
UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF
THE STATE OF MISSOURI
FINANCIAL STATEMENTS
JUNE 30, 2019

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Independent Auditors' Report

Board of Governors
University of Central Missouri
A Component Unit of the State of Missouri
Warrensburg, Missouri

Report On The Financial Statements

We have audited the accompanying financial statements of the business-type activities of University of Central Missouri, a component unit of the State of Missouri, and the discretely presented component unit of University of Central Missouri as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the University of Central Missouri's financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of University of Central Missouri Foundation, a discretely presented component unit of the University of Central Missouri, which statements reflect total assets of \$63,873,482 and \$58,760,045 as of June 30, 2019 and 2018, respectively, and total revenues of \$10,391,686 and \$7,941,944, respectively, for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for University of Central Missouri Foundation, is based solely on the reports of the other auditors. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of University of Central Missouri Foundation, which comprise the financial statements of the discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained and the reports of the other accountants are sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of University of Central Missouri as of June 30, 2019 and 2018, and the respective results of its changes in financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in OPEB liability and related ratios, schedule of University of Central Missouri's proportionate share of the net pension liability and schedule of University of Central Missouri's contributions on pages 4 through 18, 68 through 69 and 70, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the University of Central Missouri's financial statements. The Stadium Bonds - Series 1999, Series 2013B And Series 2018B 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 financial statements. This 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, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2019, on our consideration of the University of Central Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University of Central Missouri's internal control over financial reporting and compliance.

RubinBrown LLP

October 14, 2019

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Years Ended June 30, 2019 And 2018

Overview

Approaching its sesquicentennial in 2021, 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 boasts a 16:1 student-faculty ratio and a graduate job placement rate above 90 percent, exceeding the national average for 24 consecutive years. The University's 2019 fall enrollment is 11,229 and students are served by 466 full-time faculty members. Sixty-six percent of the 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. It has 33 international exchange agreements with institutions worldwide, and more than 766 international students contribute to a diverse student body. Students from nearly every county in Missouri, 46 states and 46 countries from around the globe attend the University. Through our International Center, 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 the Graduate School.

UNIVERSITY OF CENTRAL MISSOURI
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Management's Discussion And Analysis (*Continued*)

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 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 two other institutions on doctoral programs. The Ed.D. in Educational Leadership is conferred by the University of Missouri-Columbia, and the Ph.D. in Technology Management is conferred by Indiana State University.

Awards and Accomplishments

In 2019, 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 10th 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 2019, U.S. News & World Report rankings are included in the 2020 Best Colleges guidebook, which is online. UCM climbed from the 17th spot among Top Public Schools to 16th, and was ranked 78th among Best Colleges in the Regional Universities Midwest category, up from 81st the previous year. It also was ranked 54th as a Top Performer on Social Mobility among all regional Midwestern universities, which highlights UCM's success in enrolling and graduating a large number of economically disadvantaged students.

In publishing results online, 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." The feature notes that at UCM, while many students come from rural communities, "you'll also meet students from a variety of different countries, states and cities."

UNIVERSITY OF CENTRAL MISSOURI
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Management's Discussion And Analysis (*Continued*)

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, 2019 and 2018, the Foundation provided support to the University of \$2,927,166 and \$2,918,698 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, 2019, 2018 and 2017. 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 2 of the financial statements for further details.

UNIVERSITY OF CENTRAL MISSOURI
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Management's Discussion And Analysis (*Continued*)

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. Non-current 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 position 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. Non-current 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 position 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.

UNIVERSITY OF CENTRAL MISSOURI
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Management's Discussion And Analysis (*Continued*)

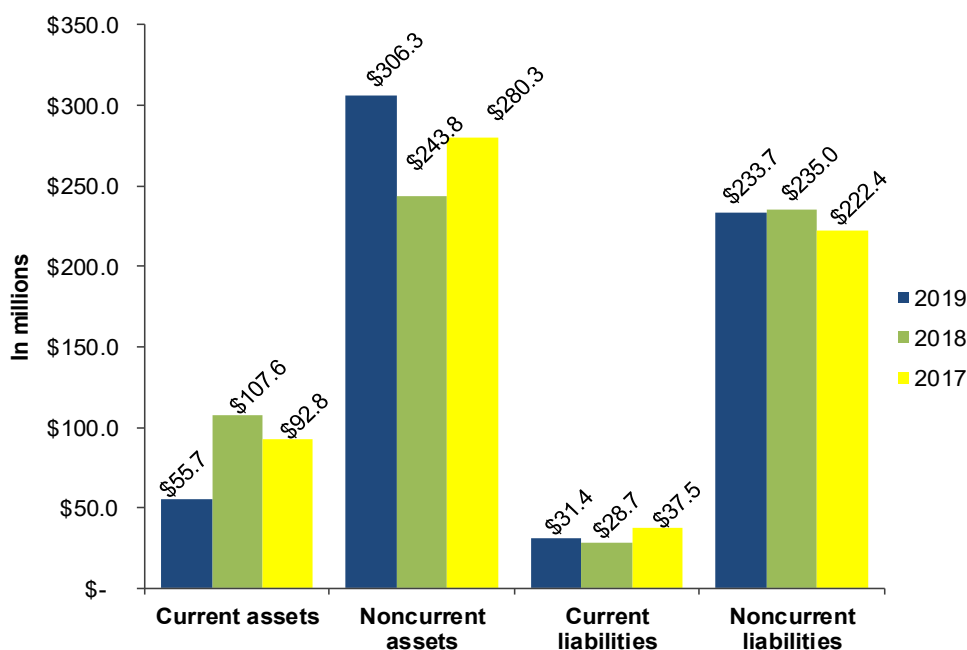
3.) Unrestricted net position represent balances from operational activities that have not been restricted by parties external to the University. This includes funds that have been designated for specific purposes as well as amounts that have been contractually committed for goods and services not yet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

	2019	2018	2017
Current assets	\$ 55.7	\$ 107.6	\$ 92.8
Noncurrent assets	306.3	243.8	280.3
Total assets	362.0	351.4	373.1
Deferred outflows of resources	41.3	51.7	48.9
Current liabilities	31.4	28.7	37.5
Noncurrent liabilities	233.7	235.0	222.4
Total liabilities	265.1	263.7	259.9
Deferred inflows of resources	10.1	2.8	1.2
Net position			
Net investment in capital assets	142.1	146.3	153.4
Restricted	9.5	7.4	10.1
Unrestricted	(23.5)	(17.1)	(2.5)
Total Net Position	\$ 128.1	\$ 136.6	\$ 161.0

UNIVERSITY OF CENTRAL MISSOURI
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Management's Discussion And Analysis (*Continued*)



Comparative Analysis Of Fiscal Years 2018 And 2017

Current Assets - Current assets for Fiscal Year 2019 totaled \$55.7 million, which is a decrease of \$51.9 million from Fiscal Year 2018 current assets of \$107.6 million. This decrease is attributed to an increase in total cash of \$1.0 million, a decrease in short-term investments of \$54.0 million primarily as a result of an increase in long-term investments at year end, bond capital expenditures, and an increase in net accounts receivable of \$1.1 due to an increase in federal grant receivable of \$0.9 million and student tuition receivable of \$0.2 million at year end. In addition, there was a decrease in inventories of \$0.2 million, and an increase of \$0.2 million in prepaid expenses, interest receivable, foundation receivable and loans to students at year-end.

Non-Current Assets - Total non-current assets increased approximately \$62.6 million. The increase is primarily due to the increase in long-term investments of \$72.2 million, a decrease of \$1.5 million in non-current loans to students and a decrease in capital assets of approximately \$8.1 million mostly due to the depreciation of capital assets. Refer to Note 3 for additional information on capital asset activity.

Deferred Outflows Of Resources - Total deferred outflows of resources had a decrease of \$10.4 million due to a decrease of \$10.5 million in deferred pension expense associated with GASB 68 and an increase of \$0.1 million in deferred OPEB liability associated with GASB 75.

UNIVERSITY OF CENTRAL MISSOURI
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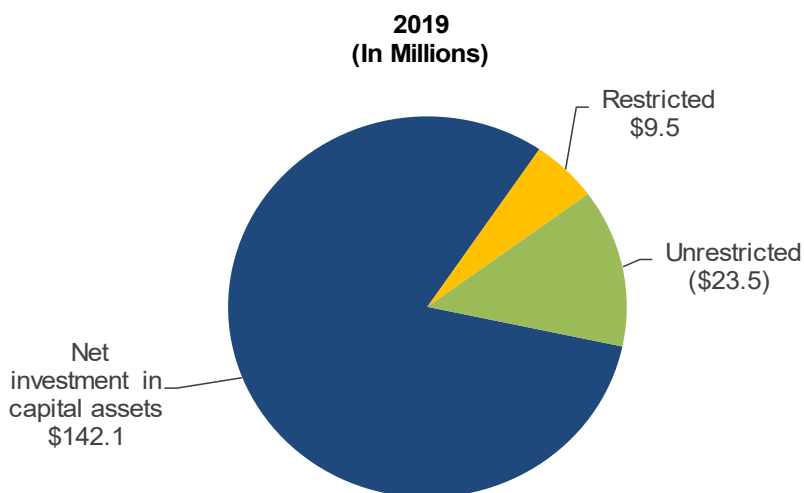
Management's Discussion And Analysis (*Continued*)

Current Liabilities - Current liabilities totaled \$31.4 million increasing by approximately \$2.7 million compared to the prior year total of \$28.7 million. This is attributed primarily to an increase in accounts payable and accrued liabilities of \$1.7 million and an increase in unearned revenue of \$0.9 million. In addition, there was an increase in long-term debt of \$0.4 million and student deposits of \$0.1 million, and a decrease in accrued compensated absences of \$0.5 million.

Non-Current Liabilities - Total non-current liabilities decreased approximately \$1.3 million. This decrease is primarily attributed to the \$2.0 million decrease in pension liability. In addition, long-term debt increased by \$0.6 million due to an increase in annual debt service payments due to the addition of revenue bond Series 2018A. In addition, other long-term liability decreased by \$0.1 million related to the liability decrease of \$0.3 million in post-employment benefit obligations and an increase in the non-current portion of accrued compensated absences of \$0.4 million.

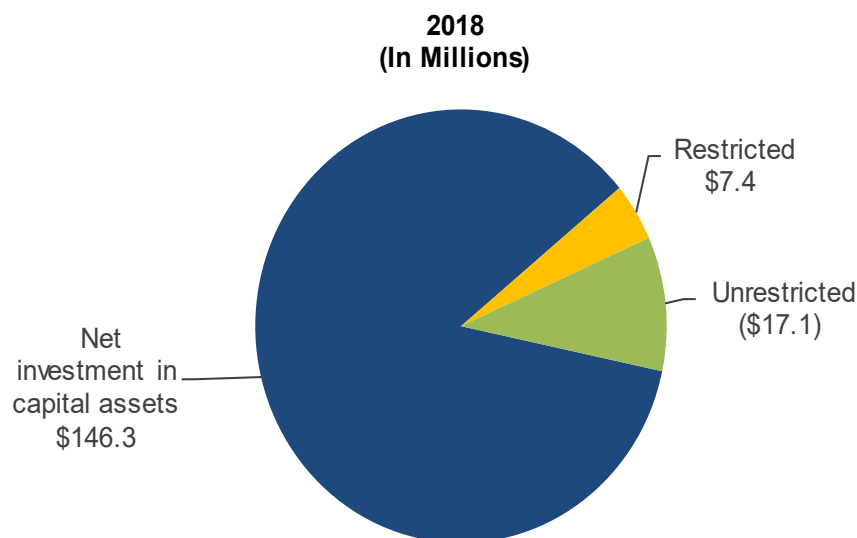
Deferred Inflows Of Resources - Total deferred inflows of resources had an increase of \$7.3 million due to an adjustment of \$7.2 million to the University's proportionate share of MOSERS deferred inflows related to GASB Statement No. 68 and \$0.1 million to the University's proportionate share of OPEB deferred inflows related to GASB Statement No. 75.

Net Position - At June 30, 2019, the University's net position was \$128.1 million. This was comprised of unrestricted - \$(23.5) million; net investment in capital assets - \$142.1 million; restricted for loans - \$5.2 million and other restricted - \$4.3 million.



UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Management's Discussion And Analysis (*Continued*)



Comparative Analysis Of Fiscal Years 2018 And 2017

Current Assets - Current assets for Fiscal Year 2018 totaled \$107.6 million, which is an increase of \$14.8 million from Fiscal Year 2017 current assets of \$92.8 million. This increase is attributed to an increase in total cash of \$4.4 million, an increase in short-term investments of \$18.2 million primarily as a result of a decrease in long-term investments at year end, bond capital expenditures, and a decrease in net accounts receivable of \$7.4 million due the collection of the State Appropriation Receivable for the W.C Morris Renovation of \$11.6 million and an increase in federal grant receivable of \$3.2 million and student tuition receivable of \$1.0 million at year end. In addition, there was a decrease in inventories of \$0.7 million, and an increase of \$0.3 million in prepaid expenses, interest receivable, foundation receivable and loans to students at year-end.

Non-Current Assets - Total non-current assets decreased approximately \$36.6 million. The decrease is primarily due to the increase in short term investments, a decrease of \$1.5 million in non-current loans to students and a decrease in capital assets of approximately \$8.7 million mostly due to the reduction in capital projects under construction compared to 2017. Refer to Note 3 for additional information on capital asset activity.

Deferred Outflows Of Resources - Total deferred outflows of resources had an increase of \$2.8 million due to an increase of \$2.9 million in deferred pension expense associated with GASB 68 and a decrease of \$0.1 from amortization of advanced refunding of Series 2009 Student Recreation Center bond issuance that capitalized on lower interest rates.

UNIVERSITY OF CENTRAL MISSOURI
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Management's Discussion And Analysis (*Continued*)

Current Liabilities - Current liabilities totaled \$28.7 million decreasing by approximately \$8.8 million compared to the prior year total of \$37.5 million. This is attributed primarily to a decrease in accounts payable and accrued liabilities of \$7.6 million and a decrease in the current portion of long-term debt of \$1 million primarily from the debt payment associated with the 2013-C bonds. In addition, there was an increase in unearned revenue of \$0.2 million and a decrease in accrued compensated absences of \$0.1 million.

Non-Current Liabilities - Total non-current liabilities increased approximately \$12.5 million. This increase is primarily attributed to the \$18.1 million increase in pension liability. In addition, long-term debt decreased \$6.2 million due to annual debt service payments and continued savings incurred from the advance refunding of debt in fiscal year 2014. In addition, other long-term liability decreased by \$0.7 million related to the liability increase of \$1.2 million in post-employment benefit obligations and a decrease in the non-current portion of accrued compensated absences of \$0.5 million.

Deferred Inflows Of Resources - Total deferred inflows of resources had an increase of \$1.6 million due to adjustment of the University's proportionate share of MOSERS deferred inflows related to GASB Statement No. 68.

Net Position - At June 30, 2018, the University's net position was \$136.6 million. This was comprised of unrestricted - \$(17.1) million; net investment in capital assets - \$146.3 million; restricted for loans - \$5.3 million and other restricted - \$2.1 million.

UNIVERSITY OF CENTRAL MISSOURI
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Management's Discussion And Analysis (*Continued*)

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 non-operating 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):

	2019	2018	2017
Operating Revenues			
Tuition and fees	\$ 83.3	\$ 85.6	\$ 92.4
Scholarship allowances	(18.4)	(19.2)	(18.0)
Net tuition and fees	64.9	66.4	74.4
Federal grants and contracts	3.5	2.2	2.0
Auxiliary enterprises	39.8	41.2	42.9
Scholarship allowances	(5.4)	(5.4)	(5.0)
Net auxiliary enterprises	34.4	35.8	37.9
Other	9.2	9.7	9.7
Total Operating Revenues	112.0	114.1	124.0
Operating Expenses	193.8	207.1	220.7
Operating Loss	(81.8)	(93.0)	(96.7)
Non-Operating Revenues (Expenses)			
State appropriation	52.7	52.7	53.8
Federal grants and contracts	16.2	17.0	16.3
State grants and contracts	0.7	0.7	0.7
Other grants and contracts	1.0	1.0	0.9
Loss on disposal of capital assets	(0.1)	—	—
Contributions	3.3	2.8	3.3
Investment income	3.9	1.3	0.5
Interest on capital asset-related debt	(3.2)	(3.2)	(3.2)
Other non-operating expenses	(1.3)	(2.9)	(0.8)
Net Non-Operating Revenues	73.2	69.4	71.5
Decrease In Net Position	(8.5)	(23.6)	(25.2)
Capital Grants And Gifts	—	0.5	12.8
Decrease In Net Position	(8.5)	(23.1)	(12.4)
Net Position - Beginning Of Year Before Restatement	136.6	161.0	173.4
Cummulative Effect of Change in Accounting Principle	—	(1.2)	—
Net Position - Beginning Of Year, As Restated	136.6	159.7	173.4
Net Position - End Of Year	\$ 128.1	\$ 136.6	\$ 161.0

UNIVERSITY OF CENTRAL MISSOURI
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Management's Discussion And Analysis (*Continued*)

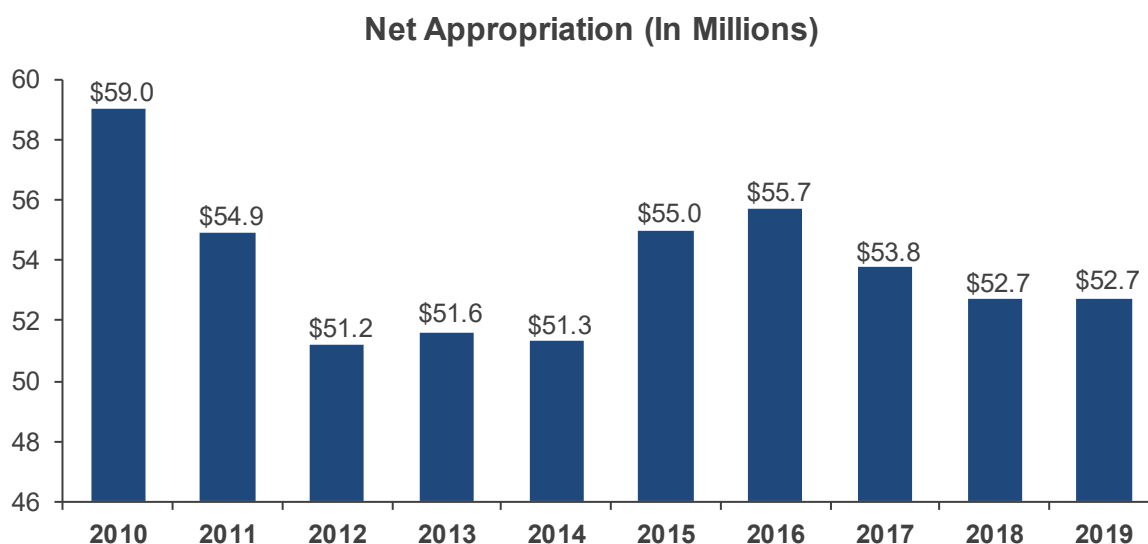
Comparative Analysis Of Fiscal Years 2019 And 2018

Operating Revenues - For the year ended June 30, 2019, tuition and fee revenues (net of scholarship allowances) decreased approximately \$1.5 million compared to fiscal year 2018 as a result of the continued decrease in international enrollment. Fiscal year 2018 tuition and fees were approximately \$8 million below the year ended June 30, 2017 as a result of the decrease in international student enrollment.

Auxiliary enterprises experienced a decrease of \$1.4 million below fiscal year 2018, which is primarily attributed to a reduction in enrollment for fiscal year 2019.

Non-Operating 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 non-operating 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 remained level from 2018 to 2019 following a decrease of \$1.1 million in fiscal year 2018 compared to fiscal year 2017. Following is a historical trend of the University's state appropriation funding (net of withholdings).

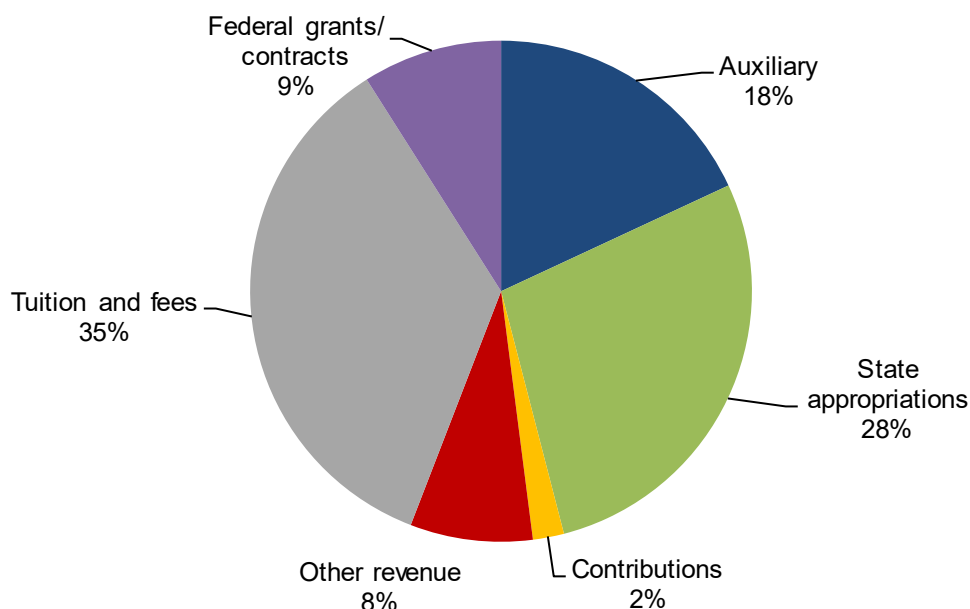


Fiscal Year 2019 other operating revenues increased due to an increase in Federal grants and contracts of \$1.3 million due to an increase in federal awards. Fiscal Year 2018 other operating revenues remained consistent with those of fiscal year 2017.

UNIVERSITY OF CENTRAL MISSOURI
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Management's Discussion And Analysis (*Continued*)

The following graph summarizes the University's fiscal year 2019 revenue sources:



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

	2019	2018	2017
Compensation and benefits	\$ 116.6	\$ 127.9	\$ 133.9
Contractual services	19.0	18.6	23.0
Supplies and materials	9.6	14.5	16.7
Scholarships and fellowships	7.0	6.8	7.3
Depreciation	17.2	16.2	16.5
Utilities	5.8	6.0	5.8
Other	18.6	17.1	17.5
	\$ 193.8	\$ 207.1	\$ 220.7

Operating Expenses - Total operating expenses decreased \$13.3 million from \$207.1 million in fiscal year 2018 to \$193.8 million in fiscal year 2019.

Fiscal year 2019 Compensation and Benefits decreased \$11.3 million from the prior year primarily due to a decrease in MOSERS accrual of \$2 million and the results of the reduction in salaries and benefits of \$9.2 million associated with the 2017 Voluntary Retirement Incentive Plan and the 2018 reduction in force.

UNIVERSITY OF CENTRAL MISSOURI
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Management's Discussion And Analysis (*Continued*)

Contractual services increased \$0.4 million primarily due to an increase in snow removal expenses (\$0.2 million), an increase in architect/engineering (\$0.1 million), increase in management consulting (\$0.1 million).

Depreciation expense increased \$1.0 million over fiscal year 2018 primarily due to the addition of depreciable assets including the W.C. Morris Renovation. The University experienced a decrease in scholarships and fellowships of \$0.2 million and other expenses increased \$1.5 million over fiscal year 2018.

For the year ended June 30, 2018, operating expenses decreased by approximately \$13.6 million above the year ended June 30, 2017. This was primarily due to a \$6 million decrease in Compensation and Benefits from the prior year, due to an increase in MOSERS accrual of \$5.9 million, offset by the reductions in salaries and benefits of \$11.8 million associated with the 2017 Voluntary Retirement Incentive Plan and the 2018 reduction in force.

Contractual services for fiscal year 2018 decreased \$4.4 million over fiscal year 2017 primarily due to an increase in building maintenance (\$0.3 million) and telephone service (\$0.3 million) and a decrease in food service (\$0.3 million), in architect/engineering (\$0.3 million), hazardous waste removal (\$1.3 million), food and beverage service (\$0.4 million), other contracted services (\$1.6 million), marketing consultant (\$0.4 million), as well as a (\$0.8 million) decrease in non-capital improvements.

	Cash Flows		
	For the Years Ended June 30,		
	(In Millions)		
	2018	2017	2016
Cash Provided By (Used In)			
Operating activities	\$(47.0)	\$ (67.6)	\$ (68.4)
Non-capital financing activities	71.7	68.0	73.4
Capital and related financing activities	(9.5)	(5.5)	(28.8)
Investing activities	(14.2)	9.5	18.6
Increase (Decrease) In Cash And Cash Equivalents	1.0	4.4	(5.2)
Cash And Cash Equivalents - Beginning Of Year	9.9	5.5	10.7
Cash And Cash Equivalents - End Of Year	\$ 10.9	\$ 9.9	\$ 5.5

The Statement of cash flows shows the sources and uses of 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.

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Management's Discussion And Analysis (*Continued*)

During the year ended June 30, 2019, cash used in operating activities amounted to (\$47.0) 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 non-capital financing activities of \$71.7 million includes state appropriations, gifts and grants for other than capital purposes and other receipts.

Cash used for capital and related financing activities was (\$9.5) million. The University had capital expenditures of \$7.4 million including: \$2.8 million Union Renovation, \$2.4 million Skyhaven Runway, \$0.7 million Union Advising Center, \$0.2 million JCKL light replacement, \$0.3 million UCC roof replacement. Additional other capital expenditures totaling approximately \$1 million include parking lot improvements, various building improvements and capital equipment purchases. Capital related financing included principal and interest on capital debt and leases of \$10.4 million. Cash and cash equivalents at June 30, 2019, were \$10.9 million, which increased by \$1.0 million from June 30, 2018.

During the year ended June 30, 2018, cash used in operating activities amounted to (\$67.6) 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 non-capital financing activities of \$68 million included state appropriations, gifts and grants for other than capital purposes and other receipts. Capital and related financing activities was \$5.5 million. This included the purchase of capital assets (\$6.7) million, principal and interest on capital debt and leases (\$7.2 million). Cash and cash equivalents at June 30, 2018, were \$9.9 million, which increased \$4.4 million from June 30, 2017.

Capital Assets

Information on capital assets can be found in Note 3. Net capital assets totaled \$223,768,665, which consisted of a cost of \$494,724,118 and accumulated depreciation of \$270,955,453.

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Management's Discussion And Analysis (*Continued*)

Debt

Information on debt can be found in Note 4. Long-term debt totaled \$93,908,750 at June 30, 2019. In 2019, 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 (\$431,170) 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) and a short-term loan for the purchase of additional airplane for the aviation program (\$0.5 million). Long-term debt increased in total by \$0.6 million for 2019, primarily due to the new bond issuance.

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's ongoing efforts toward enrollment growth and operating cost containment coupled with the continuing financial support from the State of Missouri will enable the University to obtain the necessary resources to sustain excellence.

Contact Information

Questions or comments about this report may be addressed to Sondra Moore, Controller, at University of Central Missouri, Administration 316B, Warrensburg, MO 64093

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

STATEMENT OF NET POSITION

Page 1 Of 2

June 30, 2019 And 2018

	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 5,227,279	\$ 7,464,607
Restricted cash and cash equivalents	5,730,609	2,504,683
Short-term investments	20,178,685	78,103,972
Restricted short-term investments	3,944,392	—
Accounts receivable, net of allowance; 2019 - \$5,160,225; 2018 - \$6,319,576	7,066,857	6,888,693
Interest receivable	453,612	562,200
Federal and grants receivable	6,547,003	5,667,174
Due from foundation	678,490	703,212
Inventories	2,188,490	2,432,233
Loans to students, net	1,478,444	1,500,866
Prepaid expenses	2,178,604	1,778,986
Total Current Assets	55,672,465	107,606,626
Noncurrent Assets		
Investments	79,843,066	7,619,327
Loans to students, net	2,363,762	3,888,369
Due from foundation	333,294	341,974
Capital assets, net	223,768,665	231,907,734
Total Noncurrent Assets	306,308,787	243,757,404
Total Assets	361,981,252	351,364,030
Deferred Outflows Of Resources		
Deferred amount on debt refundings	434,307	395,343
Proportionate share of collective deferred outflows of resources - pension	40,787,875	51,274,993
Deferred amount on OPEB liability	91,689	29,295
Total Deferred Outflows Of Resources	41,313,871	51,699,631

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

STATEMENT OF NET POSITION

Page 2 Of 2

June 30, 2019 And 2018

	2019	2018
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 16,330,125	\$ 14,652,750
Accrued compensated absences	1,906,455	2,404,474
Unearned revenue	4,797,268	3,847,800
Interest payable	754,563	716,806
Long-term debt	7,044,094	6,634,480
Accrued settlement	50,000	50,000
Student deposits	521,782	414,533
Total Current Liabilities	31,404,287	28,720,843
Noncurrent Liabilities		
Accrued compensated absences	1,749,357	1,346,723
Accrued settlement	333,294	341,974
Other long-term liability	3,649,326	3,926,692
MOSERS pension liability	148,795,182	150,787,953
Long-term debt	79,176,224	78,563,855
Total Noncurrent Liabilities	233,703,383	234,967,197
Total Liabilities	265,107,670	263,688,040
Deferred Inflows Of Resources		
Deferred inflows of resources - OPEB	111,741	—
Proportionate share of collective deferred inflows of resources - pension	9,997,705	2,753,291
Total Deferred Inflows Of Resources	10,109,446	2,753,291
Net Position		
Net investment in capital assets	142,074,881	146,351,089
Restricted for		
Nonexpendable		
Loans	3,976,888	4,060,991
Expendable		
Scholarships and fellowships	201,859	176,830
Loans	1,251,132	1,247,847
Other	4,088,761	1,946,781
Unrestricted	(23,515,514)	(17,161,208)
Total Net Position	\$ 128,078,007	\$ 136,622,330

UNIVERSITY OF CENTRAL MISSOURI FOUNDATION

STATEMENT OF FINANCIAL POSITION

June 30, 2019 And 2018

	2019	2018
Assets		
Cash	\$ 191,642	\$ 123,167
Investments	57,897,891	53,290,258
Accrued investment income	256,688	226,555
Contributions receivable, net	1,676,730	1,156,179
Notes receivable	2,370,169	2,577,275
Cash surrender value or life insurance	482,729	442,078
Beneficial interest in trusts	991,943	930,711
Prepaid expenses	5,690	13,822
Total Assets	\$ 63,873,482	\$ 58,760,045
Liabilities		
Accrued expenses and due to University	\$ 495,247	\$ 285,314
Deferred revenue	—	11,882
Annuities payable	1,335,268	1,356,475
Total Liabilities	1,830,515	1,653,671
Net Assets		
Without donor restrictions	7,901,151	7,191,092
With donor restrictions	54,141,816	49,915,282
Total Net Assets	62,042,967	57,106,374
	\$ 63,873,482	\$ 58,760,045

**UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI**

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

Page 1 Of 2

For The Years Ended June 30, 2019 And 2018

	2019	2018
Operating Revenues		
Tuition and fees, net of scholarship allowances; 2019 - \$18,378,493; 2018 - \$19,185,992	\$ 64,879,031	\$ 66,391,770
Federal grants and contracts	3,528,470	2,169,666
Interest on student receivables	782,931	778,881
Sales and services of educational activities	2,130,609	2,183,602
Auxiliary enterprises		
Housing, net of scholarship allowances; 2019 - \$5,427,367; 2018 - \$5,370,847	21,346,362	22,567,008
Bookstore	4,761,158	4,578,456
Other auxiliary enterprises	8,323,571	8,667,308
Other operating revenues	6,263,708	6,775,749
Total Operating Revenues	112,015,840	114,112,440
Operating Expenses		
Compensation and benefits	116,630,624	127,922,855
Contractual services	18,994,312	18,626,656
Supplies and services	9,567,920	14,541,015
Scholarships and fellowships	7,008,097	6,760,964
Depreciation	17,225,262	16,162,993
Utilities	5,790,180	6,047,838
Other	18,608,278	17,069,535
Total Operating Expenses	193,824,673	207,131,856
Operating Loss	(81,808,833)	(93,019,416)

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

Page 2 Of 2

For The Years Ended June 30, 2019 And 2018

	<u>2019</u>	<u>2018</u>
Nonoperating Revenues (Expenses)		
State appropriations	\$ 52,708,200	\$ 52,708,206
Federal grants and contracts	16,277,345	16,993,921
State grants and contracts	654,183	745,704
Other grants and contracts	967,772	992,023
Contributions	3,276,849	2,826,360
Loss on disposal of capital assets	(91,555)	(19,282)
Investment income	3,929,788	1,286,511
Interest on capital asset - related debt	(3,153,220)	(3,192,808)
Other nonoperating expenses	(1,342,848)	(2,915,371)
Net Nonoperating Revenues	73,226,514	69,425,264
Loss Before Other Revenues And Expenses, Gains Or Losses	(8,582,319)	(23,594,152)
Capital Grants And Gifts	37,996	468,029
Decrease In Net Position	(8,544,323)	(23,126,123)
Net Position - Beginning Of Year, Before Restatement	136,622,330	160,984,010
Cumulative Effect Of Change In Accounting Principle	—	(1,235,557)
Net Position - Beginning Of Year, As Restated	136,622,330	159,748,453
Net Position - End Of Year	\$ 128,078,007	\$ 136,622,330

UNIVERSITY OF CENTRAL MISSOURI FOUNDATION

STATEMENTS OF ACTIVITIES For The Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains And Other Support			
Gifts	\$ 421,904	\$ 4,341,692	\$ 4,763,596
In-kind gifts	1,153,079	393,760	1,546,839
Other income	11,882	138,792	150,674
Investment income	283,342	998,292	1,281,634
Net realized and unrealized gain on investments and beneficial interests in trusts	1,183,767	1,465,176	2,648,943
Change in donor restrictions	18,838	(18,838)	—
Net assets released from restrictions	3,033,860	(3,033,860)	—
Total revenues, gains and other support	6,106,672	4,285,014	10,391,686
Expenses and Losses			
Foundation expenses			
General administrative expenses	924,608	—	924,608
Fundraising expenses	1,544,839	—	1,544,839
Total Foundation expenses	2,469,447	—	2,469,447
Expenses for University advancement			
Program expenses			
Scholarships	1,369,584	—	1,369,584
Academic support - TV	327,351	—	327,351
Student services - athletics	656,215	—	656,215
Instruction and other departmental	481,787	—	481,787
Support services			
Institutional support - plant facilities	92,229	—	92,229
Total expenses for University advancement	2,927,166	—	2,927,166
Actuarial loss on annuity obligations	—	58,480	58,480
Total Expenses And Losses	5,396,613	58,480	5,455,093
Change In Net Assets	710,059	4,226,534	4,936,593
Net Assets, Beginning Of Year	7,191,092	49,915,282	57,106,374
Net Assets, End Of Year	\$ 7,901,151	\$ 54,141,816	\$ 62,042,967

UNIVERSITY OF CENTRAL MISSOURI FOUNDATION

STATEMENTS OF ACTIVITIES For The Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains And Other Support			
Gifts	\$ 344,398	\$ 3,028,561	\$ 3,372,959
In-kind gifts	913,631	319,300	1,232,931
Other income	12,963	130,848	143,811
Investment income	247,955	959,635	1,207,590
Net realized and unrealized gain on investments and beneficial interests in trusts	818,250	1,166,403	1,984,653
Change in donor restrictions	24,868	(24,868)	—
Net assets released from restrictions	3,144,992	(3,144,992)	—
Total Revenues, Gains And Other Support	5,507,057	2,434,887	7,941,944
Expenses and Losses			
Foundation expenses			
General administrative expenses	749,633	—	749,633
Fundraising expenses	1,179,720	—	1,179,720
Total Foundation expenses	1,929,353	—	1,929,353
Expenses for University advancement			
Program expenses:			
Scholarships	1,304,079	—	1,304,079
Academic support - TV	346,013	—	346,013
Student services - athletics	635,813	—	635,813
Instruction and other departmental	363,590	—	363,590
Support services			
Institutional support - plant facilities	385,679	—	385,679
Total expenses for University advancement	3,035,174	—	3,035,174
Actuarial gain on annuity obligations	—	132,297	132,297
Total Expenses And Losses	4,964,527	132,297	5,096,824
Change In Net Assets	542,530	2,302,590	2,845,120
Net Assets, Beginning Of Year	6,648,562	47,612,692	54,261,254
Net Assets, End Of Year	\$ 7,191,092	\$ 49,915,282	\$ 57,106,374

**UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI**

STATEMENT OF CASH FLOWS

Page 1 Of 2

For The Years Ended June 30, 2019 And 2018

	2019	2018
Cash Flows From Operating Activities		
Tuition and fees	\$ 65,650,335	\$ 65,561,444
Grants and contracts	3,528,470	2,169,666
Sales and services of educational activities	2,130,609	2,183,602
Payments to suppliers	(28,857,621)	(40,571,305)
Payments for utilities	(5,790,180)	(6,047,838)
Payments to employees	(101,215,267)	(111,819,794)
Payments for scholarships and fellowships	(7,008,097)	(6,760,964)
Loans issued to students	—	(194,231)
Collection of loans to students	2,329,960	2,439,896
Sales and services of auxiliary enterprises	34,538,340	35,740,001
Other payments	(12,344,570)	(10,293,786)
Net Cash Used In Operating Activities	(47,038,021)	(67,593,309)
Cash Flows From Noncapital Financing Activities		
State appropriations	52,708,200	52,708,206
Gifts and grants for other than capital purposes	20,296,320	18,374,424
Other payments	(1,309,446)	(3,057,678)
Net Cash Provided By Noncapital Financing Activities	71,695,074	68,024,952
Cash Flows From Capital And Related Financing Activities		
Capital appropriations - state	—	11,616,905
Proceeds from issuance of capital debt	10,745,000	—
Proceeds from sale of capital assets	48,225	47,834
Purchase of capital assets	(7,379,768)	(6,718,743)
Principal paid on capital debt and leases	(10,404,481)	(7,253,909)
Interest paid on capital debt and leases	(2,472,963)	(3,144,437)
Net Cash Used In Capital And Related Financing Activities	(9,463,987)	(5,452,350)

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

STATEMENT OF CASH FLOWS

Page 2 Of 2

For The Years Ended June 30, 2019 And 2018

	2019	2018
Cash Flows From Investing Activities		
Investment income	\$ 4,038,376	\$ 1,616,019
Proceeds from sales and maturities of investments	53,980,895	64,250,000
Purchases of investments	(72,223,739)	(56,411,396)
Net Cash Provided By (Used In) Investing Activities	(14,204,468)	9,454,623
Net Increase In Cash And Cash Equivalents	988,598	4,433,916
Cash And Cash Equivalents - Beginning Of Year	9,969,290	5,535,374
Cash And Cash Equivalents - End Of Year	\$ 10,957,888	\$ 9,969,290
Reconciliation Of Operating Loss To Net Cash Used In Operating Activities		
Adjustments to reconcile operating loss to net cash used in operating activities:		
Operating loss	\$(81,808,833)	\$ (93,019,416)
Depreciation	17,225,262	16,162,993
Changes in deferred amounts related to pension	17,731,532	(1,280,867)
Changes in deferred amounts on OPEB liability	49,347	(29,295)
Changes in assets and liabilities:		
Accounts receivable and student loans	1,368,865	459,919
Inventory	243,743	656,970
Prepaid expenses	(399,618)	(49,611)
Accounts payable and accrued liabilities	(139,514)	(8,010,993)
Unearned revenue	949,468	176,539
Accrued salaries and benefits	(95,385)	(1,838,171)
Pension liability	(1,992,771)	18,070,053
Other long-term liability	(277,366)	1,181,341
Student deposits	107,249	(72,771)
Net Cash Used In Operating Activities	\$(47,038,021)	\$ (67,593,309)
Supplemental Cash Flows Information		
Accounts payable incurred for capital asset purchases	\$ 1,808,209	\$ 358,310

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 And 2018

1. 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.

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 and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated 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. Operating revenues and expenses include exchange transactions and program-specific, government-mandated nonexchange transactions. Government-mandated 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.

The University prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB).

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

New Accounting Standard Adopted

In fiscal year ended June 30, 2018, the University implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). The new statement changes the standards for measuring and recognizing liabilities, deferred outflows and inflows of resources and expense related to postemployment benefit plans. Additional information on the impact of implementing GASB 75 can be found in Note 7 and the required supplementary information section. As a result of implementation, net position as of July 1, 2017, was restated as follows:

Net position, as previously reported	<u>\$ 160,984,010</u>
Prior period adjustments	
Net OPEB liability (GASB 75) - Beginning of FY 2017-18	(3,930,908)
Net OPEB obligation/asset (GASB 45) - End of FY 2016-17	<u>2,695,351</u>
Total prior period adjustment	<u>(1,235,557)</u>
Net position, as restated	<u>\$ 159,748,453</u>

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The University considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2019 and 2018, cash equivalents consisted primarily of money market funds.

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.

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

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 are 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.

Deferred Inflows And Deferred Outflows Of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The University's deferred outflows includes deferred amounts on debt refundings incurred as a result of revenue bond refundings that have been deferred and are being amortized over the life of the bonds using the straight-line method. Total amortization was \$78,492 and \$95,234 for the years ended June 30, 2019 and 2018, respectively. The University also reports deferred outflows of resources related to pensions and other postemployment benefits.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until then. The University's deferred inflows of resources include deferred inflows of resources related to pensions and other postemployment benefits.

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.

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 \$980,308 for the years ended June 30, 2019 and 2018.

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

Capital Assets

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

Land improvements	15 years
Buildings and improvements	15 - 40 years
Infrastructure	15 years
Furniture, fixtures and equipment	5 - 15 years
Library materials	10 years

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.

Net Position

The University classifies its net position into four components:

Net investment in capital assets - This represents the University's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition or construction of those assets or related debt also should be included in this component of net position.

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

Restricted nonexpendable - These are noncapital assets that are required to be maintained in perpetuity as specified by parties external to the University, including the federal portion of loan funds and funds held for which the income is used to provide scholarships.

Restricted expendable - These are 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.

Unrestricted - The unrestricted portion of net position is the net amount of remaining assets less remaining liabilities that are not included in the determination of net investment in capital assets or the restricted components of net position.

Classification Of Revenues

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

Operating revenues - 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 and (3) interest on student loans.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting* and GASB Statement No. 34, such as state appropriations and investment income.

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

Scholarship Allowances

Student tuition and fee revenues and certain other revenues from students are reported net of scholarship allowances in the statements 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 and other federal, state or nongovernmental programs are recorded as either operating or nonoperating 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 for the years ended June 30, 2019 and 2018 were \$18,378,493 and \$19,185,992, respectively. The scholarship allowances on housing for the years ended June 30, 2019 and 2018 were \$5,427,367 and \$5,370,847, 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.

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, 2019 and 2018 of \$383,294 and \$391,974, 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% 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 5).

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.

UNIVERSITY OF CENTRAL MISSOURI
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Notes To Financial Statements (*Continued*)

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, 2019 and 2018, the Foundation provided \$2,927,166 and \$2,918,698, 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.

Pensions

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

Other Postemployment Benefits (OPEB)

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.

UNIVERSITY OF CENTRAL MISSOURI
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Notes To Financial Statements (*Continued*)

Reclassification

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 financial statement presentation. These reclassifications had no effect on the change in net position.

2. Deposits, Investments And Investment Return

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% 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, 2019 and 2018, the University's bank balances were \$28,778,459 and \$72,353,527, respectively. None of these deposits were exposed to custodial credit risk at June 30, 2019 or 2018.

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, 2019 and 2018, the University had the following investments and maturities:

Type	2019		
	Fair Value	Less Than 1 Year	1 - 5 Years
U.S. Treasury obligations	\$ 57,158,288	\$ 9,978,031	\$ 47,180,257
U.S. agencies obligations	34,916,830	2,008,754	32,908,076
Commercial paper	10,080,074	10,080,074	—
	<u>\$ 102,155,192</u>	<u>\$ 22,066,859</u>	<u>\$ 80,088,333</u>

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Notes To Financial Statements (*Continued*)

Type	2018		
	Fair Value	Less Than 1 Year	1 - 5 Years
U.S. Treasury obligations	\$ 21,743,659	\$ 17,813,267	\$ 3,930,392
U.S. agencies obligations	3,945,114	1,976,708	1,968,406
	\$ 25,688,773	\$ 19,789,975	\$ 5,898,798

At June 30, 2019 and 2018, 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, 2019 and 2018. However, these notes carry a rate of interest, and therefore, the University is subject to interest rate risk on these notes at June 30, 2019 and 2018.

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, 2019 and 2018, 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. At June 30, 2019, the University had commercial paper securities that were rated A-1 and A-1+ by Standard & Poor's.

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, 2019 and 2018, are held in the University's name.

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Notes To Financial Statements (*Continued*)

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% of total investments, including certificates of deposit, in corporate bonds, with no more than 5% 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% with U.S. Treasury bills, bonds or notes and are entered into for periods of 180 days or less. The University has 15% of its investments in Federal Home Loan Mortgage Corporation, 10% in Federal National Mortgage Association, and 8% in Federal Home Loan Bank securities.

Summary Of Carrying Values

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

	<u>2019</u>	<u>2018</u>
Carrying value		
Deposits	\$ 12,768,839	\$ 70,003,816
Investments	102,155,192	25,688,773
	<u>\$ 114,924,031</u>	<u>\$ 95,692,589</u>
Included in the following statement of net position captions		
Cash and cash equivalents	\$ 5,227,279	\$ 7,464,607
Restricted cash and cash equivalents - current	5,730,609	2,504,683
Short-term investments	20,178,685	78,103,972
Restricted short-term investments	3,944,392	—
Noncurrent investments	79,843,066	7,619,327
	<u>\$ 114,924,031</u>	<u>\$ 95,692,589</u>

Investment Income

Investment income for the years ended June 30, 2019 and 2018 consisted of:

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 3,929,788	\$ 1,286,511

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Notes To Financial Statements (*Continued*)

Fair Value Measurements

GASB Statement No. 72 (GASB 72), *Fair Value Measurements and Application*, sets forth the framework for measuring 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 unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the University 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;
- 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 unobservable and significant to the fair value measurement. Unobservable inputs reflect the University's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the University's own data.

The following table sets forth by level, within the fair value hierarchy, the University's investments at fair value as of June 30, 2019 and 2018, respectively:

Investments	2019			Total
	Level 1	Level 2	Level 3	
Debt securities				
U.S. Treasury obligations	\$ 57,158,288	\$ —	\$ —	\$ 57,158,288
U.S. agencies obligations	34,916,830	—	—	34,916,830
Commercial paper		10,080,074	—	10,080,074
Total investments at fair value	\$ 92,075,118	\$ 10,080,074	\$ —	\$ 102,155,192

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Notes To Financial Statements (*Continued*)

Investments	2018			Total
	Level 1	Level 2	Level 3	
Debt securities				
U.S. Treasury obligations	\$ 21,743,659	\$ —	\$ —	\$ 21,743,659
U.S. agencies obligations	3,945,114	—	—	3,945,114
Total investments at fair value	\$ 25,688,773	\$ —	\$ —	\$ 25,688,773

3. Capital Assets

Capital assets activity for the years ended June 30, 2019 and 2018 were:

	2019				Ending Balance
	Beginning Balance	Additions	Disposals	Transfers	
Land	\$ 14,865,634	\$ —	\$ —	\$ —	\$ 14,865,634
Collections	2,912,823	—	—	—	2,912,823
Infrastructure	36,165,487	—	—	251,225	36,416,712
Buildings and improvements	383,763,066	—	48,422	1,989,308	385,703,952
Furniture, fixtures and equipment	35,228,617	458,489	456,451	—	35,230,655
Library materials	11,529,122	949,466	1,270,716	—	11,207,872
Construction in progress	2,808,985	7,818,018	—	(2,240,533)	8,386,470
	487,273,734	9,225,973	1,775,589	—	494,724,118
Less accumulated depreciation					
Infrastructure	21,077,721	1,574,264	—	—	22,651,985
Buildings and improvements	200,223,696	12,982,575	47,817	—	213,158,454
Furniture, fixtures and equipmen	27,700,387	1,547,495	317,277	—	28,930,605
Library materials	6,364,196	1,120,928	1,270,715	—	6,214,409
	255,366,000	17,225,262	1,635,809	—	270,955,453
Net capital assets	\$ 231,907,734	\$ (7,999,289)	\$ 139,780	\$ —	\$ 223,768,665

UNIVERSITY OF CENTRAL MISSOURI
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Notes To Financial Statements (*Continued*)

	2018				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	\$ 14,865,634	\$ —	\$ —	\$ —	\$ 14,865,634
Collections	2,910,024	2,799	—	—	2,912,823
Infrastructure	35,259,979	—	—	905,508	36,165,487
Buildings and improvements	365,724,148	—	1,231,976	19,270,894	383,763,066
Furniture, fixtures and equipment	34,438,468	1,262,164	472,015	—	35,228,617
Library materials	11,815,070	1,022,871	1,308,819	—	11,529,122
Construction in progress	17,728,139	5,257,248	—	(20,176,402)	2,808,985
	482,741,462	7,545,082	3,012,810	—	487,273,734
Less accumulated depreciation					
Infrastructure	19,463,252	1,614,469	—	—	21,077,721
Buildings and improvements	189,673,504	11,782,167	1,231,975	—	200,223,696
Furniture, fixtures and equipmen	26,491,841	1,613,446	404,900	—	27,700,387
Library materials	6,520,104	1,152,911	1,308,819	—	6,364,196
	242,148,701	16,162,993	2,945,694	—	255,366,000
Net capital assets	\$ 240,592,761	\$ (8,617,911)	\$ 67,116	\$ —	\$ 231,907,734

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Notes To Financial Statements (Continued)

4. Long-Term Liabilities

The following is a summary of long-term obligation transactions for the University for the years ended June 30, 2019 and 2018:

	2019				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Revenue Bonds					
Student Union Series 2018A Stadium, Series 2018B	\$ —	\$ 7,075,000	\$ —	\$ 7,075,000	\$ 225,000
Advance Refunding of Student Bond Stadium Facility, Series 2013B-1 - Direct Placement	—	3,670,000	—	3,670,000	—
Stadium Facility, Series 2013B-2	10,235,000	—	1,610,000	8,625,000	1,645,000
Student Housing System, Mixed Use Faculty Series 2013C-1 - Direct Placement	1,495,000	—	235,000	1,260,000	240,000
Student Housing System, Mixed Use Faculty, Series 2013C-2	3,770,000	—	3,770,000	—	—
Total Revenue Bonds	12,790,000	—	2,000,000	10,790,000	2,050,000
Capital Lease Obligations	32,650,000	—	—	32,650,000	—
Notes Payable - Foundation	60,940,000	10,745,000	7,615,000	64,070,000	4,160,000
Notes Payable - Airplanes	20,597,424	—	2,458,989	18,138,435	2,542,055
Unamortized Premium On Bonds Payable	2,577,275	—	207,106	2,370,169	216,170
Total Long-Term Debt	535,267	—	123,385	411,882	125,869
Other Noncurrent Liabilities	84,649,966	10,745,000	10,404,480	84,990,486	7,044,094
Accrued compensated absences	548,369	748,874	67,411	1,229,832	—
Accrued settlement	85,198,335	11,493,874	10,471,891	86,220,318	7,044,094
Other long-term liability	3,751,197	—	95,385	3,655,812	1,906,455
Total Other Noncurrent Liabilities	391,974	—	8,680	383,294	50,000
Total Long-Term Debt And Other Obligations	3,926,692	—	277,366	3,649,326	—
	8,069,863	—	381,431	7,688,432	1,956,455
	\$ 93,268,198	\$ 11,493,874	\$ 10,853,322	\$ 93,908,750	\$ 9,000,549

UNIVERSITY OF CENTRAL MISSOURI
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Notes To Financial Statements (*Continued*)

	2018				
	Beginning Balance	Restatement/ Additions	Deductions	Ending Balance	Current Portion
Revenue Bonds					
Advance Refunding of Library Facility, Series 2002 Bond Issue, Series 2012A	\$ 567,314	\$ —	\$ 567,314	\$ —	\$ —
Advance Refunding of Student Bond Issue, Series 2012A	637,686	—	637,686	—	—
Education Facility, Series 2007	72,761	—	72,761	—	—
Advance Refunding of Student Bond Issue, Series 2013A - Direct Placement Stadium Facility, Series 2013B-1 - Direct Placement	11,810,000	—	1,575,000	10,235,000	1,610,000
Stadium Facility, Series 2013B-2	1,720,000	—	225,000	1,495,000	235,000
Student Housing System, Mixed Use Faculty Series 2013C-1 - Direct Placement	3,770,000	—	—	3,770,000	—
Student Housing System, Mixed Use Faculty, Series 2013C-2	14,740,000	—	1,950,000	12,790,000	2,000,000
Total Revenue Bonds	32,650,000	—	—	32,650,000	—
Capital Lease Obligations	65,967,761	—	5,027,761	60,940,000	3,845,000
Note Payable - Foundation	22,976,062	—	2,378,638	20,597,424	2,458,989
Note Payable - Airplanes	2,270,215	431,170	124,110	2,577,275	207,106
Unamortized Premium On Bonds Payable	656,084	—	120,817	535,267	123,385
Total Long-Term Debt	91,870,122	431,170	7,651,326	84,649,966	6,634,480
Other Noncurrent Liabilities					
Accrued compensated absences	582,122	—	33,753	548,369	—
Accrued settlement	4,353,811	—	602,614	3,751,197	2,404,474
Other long-term liability	401,450	—	9,476	391,974	50,000
Total Other Noncurrent Liabilities	2,745,351	1,235,557	54,216	3,926,692	—
Total Long-Term Debt And Other Obligations	7,500,612	1,235,557	666,306	8,069,863	2,454,474
Total Long-Term Debt And Other Obligations	\$ 99,952,856	\$ 1,666,727	\$ 8,351,385	\$ 93,268,198	\$ 9,088,954

*Included in other long-term liability restatement / additions is the \$1,235,557 prior period adjustment discussed in Note 1.

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Notes To Financial Statements (*Continued*)

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% to advance refund \$17.4 million of outstanding 2009 Series bonds with interest rates ranging from 3.0% to 5.05%. 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.

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%, 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% to 4.625%, 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.

UNIVERSITY OF CENTRAL MISSOURI
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Notes To Financial Statements (*Continued*)

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%, 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% to 5.0% 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% - 5.0% 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% to 4.0% 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.)

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.

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Notes To Financial Statements (*Continued*)

Notes Payable

The University entered into a loan agreement with the Foundation on July 31, 2015 in the amount of \$2,389,552 at 4% 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 a loan agreement with the Foundation on December 31, 2017, in the amount of \$431,170 at 5% 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 each bear interest at 1.98% and each mature in 2022. Payments of principal and interest are due in 14 equal installments.

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.

The debt service requirements as of June 30, 2019 are as follows:

Year Ending June 30,	Total To	Principal	Interest
	Be Paid		
2020	\$ 7,022,758	\$ 4,502,039	\$ 2,520,719
2021	7,023,502	4,624,039	2,399,463
2022	7,017,563	4,741,527	2,276,036
2023	6,912,094	4,762,451	2,149,643
2024	6,783,793	4,762,039	2,021,754
2025 - 2028	25,481,167	16,744,598	8,736,569
2029 - 2033	25,024,570	20,220,358	4,804,212
2034 - 2036	6,840,475	6,495,000	345,475
Total	\$ 92,105,922	\$ 66,852,051	\$ 25,253,871

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Notes To Financial Statements (*Continued*)

Capital Lease Obligations

The University is obligated under leases accounted for as capital leases. Assets under capital lease at June 30, 2019 and 2018 totaled \$17,627,498 and \$20,597,424, respectively, net of accumulated depreciation of \$20,601,288 and \$18,052,702, respectively. The following is a schedule by year of future minimum lease payments under the capital lease including interest at rates of 0% to 7% together with the present value of the future minimum lease payments as of June 30, 2019:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 3,128,580
2021	3,128,580
2022	3,128,580
2023	3,128,580
2024	3,128,580
2025 - 2027	4,692,869
Total minimum lease payments	20,335,769
Less amount representing interest	2,197,334
<u>Present value of future minimum lease payments</u>	<u>\$ 18,138,435</u>

5. Related Party Transactions

At June 30, 2019 and 2018, the University had receivables from the Foundation in the amount of \$1,011,784 and \$1,045,186, respectively.

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 \$711,223 and \$352,055 for the years ended June 30, 2019 and 2018, respectively. In addition, University employees provided services to the Foundation valued at \$1,151,744 and \$910,830 for the years ended June 30, 2019 and 2018, 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, 2019 or 2018.

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Notes To Financial Statements (*Continued*)

Included in amounts due from foundation at June 30, 2019 and 2018 were receivables from the Foundation for reimbursements due of \$86,022 and \$85,361, respectively, for wages and benefits. The University also has receivables from the Foundation at June 30, 2019 and 2018 of \$484,396 and \$567,851, respectively, for miscellaneous services performed on behalf of the Foundation.

6. Pension Plans

MOSERS

University of Central Missouri benefit eligible employees are provided with pensions through MOSERS - a cost-sharing multiple-employer defined benefit pension plan. Chapter 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined benefit plan for eligible state and other related agency employees. MOSERS issues an annual Comprehensive Annual Financial Report (CAFR), a publicly available financial report that can be obtained at www.mosers.org.

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 plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000 and MSEP 2011 retirement plans) and how eligibility and the benefit amount are determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR starting on page 30.

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, 2019 was 20.21 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, 2018 was 19.45 percent, which is the year of measurement for the net pension liability. Contributions to the pension plan were \$9,449,254 and \$10,099,301 for the years ended June 30, 2019 and 2018, respectively.

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

At June 30, 2019 and 2018, the University reported a liability of \$148,795,182 and \$150,787,953, respectively, for its proportionate share of the net pension liability. The net pension liability for 2019 and 2018 was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was offset by the fiduciary net position obtained from MOSERS CAFR as of June 30, 2018, to determine the net pension liability.

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, 2018. The University's proportion for the plan year ended June 30, 2018 was 2.6674 percent, a decrease from its proportion of 2.8959 percent as of the June 30, 2017 measurement date.

During the MOSERS plan year ended June 30, 2018, 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, 2018, that affected the measurement of total pension liability.

For the year ended June 30, 2019, the University recognized pension expense of \$25,172,785. At June 30, 2019, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 338,633	\$ 3,522,745
Changes of assumptions	12,823,653	—
earnings		
on pension plan investments	17,500,184	—
Changes in proportion and differences between University contributions and proportionate share of contributions	676,151	6,474,960
University contributions subsequent to the measurement date of 6/30/18	9,449,254	—
	<u>\$ 40,787,875</u>	<u>\$ 9,997,705</u>

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

For the year ended June 30, 2018, the University recognized pension expense of \$26,870,381. At June 30, 2018, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 835,380	\$ 2,374,846
Changes of assumptions	13,231,451	378,445
Net difference between projected and actual earnings		
on pension plan investments	25,259,290	—
Changes in proportion and differences between University contributions and proportionate share of contributions	1,849,571	—
University contributions subsequent to the measurement date of 6/30/17	10,099,301	—
	<u>\$ 51,274,993</u>	<u>\$ 2,753,291</u>

The amount of \$9,449,254 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date of June 30, 2018 will be recognized as a reduction of the net pension liability in the University's year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the University's fiscal year following MOSERS' fiscal year as follows:

Year Ending June 30,	Amount
2020	\$ 14,763,339
2021	5,222,783
2022	1,345,299
2023	9,495
	<u>\$ 21,340,916</u>

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

The total pension liability in the June 30, 2018 actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions	
Inflation	2.5 percent, approximate
Salary increases	3.00 to 8.50 percent, including inflation thereafter
Wage Inflation	2.5 percent
Investment rate of return	7.25 percent per year, compounded annually, net after investment expenses and including

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015. In addition, the investment return assumption was reduced from 7.50% to 7.25%, the wage growth assumption was decreased from 3.00% to 2.75%, and the payroll growth assumption was reduced from 3.00% to 2.50% for the June 30, 2018 valuation. The unfunded actuarial accrued liability amortization method was changed from amortizing the entire unfunded actuarial accrued liability as a single base to using a layered bases approach. MOSERS also adopted a new asset smoothing method calculated by recognizing the difference between actual and expected return over a closed five-year period.

Mortality rates for post-retirement mortality are based on the RP-2014 Healthy Annuitant mortality table, projected to 2026 with Scale MP-2015 and scaled by 120%. The pre-retirement mortality table used is the RP-2014 Employee mortality table, projected to 2026 with Scale MP-2015 and scaled by 95% for males and 90% for females.

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in MOSERS target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Policy Allocation	Long-Term Expected Real Rate Of Return*	Weighted Average Long-Term Expected Real Rate Of Return
Opportunistic global equity	38.0%	5.5%	2.1%
Nominal bonds	44.0%	1.0%	0.5%
Commodities	20.0%	4.5%	0.9%
Inflation-linked bonds	39.0%	0.8%	0.3%
Alternative beta	<u>31.0%</u>	4.5%	<u>1.4%</u>
	<u>172.0%</u>		<u>5.2%</u>

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

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

UNIVERSITY OF CENTRAL MISSOURI
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Notes To Financial Statements (*Continued*)

The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.25 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 (6.25 percent) or one-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
University's proportionate share of the net pension liability	\$ 190,073,816	\$ 148,795,182	\$ 114,084,523

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

As of June 30, 2019 and 2018, the University had payables of \$525,224 and \$507,360, respectively, to MOSERS due to end of fiscal year processing.

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. In 2019 and 2018, the University contributed 6.0 percent and 6.19 percent, respectively, of the participant's salary to CURP each month. The University's contributions to the plan for the years ended June 30, 2019, 2018 and 2017, were \$1,190,606, \$1,322,476 and \$1,241,098, 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.

7. 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.

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

Effective January 1, 2018, the University discontinued their alternative funding arrangement and converted to a traditional health insurance plan. As part of the previous modified cost-plus health insurance contract, the University maintained a balance of \$1,219,075 in the health trust account, accounted for by the University as restricted cash, to be used to make health insurance claim payments for the covered period after the end of the contract. Based on the analysis of fiscal year end estimated claims to be minimal, the amount has been reclassified as unrestricted cash.

Other Postemployment Benefit Plan

Plan Description: In addition to the pension benefits described in Note 6, 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.

Employees covered by benefit terms: At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees and/or spouses	61
Active employees	<u>1,025</u>
	<u>1,086</u>

UNIVERSITY OF CENTRAL MISSOURI
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Notes To Financial Statements (*Continued*)

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.

Total OPEB Liability and Changes in OPEB Liability: The University's total OPEB liability was based on an actuarial valuation dated July 1, 2017 rolled forward to a measurement date of June 30, 2019 and the changes in the OPEB liability are as follows:

Net OPEB liability - beginning of year	\$ 3,876,691
Service costs	9,763
Interest	123,163
Differences between expected and actual experience	(127,704)
Changes in assumptions and inputs	75,900
Employer contributions (benefit payments)	<u>(308,487)</u>
Net OPEB liability - end of year	<u>\$ 3,649,326</u>

The net OPEB liability is included in the other long-term liability within the statement of net position at June 30, 2019.

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

Changes for the July 1, 2017 actuarial valuation relative to the July 1, 2015 valuation include the following:

- 1) The retirement, disability and turnover assumptions were updated when applicable based on the latest statistics from MOSERS.
- 2) 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.
- 3) The per capita costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation.
- 4) The discount rate was changed from 3.50% (July 1, 2015) to 3.40% (July 1, 2017) and ultimately 3.0% when rolled forward to the measurement date of June 30, 2019.
- 5) It is assumed that 1% of future employees retiring at \geq Age 65 will elect coverage in the University's program. Future employees retiring at $<$ Age 65 assumed not to elect University sponsored coverage.
- 6) The actuarial cost method was changed from Projected Unit Credit to Entry Age Normal - Level Percent of Pay.
- 7) The assumed salary scale is 2% per year.

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. As allowed by GASB, this reporting requirement is being implemented prospectively. Data is not available for prior years. 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.

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

Actuarial Assumptions and Other Inputs: The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions	
Actuarial cost method	Entry Age Normal -Level Percent of Pay
Valuation date	July 1, 2017
Measurement date	June 30, 2019
Salary Scale	2%
UAAL amortization method	Level dollar amount
UAAL amortization period, closed/open	5 years, open
Discount rate	3.0% (Measurement Date)
	3.3% (Year Preceding Measurement Date)
Mortality	RPH - 2014 adjusted to 2006 total dataset headcount-weighted mortality with MP-2018 full generational improvement
Healthcare cost trend rates	7.0% decreasing to ultimate rate of 5.00%

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 3.0% (measurement date) and 3.30% (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 will be needed for fiscal year 2019-20. Though a full valuation is not required for fiscal year 2020-21 (assuming no material changes) the OPEB expense and OPEB liability will need to be re-measured using the published bond rates as of the measurement date of June 30, 2021.

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Notes To Financial Statements (*Continued*)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the University, as well as what the University's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.0 percent) or 1-percentage-point higher (4.0 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 3,990,882	\$ 3,649,326	\$ 3,357,696

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the University, as well as what the University's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0 percent decreasing to 6.0 percent) or 1-percentage-point higher (8.0 percent decreasing to 7.0 percent) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 3,307,349	\$ 3,649,326	\$ 4,046,055

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2019, the University recognized OPEB expense of \$130,469. At June 30, 2019, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Category</u>	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ —	\$ 111,741
Changes in assumption (discount rate)	91,689	—
Contributions subsequent to the measurement date	—	—
	<u>\$ 91,689</u>	<u>\$ 111,741</u>

UNIVERSITY OF CENTRAL MISSOURI
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Notes To Financial Statements (*Continued*)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ (2,457)
2021	(2,457)
2022	(2,457)
2023	(2,457)
2024	(2,457)
Thereafter	(7,767)
	<u>\$ (20,052)</u>

8. 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, 2019 and 2018, 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 \$9,204,942 related to construction contracts at June 30, 2019.

UNIVERSITY OF CENTRAL MISSOURI
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Notes To Financial Statements (*Continued*)

Current Economic Conditions

The current economic environment presents universities with unprecedented circumstances and challenges, which in some cases may result in declines in enrollment revenue, governmental support and contributions; constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the University.

Current economic conditions could make it difficult for some donors to continue to contribute to universities and their foundations. Changes in contribution levels could impact the University's ability to provide scholarships or fund programs. State funding may also change as states have fewer resources to allocate. Universities in the state of Missouri entered into an agreement with the governor to hold tuition rates steady in exchange for steady state appropriations. Recent legislation has further impacted the University's ability to increase tuition rates.

The changes possible in this environment could result in future adjustments to the values of assets and liabilities, such as allowances for student receivables. The University could experience difficulty maintaining sufficient liquidity should significant changes occur.

Perkins Loan Program

Effective October 1, 2017, the United States Department of Education (ED) did not renew the Federal Perkins Loan Program. As a result, after a brief transition period, no new loans can be disbursed to students. The current guidance provided by the ED stipulates that as cash is collected by the University from loans disbursed prior to October 1, 2017, such funds are to be remitted back to ED on a proportional basis (the Perkins program was originally funded by ED with a small percentage matched by the University). Given this recent guidance, the University has determined that it is probable that ED, as the provider of the original resource, will require the University to return all of the resources originally received under this program. At the time of the receipt of the resources, the University recorded nonexchange revenues, and thereby, the balance of the resources provided by ED resides in the University's restricted net position.

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Notes To Financial Statements (*Continued*)

Each year an Excess Liquid Cash calculation is made by the University to calculate required amounts to be returned to ED. The amount calculated to be returned during the year ended June 30, 2020 from activity during 2018 and 2019 is \$2,108,272, which is included in accounts payable and accrued liabilities within the Statement of Net Position at June 30, 2019.

Operating Leases

The University occupies portions of the Missouri Innovation Campus facility for the use of classrooms, meeting rooms, and other instructional spaces in accordance with the lease agreement between the Lee's Summit R7 School District and the University.

The initial term of the lease shall be twenty years from the lease commencement date of August 7, 2017.

The base rent payment is calculated as 60% of the overall cost of the land purchase, financing expense, building design, and construction of the campus facility, amortized over a twenty year period. Payment is to be in equal semi-annual installments on January 1 and July 1.

Future minimum lease payments to be recorded in other operating expenses as of June 30, 2019 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 1,595,240
2021	1,595,786
2022	1,595,587
2023	1,594,644
2024 - 2028	7,979,575
2029 - 2033	7,983,247
2034 - 2036	4,788,201
	<u>\$ 27,132,280</u>

Rent expense for the year ended June 30, 2019 was \$1,593,950. The lease provides for adjustments for a contingent rent based on space utilization.

UNIVERSITY OF CENTRAL MISSOURI
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Notes To Financial Statements (*Continued*)

When the aggregate of future minimum lease payments for certain leases specify periodic rent increases, they are recognized on a straight-line basis over the terms of the related lease. The difference between rent expense calculated on a straight-line basis and rent paid is recorded as accrued rent. In the University's current lease situation, management does not have a basis for estimating whether future lease payments will vary from the lease payments as presented and therefore have not recorded accrued rent.

9. Risk Management

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

10. University Of Central Missouri Foundation

Financial Statement Presentation

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 permanently restricted net assets, temporarily restricted net assets and unrestricted net assets. 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.

UNIVERSITY OF CENTRAL MISSOURI
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Notes To Financial Statements (*Continued*)

Investments

The Foundation's investment portfolio at June 30, 2019 and 2018 is composed of the following:

	Fair Value	
	2019	2018
Money market mutual funds	\$ 779,328	\$ 458,965
Domestic equity	25,302,916	21,894,595
International equity	6,125,920	7,055,916
Fixed income	21,524,385	20,135,319
Alternative	4,165,342	3,427,463
Real estate held as an investment	—	318,000
	\$ 57,897,891	\$ 53,290,258

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.

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Notes To Financial Statements (*Continued*)

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.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used at June 30, 2019 or 2018.

Beneficial Interest In Charitable Trusts, Net

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.

Cash Surrender Value Of Life Insurance

Represents life insurance policies for which the Foundation is the beneficiary and, as such, the carrying values approximate fair value.

The proceeding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

UNIVERSITY OF CENTRAL MISSOURI
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Notes To Financial Statements (*Continued*)

The following table set forth, by level within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Investments				
Mutual funds				
Money market	\$ 779,328	\$ —	\$ —	\$ 779,328
Domestic equity	11,016,290	—	—	11,016,290
International equity	6,063,838	—	—	6,063,838
Common stock				
Domestic	7,959,515	—	—	7,959,515
International	62,082	—	—	62,082
Exchange traded funds				
Domestic	6,327,111	—	—	6,327,111
Fixed income investments				
Mortgage	—	1,782,585	—	1,782,585
Credit	40,542	11,451,985	—	11,492,527
U.S. Treasuries	2,453,066	—	—	2,453,066
Agencies	—	1,411,542	—	1,411,542
Asset-backed securities	—	569,595	—	569,595
Taxable municipal bonds	—	2,157,134	—	2,157,134
Diversified taxable mutual funds	599,952	—	—	599,952
Domestic preferred stock	212,080	—	—	212,080
Taxable high-yield funds	636,785	—	—	636,785
Emerging markets	209,119	—	—	209,119
Alternative investments				
Hedge funds	4,149,216	—	—	4,149,216
Infrastructure	16,126	—	—	16,126
Total Investments	40,525,050	17,372,841	—	57,897,891
Beneficial Interests In Trusts				
	—	—	991,943	991,943
	\$ 40,525,050	\$ 17,372,841	\$ 991,943	\$ 58,889,834

UNIVERSITY OF CENTRAL MISSOURI
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Notes To Financial Statements (*Continued*)

The following table sets forth, by level within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Mutual funds				
Money Market	\$ 458,965	\$ —	\$ —	\$ 458,965
Domestic equity mutual funds	10,493,884	—	—	10,493,884
International equity mutual funds	7,031,115	—	—	7,031,115
Common stock				
Domestic	6,947,419	—	—	6,947,419
International	24,801	—	—	24,801
Exchange traded funds				
Domestic	4,453,292	—	—	4,453,292
Fixed income investments				
Mortgage	—	1,395,256	—	1,395,256
Credit	38,260	10,389,295	—	10,427,555
U.S. Treasuries	2,244,662	—	—	2,244,662
Agencies	—	1,585,448	—	1,585,448
Asset-backed securities	—	929,982	—	929,982
Taxable municipal bonds	—	2,062,931	—	2,062,931
Diversified taxable mutual funds	445,846	—	—	445,846
Domestic preferred stock	203,130	—	—	203,130
Taxable high-yield funds	641,359	—	—	641,359
Emerging markets	199,150	—	—	199,150
Alternative investments				
Hedge funds	2,912,241	—	—	2,912,241
Infrastructure	14,383	—	—	14,383
Commodities	500,839	—	—	500,839
Real estate held as an investment	—	—	318,000	318,000
Total Investments	36,609,346	16,362,912	318,000	53,290,258
Beneficial Interests In Trusts				
	—	—	930,711	930,711
	\$ 36,609,346	\$ 16,362,912	\$ 1,248,711	\$ 54,220,969

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

Contributions Receivable

Contributions receivable consists of unconditional gifts and bequests to be received in future periods and have been discounted to their present value based on anticipated payment streams. The present value of the annual amount of contributions receivable to be realized at June 30, 2019 and 2018 is as follows:

	June 30,	
	2019	2018
Due within one year	\$ 618,338	\$ 161,963
Due in one to five years	1,076,817	1,154,697
Due in more than five years	11,845	89,845
	1,707,000	1,406,505
Less:		
Allowance for uncollectible promises	—	215,294
Unamortized discount	30,270	35,032
	\$ 1,676,730	\$ 1,156,179

Net Assets

Endowment net assets at June 30, 2019 and 2018 by type of fund consisted of the following:

	2019		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
Undesignated	\$ 1,320,181	\$ —	\$ 1,320,181
Board-designated operating reserve fund	2,620,233	—	2,620,233
Board-designated endowment fund	3,759,087	—	3,759,087
University President directed fund	201,650	—	201,650
Subject to expenditure for specified purpose			
Scholarships	—	6,875,327	6,875,327
Instruction and other departmental	—	8,516,831	8,516,831
Student services - athletics	—	411,781	411,781
Academic support - TV	—	308,134	308,134
Institutional support - facilities	—	2,696,926	2,696,926
Net accumulated earnings in excess of approved payout	—	7,655,721	7,655,721
Perpetually restricted with earnings subject to Foundation endowment spending policy			
Scholarships	—	23,795,468	23,795,468
Instruction and other departmental	—	3,715,935	3,715,935
Student services - athletics	—	112,358	112,358
Academic support - TV	—	13,090	13,090
Institutional support - facilities	—	40,245	40,245
	\$ 7,901,151	\$ 54,141,816	\$ 62,042,967

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

Notes To Financial Statements (*Continued*)

	2018		Total
	Without Donor Restrictions	With Donor Restrictions	
Undesignated	\$ 983,188	\$ —	\$ 983,188
Board-designated operating reserve fund	2,593,642	—	2,593,642
Board-designated endowment fund	3,480,142	—	3,480,142
University President directed fund	134,120	—	134,120
Subject to expenditure for specified purpose			
Scholarships	—	5,940,627	5,940,627
Instruction and other departmental	—	7,312,946	7,312,946
Student services - athletics	—	352,138	352,138
Academic support - TV	—	188,612	188,612
Institutional support - facilities	—	2,538,375	2,538,375
Net accumulated earnings in excess of approved payout	—	6,814,719	6,814,719
Perpetually restricted with earnings subject to Foundation endowment spending policy			
Scholarships	—	22,964,470	22,964,470
Instruction and other departmental	—	3,644,722	3,644,722
Student services - athletics	—	106,357	106,357
Academic support - TV	—	12,071	12,071
Institutional support - facilities	—	40,245	40,245
	\$ 7,191,092	\$ 49,915,282	\$ 57,106,374

Required Supplementary Information

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

OTHER POSTEMPLOYMENT BENEFITS -
SCHEDULE OF CHANGES IN THE UNIVERSITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

Page 1 Of 2

For The Years Ended June 30, 2019 And 2018

<u>Total OPEB Liability</u>	<u>June 30, 2019</u>
Service cost	\$ 9,763
Interest	123,163
Changes in benefit terms	—
Differences between expected and actual experience	(127,704)
Changes in assumptions or other inputs	75,900
Benefit payments	<u>(308,487)</u>
Net change in total OPEB liability	(227,365)
Total OPEB liability - beginning	<u>3,876,691</u>
Total OPEB liability - ending	<u>\$ 3,649,326</u>
Covered-employee payroll	\$ 55,605,898
Total OPEB liability as a percentage of covered-employee payroll	6.6%
<u>Total OPEB Liability</u>	<u>June 30, 2018</u>
Service cost	\$ 9,121
Interest	130,106
Changes in benefit terms	—
Differences between expected and actual experience	—
Changes in assumptions or other inputs	33,313
Benefit payments	<u>(226,756)</u>
Net change in total OPEB liability	(54,216)
Total OPEB liability - beginning	<u>3,930,908</u>
Total OPEB liability - ending	<u>\$ 3,876,692</u>
Covered-employee payroll	\$ 55,605,898
Total OPEB liability as a percentage of covered-employee payroll	7.0%

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

**UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI**

**OTHER POSTEMPLOYMENT BENEFITS -
SCHEDULE OF CHANGES IN THE UNIVERSITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS**

Page 2 Of 2

For the Years Ended June 30, 2019 And 2018

Changes Of Benefit Terms Or Assumptions

- 1) The retirement, disability and turnover assumptions were updated when applicable based on the latest statistics from MOSERS.
- 2) 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.
- 3) The per capita costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation.
- 4) The discount rate was changed from 3.50% (July 1, 2015) to 3.40% (July 1, 2017) and ultimately 3.0% when rolled forward to the measurement date of June 30, 2019.
- 5) It is assumed that 1% of future employees retiring at \geq Age 65 will elect coverage in the University's program. Future employees retiring at $<$ Age 65 assumed not to elect University sponsored coverage.
- 6) The actuarial cost method was changed from Projected Unit Credit to Entry Age Normal - Level Percent of Pay.
- 7) The assumed salary scale is 2% per year.

UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI

SCHEDULES OF SELECTED PENSION INFORMATION
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

June 30, 2019

Schedule Of University's Proportionate Share Of The Net Pension Liability

	Plan Fiscal Year End				
	2018	2017	2016	2015	2014
University's proportion of the net pension liability	2.6674%	2.8959%	2.8591%	2.8410%	2.7413%
University's proportionate share of the net pension liability	\$ 148,795,182	\$ 150,787,953	\$ 132,717,900	\$ 91,236,621	\$ 64,634,510
University's covered payroll	51,924,427	56,998,231	55,002,021	50,573,280	52,233,469
University's proportionate share of net pension liability liability as a percentage of its covered payroll	285.85%	264.55%	239.69%	165.88%	127.80%
Plan fiduciary net position as a percentage of the total pension liability	59.02%	60.41%	63.60%	72.62%	79.49%

Schedule Of University's Contributions

	Univeristy Fiscal Year End				
	2019	2018	2017	2016	2015
Required contribution	\$ 9,449,254	\$ 10,099,301	\$ 9,690,708	\$ 9,333,841	\$ 8,946,847
Contributions in relation to the required contribution	9,449,254	10,099,301	9,690,708	9,333,841	8,946,847
University's covered payroll	46,755,339	51,924,427	56,998,231	55,002,021	50,573,280
Contributions as a percentage of covered payroll	20.21%	19.45%	16.97%	16.97%	17.69%

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.

Changes Of Benefit Terms Or Assumptions

Senate Bill 62 (SB 62), which contained changes to the benefit structure for MSEP 2011, was passed by the 2017 legislature. The provisions 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.

Changes to assumptions in the valuation reports for the plan year ended June 30, 2018 include the reduced investment return used in the June 30, 2019 valuation to 7.0%.

Supplementary Information

**UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI**

**STADIUM BONDS - SERIES 1999, SERIES 2013B AND SERIES 2018B
June 30, 2019**

Revenues

Foundation Suite Revenue (Chart F)	\$ 45,000
Walton Stadium	
Building rent income	21,828
Men's Football	
Advance ticket sales	21,447
Season tickets	14,780
Single game tickets	30,135
Programs/seats	969
General Fund Transfer For Walton Stadium	
Bond Payment (Series 2013B)	270,482
Bond Payment (Series 2018B)	76,207

**UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI**

**CONDENSED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
STUDENT HOUSING SYSTEM
June 30, 2019**

Operating Revenues	
Housing, net of bad debt expense	\$ 26,047,857
Bookstore, net of bad debt expense	4,667,126
University union fee	2,158,535
Tuition and fees	4,176
Other operating revenues	1,632,093
Total Operating Revenue	<u>34,509,787</u>
Operating Expenses	
Compensation and benefits	3,336,118
Contractual services	8,819,932
Supplies and services	3,329,220
Utilities	2,509,432
Debt service	3,981,420
Other	9,549,075
Total Operating Expenses	<u>31,525,197</u>
Operating Gain	<u>2,984,590</u>
Nonoperating Revenues (Expenses)	
Other nonoperating revenues	1,434,931
Other nonoperating expenses	(39,690)
Total Nonoperating Revenues	<u>1,395,241</u>
Income Before Other Revenues And Expenses, Gains Or Losses	<u>4,379,831</u>
Add Back Debt Service Payments (Net)	
Student housing	3,391,634
University Store	421,333
Student union	168,452
Total Debt Service Payments	<u>3,981,419</u>
Add Back Capital Improvement Transfers	1,974,720
Net Operating Revenue Before Debt Service Payments	10,335,970
Net Operating Revenue As A % Of Debt Service	260%

1. 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**

**INSURANCE COVERAGE
STUDENT HOUSING SYSTEM BONDS**

**Page 1 Of 3
June 30, 2019**

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, 2019:

1. Lexington Insurance Company, Policy No. 066095351, (60%); Zurich, Policy No. ERP-0174168-02, 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 esecundary 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**

**INSURANCE COVERAGE
STUDENT HOUSING SYSTEM BONDS**

**Page 2 Of 3
June 30, 2019**

	<u>Amount Of Coverage</u>	
	<u>Building</u>	<u>Contents</u>
Residential complex (included in blanket figures)		
Diemer Hall	\$ 6,357,830	\$ 138,985
South Ellis Hall	10,563,852	177,237
East Ellis Hall	12,432,947	195,089
North Ellis Hall	13,456,941	238,442
Foster Knox Hall	8,685,014	314,948
Fraternity Hall	11,486,740	464,134
Hudson Hall	11,358,321	1,324,620
University Conference Center	12,701,924	381,252
Hosey Hall	7,523,498	345,550
Nattinger-Bradshaw Hall	19,704,719	686,000
Nickerson Hall	9,830,557	277,971
Panhellenic Hall	10,403,809	406,755
South Todd Hall	2,771,538	146,635
Todd Hall	8,462,837	415,682
South Yeater Hall	15,083,413	432,256
Yeater Hall	9,097,743	277,971
Knox Hall	7,301,961	240,991
Houts Hall	7,833,842	387,629
Fitzgerald Hall	15,811,119	493,461
Apartments (included in blanket figures)		
Greenwood 4-Plex #2	512,037	10,201
Greenwood 4-Plex #3	512,037	10,201
Greenwood 4-Plex #4	512,037	10,201
Greenwood 4-Plex #6	512,037	10,201
Greenwood 4-Plex #8	512,037	10,201
Greenwood 4-Plex #10	512,037	10,201
Greenwood 4-Plex #12	512,037	10,201

**UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI**

**INSURANCE COVERAGE
STUDENT HOUSING SYSTEM BONDS**

**Page 3 Of 3
June 30, 2019**

	<u>Amount Of Coverage</u>	
	<u>Building</u>	<u>Contents</u>
Apartments (included in blanket figures - <i>continued</i>)		
Greenwood 4-Plex #13	\$ 512,037	\$ 10,201
Greenwood 4-Plex #14	512,037	10,201
Greenwood 4-Plex #16	512,037	10,986
Greenwood Handicap Unit	279,937	5,101
Greenwood VIP Unit	259,942	79,057
Greenwood Community Center	616,246	10,201
Central Village 8-Plex #1	1,463,978	21,676
Central Village 8-Plex #2	1,014,203	21,676
Central Village 8-Plex #3	1,463,978	21,676
Central Village 8-Plex #4	1,013,824	21,676
Central Village 8-Plex #5	1,463,978	21,676
Central Village 8-Plex #6	1,014,203	21,676
Central Village Community Building	738,671	21,849
Central Village 8-Plex #8	1,014,203	21,676
Central Village 8-Plex #9	1,014,203	21,676
Central Village 8-Plex #10	1,014,203	21,676
Central Village 8-Plex #12	1,014,203	21,676
The Crossing	47,245,525	3,121,812
Stadium		
Walton Stadium	10,266,658	2,108,721
Walton Stadium Field	1,297,673	—
Other (included in blanket figures)		
University Union	29,040,531	4,036,413
Ellis Mechanical Building	263,418	1,103,338
Greenwood Morton Building	158,880	—
Liability insurance		
Covered under the State Legal Expense Fund		

**UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF THE STATE OF MISSOURI**

**ENROLLMENT AND OCCUPANCY STATISTICS
STUDENT HOUSING SYSTEM BONDS**

June 30, 2019

	Headcount	Full-time Equivalent	Semester Credit Hours
Summer 2018			
Undergraduate	3,074	2,138	16,045
Graduate	1,975	1,831	10,976
Fall 2018			
Undergraduate	9,300	7,656	114,808
Graduate	2,187	1,184	14,198
Spring 2019			
Undergraduate	9,456	7,114	106,737
Graduate	2,443	1,283	15,406

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

Residence Halls		Apartments	
17 - 18	18 - 19	17 - 18	18 - 19
85%	81%	90%	96%

The following information sets forth the living choices of undergraduate students for the Fall 2018 semester:

Total on-campus	32.8%
Total off-campus	67.2%
Total	100.0%

Room and board charges for the fiscal years ended June 30, 2019 and 2018 are as follows:

	Rate	
	2019	2018
Residence halls (per semester)		
Single occupancy room	\$ 3,351	\$ 3,297
Double occupancy room	2,751	2,697
Apartments (per month)		
Central Village - one-bedroom	594	594
Central Village - two-bedroom	717	717
Central Village - three-bedroom	857	857
Foster/Knox	727	727
Greenwood Park	783	783
Nickerson	727	727
Todd - one-bedroom	727	727
Todd - two-bedroom	896	896
The Crossing 2 BR, per person	676	676
The Crossing 4 BR, per person	578	578
The Crossing 4 BR - 2 story, per person	653	653
Basic meal plan (per semester)	1,632	1,571

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

	2019	2018
University Union Fee		
Per credit hour (<9 credit hours)	\$ 7	\$ 7
Flat rate (9+ credit hours)	115	111