 75.

Net Position - At June 30, 2023, the University's net position was $140.2 million. This was comprised of unrestricted - $(24.4) million; net investment in capital assets - $160.7 million; restricted for loans - $1.6 million and other restricted - $2.1 million.



2023
(IN MILLIONS)
Restricted, $3.90
Unrestricted, ($24.40)
Net investment in capital assets, $160.70



2022
(IN MILLIONS)
Restricted, $4.40
Unrestricted, ($21.00)
Net investment in capital assets, $148.40

Comparative Analysis of Fiscal Years 2022 and 2021

Current Assets - Current assets for fiscal year 2022 totaled $66.6 million, which is an increase of $5.5 million from fiscal year 2021 current assets of $61.1 million. This increase is attributed to an increase in total cash of $18.5 million due mostly to HEERF institutional recovery funds, a decrease in short-term investments of $0.9 million, a decrease in federal grant receivables of $12.8 million due mostly to a reduction in CARES/HEERF Grant funds, and an increase in student tuition receivable of $0.7 million at year-end. In addition, there was a combined increase of $0.4 million in state appropriations receivable, inventories, and prepaid expense and a combined decrease of $0.4 million in interest receivable and loans to students at year-end.

Noncurrent Assets - Total noncurrent assets decreased approximately $8.1 million. The decrease is primarily due to the decrease in long-term investments of $4.4 million, a decrease of $0.2 million in noncurrent loans to students and a decrease in capital assets of approximately $3.6 million mostly due to the depreciation of capital assets. Refer to *Note 4* for additional information on capital asset activity.

Deferred Outflows of Resources - Total deferred outflows of resources had a decrease of $1.9 million due to a decrease of $1.8 million in deferred pension expense associated with GASB 68 and a decrease of $0.1 million in debt refunding due to amortization.

Current Liabilities - Current liabilities totaled $40.2 million decreasing by approximately $0.4 million compared to the prior year total of $40.6 million. This is attributed primarily to a decrease in accounts payable and accrued liabilities of $2.1 million and an increase in unearned revenue of $0.3 million and a combined increase of $1.2 million in lease liability, subscription liability, and long-term debt due to the adoption of GASB 96. Refer to *Note 5* Long-Term Obligations. Also a $0.2 million increase in accrued compensated absences.

Noncurrent Liabilities - Total noncurrent liabilities decreased approximately $37.0 million. This decrease is primarily attributed to the $27.8 million decrease in pension liability and a decrease in long-term debt of $4.8 million. In addition, accrued compensated absences liability decreased by $0.4 million and other long-term liability decreased by $2.2 million due to a decrease of $0.9 post-employment benefit obligations and a decrease of $1.3 million of unearned Sodexo Capital Project funds.

Deferred Inflows of Resources - Total deferred inflows of resources had an increase of $24.1 million due an increase of $23.5 million to the University's proportionate share of MOSERS deferred inflows related to GASB Statement No. 68 and an increase of $0.6 million to the University's proportionate share of OPEB deferred inflows related to GASB Statement No. 75.

Net Position - At June 30, 2022, the University's net position was $131.8 million. This was comprised of unrestricted - $(21.0) million; net investment in capital assets - $148.4 million; restricted for loans - $2.2 million; and other restricted - $2.2 million.

Operating Results

The statement of revenues, expenses, and changes in net position (SRECNP) present the operating results of the University as a whole. The statements, prepared in accordance with GASB, distinguish revenues and expenses between operating and nonoperating categories, and provide a view of the University's operating margin. Comparative summary statements of revenue, expenses, and changes in net position for the years ended June 30, are as follows (in millions):

	2023	2022 (As Restated)	2021 (As Restated)
Operating Revenues			
Tuition and fees	$ 96.5	$ 90.1	$ 78.5
Scholarship allowances	(17.2)	(17.5)	(17.5)
Net tuition and fees	79.3	72.6	61.0
Federal grants and contracts	2.2	2.4	2.4
Auxiliary enterprises	31.4	30.4	29.2
Scholarship allowances	(3.4)	(3.8)	(3.9)
Net auxiliary enterprises	28.0	26.6	25.3
Other	9.5	8.5	6.9
Total Operating Revenues	119.0	110.1	95.6
Operating Expenses	202.3	188.2	179.2
Operating Loss	(83.3)	(78.1)	(83.6)
Nonoperating Revenues (Expenses)			
State appropriations	60.1	55.6	48.9
Federal grants and contracts	16.1	25.8	37.5
State grants and contracts	2.6	4.2	1.2
Other grants and contracts	1.1	1.1	0.9
Contributions	4.4	6.1	3.8
Gain (loss) on disposal of capital assets	-	0.1	-
Investment income (loss)	1.7	(3.0)	0.5
Interest on capital asset-related debt	(2.9)	(3.0)	(3.2)
Other nonoperating expenses	(0.9)	(0.6)	(1.5)
Net Nonoperating Revenues	82.2	86.3	88.1
Income Before Other Revenues, Expenses, Gains or Losses	(1.1)	8.2	4.5
Other Revenues, Expenses, Gains or Losses	9.5	0.6	0.1
Increase in Net Position	8.4	8.8	4.6
Net Position - Beginning of Year	131.8	123.0	118.4
Net Position - End of Year	$ 140.2	$ 131.8	$ 123.0

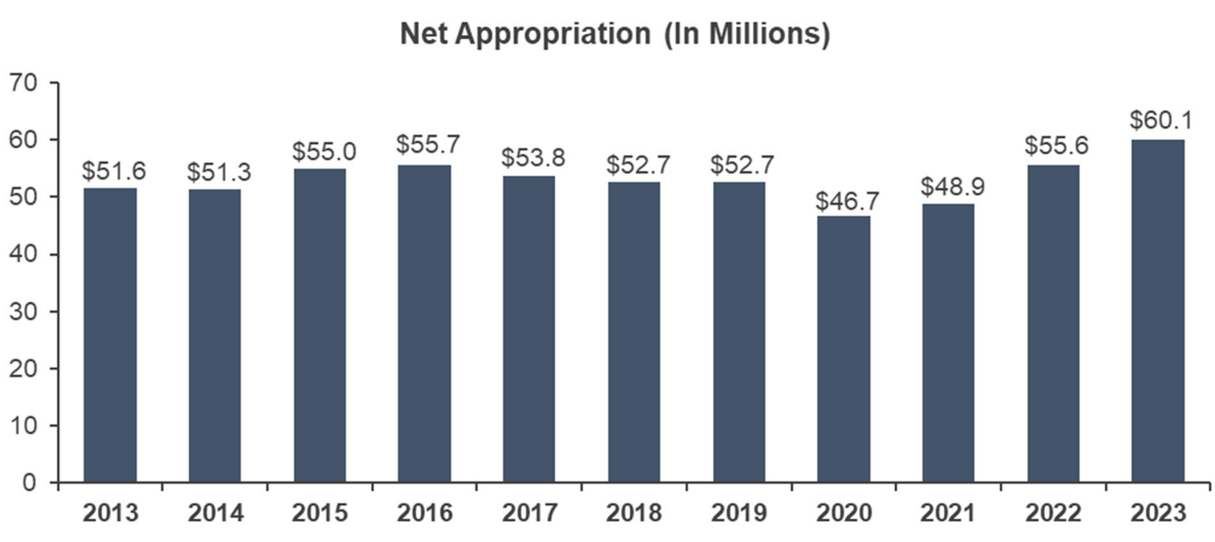
Comparative Analysis of Fiscal Years 2023 and 2022

Operating Revenues - For the year ended June 30, 2023, tuition and fee revenues (net of scholarship allowances) increased approximately $6.7 million compared to fiscal year 2022 as a result of the increase in graduate enrollment. Fiscal year 2022 tuition and fees were approximately $11.6 million over the year ended June 30, 2021, as a result of a return to campus and the addition of online and hybrid coursed in a response to COVID-19.

Auxiliary enterprises experienced an increase of $1 million above fiscal year 2022, which is primarily attributed to returning to pre-COVID 19 room occupancy and in person learning.

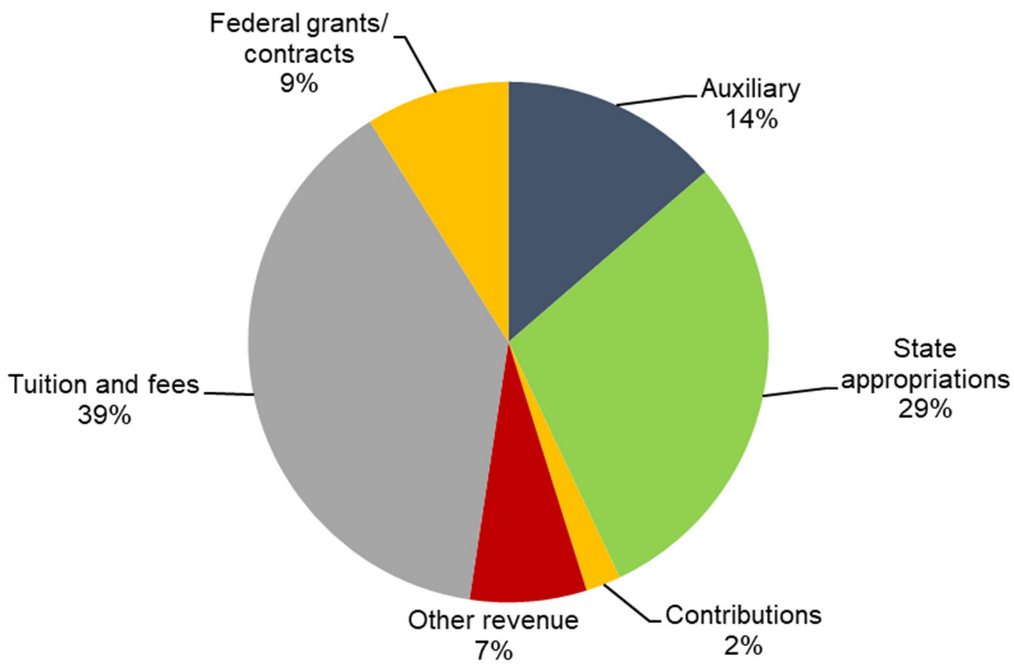
Nonoperating Revenues - Although state appropriations are considered part of the University's budgeting process and specifically included as general operating funds, the Governmental Accounting Standards Board (GASB) require state appropriations to be separately reported as nonoperating revenue.

The University's financial position is closely tied to the State of Missouri and the associated general revenue and lottery proceeds appropriated by the Legislature. State appropriation revenue increased by $4.4 million (net of withholding) from 2022 to 2023 as a direct result of the State budget increase of $3.2 million and a partial return of the 3 percent withhold in the amount of $1.2 million to assist in covering the increase to MOSERS. State of Missouri appropriations increased by $6.7 million in fiscal year 2022 compared to fiscal year 2021. Following is a historical trend of the University's state appropriation funding (net of withholdings).



Fiscal year 2023, other nonoperating revenues decreased by $4.1 million due mostly to a decrease in federal grants and contracts of $9.9 million due to the institution receiving less CARES Higher Education Emergency Relief Funds. Fiscal year 2022 other nonoperating revenues decreased $1.8 million also due mostly to a decrease in institutional CARES Higher Education Emergency Relief Funds from fiscal year 2021.

The following graph summarizes the University's fiscal year 2023 revenue sources:



Operating Expenses
For the Years Ended June 30,
(In Millions)

	2023	2022 (As Restated)	2021 (As Restated)
Compensation and benefits	$ 120.0	$ 102.1	$ 107.4
Contractual services	17.6	16.1	11.9
Supplies and materials	12.4	12.6	11.5
Scholarships and fellowships	7.3	16.9	10.5
Depreciation and amortization	21.2	20.2	18.4
Utilities	6.5	5.7	6.1
Other	17.3	14.6	13.4
	$ 202.3	$ 188.2	$ 179.2

Operating Expenses - Total operating expenses increased $14.1 million from $188.2 million in fiscal year 2022 to $202.3 million in fiscal year 2023.

Fiscal year 2023 compensation and benefits increased $17.9 million from the prior year primarily due to across-the-board salary increases in administration and faculty salaries of $4.8 million and the associated increase in benefits of $1.6 million, an $0.8 million increase in student wages, and a $10.7 million increase in MOSERS accrual.

Contractual services increased $1.5 million primarily due to increases in Food and Beverage Service expenses ($.3 million), other services ($.5 million), architect/engineering services ($0.2 million), and janitorial services ($0.5 million).

Supplies and materials decreased $.2 million, depreciation expense increased $1.0 million. Scholarships and fellowships decreased $9.6 million (due to the termination of HEERF to students), utilities increased $0.9 million, and other expenses increased by $2.7 million over fiscal year 2022.

Cash Flows
For The Years Ended June 30,
(In Millions)

	2023	2022 (As Restated)	2021 (As Restated)
Cash Provided By (Used In)			
Operating activities	$ (52.5)	$ (63.2)	$ (51.0)
Noncapital financing activities	81.7	104.7	79.8
Capital and related financing activities	(32.4)	(25.3)	(28.3)
Investing activities	1.2	2.3	2.0
Increase (Decrease) in Cash and Cash Equivalents	(2.0)	18.5	2.5
Cash and Cash Equivalents - Beginning of Year	31.0	12.5	10.0
Cash and Cash Equivalents - End of Year	$ 29.0	$ 31.0	$ 12.5

The statement of cash flows shows the sources and uses of the University cash. The statement presents a beginning and ending cash balance only that does not include the University's investment in CD's, Treasury or Government Securities, or Corporate Bonds.

During the year ended June 30, 2023, cash used in operating activities amounted to ($52.5) million, which resulted from tuition and fees, grants and contracts, sales and services of educational activities and auxiliary enterprises, and associated collections that were offset by payments to suppliers, utilities, employees, scholarships and fellowships, and other payments. Cash provided by noncapital financing activities of $81.7 million includes state appropriations, gifts and grants for other than capital purposes, and other receipts.

Cash used for capital and related financing activities was ($32.3) million. The University had capital expenditures of $22.5 million including: $4.6 million Skyhaven Airport Terminal, $1.2 million Multi Wrestling Addition, $3.3 million WC Morris Science Lab Renovation, $1.6 million Electronic Access Control Locks, $1.0 million Humphreys Building Renovation, $0.7 million Lovinger Gym Remodel, $0.6 million JCK Library Renovation, and $0.5 million for WC Morris Windows. Additional other capital expenditures totaling approximately $0.7 million include parking lot improvements, and 8.3 million in other various building improvements and capital equipment purchases. Capital related financing included principal and interest on capital debt and leases of $13.8 million. Offsetting revenue was received in the amount of $3.2 million in Capital Appropriations and $0.8 million in Capital Grants and Gifts. Cash and cash equivalents at June 30, 2022, were $31 million, which increased by $18.5 million from June 30, 2021.

During the year ended June 30, 2022, cash used in operating activities amounted to ($63.2) million, which resulted from tuition and fees, grants and contracts, sales and services of educational activities and auxiliary enterprises, and associated collections that were offset by payments to suppliers, utilities, employees, scholarships and fellowships, and other payments. Cash provided by noncapital financing activities of $104.7 million includes state appropriations, gifts, and grants for other than capital purposes and other receipts.

Capital Assets

Information on capital assets can be found in *Note 4*. Net capital assets totaled $242 million, which consisted of a cost of $557.8 million and accumulated depreciation of $315.8 million.

Debt

Information on debt can be found in *Note 5*. Long-term debt totaled $49.2 million at June 30, 2023, excluding lease liabilities. In 2018, the University issued Revenue Bonds, Series 2018A for renovations to the Elliot Student Union in the amount of ($7.1 million) and conducted a current refunding of their Stadium Series 2013B-2 revenue bonds. In 2018 the University entered into a note agreement with the University of Central Missouri Foundation ($0.4 million) for the Kennedy Field turf replacement, and in 2016 the University entered into a note agreement with the University of Central Missouri Foundation ($2.3 million). Long-term debt decreased in total by $4.8 million for 2023, primarily due to scheduled principal payments.

Economic Outlook

Management believes that the University is well positioned to maintain its strong financial condition and to continue providing excellent service to its students, the community, and the state of Missouri. The University will continue its ongoing efforts toward enrollment growth and operating cost containment, and with the continuing financial support from the State of Missouri, the University will have the resources it needs to sustain excellence.

Contact Information

Questions or comments about this report may be addressed to Bill Hawley, VP for Finance and Operations, at University of Central Missouri, Administration Building, Warrensburg, MO 64093.

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

Assets and Deferred Outflows of Resources

	2023	2022 (Restated - *Notes 1* and *2*)
Current Assets		
Cash and cash equivalents	$ 22,041,763	$ 21,248,544
Restricted cash and cash equivalents	6,997,991	9,774,189
Short-term investments	10,651,372	12,306,347
Accounts receivable, net of allowance; 2023 - $4,763,204, 2022 - $4,549,441	9,317,553	7,830,195
Interest receivable	436,301	134,955
State appropriation receivable	1,021,427	131,995
Grants receivable	8,893,237	10,037,482
Due from foundation	5,512,153	987,369
Inventories	1,676,999	2,054,173
Loans to students, net	598,512	893,786
Prepaid expenses	1,606,305	1,233,675
Total current assets	68,753,613	66,632,710
Noncurrent Assets		
Investments	90,508,457	88,625,293
Loans to students, net	1,005,116	1,220,615
Due from foundation	316,341	325,494
Capital assets, net	209,126,558	202,070,098
Lease assets, net	28,335,843	31,592,472
Subscription assets, net	4,535,853	3,452,389
Total noncurrent assets	333,828,168	327,286,361
Total assets	402,581,781	393,919,071
Deferred Outflows of Resources		
Loss on refunding of bonds	112,998	193,325
Pension related	32,762,913	23,065,665
Other postemployment benefit related	566,729	576,052
Total deferred outflows of resources	33,442,640	23,835,042
Total assets and deferred outflows of resources	$ 436,024,421	$ 417,754,113

Liabilities, Deferred Inflows of Resources, and Net Position

	2023	2022 (Restated - *Notes 1* and *2*)
Current Liabilities		
Accounts payable and accrued liabilities	$ 18,684,768	$ 13,103,078
Accrued compensated absences	2,185,583	2,234,358
Unearned revenue	11,788,170	13,847,425
Interest payable	553,373	602,885
Current maturities of long-term debt	4,762,450	4,762,451
Current portion of lease liabilities	4,248,925	4,149,819
Current portion of subscription liabilities	1,959,366	1,045,873
Accrued settlement	50,000	50,000
Student deposits	559,110	423,743
Total current liabilities	44,791,745	40,219,632
Noncurrent Liabilities		
Long-term debt	44,395,096	49,231,274
Accrued compensated absences	1,355,639	1,284,365
Accrued settlement	316,341	325,494
Other long-term liabilities	1,300,000	2,600,000
Lease liabilities	22,181,247	26,432,274
Subscription liabilities	2,434,964	2,313,194
OPEB liability	2,670,055	2,650,964
MOSERS pension liability	172,156,823	128,578,260
Total noncurrent liabilities	246,810,165	213,415,825
Total liabilities	291,601,910	253,635,457
Deferred Inflows of Resources		
Other postemployment benefit related	1,027,274	1,220,567
Pension related	3,152,869	31,052,587
Total deferred inflows of resources	4,180,143	32,273,154
Net Position		
Net investment in capital assets	160,743,784	148,384,056
Restricted for		
Nonexpendable		
Loans	984,034	1,199,535
Expendable		
Scholarships and fellowships	112,634	118,257
Loans	653,494	982,819
Other	2,147,077	2,133,230
Unrestricted	(24,398,655)	(20,972,395)
Total net position	140,242,368	131,845,502
Total liabilities, deferred inflows of resources, and net position	$ 436,024,421	$ 417,754,113

University of Central Missouri
A Component Unit of the State of Missouri
University of Central Missouri Foundation
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Cash	$ 273,889	$ 445,992
Investments	86,923,479	68,987,299
Accrued investment income	315,444	226,978
Accounts receivable	28,568	-
Contributions receivable, net	1,761,350	4,834,863
Notes receivable	1,446,994	1,692,841
Cash surrender value or life insurance	527,032	601,184
Beneficial interest in trusts	970,598	805,612
Prepaid expenses	8,466	8,107
Total assets	$ 92,255,820	$ 77,602,876
Liabilities and Net Assets		
Liabilities		
Accrued expenses and due to University	$ 5,473,915	$ 401,276
Annuities payable	620,200	637,871
Total liabilities	6,094,115	1,039,147
Net Assets		
Without donor restrictions	12,027,653	8,266,652
With donor restrictions	74,134,052	68,297,077
Total net assets	86,161,705	76,563,729
Total liabilities and net assets	$ 92,255,820	$ 77,602,876

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

	2023	2022 (Restated - *Notes 1* and *2*)
Operating Revenues		
Tuition and fees, net of scholarship allowances; 2023 - $17,218,494; 2022 - $17,499,193	$ 79,323,116	$ 72,639,152
Federal grants and contracts	2,223,421	2,358,777
Interest on student receivable	1,026,411	804,876
Sales and services of educational activities	2,077,281	1,994,554
Auxiliary enterprises		
Housing, net of scholarship allowances; 2023 - $3,363,303; 2022 - $3,846,136	15,611,881	14,944,310
Bookstore	3,339,710	3,220,605
Other auxiliary enterprises	9,076,090	8,481,025
Other operating revenues	6,390,208	5,650,801
Total operating revenues	119,068,118	110,094,100
Operating Expenses		
Compensation and benefits	120,042,661	102,149,036
Contractual services	17,593,309	16,078,847
Supplies and services	12,442,609	12,612,317
Scholarships and fellowships	7,272,839	16,904,501
Depreciation and amortization	21,186,692	20,176,659
Utilities	6,532,952	5,662,487
Other	17,272,670	14,571,427
Total operating expenses	202,343,732	188,155,274
Operating Loss	(83,275,614)	(78,061,174)
Nonoperating Revenues (Expenses)		
State appropriations	60,101,740	55,664,299
Federal grants and contracts	16,086,641	25,850,002
State grants and contracts	2,574,709	4,174,740
Other grants and contracts	1,104,961	1,122,075
Contributions	4,454,310	6,095,103
Gain (loss) on disposal of capital assets	(10,598)	76,086
Investment income (loss)	1,700,667	(3,022,278)
Interest on capital asset-related debt, lease, and subscription liabilities	(2,863,638)	(3,036,671)
Other nonoperating expenses	(942,738)	(626,131)
Net nonoperating revenues	82,206,054	86,297,225

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

	2023	2022 (Restated - *Notes 1* and *2*)
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	$ (1,069,560)	$ 8,236,051
Other Revenues, Expenses, Gains, or Losses		
Capital appropriations	4,113,016	447,247
Capital grants and gifts	5,353,410	134,506
	9,466,426	581,753
Increase in Net Position	8,396,866	8,817,804
Net Position, Beginning of Year	131,845,502	123,027,698
Net Position, End of Year	$ 140,242,368	$ 131,845,502

University of Central Missouri
A Component Unit of the State of Missouri
University of Central Missouri Foundation
Statements of Activities
Years Ended June 30, 2023 and 2022

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Gifts	$ 2,835,502	$ 9,716,455	$ 12,551,957
In-kind gifts	500	413,421	413,921
Personnel paid by University	909,927	-	909,927
Other income	138	207,573	207,711
Investment income	351,271	1,499,422	1,850,693
Net realized and unrealized gain (loss) on investments and beneficial interests in trusts	1,923,681	3,028,492	4,952,173
Change in donor restrictions	13,671	(13,671)	-
Net assets released from restrictions	9,109,522	(9,109,522)	-
Total revenues, gains, and other support	15,144,212	5,742,170	20,886,382
Expenses and Losses			
Foundation expenses			
General administrative expenses	1,306,411	-	1,306,411
Fundraising expenses	1,348,784	-	1,348,784
Total Foundation expenses	2,655,195	-	2,655,195
Expenses for University advancement			
Program expenses			
Scholarships	1,595,422	-	1,595,422
Academic support - TV	328,680	-	328,680
Student services - athletic	1,072,894	-	1,072,894
Instruction and other departmental	631,279	-	631,279
Support services			
Institutional support - plant facilities	5,099,741	-	5,099,741
Total expenses for University advancement	8,728,016	-	8,728,016
Actuarial gain on annuity obligations	-	(94,805)	(94,805)
Total expenses and losses	11,383,211	(94,805)	11,288,406
Change in Net Assets	3,761,001	5,836,975	9,597,976
Net Assets, Beginning of Year	8,266,652	68,297,077	76,563,729
Net Assets, End of Year	$ 12,027,653	$ 74,134,052	$ 86,161,705

See Notes to Financial Statements

2022		
Without Donor Restrictions	With Donor Restrictions	Total
$ 381,644	$ 11,096,705	$ 11,478,349
50	483,481	483,531
817,214	-	817,214
3,803	152,356	156,159
330,104	1,130,524	1,460,628
(599,925)	(9,827,517)	(10,427,442)
(28,400)	28,400	-
5,780,906	(5,780,906)	-
6,685,396	(2,716,957)	3,968,439
1,216,705	-	1,216,705
1,283,239	-	1,283,239
2,499,944	-	2,499,944
1,506,131	-	1,506,131
319,646	-	319,646
998,235	-	998,235
647,674	-	647,674
1,991,949	-	1,991,949
5,463,635	-	5,463,635
-	(297,403)	(297,403)
7,963,579	(297,403)	7,666,176
(1,278,183)	(2,419,554)	(3,697,737)
9,544,835	70,716,631	80,261,466
$ 8,266,652	$ 68,297,077	$ 76,563,729

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

	2023	2022 (Restated - *Notes 1* and *2*)
Cash Flows from Operating Activities		
Tuition and fees	$ 79,017,034	$ 72,678,725
Grants and contracts	2,223,421	2,358,777
Sales and services of educational activates	2,077,281	1,994,554
Payments to suppliers	(26,227,827)	(31,700,548)
Payments for utilities	(6,532,952)	(5,662,487)
Payments to employees	(114,203,444)	(105,027,113)
Payments for scholarships and fellowships	(7,272,839)	(16,904,501)
Collection of loans to students	1,537,184	1,373,323
Sales and services of auxiliary enterprises	27,748,628	26,563,644
Other payments	(10,883,418)	(8,920,626)
Net cash used in operating activities	(52,516,932)	(63,246,252)
Cash Flows from Noncapital Financing Activities		
State appropriations	60,101,740	55,664,299
Gifts and grants for other than capital purposes	22,538,755	50,051,222
Other payments	(933,585)	(1,029,720)
Net cash provided by noncapital financing activities	81,706,910	104,685,801
Cash Flows from Capital and Related Financing Activities		
Capital appropriations	3,223,584	315,252
Capital grants and gifts received	829,582	134,506
Purchase of capital assets	(22,513,137)	(12,653,225)
Proceeds from sale of capital assets	6,189	101,300
Principal paid on capital debt	(4,762,505)	(4,741,090)
Principal paid on lease liabilities	(4,151,921)	(4,030,476)
Principal paid on subscription liabilities	(2,069,384)	(1,306,139)
Interest paid on capital debt, lease, and subscription liabilities	(2,906,497)	(3,078,111)
Net cash used in capital and related financing activities	(32,344,089)	(25,257,983)
Cash Flows from Investing Activities		
Investment income	2,820,253	526,308
Proceeds from sales and maturities of investments	53,560,945	58,578,760
Purchase of investments	(55,210,066)	(56,770,139)
Net cash provided by investing activities	1,171,132	2,334,929
Increase (Decrease) in Cash and Cash Equivalents	(1,982,979)	18,516,495
Cash and Cash Equivalents, Beginning of Year	31,022,733	12,506,238
Cash and Cash Equivalents, End of Year	$ 29,039,754	$ 31,022,733

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

	2023	2022 (Restated - *Notes 1* and *2*)
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Cash and cash equivalents	$ 22,041,763	$ 21,248,544
Restricted cash and cash equivalents	6,997,991	9,774,189
Total cash and cash equivalents	$ 29,039,754	$ 31,022,733
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (83,275,614)	$ (78,061,174)
Depreciation and amortization	21,186,692	20,176,659
Changes in operating assets and liabilities:		
Receivables, net	(977,541)	261,805
Inventories	377,174	(59,278)
Prepaid expenses	(445,540)	(216,474)
Accounts payable and accrued liabilities	5,176,457	(1,433,632)
Accrued compensated absences	22,499	(214,131)
Unearned revenue	766,856	316,991
Other liabilities	(1,300,000)	(1,300,000)
Student deposits	135,367	(53,072)
OPEB liability	19,091	(874,975)
MOSERS pension liability	43,578,563	(27,753,518)
Deferred outflows of resources - pension and other postemployment benefits	(9,687,925)	1,812,216
Deferred inflows of resources - pension and other postemployment benefits	(28,093,011)	24,152,331
Net cash used in operating activities	$ (52,516,932)	$ (63,246,252)
Supplemental Cash Flows Information		
Accounts payable incurred for capital asset purchases	$ 1,385,421	$ 989,341
Lease liabilities incurred for lease assets	-	39,941
Subscription liabilities incurred for subscription assets	3,177,557	818,841

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

Nature of Operations

University of Central Missouri (the "University") is a state educational institution organized and existing under the laws of the State of Missouri and is a component unit of the State of Missouri. The University was founded in 1871 and is one of 13 four-year, public-supported institutions of higher education in Missouri. The University's main campus is located in the city of Warrensburg and offers a variety of programs and services at multiple locations.

Major federally funded student financial aid programs in which the University participates include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work Study, Federal Direct Loan, Federal Perkins Loan, Academic Competitiveness Grants, and National Science and Mathematics Access to Retain Talent Grants. The University extends unsecured credit to students.

Foundation

University of Central Missouri Foundation (the "Foundation") is a legally separate, tax-exempt component unit of the University. The Foundation's primary function is to raise and hold funds to support the University and its programs. The Foundation's Board of Directors consists of elected members of alumni, friends, and other supporters of the University.

Although the University does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are restricted by donors for the benefit of the University. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

During the years ended June 30, 2023 and 2022, the Foundation provided $8,728,016 and $5,463,635, respectively, of support to the University. Complete financial statements of the Foundation may be obtained from its administrative office at the following address: UCM Smiser Alumni Center, Warrensburg, Missouri 64093.

The Foundation is a private nonprofit organization that reports under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's statements in the University's financial reporting entity for these differences.

Basis of Accounting and Presentation

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

Use of Estimates

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

Cash Equivalents

The University considers all liquid investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and charges for auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable is recorded net of estimated uncollectible amounts. The University records an allowance for doubtful student accounts receivable that is based on various factors, such as historical collection information and existing economic conditions.

Inventories

Inventories include bookstore merchandise, golf equipment, and consumable supplies. Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Investments and Investment Income

Investments in U.S. Treasury obligations and U.S. agencies obligations are carried at fair value. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit are carried at cost.

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

Loans to Students

The University makes loans to students under various federal and other loan programs. Such loans receivable are recorded net of estimated uncollectible amounts. The allowance for uncollectible loans netted against loans to students was $92,000 and $40,000 for the years ended June 30, 2023 and 2022.

Capital Assets (Including Intangible Assets)

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

Infrastructure	15 years
Building and improvements	15 – 40 years
Furniture, fixtures, and equipment	5 - 15 years
Library materials	10 years

Lease Assets

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

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at 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.

Capital, Lease, and Subscription Asset Impairment

The University evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital and lease asset has occurred. If a capital, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, an impairment loss is recorded.

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

Deferred Outflows of Resources

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

Compensated Absences

University policies permit most employees to accumulate vacation benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as Social Security and Medicare taxes computed using rates in effect at that date.

Unearned Revenue

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

Accrued Settlement

In 2001, the University was named the beneficiary of an estate, which was contested by a relative of the deceased. During fiscal year 2003, the University settled the dispute. The University has recorded a liability at June 30, 2023 and 2022, of $366,341 and $375,494, respectively, which represents the present value of the future annuity obligations under the settlement agreement. The liability has been determined using a discount rate of 3.6 percent and applicable mortality tables. This liability is to be funded by proceeds of the estate which are held by University of Central Missouri Foundation (*Note 8*).

Risk Management

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

Cost-Sharing Defined Benefit Pension Plan

The University participates in a cost-sharing multiple-employer defined benefit pension plan, Missouri State Employees' Retirement System (MOSERS). For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan, and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Plan

The University has a single-employer defined benefit other postemployment benefit (OPEB) plan, providing health insurance to retirees (the "OPEB Plan"). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the University of Central Missouri Other Postemployment Benefit Plan (the "Plan") administered by the Board of Governors, and additions to and deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The Plan is not funded, therefore the Plan has no fiduciary net position to report.

Deferred Inflows of Resources

The University reports an acquisition of net assets that is applicable to a future reporting period as deferred inflows of resources in a separate section of its statements of net position.

Net Position

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

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

Classification of Revenues

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

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

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

(2) sales and services of auxiliary enterprises

(3) interest on student loans

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

(1) gifts and contributions

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

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

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, are recorded as nonoperating revenues and other governmental grants are recorded as operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship allowance. The scholarship allowances on tuition and fees and housing for the year ended June 30, 2023, were $17,218,494 and $3,363,303, respectively, and for the year ended June 30, 2022, were $17,499,193 and $3,846,136, respectively.

Income Taxes

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

Reclassifications

A reclassification between accounts receivable and due from the Foundation's current portion has been made to the 2022 financial statements to conform to the 2023 financial statement presentation. The reclassification had no effect on the change in net position.

A reclassification was made to the presentation of the 2022 statement of cash flows for principal payments on lease liabilities to conform to the 2023 financial statement presentation. The reclassification had no effect on the change in net position.

Revisions

Certain immaterial revisions have been made to the presentation of the 2022 statement of cash flows. These revisions did not have a significant impact on the financial statement line items impacted.

Change in Accounting Principle

In 2023, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Under the standard, the University is required to record right-of-use information technology assets and corresponding liabilities for subscription-based information technology arrangements. As a result of the implementation, amounts in *Note 4* and *Note 5* were restated. The table in *Note 2* presents the financial statement line items restated for fiscal year 2022.

Note 2: Restatement of Fiscal Year 2022 Financial Statements

In prior fiscal years the University recorded grant revenues and receivables in excess of the amounts reimbursable from federal and state grantors. The fiscal year 2022 financial statements have been restated for the impact of this error. The University's financial statements for fiscal year 2022 also included an error in net position restricted for loans. The fiscal year 2022 financial statements have been restated for the impact of the error in net position classification. The following financial statement lines were restated for the adoption of GASB Statement No. 96 and error corrections:

	As Restated	As Previously Reported	Effect of Change in Accounting Principle	Effect of Restatement
Statement of Net Position				
Current Assets				
Grants receivable	$ 10,037,482	$ 14,744,938	$ -	$ (4,707,456)
Prepaid expenses	1,233,675	1,179,494	54,181	-
Total current assets	66,632,710	71,285,985	54,181	(4,707,456)
Noncurrent Assets				
Subscription assets, net	3,452,389	-	3,452,389	-
Total noncurrent assets	327,286,361	323,833,972	3,452,389	-
Total assets	393,919,071	395,119,957	3,506,570	(4,707,456)
Current Liabilities				
Current portion of subscription liabilities	1,045,873	-	1,045,873	-
Total current liabilities	40,219,632	39,173,759	1,045,873	-
Noncurrent Liabilities				
Subscription liabilities	2,313,194	-	2,313,194	-
Total noncurrent liabilities	213,415,825	211,102,631	2,313,194	-
Total liabilities	253,635,457	250,276,390	3,359,067	-
Net Position				
Net investment in capital assets	148,384,056	150,083,326	(1,699,270)	-
Restricted for				
Nonexpendable				
Loans	1,199,535	3,978,096	-	(2,778,561)
Expendable				
Loans	982,819	1,044,770	-	(61,951)
Unrestricted	(20,972,395)	(20,952,224)	1,846,773	(1,866,944)
Total net position	131,845,502	136,405,455	147,503	(4,707,456)

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	As Restated	As Previously Reported	Effect of Change in Accounting Principle	Effect of Restatement
Statement of Revenues, Expenses, and Changes in Net Position				
Operating Expenses				
Supplies and services	$ 16,078,847	$ 12,624,373	$ 3,454,474	$ -
Depreciation and amortization	16,904,501	18,946,842	(2,042,341)	-
Other	5,662,487	15,952,809	(10,290,322)	-
Total operating expenses	179,440,706	188,318,895	(8,878,189)	-
Operating Loss	(69,346,606)	(78,224,795)	8,878,189	-
Nonoperating Revenues (Expenses)				
Federal grants and contracts	25,850,002	26,452,104	-	(602,102)
Interest on capital asset-related debt	(3,022,278)	(3,020,553)	(1,725)	-
Net nonoperating revenues	86,297,225	86,915,445	(16,118)	(602,102)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	8,236,051	8,690,650	8,862,071	(602,102)
Increase in Net Position	8,817,804	9,272,403	8,862,071	(602,102)
Net Position, Beginning of Year	123,027,698	127,133,052	-	(4,105,354)
Net Position, End of Year	131,845,502	136,405,455	147,503	(4,707,456)
Statement of Cash Flows				
Operating Activities				
Payments to suppliers	(30,346,367)	(30,341,423)	(4,944)	-
Other payments	(8,920,626)	(10,302,008)	1,381,382	-
Net cash used in operating activities	(63,584,177)	(64,960,615)	1,376,438	-
Capital and Related Financing Activities				
Principal paid on subscription liabilities	(1,306,139)	-	(1,306,139)	-
Interest paid on capital debt	(3,004,421)	(2,988,303)	(16,118)	-
Net cash used in capital and related financing activities	(25,257,983)	(23,935,726)	(1,322,257)	-
Reconciliation of Operating Loss to Net Cash Used in Operating Activities				
Operating loss	(78,061,174)	(78,224,795)	163,621	-
Depreciation and amortization	20,176,659	18,946,842	1,229,817	-
Changes in operating assets and liabilities:				
Prepaid expenses	(162,293)	(145,293)	(17,000)	-
Net cash used in operating activities	(63,584,177)	(64,960,615)	1,376,438	-
Supplemental Cash Flows Information				
Subscription liabilities incurred for subscription assets	818,841	-	818,841	-

Note 3: Deposits, Investments, and Investment Income

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The University's deposit policy for custodial credit risk must comply with the provisions of state policy which requires all deposits placed in financial institutions to be at least 100 percent collateralized with securities that are acceptable to the Missouri State Governor, the Missouri State Treasurer, and the Missouri State Auditor. All securities, which serve as collateral against the deposits of a depository institution, must be safekept at a nonaffiliated custodial facility. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish the necessary custodial receipts.

At June 30, 2023 and 2022, the University's bank balances were $29,379,235 and $30,770,014, respectively. None of these deposits were exposed to custodial credit risk at June 30, 2023 or 2022.

Investments

The University may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in corporate bonds and equity securities.

At June 30, 2023 and 2022, the University had the following investments and maturities:

	June 30, 2023		
		Maturities in Years	
Type	Fair Value	Less than 1	1-5
U.S. Treasury obligations	$ 77,292,078	$ 4,752,754	$ 72,539,324
U.S. agencies obligations	20,726,826	2,757,693	17,969,133
Money market mutual funds	3,140,925	3,140,925	-
	$ 101,159,829	$ 10,651,372	$ 90,508,457

	June 30, 2022		
		Maturities in Years	
Type	Fair Value	Less than 1	1-5
U.S. Treasury obligations	$ 67,634,008	$ -	$ 67,634,008
U.S. agencies obligations	33,297,632	12,306,347	20,991,285
	$ 100,931,640	$ 12,306,347	$ 88,625,293

At June 30, 2023 and 2022, U.S. Treasury obligations consist of treasury notes. Since these notes are explicitly guaranteed by the U.S. government, the University is not subject to credit risk on these notes at June 30, 2023 and 2022. However, these notes carry a rate of interest, and therefore, the University is subject to interest rate risk on these notes at June 30, 2023 and 2022.

Interest Rate Risk

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The University's investment policy does not address interest rate risk.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2023 and 2022, the University had government agency securities that were rated "AAA" and "AA+" by Standard & Poor's. It is the University's policy to limit its investments in commercial paper to "A-1" as rated by Standard & Poor's and Moody's Investors Services.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The University's investment policy does not address custodial risk. All of the University's investments at June 30, 2023 and 2022, are held in the University's name.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The University's investment policy permits it to hold up to 25 percent of total investments, including certificates of deposit, in corporate bonds, with no more than 5 percent of its investments to be invested with any one issuer. The University's investment policy requires the ratio of investments in corporate bonds to be reviewed on an annual basis. The University places no restrictions on investments in direct obligations of the U.S. government, U.S. agency issues, U.S. government guaranteed securities, or repurchase agreements that are collateralized 100 percent with U.S. Treasury bills, bonds or notes, and are entered into for periods of 180 days or less. At June 30, 2023, the University had 12 percent of its investments in Federal Home Loan Mortgage Corporation. At June 30, 2022, the University has 9 percent of its investments in Federal Home Loan Mortgage Corporation, 6 percent in Federal National Mortgage Association, and 7 percent in Federal Home Loan Bank securities.

Summary of Carrying Values

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

	2023	2022
Carrying value		
Deposits	$ 29,039,754	$ 31,022,733
Investments	101,159,829	100,931,640
	$ 130,199,583	$ 131,954,373
Included in the following statement of net position captions		
Cash and cash equivalents	$ 22,041,763	$ 21,248,544
Restricted cash and cash equivalents	6,997,991	9,774,189
Short-term investments	10,651,372	12,306,347
Investments	90,508,457	88,625,293
	$ 130,199,583	$ 131,954,373

Fair Value Measurements

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

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

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

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

Recurring Measurements

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

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Investments				
Debt securities				
U.S. Treasury obligations	$ 77,292,078	$ -	$ -	$ 77,292,078
U.S. agencies obligations	-	20,726,826	-	20,726,826
Money market mutual funds	3,140,925	-	-	3,140,925
Total investments	$ 80,433,003	$ 20,726,826	$ -	$ 101,159,829

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Investments				
Debt securities				
U.S. Treasury obligations	$ 67,634,008	$ -	$ -	$ 67,634,008
U.S. agencies obligations	-	33,297,632	-	33,297,632
Total investments	$ 67,634,008	$ 33,297,632	$ -	$ 100,931,640

Investments

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

Note 4: Capital, Lease, and Subscription Assets

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

	2023				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 15,062,634	$ -	$ -	$ -	$ 15,062,634
Collections	3,107,323	-	-	-	3,107,323
Infrastructure	45,322,927	-	-	727,514	46,050,441
Buildings and improvements	373,226,552	-	1,328,831	12,427,129	384,324,850
Furniture, fixtures, and equipment	41,078,179	3,749,782	2,358,108	-	42,469,853
Library materials	10,730,074	991,840	1,140,090	-	10,581,824
Construction in progress	5,231,021	18,167,583	-	(13,154,643)	10,243,961
	493,758,710	22,909,205	4,827,029	-	511,840,886
Less accumulated depreciation					
Infrastructure	28,318,070	2,057,749	-	-	30,375,819
Buildings and improvements	223,733,507	10,858,969	1,326,685	-	233,265,791
Furniture, fixtures, and equipment	33,475,068	1,862,548	2,343,467	-	32,994,149
Library materials	6,161,967	1,056,692	1,140,090	-	6,078,569
	291,688,612	15,835,958	4,810,242	-	302,714,328
Capital assets, net	$ 202,070,098	$ 7,073,247	$ 16,787	$ -	$ 209,126,558

	2022				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 15,062,634	$ -	$ -	$ -	$ 15,062,634
Collections	2,912,973	194,350	-	-	3,107,323
Infrastructure	43,940,383	-	-	1,382,544	45,322,927
Buildings and improvements	365,233,576	-	-	7,992,976	373,226,552
Furniture, fixtures, and equipment	39,733,934	1,497,854	153,609	-	41,078,179
Library materials	10,993,356	935,718	1,199,000	-	10,730,074
Construction in progress	5,189,735	9,416,806	-	(9,375,520)	5,231,021
	483,066,591	12,044,728	1,352,609	-	493,758,710
Less accumulated depreciation					
Infrastructure	26,295,544	2,022,526	-	-	28,318,070
Buildings and improvements	213,012,768	10,720,739	-	-	223,733,507
Furniture, fixtures, and equipment	31,722,864	1,880,599	128,395	-	33,475,068
Library materials	6,287,961	1,073,006	1,199,000	-	6,161,967
	277,319,137	15,696,870	1,327,395	-	291,688,612
Capital assets, net	$ 205,747,454	$ (3,652,142)	$ 25,214	$ -	$ 202,070,098

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

	2023			
	Beginning Balance	Additions	Disposals	Ending Balance
Buildings and improvements	$ 37,781,028	$ -	$ -	$ 37,781,028
Equipment	302,423	-	-	302,423
	38,083,451	-	-	38,083,451
Less accumulated amortization				
Buildings and improvements	6,344,838	3,172,419	-	9,517,257
Equipment	146,141	84,210	-	230,351
	6,490,979	3,256,629	-	9,747,608
Lease assets, net	$ 31,592,472	$ (3,256,629)	$ -	$ 28,335,843

	2022			
	Beginning Balance	Additions	Disposals	Ending Balance
Buildings and improvements	$ 37,781,028	$ -	$ -	$ 37,781,028
Equipment	262,482	39,941	-	302,423
	38,043,510	39,941	-	38,083,451
Less accumulated amortization				
Buildings and improvements	3,172,419	3,172,419	-	6,344,838
Equipment	68,588	77,553	-	146,141
	3,241,007	3,249,972	-	6,490,979
Lease assets, net	$ 34,802,503	$ (3,210,031)	$ -	$ 31,592,472

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

	2023			
	Beginning Balance	Additions	Disposals	Ending Balance
Subscription IT asset	$ 4,682,206	$ 3,177,557	$ -	$ 7,859,763
Less accumulated amortization				
Subscription IT asset	1,229,817	2,094,093	-	3,323,910
Subscription assets, net	$ 3,452,389	$ 1,083,464	$ -	$ 4,535,853

	2022			
	Beginning Balance (As Restated)	Additions	Disposals	Ending Balance (As Restated)
Subscription IT asset	$ 3,863,365	$ 818,841	$ -	$ 4,682,206
Less accumulated amortization				
Subscription IT asset	-	1,229,817	-	1,229,817
Subscription assets, net	$ 3,863,365	$ (410,976)	$ -	$ 3,452,389

Note 5: Long-Term Obligations

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

	2023				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-term debt					
Revenue bonds payable					
Student Union Series 2018A	$ 6,370,000	$ -	$ 255,000	$ 6,115,000	$ 265,000
Stadium, Series 2018B	3,670,000	-	-	3,670,000	-
Advance Refunding of Student Bond Issue, Series 2013A - Direct Placement	3,570,000	-	1,765,000	1,805,000	1,805,000
Stadium Facility, Series 2013B-1 - Direct Placement	525,000	-	260,000	265,000	265,000
Student Housing System, Mixed Use Faculty Series 2013C-1 - Direct Placement	4,480,000	-	2,210,000	2,270,000	2,270,000
Student Housing System, Mixed Use Faculty, Series 2013C-2	32,650,000	-	-	32,650,000	-
Notes payable					
Foundation	1,692,841	-	245,846	1,446,995	157,039
Airplanes	27,070	-	26,659	411	411
Unamortized premium on bonds payable	1,008,814	-	73,674	935,140	-
Total long-term debt	53,993,725	-	4,836,179	49,157,546	4,762,450
Other long-term liabilities					
Accrued compensated absences	3,518,723	71,275	48,776	3,541,222	2,185,583
Accrued settlement	375,494	-	9,153	366,341	50,000
Other long-term liabilities	2,600,000	-	1,300,000	1,300,000	-
Lease liabilities	30,582,093	-	4,151,921	26,430,172	4,248,925
Subscription liabilities	3,359,067	3,104,647	2,069,384	4,394,330	1,959,366
OPEB liability	2,650,964	19,091	-	2,670,055	-
MOSERS pension liability	128,578,260	43,578,563	-	172,156,823	-
Total other noncurrent liabilities	171,664,601	46,773,576	7,579,234	210,858,943	8,443,874
Total long-term liabilities	$ 225,658,326	$ 46,773,576	$ 12,415,413	$ 260,016,489	$ 13,206,324

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	2022				
	Beginning Balance (As Restated)	Additions	Deductions	Ending Balance (As Restated)	Current Portion
Long-term debt					
Revenue bonds payable					
Student Union Series 2018A	$ 6,615,000	$ -	$ 245,000	$ 6,370,000	$ 255,000
Stadium, Series 2018B	3,670,000	-	-	3,670,000	-
Advance Refunding of Student Bond Issue, Series 2013A - Direct Placement	5,295,000	-	1,725,000	3,570,000	1,765,000
Stadium Facility, Series 2013B-1 - Direct Placement	775,000	-	250,000	525,000	260,000
Student Housing System, Mixed Use Faculty Series 2013C-1 - Direct Placement	6,635,000	-	2,155,000	4,480,000	2,210,000
Student Housing System, Mixed Use Faculty, Series 2013C-2	32,650,000	-	-	32,650,000	-
Notes payable					
Foundation	1,928,363	-	235,522	1,692,841	245,846
Airplanes	157,638	-	130,568	27,070	26,605
Unamortized premium on bonds payable	1,082,504	-	73,690	1,008,814	-
Total long-term debt	58,808,505	-	4,814,780	53,993,725	4,762,451
Other long-term liabilities					
Accrued compensated absences	3,732,854	217,697	431,828	3,518,723	2,234,358
Accrued settlement	364,012	11,482	-	375,494	50,000
Other long-term liabilities	3,900,000	-	1,300,000	2,600,000	-
Lease liabilities	34,572,628	39,941	4,030,476	30,582,093	4,149,819
Subscription liabilities	3,863,365	801,841	1,306,139	3,359,067	1,045,873
OPEB liability	3,525,939	-	874,975	2,650,964	-
MOSERS pension liability	156,331,778	-	27,753,518	128,578,260	-
Total other noncurrent liabilities	206,290,576	1,070,961	35,696,936	171,664,601	7,480,050
Total long-term liabilities	$ 265,099,081	$ 1,070,961	$ 40,511,716	$ 225,658,326	$ 12,242,501

Revenue Bonds Payable

On December 10, 2013, the University issued $16,310,000 of Educational Facilities Revenue Bonds, Series 2013A (Direct Placement) with an average interest rate of 2.32 percent to advance refund $17.4 million of outstanding 2009 Series bonds with interest rates ranging from 3.0 percent to 5.05 percent. The net proceeds of $16.1 million (after payment of $178,510 in underwriting fees and other issuance costs) plus an additional $2.0 million of issuer funds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2009 Series bonds. As a result, the 2009 Series bonds are considered to be defeased, and the liability for those bonds has been removed from the general ledger. The University advance refunded the 2009 Series bonds to reduce its total debt service payments over the next 16 years by approximately $6.6 million and to obtain an economic gain (difference between present values of the debt service payments on the old and new debt) of $2.5 million. Principal maturities begin April 1, 2024, and continue until October 1, 2023. The bonds are secured by student recreation center fees.

On December 10, 2013, the University issued $2,365,000 of Educational Facilities Revenue Bonds, Series 2013B-1 (Direct Placement). The bonds bear interest, payable semiannually, at a rate of 2.63 percent, which began April 1, 2014. Proceeds from the issuance of these private placement bonds are being used to finance renovation and equipping of Walton Stadium, including the lower level thereof, demolition of the existing stadium "horseshoe" seating and replacement with turf-grass landscape, construction of new visitor grandstands with permanent concessions and restrooms, and construction of a new ticket booth and installation of upgraded perimeter fencing. Principal maturities begin October 1, 2014, and continue until October 1, 2023. The bonds are secured by the net revenues available for debt service of the University and other funds pledged to the payment of the bonds.

On December 10, 2013, the University issued $3,770,000 of Educational Facilities Revenue Bonds Series, 2013B-2. The bonds bear interest, payable semiannually, at rates of 4.0 percent to 4.625 percent, which began April 1, 2014. Proceeds from the issuance of these bonds are being used to finance renovation and equipping of Walton Stadium, including the lower level thereof, demolition of the existing stadium "horseshoe" seating and replacement with turf-grass landscape, construction of new visitor grandstands with permanent concessions and restrooms, and construction of a new ticket booth and installation of upgraded perimeter fencing. Principal maturities continue until October 1, 2034. The bonds are secured by the net revenues available for debt service of the University and other funds pledged to the payment of the bonds.

On December 10, 2013, the University issued $16,640,000 of Educational Facilities Revenue Bonds, Series 2013C-1 (Direct Placement). The bonds bear interest, payable semiannually, at a rate of 2.53 percent, which began April 1, 2014. Proceeds from the issuance of these private placement bonds are being used to finance construction of a new combined residential and retail (mixed use) facility. Principal maturities continue until October 1, 2023. The bonds are secured by the net revenues available for debt service of the housing system of the University.

On December 10, 2013, the University issued $32,650,000 of Educational Facilities Revenue Bonds, Series 2013C-2. The bonds bear interest, payable semiannually, at rates of 3.795 percent to 5.0 percent, which began April 1, 2014. Proceeds from the issuance of these bonds are being used to finance construction of a new combined residential and retail (mixed use) facility. Principal maturities continue until October 1, 2034. The bonds are secured by the net revenues available for debt service of the housing system of the University.

On September 12, 2018, the University issued the $7,075,000 of Educational Facilities Revenue Bonds, Series 2018A, with interest rates ranging from 3.375 percent - 5.0 percent with principal maturities continuing until October 1, 2033. Proceeds from the issuance of these bonds are being used to finance capital improvements to the Elliott Student Union. The bonds are secured by the net revenues available for debt service of the housing system of the University.

On September 12, 2018, the University issued the Missouri Health and Educational Facilities Authority Educational Facilities Revenue Bonds, Series 2018B in the amount of $3,670,000 with interest rates ranging from 3.25 percent to 4.0 percent with principal maturities continuing until October 2034. Interest is payable semiannually. The Series 2018B bonds were issued to refund $3,770,000 of the Educational Facilities Revenue Bonds, Series 2013B-2. The University completed the refunding to reduce its total debt services payments by $467,949 over the next 16 years to obtain a $358,890 economic gain (difference between present values of the old and new debt service payments.) The bonds are general obligations of the University.

If an event of default occurs and is continuing for any issuance listed above, the Bond Trustee may, by written notice to the Authority and the University, declare the principal of all bonds outstanding and the interest accrued thereon for the issuance in default to be due and payable, and upon any such declaration such principal and interest shall become immediately due and payable.

Notes Payable

The University entered into an unsecured loan agreement with the Foundation on July 31, 2015, in the amount of $2,389,552 at 4 percent interest with a 15-year maturity for the renovation of the Mules National Golf Course. Installment payments including principal and interest are $214,919.

The University entered into an unsecured loan agreement with the Foundation on December 31, 2017, in the amount of $431,170 at 5 percent interest with a five-year maturity for the replacement of the Kennedy Field Turf. The first installment payment including principal and interest of $99,589 was due on December 31, 2018.

The University entered into three separate note agreements with a financial institution during 2015 for an aggregate total of $867,770 to purchase three airplanes. The notes are secured by the airplanes acquired. The notes each bear interest at 1.98 percent and mature in fiscal years 2022 and 2023. Payments of principal and interest are due in 14 equal installments. In fiscal year 2022 two note agreements were paid in full.

Upon any event of default, the entire amount of outstanding principal and interest shall become due and payable immediately as it relates to each note individually listed above.

Debt Service Requirements

Debt service requirements on revenue bonds (Series 2018A, 2018B, and 2013C-2) as of June 30, 2023, are as follows:

Year Ending June 30	Total to Be Paid	Principal	Interest
2024	$ 2,174,850	$ 265,000	$ 1,909,850
2025	4,737,775	2,890,000	1,847,775
2026	4,736,900	3,020,000	1,716,900
2027	4,739,900	3,175,000	1,564,900
2028	4,734,100	3,315,000	1,419,100
2029 - 2033	23,690,875	18,935,000	4,755,875
2034 - 2038	11,052,588	10,320,000	732,588
2039 - 2040	525,300	515,000	10,300
	$ 56,392,288	$ 42,435,000	$ 13,957,288

Debt service requirements on direct placement revenue bonds (Series 2013A, 2013B-1, and 2013C-1) and notes payable as of June 30, 2023, are as follows:

Year Ending June 30	Total to Be Paid	Principal	Interest
2024	$ 4,608,943	$ 4,497,450	$ 111,493
2025	214,919	163,321	51,598
2026	214,919	169,854	45,065
2027	214,919	176,648	38,271
2028	214,919	183,714	31,205
2029 - 2031	644,756	596,419	48,337
	$ 6,113,375	$ 5,787,406	$ 325,969

Note 6: Lease Liabilities

The University has entered into three lease arrangements for buildings and improvements and four for equipment. The lease contracts expire at various dates through 2078, assuming that all renewal options are exercised by the University. During 2023 and 2022, the University paid $4,151,924 and $4,397,451, respectively, in lease payments.

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

Year Ending June 30	Total to Be Paid	Principal	Interest
2024	$ 4,801,464	$ 4,248,925	$ 552,539
2025	4,745,144	4,313,893	431,251
2026	3,171,878	2,865,056	306,822
2027	1,607,588	1,349,938	257,650
2028	1,607,588	1,373,752	233,836
2029 - 2033	8,037,940	7,240,943	796,997
2034 - 2038	4,846,964	4,669,324	177,640
2039 - 2043	63,500	32,124	31,376
2044 - 2048	63,500	35,059	28,441
2049 - 2053	63,500	38,263	25,237
2054 - 2058	63,300	41,558	21,742
2059 - 2063	66,150	48,301	17,849
2064 - 2068	66,150	52,715	13,435
2069 - 2073	66,150	57,531	8,619
2074 - 2078	66,152	62,790	3,362
	$ 29,336,968	$ 26,430,172	$ 2,906,796

Note 7: Subscription Liabilities

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

Year Ending June 30	Total to Be Paid	Principal	Interest
2024	$ 2,038,282	$ 1,959,366	$ 78,916
2025	1,301,583	1,258,628	42,955
2026	596,725	575,973	20,752
2027	610,954	600,363	10,591
	$ 4,547,544	$ 4,394,330	$ 153,214

Note 8: Related Party Transactions

At June 30, 2023 and 2022, the University had receivables from the Foundation in the amount of $5,828,494 and $1,312,863, respectively. Included in amounts due from Foundation at June 30, 2023 and 2022, were receivables from the Foundation for reimbursements due of $102,975 and $113,679, respectively, for wages and benefits; $290,088 and $278,427, respectively, for miscellaneous services performed on behalf of the Foundation; $366,341 and $375,494, respectively, for the reimbursement of an accrued settlement; and $5,069,090 and $545,263, respectively, for the reimbursement of costs related to donor funded capital projects. The Foundation reports the accrued settlement annuity payable in the annuities payable line of the statement of financial position.

The University pays payroll expenses for some employees that are subsequently reimbursed by the Foundation. The total amount of wages paid by the University on behalf of the Foundation was $949,583 and $898.667 for the years ended June 30, 2023 and 2022, respectively. In addition, University employees provided services to the Foundation valued at $909,927 and $817,214 for the years ended June 30, 2023 and 2022, respectively, which were not reimbursed by the Foundation. There were no additional expenses paid directly by the University on behalf of the Foundation operations that were not reimbursed for the years ended June 30, 2023 or 2022.

Note 9: Pension Plans

MOSERS

Plan Description

The Missouri State Employees' Plan (MSEP) is a multiple-employer, defined benefit public employee retirement plan with two benefit structures known as the MSEP (closed plan) and MSEP

2000, which are administered by the Missouri State Employees' Retirement System ("MOSERS" or the "System") in accordance with Sections 104.010 and 104.312 to 104.1215 of the Revised Statutes of Missouri (RSMo). In accordance with the provisions of GASB 68, the University accounts for and records its participation in the single-employer plan as if it was a cost-sharing plan. As established under Section 104.320, RSMo, MOSERS is a body corporate and an instrumentality of the state. In the System are vested the powers and duties specified in Sections 104.010 and 104.312 to 104.1215, RSMo and such other powers as may be necessary or proper to enable it, its officers, employees, and agents to carry out fully and effectively all the purposes of Sections 104.010 and 104.312 to 104.1215, RSMo. Responsibility for the operation and administration of the System is vested in the 11-member MOSERS Board of Trustees as defined by state law. Due to the nature of MOSERS' reliance on funding from the state of Missouri and other state government agencies and the overall control of the plan document by the legislative and executive branches of state government, the MSEP is considered a component unit of the state of Missouri financial reporting entity and is included in the state's financial reports as a pension trust fund.

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

Benefits Provided

MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific funding structure in which the employee participates, which is based on the employee's hire date. Information on the three funding structures administered by MOSERS (MSEP, MSEP 2000, and MSEP 2011) and how eligibility and the benefit amount is determined for each funding structure may be found in the Notes to the Financial Statements of MOSERS' Annual Financial Report starting on page 31.

Actuarial Assumptions

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

June 30, 2022

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

June 30, 2021

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

Mortality

Pre-retirement mortality rates were based on the Pub-2010 General Members Below Median Employee mortality table, set back two years for males and set forward one year for females. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75 percent of Scale MP-2020 for years after 2020.

Post-retirement mortality rates for retirees were based on the Pub-2010 General Members Below Median Healthy Retiree mortality table, scaled by 104 percent, set back two years for males and set forward one year for females. Mortality projected generationally from 2010 to 2020 using Scale MP-2020 and 75 percent of Scale MP-2020 for years after 2020.

Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Members Below Median Contingent Survivor mortality table, set back two years for males and set forward one year for females.

Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75 percent of Scale MP-2020 for years after 2020.

Disabled mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table, without mortality projection.

The actuarial assumptions used in the June 30, 2022 and 2021, valuations were based on the results of an actuarial experience study for the five-year period ended June 30, 2020.

Long-Term Expected Rate of Return

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, volatility, and correlations.

Best estimates of the real rates of return expected for both the old and new portfolio are summarized by asset class in the following table:

Asset Class	Policy Allocation	Long-Term Expected Nominal Return*	Long-Term Expected Real Return	Weighted Average Long-Term Expected Nominal Return
Global public equities	30.0%	7.7%	5.8%	2.3%
Global private equities	15.0%	9.3%	7.4%	1.4%
Long treasuries	25.0%	3.5%	1.6%	0.9%
Core bonds	10.0%	3.1%	1.2%	0.3%
Commodities	5.0%	5.5%	3.6%	0.3%
TIPS	25.0%	2.7%	0.8%	0.7%
Private real assets	5.0%	7.1%	5.2%	0.3%
Public real assets	5.0%	7.7%	5.8%	0.4%
Hedge funds	5.0%	4.8%	2.9%	0.2%
Alternative beta	10.0%	5.3%	3.4%	0.5%
Private credit	5.0%	9.5%	7.6%	0.5%
Cash and cash equivalents**	-40.0%	0.0%	0.0%	0.0%
	100.0%			7.8%
	Correlation/Volatility Adjustment			-0.6%
	Long-Term Expected Net Nominal Return			7.2%
	Less: Investment Inflation Assumption			-1.9%
	Long-Term Expected Geometric Net Real Return			5.3%

* Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.
** Cash and cash equivalents policy allocation amounts are negative due to use of leverage.

Discount Rate

The discount rate used to measure the total pension liability was 6.95 percent at June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Contributions

Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.0 percent of their annual pay. The University's required contribution rate for the year ended June 30, 2023, was 26.33 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The contribution rate for the MOSERS plan year ended June 30, 2022, was 23.51 percent, which is the year of measurement for the net pension liability. Contributions to the pension plan were $13,267,942 and $11,075,005 for the years ended June 30, 2023 and 2022, respectively.

Payable to the Pension Plan

As of June 30, 2023 and 2022, the University had payables of $750,185 and $669,715, respectively, to MOSERS due to end of fiscal year processing.

Pension Liabilities

At June 30, 2023 and 2022, the University reported a liability of $172,156,823 and $128,578,260, respectively, for its proportionate share of the net pension liability. The net pension liability for 2023 and 2022 was measured as of June 30, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates.

The University's proportion of the net pension liability was based on the University's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2022. The University's proportion for the plan year ended June 30, 2022, was 2.40423 percent, an increase from its proportion of 2.29985 percent as of the June 30, 2021, measurement date.

During the MOSERS plan year ended June 30, 2022, there were no changes to MSEP 2011 benefit provisions that reduced the actuarial accrued liability. There were no other changes in benefit terms during the MOSERS plan year ended June 30, 2021, that affected the measurement of total pension liability.

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

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

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
University's proportionate share of the net pension liability	$ 215,343,335	$ 172,156,823	$ 136,077,829

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

For the year ended June 30, 2023, the University recognized pension expense of $19,449,910. At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,193,585	$ 46,083
Changes of assumptions	4,084,256	-
Net difference between projected and actual earnings on pension plan investments	9,161,325	-
Changes in proportion and differences between the University contributions and the proportionate share of contributions	4,055,805	3,106,786
University contributions made subsequent to the measurement date	13,267,942	-
	$ 32,762,913	$ 3,152,869

For the year ended June 30, 2022, the University recognized pension expense of $8,721,678. At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,050,219	$ 568,871
Changes of assumptions	8,992,794	-
Net difference between projected and actual earnings on pension plan investments	-	23,181,288
Changes in proportion and differences between the University contributions and the proportionate share of contributions	947,647	7,302,428
University contributions made subsequent to the measurement date	11,075,005	-
	$ 23,065,665	$ 31,052,587

At June 30, 2023 and 2022, the University reported $13,267,942 and $11,075,005, respectively, as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the years ending June 30, 2024 and 2023, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2023, related to pensions will be recognized in pension expense as follows:

2024	$ 6,936,423
2025	2,542,491
2026	(169,151)
2027	7,032,339
	$ 16,342,102

Pension Plan Fiduciary Net Position

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

CURP

As of July 1, 2002, all faculty on full-time, regular appointment were enrolled in the College and University Retirement Plan (CURP) if they had not previously been enrolled in MOSERS. CURP is a noncontributory 401(a) defined contribution retirement plan that uses TIAA-CREF as its third-party administrator. Employees first hired on or after July 1, 2018, will have a 2 percent mandatory employee contribution. In 2023 and 2022, the University contributed 6.0 percent of the participant's salary to CURP each month. The University's contributions to the plan for the years ended June 30, 2023, 2022, and 2021, were $1,412,949, $1,336,780, and $1,326,446, respectively. CURP provides a retirement program, which offers interstate portability, immediate vesting, and no minimum service requirement. Contributions made by the University are self-directed by participants into their selected individual accounts. After participating in CURP for at least six years, a faculty member may elect to become a member of MOSERS.

Note 10: Health Care Benefits

Employee Health and Welfare Benefits

The University obtains employee health and welfare insurance through commercial insurers. The coverage is fully insured and the University neither assumes nor discharges claims for its participating members or their dependents.

Other Postemployment Benefit Plan

Plan Description

In addition to the pension benefits, the University provides for lifetime post-retirement medical / Rx insurance coverage. The University's other postemployment benefit plan (the "Plan") is a single-employer defined benefit other postemployment benefit plan authorized by the Board of Governors and benefits and amendments to the Plan are approved by the Board. The Plan is funded on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided

Depending upon the year of retirement, the University pays a portion of the plan premium up to age 65. In all cases all members on Medicare and pre-65 spouses are required to pay the full plan premium to maintain coverage. The pre-65 retiree plan premiums are reflective of expected retiree costs while the Medicare retiree plan premiums are not. Thus, an age-subsidy is valued for Medicare retirees. The age-subsidy reflects the difference between the age-adjusted cost and the plan premium. The University pays the full portion of the premium for retirees that retired prior to January 1, 2007, until the retiree reaches Medicare eligibility. For retirees retiring between January 1, 2007, and December 31, 2016, the University will pay a portion of the premium, based on retirement date. Qualified retirees retiring after December 31, 2016, will be eligible to participate in the University's plan prior to age 65 only by paying the full cost of the premium established for pre-Medicare eligible retirees. Premiums are reviewed and set annually based on projections and claims history provided by the insurance carrier. Retiree claims are included in the cost pool with active employees, resulting in a lower retiree age-adjusted premium. Retiree benefits are measured using age-adjusted costs. The excess of expected cost by age less retiree contribution premiums equals the employer provided benefit and is included in the calculation of the University's obligation under GASB 75.

Actuarial Assumptions

The total OPEB liability at June 30, 2023 and 2022, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

June 30, 2023	
Actuarial cost method	Entry Age Normal - Level Percent of Pay
Valuation date	January 1, 2022
Measurement date	June 30, 2023
Salary scale	2.5%
UAAL amortization method	Level dollar amount
UAAL amortization period, closed/open	5 years, open
Discount rate	4.0% (Measurement Date) 3.9% (Year Preceding Measurement Date)
Mortality	Pub-2010 Public Retirement Plans headcount-weighted mortality with MP-2021 full generational improvement
Healthcare cost trend rates	7.5% decreasing to ultimate rate of 4.5%

June 30, 2022

Actuarial cost method	Entry Age Normal - Level Percent of Pay
Valuation date	January 1, 2022
Measurement date	June 30, 2022
Salary scale	3.0%
UAAL amortization method	Level dollar amount
UAAL amortization period, closed/open	5 years, open
Discount rate	3.9% (Measurement Date) 2.0% (Year Preceding Measurement Date)
Mortality	Pub-2010 Public Retirement Plans headcount-weighted mortality with MP-2021 full generational improvement
Healthcare cost trend rates	6.5% decreasing to ultimate rate of 5.0%

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

	2023	2022
Inactive employees and/or spouse	39	39
Active employees	1,013	1,013
	1,052	1,052

To the extent plan assets are projected to be sufficient to make projected benefit payments, the discount rate will equal the expected return on such assets. To the extent the Plan is not projected to be sufficient make future benefit payments the yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher should be factored in. Plan assets do not apply to the University's program. In order to determine the municipal bond rate we took the average of the published yields from the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years indexes. The selected average rates are 4.0 percent (measurement date) and 3.9 percent (year preceding measurement date). These were used as the discount rates to determine present value costs.

GASB 75 requires full update valuations every 2 years unless material change occurs. In this context a "full" valuation is meant to entail an updated census and revised analysis of per capita costs/assumptions/actuarial methods. A full valuation is not required for fiscal year 2022-23. The OPEB expense and OPEB liability were re-measured using the published bond rates as of the measurement date of June 30, 2023.

Total OPEB Liability

The University's total OPEB liability of $2,670,055 and $2,650,964 was measured as of June 30, 2023 and 2022, for the years ended June 30, 2023 and 2022, respectively, and was determined by actuarial valuations as of January 1, 2022.

Changes in the total OPEB liability are:

	2023	2022
Total OPEB liability, beginning of year	$ 2,650,964	$ 3,525,939
Changes for the year:		
Service cost	12,085	18,233
Interest	99,705	68,683
Differences between expected and actual experience	89,912	(359,492)
Change in assumptions and inputs	30,389	(382,399)
Benefit payments	(213,000)	(220,000)
Net changes	19,091	(874,975)
Total OPEB liability, end of year	$ 2,670,055	$ 2,650,964

Changes for the June 30, 2023, measurement date relative to the June 30, 2022, measurement date include the following:

1) The salary scale assumption was revised from 3.0 percent to 2.5 percent per year.
2) The discount rate changed from 3.9 percent to 4.0 percent.
3) The retiree per capita costs, retiree contribution premiums, and trend assumptions were updated as part of the actuarial evaluation. The January 1, 2023, renewal was taken into account.

Actuarial valuations reflect a long-term perspective and involve estimates of the value reported amounts and assumptions about the probability of events far into the future. Actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities. These calculations are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The actuarial calculations have been based on the substantive plan in place at the time of valuation and on the pattern of cost sharing between the employers and members to that point.

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

The total OPEB liability of the University has been calculated using a discount rate of 4.0 percent. The following presents the total OPEB liability using a discount rate 1 percent higher and 1percent lower than the current discount rate.

	1% Decrease (3.0%)	Current Discount Rate (4.0%)	1% Increase (5.0%)
University's total OPEB liability	$ 2,911,266	$ 2,670,055	$ 2,465,369

The total OPEB liability of the University has been calculated using health care cost trend rates of 7.5 percent decreasing to 4.5 percent. The following presents the total OPEB liability using health care cost trend rates 1 percent higher and 1 percent lower than the current health care cost trend rates.

	1% Decrease (6.5%)	Current Health Care Cost Trend Rates (7.5%)	1% Increase (8.5%)
University's total OPEB liability	$ 2,438,791	$ 2,670,055	$ 2,941,717

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

For the years ended June 30, 2023 and 2022, the University recognized OPEB expense of $48,121 and $8,209, respectively. At June 30, 2023 and 2022, the University reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 442,293	$ 286,799
Changes of assumptions	124,436	740,475
	$ 566,729	$ 1,027,274

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 57,204	$ 885,968
Changes of assumptions	518,848	334,599
	$ 576,052	$ 1,220,567

Amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2023, related to OPEB will be recognized in OPEB expense as follows:

2024	$ (63,669)
2025	(63,669)
2026	(66,522)
2027	(77,180)
2028	(126,846)
Thereafter	(62,659)
	$ (460,545)

Note 11: Commitments and Contingencies

Claims and Litigation

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

Government Grants

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

Construction Contracts

The University had outstanding commitments of approximately $6,511,263 related to construction contracts at June 30, 2023.

Note 12: University of Central Missouri Foundation

Financial Statements

The financial statements of the Foundation are presented in accordance with the provisions of the FASB ASC. The FASB ASC requires the Foundation to distinguish between contributions that increase net assets with donor restrictions net assets without donor restrictions. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. The FASB ASC establishes standards for external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows. As permitted by GASB Statement No. 34, the University has elected not to present a statement of cash flows for the Foundation in the basic financial statements of the University's reporting entity.

Investments

The Foundation's investment portfolio at June 30, 2023 and 2022, is composed of the following:

	2023	2022
Money market mutual funds	$ 5,893,491	$ 2,564,951
Domestic equity	34,658,738	28,035,365
International equity	9,807,626	7,257,170
Fixed income	29,774,535	24,387,929
Alternative investment funds	6,789,089	6,741,884
	$ 86,923,479	$ 68,987,299

FASB ASC 820, *Fair Value Measurements and Disclosures*, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to significant unobservable inputs (Level 3 measurements).

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

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

Level 3 - Inputs to the valuation methodology are unobserved and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobserved inputs.

Recurring Measurements

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

	June 30, 2023				
	Level 1	Level 2	Level 3	NAV (A)	Total
Investments					
Mutual funds					
Money market	$ 5,893,491	$ -	$ -	$ -	$ 5,893,491
Domestic equity	18,588,101	-	-	-	18,588,101
International equity	9,807,626	-	-	-	9,807,626
Common stock					
Domestic	12,890,718	-	-	-	12,890,718
Exchange traded funds					
Domestic	3,179,919	-	-	-	3,179,919
Fixed income investments					
Mortgage	-	1,916,680	-	-	1,916,680
Credit	-	15,806,190	-	-	15,806,190
U.S. Treasuries	6,959,079	-	-	-	6,959,079
Agencies	-	1,856,372	-	-	1,856,372
Asset-backed securities	-	581,884	-	-	581,884
Taxable municipal bonds	-	2,422,288	-	-	2,422,288
Diversified taxable mutual funds	232,042	-	-	-	232,042
Alternative investments					
Hedge funds	5,239,899	-	-	-	5,239,899
Closely held funds	-	-	1,359,100	190,090	1,549,190
Total investments	62,790,875	22,583,414	1,359,100	190,090	86,923,479
Beneficial interests in trusts	-	-	970,598	-	970,598
Total assets	$ 62,790,875	$ 22,583,414	$ 2,329,698	$ 190,090	$ 87,894,077

	June 30, 2022				
	Level 1	Level 2	Level 3	NAV (A)	Total
Investments					
Mutual funds					
Money market	$ 2,564,951	$ -	$ -	$ -	$ 2,564,951
Domestic equity	14,320,683	-	-	-	14,320,683
International equity	7,248,524	-	-	-	7,248,524
Common stock					
Domestic	11,041,467	-	-	-	11,041,467
International	8,646	-	-	-	8,646
Exchange traded funds					
Domestic	2,673,215	-	-	-	2,673,215
Fixed income investments					
Mortgage	-	1,387,409	-	-	1,387,409
Credit	11,439	13,012,918	-	-	13,024,357
U.S. Treasuries	5,721,874	-	-	-	5,721,874
Agencies	-	1,624,985	-	-	1,624,985
Asset-backed securities	-	146,253	-	-	146,253
Taxable municipal bonds	-	2,275,668	-	-	2,275,668
Diversified taxable mutual funds	207,383	-	-	-	207,383
Alternative investments					
Hedge funds	5,854,323	-	-	-	5,854,323
Closely held funds	-	-	780,097	107,464	887,561
Total investments	49,652,505	18,447,233	780,097	107,464	68,987,299
Beneficial interests in trusts	-	-	805,612	-	805,612
Total assets	$ 49,652,505	$ 18,447,233	$ 1,585,709	$ 107,464	$ 69,792,911

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

Investments

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

Beneficial Interest in Trusts

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Contributions Receivable

Contributions receivable consist of unconditional gifts to be received in future periods and are discounted to their present value based on anticipated payment streams. Unconditional contributions receivable with donor restrictions at June 30, 2023 and 2022, consisted of the following:

	2023	2022
Due within one year	$ 746,395	$ 1,227,500
Due in one to five years	1,224,000	3,770,627
	1,970,395	4,998,127
Less		
Allowance for uncollectible contributions	35,946	40,419
Unamortized discount	173,099	122,845
	$ 1,761,350	$ 4,834,863

Discount rates ranged from 0.8 percent to 5.0 percent and from 0.8 percent to 3.2 percent for 2023 and 2022, respectively.

Beneficial Interest in Trust

The Foundation is named as the beneficiary of a unitrust held by third-party trustees totaling $366,647 and $222,754 at June 30, 2023 and 2022, respectively.

The Foundation is named as the beneficiary of a perpetual trust held by a third-party trustee. Under the terms of the trust, the Foundation is designated to receive the net income derived from trust assets on a quarterly basis, which is to be used for the purpose of scholarships and is recorded as temporarily restricted net assets. The Foundation is the beneficiary of the trust with the condition that the University continues to operate or maintain an accredited four-year college for a term in excess of 24 successive calendar months. The Foundation records its beneficial interest in the trust at fair value. Changes in the fair value of the Foundation's interest in the trust are reflected as unrealized gains or losses in the statement of activities in the year in which they take place. The unrealized gain on this trust was $56,974 for the year ended June 30, 2023, and the unrealized loss on this trust was $140,901 for the year ended 2022. The Foundation's share in the trust had a value of $603,951 and $582,858 at June 30, 2023 and 2022, respectively.

Net Assets Without Donor Restrictions

Net assets without donor restrictions at June 30, 2023 and 2022, are designated for the following purposes:

	2023	2022
Undesignated	$ 1,015,807	$ 471,778
Board-designated operating reserve fund	3,272,233	2,997,233
Board-designated endowment funds	7,479,534	4,598,743
University President directed fund	260,079	198,898
	$ 12,027,653	$ 8,266,652

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2023 and 2022, are restricted for the following purposes:

	2023	2022
Subject to expenditure for specified purpose		
Scholarships	$ 8,267,251	$ 7,964,810
Academic instruction and departmental	17,060,332	14,302,081
Athletic program	690,361	785,074
KMOS-TV	623,424	515,747
Capital projects	5,017,750	6,862,149
Net accumulated earnings in excess of approved payout	8,441,981	5,809,200
	40,101,099	36,239,061
Perpetually restricted with the earnings subject to Foundation endowment spending policy		
Scholarships	29,397,629	28,088,380
Academic instruction and departmental	4,467,491	3,802,813
Athletic program	127,588	126,578
Capital projects	40,245	40,245
	34,032,953	32,058,016
	$ 74,134,052	$ 68,297,077

Endowments

The composition of net assets by type of endowment fund at June 30, 2023 and 2022, was:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 66,247,081	$ 66,247,081
Board-designated endowment funds	7,479,531	-	7,479,531
Total endowment funds	$ 7,479,531	$ 66,247,081	$ 73,726,612

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 60,832,847	$ 60,832,847
Board-designated endowment funds	4,598,743	-	4,598,743
Total endowment funds	$ 4,598,743	$ 60,832,847	$ 65,431,590

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

	2023		
	Donor	Restrictions	Total
Endowment net assets, beginning of year	$ 4,598,743	$ 60,832,847	$ 65,431,590
Net investment return			
Net investment income	-	1,479,850	1,479,850
Net realized and unrealized loss on investments	469,096	3,202,269	3,671,365
Total net investment return	469,096	4,682,119	5,151,215
Gifts	2,440,365	7,603,733	10,044,098
Appropriation of assets for expenditure	(63,675)	(6,657,326)	(6,721,001)
Change in donor restrictions	35,002	(169,686)	(134,684)
Actuarial loss on annuity obligations	-	(17,606)	(17,606)
Endowment net assets, end of year	$ 7,479,531	$ 66,274,081	$ 73,753,612

	2022		
	Donor	Restrictions	Total
Endowment net assets, beginning of year	$ 5,273,717	$ 59,852,805	$ 65,126,522
Net investment return			
Net investment income	-	1,088,637	1,088,637
Net realized and unrealized gain on investments	(611,233)	(9,575,879)	(10,187,112)
Total net investment return	(611,233)	(8,487,242)	(9,098,475)
Gifts	45,174	9,148,758	9,193,932
Appropriation of assets for expenditure	(136,922)	(1,884,710)	(2,021,632)
Change in donor restrictions	28,007	2,239,718	2,267,725
Actuarial loss on annuity obligations	-	(36,482)	(36,482)
Endowment net assets, end of year	$ 4,598,743	$ 60,832,847	$ 65,431,590

Liquidity and Availability

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

	2023	2022
Financial assets at year-end		
Cash	$ 273,889	$ 445,992
Investments	86,923,479	68,987,299
Accrued investment income	315,444	226,978
Contributions receivable	1,761,350	4,834,863
Notes receivable	1,446,994	1,692,841
Total financial assets at year-end	90,721,156	76,187,973
Less amounts restricted or not available to be used within one year		
Donor-imposed restrictions on financial assets	72,636,422	66,890,281
Board-designated operating reserve fund	3,272,233	2,997,233
Board-designated endowment funds	7,479,531	4,598,743
University President directed fund	260,079	198,898
Notes receivable – due after one year	1,289,955	1,446,995
Financial assets not available to meet general expenditures within one year	84,938,220	76,132,150
Financial assets available to meet general expenditures within one year	$ 5,782,936	$ 55,823

Note 13: Subsequent Events

2023 MOHEFA Bonds Payable

On October 4, 2023, the University issued $30,410,000 of bonds payable. The bonds bear interest payable semiannually at 5.00 percent and are secured by the net revenues available for debt service of the housing system of the University. Principal maturity begins October 1, 2024, and continues until October 1, 2034. Proceeds from the issuance of these bonds were used to advance the refund of the Series 2013C-2 bonds maturing October 1, 2024.

Subsequent events have been evaluated through December 15, 2023, which is the date the financial statements were available to be issued.

Required Supplementary Information

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of the University's Proportionate Share of the Net Pension Liability
Missouri State Employees' Retirement System
Last Nine Fiscal Years

	2023	2022	2021	2020	2019
University's proportion of the net pension liability	2.4042%	2.2999%	2.4629%	2.4129%	2.6674%
University's proportionate share of the net pension liability	$ 172,156,823	$ 128,578,260	$ 156,331,778	$ 145,766,631	$ 148,795,182
University's covered-employee payroll	$ 47,959,911	$ 46,356,483	$ 48,837,309	$ 46,755,339	$ 51,924,427
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	358.96%	277.37%	320.11%	311.76%	286.56%
Plan fiduciary net position as a percentage of the total pension liability	53.53%	63.00%	55.48%	56.72%	59.02%

	2018	2017	2016	2015
University's proportion of the net pension liability	2.8959%	2.8591%	2.8410%	2.7413%
University's proportionate share of the net pension liability	$ 150,787,953	$ 132,717,900	$ 91,236,621	$ 64,634,510
University's covered-employee payroll	$ 56,998,231	$ 55,002,021	$ 50,573,280	$ 52,233,469
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	264.55%	241.30%	180.40%	123.74%
Plan fiduciary net position as a percentage of the total pension liability	60.41%	63.60%	72.62%	79.49%

Notes

Above schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Information provided is based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of University Pension Contributions
Missouri State Employees' Retirement System
Last Nine Fiscal Years

	2023	2022	2021	2020	2019
Contractually required contribution	$ 13,481,020	$ 11,275,376	$ 10,606,366	$ 10,631,882	$ 9,449,254
Contributions in relation to the contractually required contribution	13,481,020	11,275,376	10,606,366	10,631,882	9,449,254
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
University's covered-employee payroll	$ 51,200,229	$ 47,959,911	$ 46,356,483	$ 48,837,309	$ 46,755,339
Contributions as a percentage of covered-employee payroll	26.33%	23.51%	22.88%	21.77%	20.21%

	2018	2017	2016	2015
Contractually required contribution	$ 10,099,301	$ 9,690,708	$ 9,333,841	$ 8,946,847
Contributions in relation to the contractually required contribution	10,099,301	9,690,708	9,333,841	8,946,847
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
University's covered-employee payroll	$ 51,924,427	$ 56,998,231	$ 55,002,021	$ 50,573,280
Contributions as a percentage of covered-employee payroll	19.45%	17.00%	16.97%	17.69%

Notes

Above schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Benefit Changes

Senate Bill 62 (SB 62), which contained changes to the benefit structure for MSEP 2011, was passed by the 2017 legislature. The provision of the bill decreased vesting from ten to five years of service, but also included provisions that essentially offset the cost of the vesting change. As a result, SB 62 had no impact on the employer contribution rate and created a decrease to the UAAL of $1.6 million.

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

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

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of University Pension Contributions
Missouri State Employees' Retirement System
Last Nine Fiscal Years

Changes of Assumptions

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

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study covering the five-year period ended June 30, 2020, and performed in 2021. As a result of this actuarial experience study, the MOSERS Board made certain actuarial assumption and method changes as a result of the experience study, including:

- Subsequent changes in the unfunded actuarial accrued liability due to actuarial gains/losses or assumption changes are now amortized over a closed 25-year period, instead of 30 years.
- Mortality assumptions are now based on generational tables.

The merit component of the salary increase assumption was adjusted to partially reflect observed experience.

The assumed investment rate of return was reduced from 7.10 percent to 6.95 percent for the June 30, 2020, valuation. The salary increase rate was reduced from 2.85 percent to 2.75 percent.

The wage inflation rate was reduced from 2.35 percent to 2.25 percent. There were no other changes in actuarial assumptions for the June 30, 2020, valuation.

The assumed investment rate of return was reduced from 7.25 percent to 7.10 percent for the June 30, 2019, valuation. The salary increase rate was reduced from 3.00 percent to 2.85 percent.

The wage inflation rate was reduced from 2.50 percent to 2.35 percent. There were no other changes in actuarial assumptions for the June 30, 2019, valuation.

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

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

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of University Pension Contributions
Missouri State Employees' Retirement System
Last Nine Fiscal Years

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

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

There were no changes to actuarial assumptions used in the June 30, 2015, valuation, other than the assumption that there would be no pay increases for fiscal year ended June 30, 2016. There were no changes to actuarial assumptions used in the June 30, 2014, valuation.

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

	2023	2022	2021	2020	2019
Total OPEB Liability					
Service cost	$ 12,085	$ 18,233	$ 18,444	$ 10,703	$ 9,763
Interest	99,705	68,683	105,604	105,976	123,163
Differences between expected and actual experience	89,912	(359,492)	(676,747)	91,527	(127,704)
Changes of assumptions or other inputs	30,389	(382,399)	155,902	561,204	75,900
Benefit payments	(213,000)	(220,000)	(241,000)	(255,000)	(308,487)
Net Change in Total OPEB Liability	19,091	(874,975)	(637,797)	514,410	(227,365)
University's Total OPEB Liability - Beginning	2,650,964	3,525,939	4,163,736	3,649,326	3,876,691
University's Total OPEB Liability - Ending	$ 2,670,055	$ 2,650,964	$ 3,525,939	$ 4,163,736	$ 3,649,326
Covered-Employee Payroll	$ 59,952,507	$ 59,952,507	$ 55,328,223	$ 55,328,223	$ 55,605,898
University's Net OPEB Liability as a Percentage of Covered-Employee Payroll	4.45%	4.42%	6.37%	7.53%	6.56%

	2018
Total OPEB Liability	
Service cost	$ 9,121
Interest	130,106
Differences between expected and actual experience	-
Changes of assumptions or other inputs	33,313
Benefit payments	(226,756)
Net Change in Total OPEB Liability	(54,216)
University's Total OPEB Liability - Beginning	3,930,908
University's Total OPEB Liability - Ending	$ 3,876,692
Covered-Employee Payroll	$ 55,605,898
University's Net OPEB Liability as a Percentage of Covered-Employee Payroll	6.97%

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

Notes

Above schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Benefit Changes

There were no changes to benefit terms of the years ended June 30, 2018 through 2023.

Changes of Assumptions

Actuarial assumptions used in the June 30, 2023, valuation were changed as follows:

- The salary scale assumption was revised from 3.0 percent to 2.5 percent per year.
- The discount rate changed from 3.9 percent to 4.0 percent.
- The retiree per capita costs, retiree contribution premiums, and trend assumptions were updated as part of the actuarial evaluation. The January 1, 2023, renewal was taken into account.

Actuarial assumptions used in the June 30, 2022, valuation were changed as follows:

- The salary scale assumption was revised from 3.5 percent to 3.0 percent per year.
- The discount rate changed from 2.0 percent to 3.9 percent.
- The census was changed for January 1, 2020, to January 1, 2022.
- The mortality assumption was changed from Society of Actuaries Scale MP-2020 Full Generational Improvement to the Society of Actuaries Scale MP-2021 full Generational Improvement.
- The retiree per capita costs, retiree contribution premiums, and trend assumptions were updated as part of the actuarial evaluation. The January 1, 2022, renewal was taken into account.
- The assumed retirement and turnover were updated based on the latest pension report data from the Missouri State Employees' Retirement System (MOSERS).

Actuarial assumptions used in the June 30, 2021, valuation were changed as follows:

- The salary scale assumption was revised from 2.0 percent to 3.5 percent per year.
- The discount rate changed from 2.6 percent to 2.0 percent.

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of Changes in the University’s Total OPEB Liability and Related Ratios
Last Six Fiscal Years

- The mortality assumption was changed from Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP2019 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP2020 Full Generational Improvement.

- The retiree per capita costs, retiree contribution premiums, and trend assumptions were updated as part of the actuarial evaluation. The January 1, 2021, renewal was taken into account. The 2021 renewal produced lower premium costs relative to 2020 leading to actuarial gains. The PCB PPO plan was eliminated effective January 1, 2021. The UCM Custom Plan is the one available plan option effective January 1, 2021.

Actuarial assumptions used in the June 30, 2020, valuation were changed as follows:

- The retirement, disability, and turnover assumptions were updated when applicable based on the latest statistics from MOSERS.

- The assumed healthy life mortality was updated to reflect the Society of Actuaries RPH-2014 adjusted to 2006 Headcount-Weighted Total Dataset Mortality table with MP-2018 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2019 Full Generational Improvement

- The per capita costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation.

- The discount rate was changed from 3.30 percent (June 30, 2018) to 3.0 percent (June 2019) and ultimately 2.6 percent when rolled forward to the measurement date of June 30, 2020.

- It is assumed that 1 percent of future employees retiring at > Age 65 will elect coverage in the University’s program. Future employees retiring at < Age 65 assumed not to elect University sponsored coverage.

- The actuarial cost method was changed from Projected Unit Credit to Entry Age Normal - Level Percent of Pay.

- The assumed salary scale is 2 percent per year.

Actuarial assumptions used in the June 30, 2019, valuation were changed as follows:

- The retirement, disability, and turnover assumptions were updated when applicable based on the latest statistics from MOSERS.

- The assumed healthy life mortality was updated to reflect the Society of Actuaries RPH-2014 adjusted to 2006 Total Dataset Headcount-weighted Mortality table with MP-2017 Full Generational Improvement.
- The per capita costs, retiree contribution premiums, and trend assumptions were updated as part of the actuarial evaluation.
- The discount rate was changed from 3.50 percent (July 1, 2015) to 3.40 percent (July 1, 2017) and ultimately 3.0 percent when rolled forward to the measurement date of June 30, 2019. It is assumed that 1 percent of future employees retiring at > Age 65 will elect coverage in the University's program. Future employees retiring at < Age 65 assumed not to elect University sponsored coverage.
- The actuarial cost method was changed from Projected Unit Credit to Entry Age Normal - Level Percent of Pay.
- The assumed salary scale is 2 percent per year.

Actuarial assumptions used in the June 30, 2018, valuation were changed as follows:

- The retirement, disability, and turnover assumptions were updated when applicable based on the latest statistics from MOSERS.
- The assumed healthy life mortality was updated to reflect the Society of Actuaries RPH-2014 adjusted to 2006 Total Dataset Headcount-weighted Mortality table with MP-2017 Full Generational Improvement.
- The per capita costs, retiree contribution premiums, and trend assumptions were updated as part of the actuarial evaluation.
- The discount rate was changed from 3.50 percent (July 1, 2015) to 3.40 percent (July 1, 2017) and ultimately 3.30 percent when rolled forward to the measurement date of June 30, 2018.
- It is assumed that 1 percent of future employees retiring at > Age 65 will elect coverage in the University's program. Future employees retiring at < Age 65 assumed not to elect University sponsored coverage.
- The actuarial cost method was changed from Projected Unit Credit to Entry Age Normal – Level Percent of Pay.
- The assumed salary scale is 2 percent per year.

Supplementary Information

University of Central Missouri
A Component Unit of the State of Missouri
Stadium Bonds – Series 1999, Series 2013B, and Series 2018B
Selected Information
Year Ended June 30, 2023

Revenues		
Foundation Suite Revenue (Chart C)	$	59,626
(100010-150150-550020-5200)		
Walton Stadium		
Building rent income		3,000
(100010-150100-550020-5200)		
Men's Football		
Advance ticket sales		73,618
org 150031		
General Fund Transfer For Walton Stadium		
Bond Payment (Series 2013B)		270,542
Bond Payment (Series 2018B)		137,862

University of Central Missouri
A Component Unit of the State of Missouri
Student Housing System
Condensed Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2023

Operating Revenues	
Housing, net of bad debt expense	$ 17,792,667
Bookstore, net of bad debt expense	3,323,828
University union fee	2,407,477
Tuition and fees	2,592
Other operating revenues	1,861,853
Total operating revenues	25,388,417
Operating Expenses	
Compensation and benefits	2,843,884
Contractual services	4,689,378
Supplies and services	2,670,290
Scholarships	2,800
Utilities	2,618,648
Debt service	4,334,026
Other	6,341,297
Total operating expenses	23,500,323
Operating Income	1,888,094
Nonoperating Revenues (Expenses)	
Other nonoperating expenses	(33,777)
Income Before Other Revenues and Expenses, Gains or Losses	1,854,317
Add Back Debt Service Payments	
Student housing	3,385,962
University Store	526,436
Student union	421,628
Total debt service payments	4,334,026
Add Back Capital Improvement Transfers	592,411
Net Operating Revenue Before Debt Service Payments	$ 6,780,754
Net Operating Revenue as a % of Debt Service	156%

University of Central Missouri
A Component Unit of the State of Missouri
Student Housing System
Condensed Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2023

Basis of Presentation

The condensed statements of revenues, expenses, and changes in net position present the financial position and results of operations of certain activities of the University's Student Housing System Funds, defined as Student Dormitories, Bookstore, and Student Union and pledged as collateral on the University's Series 2009 Refunding Revenue Bonds.

In accordance with University procedure, the University's liability for other postemployment and pension benefits is not allocated internally to individual departments and funds. Accordingly, no liability for other postemployment benefits is reflected in this schedule.

University of Central Missouri
A Component Unit of the State of Missouri
Student Housing System
Insurance Coverage
June 30, 2023

An insurance package policy purchased through the Midwestern Higher Education Compact (MHEC) program, provides all risk coverage on buildings and contents. The following insurance coverages are in force at the University as of June 30, 2023:

1 Lexington Insurance Company, Policy No. 066095351, (60%); Zurich, Policy No. ERP-0174168-02, (40%), providing $100,000,000 all risk coverage on scheduled buildings and other property. There is a shared captive retention layer of $1,000,000 per occurrence and $7,850,693 aggregate through the Midwestern Higher Education Compact (MHEC).

2 Lexington Insurance Company, Policy No. 66095363 (60%) and Zurich Policy No. ERP 019811500 (40%): furnishes the secondary layer of shared coverage, which is $400,000,000 excess of the $100,000,000 layer.

3 Zurich, Policy No. XPP00174448-02, (20%); AIG, Policy No. 25030902 (60%), Westport Insurance Corp., Policy No. NAP 0453214-02 (20%): furnishes the third layer of shared coverage, which is $500,000,000 excess of the $500,000,000.

University of Central Missouri
A Component Unit of the State of Missouri
Student Housing System
Insurance Coverage
June 30, 2023

	Amount of Coverage	
	Building	Contents
Residential complex (included in blanket figures)		
Diemer Hall	$ 7,188,646	$ 155,678
South Ellis Hall	11,944,296	198,525
East Ellis Hall	14,057,637	218,521
North Ellis Hall	15,215,442	267,081
Foster Knox Hall	9,819,938	352,775
University Conference Center	13,359,780	400,229
Hosey Hall	8,506,640	387,053
Nickerson Hall	11,115,177	311,358
Panhellenic Hall	11,763,339	455,610
South Todd Hall	3,133,713	164,248
Todd Hall	9,568,728	465,608
South Yeater Hall	17,054,456	484,173
Yeater Hall	10,286,601	311,358
Houts Hall	8,857,539	434,187
Fitzgerald Hall	17,877,255	552,730
Apartments (included in blanket figures)		
Greenwood 4-Plex #2	578,948	11,427
Greenwood 4-Plex #3	578,948	11,427
Greenwood 4-Plex #4	578,948	11,427
Greenwood 4-Plex #6	578,948	11,427
Greenwood 4-Plex #8	578,948	11,427
Greenwood 4-Plex #10	578,948	11,427
Greenwood 4-Plex #12	578,948	11,427

University of Central Missouri
A Component Unit of the State of Missouri
Student Housing System
Enrollment and Occupancy Statistics
Year Ended June 30, 2023

	Amount of Coverage	
	Building	Contents
Apartments (included in blanket figures - *continued)*		
Greenwood 4-Plex #13	$ 578,948	$ 11,427
Greenwood 4-Plex #14	578,948	11,427
Greenwood 4-Plex #16	538,557	11,533
Greenwood Handicap Unit	316,518	5,713
Greenwood VIP Unit	293,910	8,552
Greenwood Community Center	696,775	44,427
Central Village 8-Plex #1	1,655,285	24,280
Central Village 8-Plex #2	1,146,736	24,280
Central Village 8-Plex #3	1,655,285	24,280
Central Village 8-Plex #4	1,146,306	24,280
Central Village 8-Plex #5	1,655,285	24,280
Central Village 8-Plex #6	1,146,736	24,480
Central Village Community Building	835,198	24,473
Central Village 8-Plex #8	1,146,736	24,280
Central Village 8-Plex #9	1,146,736	24,280
Central Village 8-Plex #10	1,146,736	24,280
Central Village 8-Plex #12	1,146,736	24,280
The Crossing	49,692,455	3,277,196
Stadium		
Walton Stadium	11,608,265	2,361,997
Walton Stadium Field	1,467,248	-
Other (included in blanket figures)		
University Union	42,940,436	4,521,221
Ellis Mechanical Building	297,841	1,235,859
Greenwood Morton Building	179,642	-

Liability insurance
Covered under the State Legal Expense Fund

University of Central Missouri
A Component Unit of the State of Missouri
Student Housing System
Enrollment and Occupancy Statistics
Year Ended June 30, 2023

	Headcount	Full-time Equivalent	Semester Credit Hours
Summer 2022 (202230)			
Undergraduate	2,428	1,648	12,359
Graduate	3,254	3,773	22,621
Fall 2022 (202310)			
Undergraduate	7,345	5,631	84,482
Graduate	4,292	2,401	28,800
Spring 2023 (202320)			
Undergraduate	8,027	5,405	81,089
Graduate	4,421	2,524	30,297

Statistics on the occupancy of the University's housing facilities are as follows:

Residence Halls		Apartments	
21-22	22-23	21-22	22-23
81%	76%	95%	95%

The following information sets forth the living choices of undergraduate students for the Fall 2022 semester:

Total on-campus	27.9%
Total off-campus	72.1%
Total	100.0%

Room and board charges for the fiscal years ended June 30, 2023 and 2022, are as follows:

	2023	2022
Residence halls (per semester)		
Single occupancy room	$ 3,698	$ 3,582
Double occupancy room	3,048	2,952
Apartments (per month)		
Central Village - one-bedroom	648	628
Central Village - two-bedroom	782	758
Central Village - three-bedroom	934	905
Foster/Knox	793	769
Greenwood Park	853	827
Nickerson	793	769
Todd - one-bedroom	793	769
Todd - two-bedroom	975	945
The Crossing 2 BR, per person	738	715
The Crossing 4 BR, per person	631	612
The Crossing 4 BR - 2 story, per person	631	612
Basic meal plan (per semester)	1,802	1,727

A student union fee is charged each student, each semester as follows:

	2023	2022
University Union Fee		
Per credit hour (<9 credit hours)	$ 8.55	$ 8.25
Flat rate (9+ credit hours)	$ 128.25	$ 123.75

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education				
Student Financial Assistance Cluster				
Teacher Education Assistance for College and Higher Education Grants	84.379	NA	$ -	$ 65,051
Federal Supplemental Educational Opportunity Grants	84.007	NA	-	144,819
Federal Work-Study Program	84.033	NA	-	291,912
Federal Pell Grants	84.063	NA	-	9,743,446
Federal Direct Student Loans	84.268	NA	-	29,673,606
Federal Perkins Loan Program	84.038	NA	-	2,133,318
Total Student Financial Assistance Cluster			-	42,052,152
Undergraduate International Studies and Foreign Language Programs	84.016A	NA	3,486	51,841
Higher Education Institutional Aid	84.031F	NA	-	541,023
Education Innovation and Research	84.411A	NA	-	5,000
TRIO Cluster				
TRIO Student Support Services	84.042	NA	-	(1,035)
TRIO McNair Post-Baccalaureate Achievement	84.217	NA	-	82,411
TRIO McNair Post-Baccalaureate Achievement	84.217A	NA	-	180,642
TRIO Upward Bound	84.047V	NA	-	60,062
Total TRIO Cluster			-	322,080
COVID-19 - Education Stabilization Fund				
Governor's Emergency Education Relief Fund	84.425C	NA	-	110,001
Elementary and Secondary School Emergency Relief Fund				
FY22 Leadership Specialist ESSER II	84.425D	NA	-	482
FY22 Literacy & Language K-3	84.425D	NA	-	171
FY22 Literacy & Language K-12	84.425D	NA	-	271
Mathematics Consultant	84.425D	NA	-	420
FY22 Teacher Recruitment & Retention Specialist	84.425D	NA	-	563
FY23 Leadership Specialist (ESSER)	84.425D	NA	-	99,423
FY23 Literacy & Language K-3	84.425D	NA	-	100,309
FY23 Literacy & Language K-12	84.425D	NA	-	101,561
FY23 Literacy Instruction & Intervention	84.425D	NA	-	63,291
FY23 Math Improvement Consultation Specialist	84.425D	NA	-	306,855
FY23 Literacy Coach	84.425D	NA	-	163,164
FY23 Teacher Recruitment & Retention Specialist	84.425D	NA	-	99,532
Elementary Mathematics Specialist (EMS) Certificate Program	84.425D	NA	-	262,729
Higher Education Emergency Relief Fund Student Aid Portion	84.425E	NA	-	15,600
Higher Education Emergency Relief Fund Institutional Aid Portion	84.425F	NA	-	711,355
Higher Education Emergency Relief Fund Strengthening Institutions Program	84.425M	NA	-	588,655
American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	NA	-	40,638
Total Education Stabilization Fund			-	2,665,020

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education / Missouri Department of Elementary and Secondary Education				
Special Education Cluster (IDEA)				
Special Education Grants to States				
FY20 DCI Travel Expenses	84.027A	None	$ -	$ 4
FY20 SW PBS Consultant	84.027A	None	-	122
FY21 DCI Consultants	84.027A	None	-	2,632
FY21 IDEA Compliance Consultant	84.027A	None	-	2
FY21 RPDC Director Support	84.027A	None	-	514
FY21 Special Educ Improvement Consultant	84.027A	None	-	364
FY21 SW PBS Consultant	84.027A	None	-	(10)
FY22 Special Ed Improvement Consultant	84.027A	None	-	407
FY22 SW-PBS Consultant	84.027A	None	-	854
DESE Federal Pass Through Funds	84.027A	None	-	867
FY23 IDEA Compliance Consultant	84.027A	None	-	104,378
FY23 RPDC Director Support	84.027A	None	-	69,720
FY23 Special Ed Improvement Consultant	84.027A	None	-	104,013
FY23 SW-PBS Specialist	84.027A	None	-	196,936
FY23 DCI Consultants	84.027A	None	-	375,381
FY23 DCI Travel Expenses	84.027A	None	-	14,527
Total Special Education Cluster (IDEA)			-	870,711
Supporting Effective Instruction State Grants				
FY21 Leadership Specialist	84.367A	None	-	1,021
FY21 Non-Traditional Event(s) Program	84.367A	None	-	(3,237)
Mentor-Mentee Program	84.367A	None	-	23,500
FY23 Leadership Specialist (TITLE II.A)	84.367A	None	-	99,611
Total Supporting Effective Instruction State Grants			-	120,895
Title I Grants to Local Education Agencies				
FY23 Continuous Improvement Consultants	84.010A	None	-	99,512
Career and Technical Education-Basic Grants to States				
A Proposal to Develop CTE Skilled Trades Pathways Courses	84.048A	V048A190025	-	7,112
FY23 Non-Traditional Event(s) Program	84.048A	None	-	5,112
FY23 Career Pathway Regional Consultants	84.048A	None	-	28,456
FY23 New Teacher Institute (NTI) Facilitation	84.048A	ZDcyOTVjNTItOW	-	55,403
Skilled Technical Sciences Model Curriculum for Graphic Arts, Welding Technology and Auto Body Repair	84.048A	None	-	1,799
FY23 Skilled Technical Sciences Curriculum Development	84.048A	N2Q5NGY3ZDAtM2	-	58,606
FY23 Hospitality Curriculum Project	84.048A	ODDLNJZJYZETND	-	14,850
FY23 Business & Information Technology Curriculum Project	84.048A	Mzc1NTUwNTUtNT	-	24,475
Missouri Career Pathways Program	84.048A	42702	-	1,595
FY23 Missouri Health Career Day	84.048A	V048A220025	19,000	19,000
Technology & Engineering Education Teacher and Program CTE Certification	84.048A	3420-0105-0513-VLP1	-	1,503
FY23 GYO - Missouri Career Pathways Program	84.048A	None	-	10,460
FY23 Chamber KC Show Me Careers	84.048A	None	28,501	28,501
Total Career and Technical Education-Basic Grants to States			47,501	256,872

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Comprehensive Literacy Development				
MO Comprehensive State Literacy Development (CLSD)	84.371C	PL 111-117	$ -	$ 440,919
U.S. Department of Education / National Writing Project				
Supporting Effective Instruction State Grants				
SEED Summer Camp Grant	84.367D	92-MO02-SEED2017-CAMP	-	(25)
SEED Summer Camp Grant	84.367D	92-MO02-SEED2017-CAMP	-	(4,790)
Total Supporting Effective Instruction State Grants			-	(4,815)
U.S. Department of Transportation / Missouri Department of Transportation				
Airport Improvement Program				
CARES Airport Aid	20.106	20-019A-1	-	12,196
Master Plan and Airport Layout Plan Update	20.106	21-019A-1	-	250,358
CRRSAA Airport Aid	20.106	21-019A-2	-	10,304
Total Airport Improvement Program			-	272,858
FMCSA Cluster				
Motor Carrier Safety Assistance Program				
FY21 Commercial Motor Vehicle Survey	20.218	21-CMV-MC-007	-	(987)
Law Enforcement Phlebotomy Program	20.218	DTNH2217D00040-693JJ920F000	-	65,346
Total FMCSA Cluster			-	64,359
Highway Safety Cluster				
State and Community Highway Safety				
FY17 Impaired Driving Countermeasures	20.600	17-M50T-03-004	-	2,200
FY22 Driver Improvement Program	20.600	22-PT-02-001	-	6,161
FY22 Occupant Protection LEL	20.600	22-PT-02-150	-	24,294
FY22-Driver Instructor Course	20.600	22-DE-02-001	-	3,565
FY22 Police Driving	20.600	22-PT-02-154	-	2,133
FY23 Driver Improvement Program (DIP)	20.600	23-PT-02-130	-	30,338
Y23 HMV, OP & Speed Law Enforcement Liaison	20.600	23-PT-02-156	-	48,896
FY23 Statewide Safety Belt Survey	20.600	23-PT-02-157	-	156,432
FY23 Enforcement HMV	20.600	23-PT-02-059	-	882
Total State and Community Highway Safety			-	274,901

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
National Priority Safety Programs				
FY21 MOU LE Phlebotomy	20.616	21-M2HVE-05-013	$ -	$ 1,352
FY21 Enforcement OP	20.616	21-M2HVE-05-034	1,209	1,390
FY21 Drug Impaired Driving	20.616	21-M5OT-03-006	-	1,652
FY22 Alcohol Law Enforcement Liaison	20.616	22-M5HVE-03-031	-	61,064
FY22 Enforcement OP	20.616	22-M2HVE-05-032	43,308	53,817
FY22 Statewide Safety Belt Survey	20.616	22-M5HVE-05-031	-	32,658
FY22 Survey Prep Teen HS Safety	20.616	22-M2HVE-05-014	-	5,515
FY22 Drug Impaired Driving	20.616	22-M5OT-03-001	-	83,066
FY23 DID & SFST	20.616	23-M5OT-03-001	-	280,396
FY23 Alcohol Law Enforcement Liaison	20.616	23-M5HVE-03-048	-	106,634
FY23 Enforcement - Occupant Protection Campaign	20.616	23-M2HVE-05-031	25,345	47,746
FY23 Teen (High School) Safety Belt Survey	20.616	23-M2HVE-05-005	-	68,778
FY23 Law Enforcement Phlebotomy Program Pilot	20.616	23-M5TR-03-006	-	19,702
FY23 Enforcement DWI	20.616	23-M5HVE-03-025	-	2,803
Total National Priority Safety Programs			69,862	766,573
Total Highway Safety Cluster			69,862	1,041,474
Alcohol Open Container Requirements				
FY20 - Impaired Driving Countermeasures	20.607	None	-	454
FY21 Enforcement Drive Sober	20.607	21-154-AL-037	403	1,850
FY21 Impaired Driving	20.607	21-154-AL-140	-	(596)
FY22 Drive Sober Enforcement	20.607	22-154-AL-104	111,402	136,711
FY22 Impaired Driving Countermeasure	20.607	22-154-AL-131	-	119,826
FY23 Enforcement - Drive Sober	20.607	23-154-AL-044	181,335	236,981
FY23 Impaired Driving Countermeasures	20.607	23-154-AL-031	-	278,523
FY23 Ignition Interlock Device (IID) Program	20.607	23-154-AL-045	-	98,553
Total Alcohol Open Container Requirements			293,140	872,302
U.S. Department of Health and Human Services / Children's Hospital Medical Center				
Every Student Succeeds Act/Preschool Development Grants				
Development of Missouri Early Learning Standards & Missouri Kindergarten Standard Alignment Tool	93.434	300-0105-7217-PDF2	4,000	22,142
Microbiology and Infectious Diseases Research				
Developmental Mechanisms of Trachea-Esophageal Birth Defects	93.856	5P01HD093363-03	-	(549)
U.S. Department of Health and Human Services / Missouri Department of Health and Senior Services				
Injury Prevention and Control Research and State and Community Based Programs				
Implementation of Violence Prevention Strategy	93.136	AOC17300861	-	907
Implementation of Violence Prevention Strategy	93.136	AOC19380249	-	13,606
Implementation of Violence Prevention Strategy	93.136	DH220051616-00	-	25,288
Total Injury Prevention and Control Research and State and Community Based Programs			-	39,801

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
National Science Foundation				
Research and Development Cluster				
STEM Education				
MoLSAMO	47.076	NA	$ -	$ 12,552
Anchoring HS Students in Real Life Issues that Integrate STEM Content and Literacy	47.076	NA	-	34,405
National Science Foundation / Curators of University of Missouri				
Research and Development Cluster				
STEM Education				
Supporting Leaders in Elementary Mathematics Teaching in MO	47.076	C00064385-1	-	(11,523)
Total Research and Development Cluster			-	35,434
U.S. Department of Agriculture				
Capacity Building for Non-Land Grant Colleges of Agriculture				
Certified to Teach Ag	10.326	NA	-	865
Building Partnerships Between Stakeholders in Western Missouri	10.326	NA	58,925	175,883
Total Capacity Building for Non-Land Grant Colleges of Agriculture			58,925	176,748
U.S. Department of Agriculture / Missouri Department of Health and Senior Services				
Child and Adult Care Food Program	10.558	ERS46110155	-	22,649
U.S. Department of Labor				
Occupational Safety and Health Susan Harwood Training Grants				
Susan Harwood Training Grant	17.502	NA	-	47,539
Electric Arc Hazards and Protections	17.502	NA	-	41,703
Total Occupational Safety and Health Susan Harwood Training Grants			-	89,242
U.S. Department of the Interior				
Native American Graves Protection and Repatriation Act				
McClures Digitization and Consultation Project	15.922	NA	-	176
U.S. Department of the Interior / National Writing Project				
National Park Service Conservation, Protection, Outreach, and Education	15.954	92-MO02-NPS2020	-	(2,000)
U.S. Department of Justice				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	NA	-	16,961
U.S. Department of Justice / Missouri Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-LLEBG-079	-	(102)
National Endowment for the Humanities / National Writing Project				
Promotion of the Humanities Public Programs	45.164	92-MO02-2022BMPU	-	65,372
			$ 476,914	$ 50,138,077

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

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Federal Loan Programs

Federal Direct Student Loan balances are not included in University of Central Missouri's financial statements. Loans disbursed during the year are included in federal expenditures presented in the Schedule. The federal loan programs listed subsequently are administered directly by University of Central Missouri, and balances and transactions relating to these programs are included in the University's basic financial statements. Loans outstanding at the beginning of the year and 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
84.038	Federal Perkins Loan	$ 1,674,546

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

Board of Governors
University of Central Missouri
Warrensburg, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, and the discretely presented component unit of University of Central Missouri (the "University"), collectively a component unit of the state of Missouri, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic final financial statements, and have issued our report thereon dated December 15, 2023. Our report contained emphasis of matter paragraphs regarding a change in accounting principle and restatement of the 2022 financial statements. The financial statements of University of Central Missouri Foundation, which are included in the University's financial statements as a discretely presented component unit, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with University of Central Missouri Foundation.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, 2023-004, and 2023-005 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

University's Responses to Findings

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

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 University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS, LLP

Springfield, Missouri
December 15, 2023

FORVIS

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

Independent Auditor's Report

Board of Governors
University of Central Missouri
Warrensburg, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of University of Central Missouri 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 University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-006. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-006, to be a significant deficiency.

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

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

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

FORVIS, LLP

Springfield, Missouri
March 26, 2024

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

Section I - Summary of Auditor's Results

Financial Statements

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

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

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

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

Federal Awards

4. Internal control over major federal awards programs:

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

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

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

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

7. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
	Student Financial Assistance Cluster
84.379	Teacher Education Assistance for College and Higher Education Grants
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grants
84.268	Federal Direct Student Loans
84.038	Federal Perkins Loan
	COVID-19 - Education Stabilization Fund
84.425C	Governor's Emergency Education Relief Fund
84.425D	Elementary and Secondary School Emergency Relief Fund
84.425E	Higher Education Emergency Relief Fund Student Aid Portion
84.425F	Higher Education Emergency Relief Fund Institutional Aid Portion
84.425M	Higher Education Emergency Relief Fund Strengthening Institutions Program
84.425U	American Rescue Plan-Elementary and Secondary School Emergency Relief
	Special Education Cluster (IDEA)
84.027A	Special Education Grants to States
	Highway Safety Cluster
20.600	State and Community Highway Safety
20.616	National Priority Safety Programs
20.607	Alcohol Open Container Requirements

8. Dollar threshold used to distinguish between Type A and Type B programs: $750,000.

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

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

Section II – Financial Statement Findings

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

Condition - The University receives funding for certain capital projects from donor funds raised and maintained by the University of Central Missouri Foundation. At June 30, 2023, and in prior years, the University did not properly record contributions from the Foundation for capital projects and the related receivable balances. Audit adjustments were proposed and recorded to remove the receivable balance carried forward from prior years and record the amounts receivable from the Foundation for capital projects completed by the University.

Cause - The University does not have a consistent and repetitive process in place to record amounts receivable from University of Central Missouri Foundation for capital projects funded by donors. The University had carried forward a receivable balance that was collected from the Foundation in a prior year. The University's Facilities Planning & Operations team periodically requests reimbursement from the Foundation for completed projects with donor funding held by the Foundation. These reimbursement requests are not recorded as a reduction of the related receivables by the University when accepted by the Foundation.

Effect or potential effect - Contribution revenue and the amounts due from the Foundation were not properly recognized in the financial statements.

Recommendation - We recommend the University reconcile amounts receivable from the Foundation with Foundation at least quarterly.

Views of responsible officials and planned corrective actions - UCM agrees with the auditor’s recommendations and the following action will be taken to improve the process. Before the Fixed Asset Manager sets up a Foundation funded project in Banner, the following approved documentation must be received from the Plant Operations team. A Project Capitalization Form, supporting documentation for the funding source, and a Project invoice to the Foundation. At such time the Foundation Receivable will be recorded in Banner by the Fixed Asset Manager. The Fixed Asset Manager will review the open capital projects on a quarterly basis to make sure that funds have been received from the Foundation. If there are any outstanding receivables, the Fixed Asset Manager will send an email communicating with Plant Operations and the University Foundation to verify the accuracy of the receivables and the plan of action to receive payment. When payment is received, the Fixed Asset Manager will ensure proper posting to the correct receivable account. The Fixed Asset accountant will meet with and verify any Foundation Project accounts receivable balances at year end. A quarterly funding status schedule of all capital projects will be provided to the Director of Accounting for review.

Reference Number	Finding
2023-002	Criteria - Management is responsible for establishing and maintaining effective internal control over financial reporting.

Condition - The University has received state appropriations to fund renovations to the W.C. Morris Science Building. The renovation project was ongoing at fiscal year end. The University did not record a receivable for appropriations available to be drawn for capital expenditures to date at year end. An audit adjustment was proposed and recorded to properly recognize state appropriations revenue.

Cause - The University does not have a consistent and repetitive process in place to record appropriations earned but not yet received.

Effect or potential effect - State appropriation revenue and appropriations receivable were not properly recognized in the financial statements.

Recommendation - We recommend the University reconcile amounts receivable for capital appropriations from the State of Missouri at least quarterly to record revenue in the appropriate period.

Views of responsible officials and planned corrective actions - We agree with the auditor's findings and the following action will be taken to improve this process. Capital appropriation projects are billed on a quarterly basis and a receivable is posted at that time by the Grant Accountant. Quarterly and at year-end the projects will be reviewed by the General Accounting Manager to ensure all expenditures have been billed appropriately and that the correct receivable has been posted. The Director of Accounting has added a review meeting to the year-end process to meet and discuss the status of all Capital Appropriated Projects with the General Accounting Manager and the Grant Accountant.

Reference Number	Finding
2023-003	Criteria - Management is responsible for establishing and maintaining effective internal control over financial reporting.

Condition - The University has applied for grant funding through Federal Emergency Management Agency's public assistance disaster grants. Revenue was recognized in 2022 and 2023 under FEMA disaster grant programs and these funds were reported on the University's schedule of expenditures of federal awards. The University's initial request for funding under these FEMA programs is pending in FEMA's grantee portal. As FEMA's grantee portal does not show these funds as obligated, no approved grant award is in place at year end and therefore grant revenue cannot be recognized or federal expenditures presented in the schedule of expenditures of federal awards. Audit adjustments were proposed and recorded to correct current and prior year grant revenues recognized.

Cause - The University does not have controls in place to record grant revenues consistent with the scope and terms of approved grant awards.

Effect or potential effect - Grant revenue and grants receivable were not properly recognized in the financial statements.

Recommendation - We recommend the University only record grant revenues when an approved notice of grant award is in place. The single audit report including the schedule of expenditures of federal awards should be reissued and the related data collection form should be refiled with the Federal Audit Clearinghouse.

Views of responsible officials and planned corrective actions - Management acknowledges that there is room for improvement in this process, which will be addressed by continuing to work with the Office of Sponsored Programs to verify all award documentation is received at the time of Fund set up in the University’s ERP system. If there is no award documentation received, OSP will code all expenditures to a restricted special fund to easily identify expenditures for reclassification upon award of the grant. UCM has contacted our previous audit firm and is working to reissue the affected previous years' Schedule Expenditures of Federal Awards.

Reference Number	Finding
2023-004	Criteria - Management is responsible for establishing and maintaining effective internal control over financial reporting.

Condition - The University received federal funding through the Missouri Department of Transportation for the expansion of the Skyhaven Airport. These specific federal grant funded programs were completed in fiscal year 2021. In prior fiscal years, the University recognized grant revenue in excess of the funding provided through MODOT and carried the receivable balance through fiscal years 2021, 2022 and 2023. These overstatements of grant revenue also resulted in an overstatement in the amounts reported of the schedule of expenditures of federal awards in prior years. An audit adjustment was proposed and recorded to correct grant receivables and net position.

Cause - The University does not have controls in place to record grant revenues consistent with the scope and terms of approved grant awards. The University's recording of grants receivable and grants deferred revenue balances is an annual process rather than being monthly or quarterly.

Effect or potential effect - Grant revenue and grants receivable were not properly recognized in the financial statements.

Recommendation - We recommend the University review outstanding grant receivables and grant deferred revenues on a monthly or at least quarterly basis to ensure proper recognition of grant revenue. The single audit report including the schedule of expenditures of federal awards should be reissued and the related data collection form should be refiled with the Federal Audit Clearinghouse.

Views of responsible officials and planned corrective actions - We agree with the auditor’s recommendation and will address the improvement of this process by providing refresher training and by adding a quarterly review of grant activity for accurate reporting of all grant receivables and/or deferrals by the Manager of General Accounting. Semiannually and at year-end a complete review of all UCM Grant Receivables and Deferrals will be conducted by the grant team to include the Director of Sponsored Programs, the Manager of General Accounting, the Grant Accountant, and the Director of Accounting to ensure that any grant who’s funding has ended are correctly accounted for at year-end. The University has contacted our previous audit firm and is working with them to reissue prior years' Schedule of Expenditure of Federal Awards.

Reference Number	Finding
2023-005	Criteria - Management is responsible for establishing and maintaining effective internal control over financial reporting.

Condition - The University's reported net position restricted for loans has not included the amounts repaid to the Department of Education therefore overstating the restricted portion of net position. As the portfolio of Federal Perkins Loans are paid down by borrowers, the University is making annual repayments of the federal contribution to the Perkins Loan program. An audit adjustment was proposed and recorded to correct the classification of net position at June 30, 2023, and prior years.

Cause - When calculating the amount of net position restricted for loans, the University did not consider amounts repaid to the Department of Education.

Effect or potential effect - The classification of net position was not presented correctly.

Recommendation - We would recommend the University's calculation of net position restricted for loans be inclusive of cumulative repayments of the federal share of the Perkins Loan program to the Department of Education.

Views of responsible officials and planned corrective actions - Management is in agreement with this recommendation and will prepare this calculation as suggested in the future. A written process will be in place by the Controller for future Perkins calculations.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
2023-006	Student Financial Assistance Cluster 84.379 Teacher Education Assistance for College and Higher Education Grants, 84.007 Federal Supplemental Educational Opportunity Grants, 84.033 Federal Work-Study Program, 84.063 Federal Pell Grants, 84.268 Federal Direct Student Loans, 84.038 Federal Perkins Loan Program U.S. Department of Education Program Year 2022 - 2023

Criteria or Specific Requirement - Special Tests: Gramm-Leach-Bliley Act - Student Information Security 16 CFR 314.4(c)(1) - (8), 16 CFR 314.4(d), 16 CFR 314.4(e)(1), 16 CFR 314.4(f), 16 CFR 314.4(g)

Condition - University does not have a written information security program that addresses all required elements of the Gramm-Leach-Bliley Act.

Questioned costs - None

Context - On December 9, 2021, the Federal Trade Commission issued final regulations for 16 CFR Part 314 to implement the Gramm-Leach-Bliley Act information safeguarding standards that institutions must implement. The regulations established minimum standards that institutions must meet. Institutions were required to be in compliance with the revised requirements no later than June 9, 2023. The University's written information security program contained 2 out of the 14 elements required by the revised Gramm-Leach-Bliley Act regulations.

Effect - The University's written information security procedures do not address all required written statement elements of the Gramm-Leach-Bliley Act.

Cause - The University did not update its written information secutiry program by June 9, 2023 for the revised requirements of 16 CFR Part 314.

Indication as a repeat finding - N/A

Recommendation - The University should revise its written information security program to be compliant with the current requirements of 16 CFR Part 314.

Views of responsible officials and planned corrective actions - The University concurs with the above mentioned finding that, while University processes defined to address GLBA are in place, the Information Security Policy does not specifically address Gramm-Leach-Bliley Act (GLBA) security criteria. It is now understood that the defined processes that address and support GLBA security criteria need to be put into a format that is published for access by the UCM community. UCM has commenced the process to create and publish the written information security program that addresses all required elements of the GLBA.

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

Reference Number	Finding	Status
2022-001	Significant Deficiency - Financial Statement Findings Criteria - According to the Code of Federal Regulations, the auditee must prepare a schedule of expenditures of federal awards for the period covered by the auditee's financial statements which must include the total federal awards expended. Condition - Federal expenditures originally provided to us for ALN No. 20.106 were overstated because the matching portion of expenditures was not removed from federal expenditures as reported on the schedule of expenditures of federal awards. Federal expenditures originally provided to us for ALN No. 97.036 were overstated because the University reported federal expenditures for this grant prior to the awarding agency approving the University's grants. Context - While reconciling the schedule of expenditures of federal awards to the financial records, we discovered costs being reported as federal expenditures that did not consider the University's matching portion or that were not supported by a properly approved grant before being listed on the schedule. Effect - Improperly reported amounts of federal expenditures on the schedule of expenditures of federal awards required us to adjust the schedule to reflect actual federal expenditures. In addition the University requested reimbursement from the State of Missouri for these same amounts. Cause - The University did not have proper processes and related controls in place to ensure that all amounts to be reported on the schedule of expenditures of federal awards were properly reported and supported by the underlying accounting records. Recommendation - The Finance Office should put in place controls that would ensure that only expenditures related to federal programs that are allowable and supportable should be included on the schedule of expenditures of federal awards.	Not corrected. See Findings 2023-003 & 2023-004

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

Reference Number	Finding
2022-002	Federal Assistance Listing Number 84.425F, 84.425M U.S. Department of Education ESF Section 2 - Higher Education (Higher Education Emergency Relief Fund (HEERF)

Significant Deficiency - Procurement

Criteria - 2 CFR Section 200.3018 requires grantees to have and use documented procurement procedures in accordance with the Uniform Guidance for the acquisition of property or services under a federal grant.

Condition - In our nonstatistical sample of six expenditures, we noted two expenditures for which the University did not retain documentation of price or rate quotations obtained from an adequate number of qualified sources prior to the purchase of the rationale for limiting competition if such price or rate comparisons were not considered necessary.

Cause - Management charged with oversight over the federal grant could not support their compliance with these procurement requirements under the Uniform Guidance. Additionally, controls over compliance were designed effectively to ensure compliance with such grant requirements.

Effect - Instances of noncompliance were not detected by management.

Questioned Costs - Not applicable.

Context - Two individual expenditures ranging in amounts of $57,312 and $90,000 were purchased under the federal grant without obtaining quotes, using a competitive bid process, or documenting the rationale for limiting competition.

Identification as a Repeat Finding - Not applicable.

Recommendation - We recommend that management document its procurement policies for purchases under federal grants and hold training specific to these documented policies for those responsible for grant compliance.