
UNIVERSITY OF CENTRAL MISSOURI
A COMPONENT UNIT OF
THE STATE OF MISSOURI
FINANCIAL STATEMENTS
JUNE 30, 2022

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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 Audit Of The Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of University of Central Missouri (the University), a component unit of the State of Missouri, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, 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 the discretely presented component unit of the University as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

We did not audit the financial statements of University of Central Missouri Foundation, a discretely presented component unit of the University, which statements reflects 100% of the discretely presented component unit as of June 30, 2022 and 2021 and 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 report of the other auditors.

Basis For Opinions

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

Emphasis Of Matter

As discussed in Note 1 to the financial statements, the University implemented the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities Of Management For The Financial Statements

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

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

Auditors' Responsibilities For The Audit Of The Financial Statements

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

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

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

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

Required Supplementary Information

GAAP requires that the Management's Discussion and Analysis and other Required Supplementary Information listed in the table of contents to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the University's basic financial statements. The Stadium Bonds – Series 1999, Series 2013B and Series 2018B – Selected Information; Condensed Statement Of Revenues, Expenses And Changes In Net Position – Student Housing System; Insurance Coverage – Student Housing System Bonds; and Enrollment And Occupancy Statistics – Student Housing System Bonds, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2022 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

RubinBrown LLP

November 2, 2022

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Years Ended June 30, 2022 And 2021

Overview

Celebrating 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 since 1871 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.

UCM takes ongoing pride in providing a student-centered learning environment where tenured professors teach the majority of classes. The University boasts an 18:1 student-faculty ratio and a graduate job placement rate above 90 percent, exceeding the national average for 28 consecutive years. The University's 2022 fall enrollment is 11,637, and students are served by 406 full-time faculty members. At least 71.4 percent of these faculty members have earned doctorates.

The University is also well known for its culture of friendship and service that extends far outside its campus boundaries. UCM has over 30 international exchange agreements with institutions worldwide, and more than 2,741 international students contribute to a diverse student body. Students from nearly every county in Missouri, 46 states and 39 countries from around the globe attend the University. Through Graduate and International Student Services, students can study in over 60 countries at a variety of institutions.

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

Academic Programs

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

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

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Management's Discussion And Analysis (*Continued*)

Kansas City metropolitan area. Many undergraduate courses and programs also are offered online. Including its airport and other special facilities, the University occupies more than 1,500 acres.

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

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

Awards And Accomplishments

In 2022, 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 19th 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 2022, U.S. News & World Report rankings are included in the 2023 Best Colleges guidebook, which is online. UCM climbed two spots from last year to #14 among Top Public institutions. It also moved forward to #66 among the Best Regional Universities in the Midwest, up from #74; was ranked #29 as a Best College for Veterans, up from #31; and was ranked #98 among Top Performers on Social Mobility, moving up from #110. UCM also was ranked #62 as a Best Value university and was included in rankings for graduate offerings related to the Nursing, part-time MBA, and Speech-Language Pathology programs. In publishing results online, The Princeton Review, which does not provide numerical rankings, quotes students who cite UCM as a great place to earn a degree at an affordable price, and an institution with small class sizes where "professors know your name" and students "won't feel like a number."

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 the 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, 2022, and 2021, the Foundation provided support to the University of \$5,463,635 and \$3,129,127, 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, 2022 and 2021. Since the management's discussion and analysis is designed to focus on current activities, resulting changes and current known facts, it should be read in conjunction with the University's basic financial statements and the footnotes. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) pronouncements.

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

Effective July 1, 2015, the University implemented GASB Statement No. 72, Fair Value Measurement and Application. This Statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement also provides guidance for determining a fair value measurement for financial reporting purposes. Additionally, this Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Please see Note 2 of the financial statements for further details.

In Fiscal Year 2022, the University implemented GASB Statement No. 87, *Leases*, effective July 1, 2020. Please see "Leasing Arrangements" in Note 1 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*)

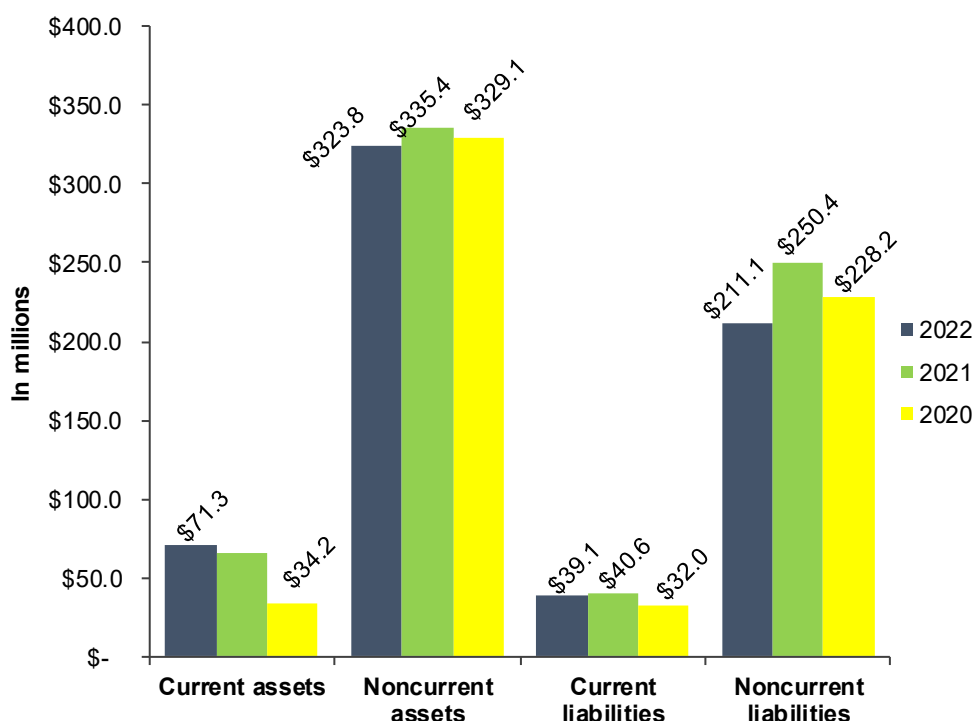
- 3.) Unrestricted net position represents balances from operational activities that have not been restricted by parties external to the University. This includes funds that have been designated for specific purposes as well as amounts that have been contractually committed for goods and services not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

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

	2022	2021 (as restated)	2020
Current assets	\$ 71.3	\$ 65.2	\$ 34.2
Noncurrent assets	323.8	335.4	329.1
Total assets	395.1	400.6	363.3
Deferred outflows of resources	23.8	25.7	29.0
Current liabilities	39.1	40.6	32.0
Noncurrent liabilities	211.1	250.4	228.2
Total liabilities	250.2	291.0	260.2
Deferred inflows of resources	32.3	8.1	13.7
Net position			
Net investment in capital assets	150.1	148.2	140.1
Restricted	7.2	7.1	7.4
Unrestricted	(20.9)	(28.2)	(29.1)
Total Net Position	\$ 136.4	\$ 127.1	\$ 118.4

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



Comparative Analysis Of Fiscal Years 2022 And 2021

Current Assets - Current assets for Fiscal Year 2022 totaled \$71.3 million, which is an increase of \$6.1 million from Fiscal Year 2021 current assets of \$65.2 million. This increase is attributed to an increase in total cash of \$18.5 million, and a decrease in short-term investments of \$.9 million, a decrease in federal grant receivables of \$12.2 million and a decrease in student tuition receivable of \$0.3 million at year end.

Non-Current Assets - Total non-current assets decreased approximately \$11.5 million. The decrease is primarily due to the decrease in long-term investments of \$4.4 million, a decrease of \$0.2 million in non-current loans to students and a decrease in capital assets of approximately \$6.9 million mostly due to the depreciation of capital assets and the implementation of GASB 87. Refer to Note 3 for additional information on capital asset activity and the implementation of GASB 87.

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

Current Liabilities - Current liabilities totaled \$39.1 million decreasing by approximately \$1.5 million compared to the prior year total of \$40.6 million. This is attributed primarily to a decrease in accounts payable and accrued liabilities of \$1.8 million and an increase in unearned revenue of \$0.3 million.

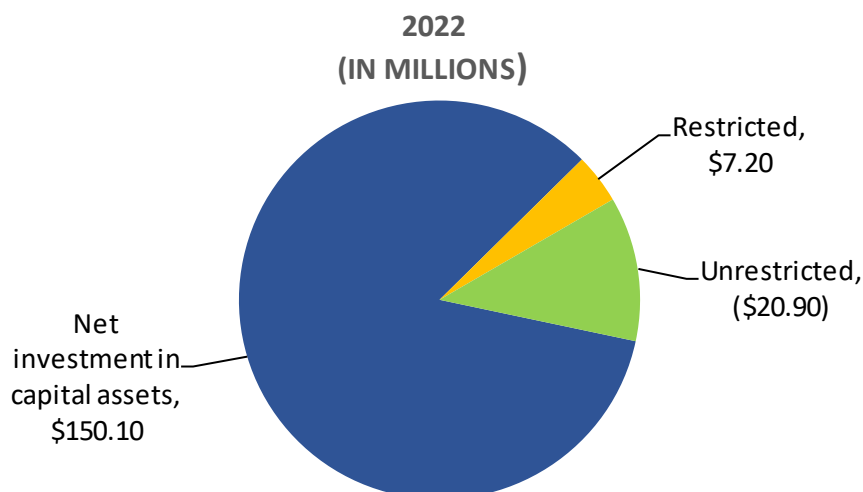
UNIVERSITY OF CENTRAL MISSOURI
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Management's Discussion And Analysis (*Continued*)

Non-Current Liabilities - Total non-current liabilities decreased approximately \$39.3 million. This decrease is primarily attributed to the \$27.8 million decrease in pension liability, a decrease in long-term debt of \$4.8 million and a decrease in long term lease liability of \$4.1 million due to the implementation of GASB 87. In addition, accrued compensated absences liability decreased by \$0.4 million and other long-term liability decreased by \$2.3 million due to a decrease of \$0.9 million post-employment benefit obligations and a decrease of \$1.3 million of unearned Sodexo Capital Project funds.

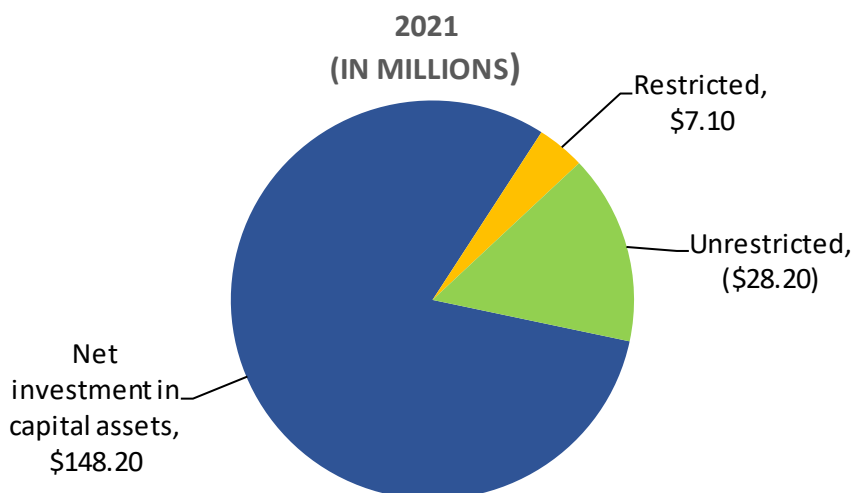
Deferred Inflows Of Resources - Total deferred inflows of resources had an increase of \$24.1 million due to an increase of \$23.5 million to the University's proportionate share of MOSERS deferred inflows related to GASB Statement No. 68 and an increase of \$0.6 million to the University's proportionate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

Net Position - On June 30, 2022, the University's net position was \$136.4 million. This was comprised of unrestricted - \$(20.9) million; net investment in capital assets - \$150.1 million; restricted for loans - \$5.0 million and other restricted - \$2.2 million.



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



Comparative Analysis Of Fiscal Years 2021 And 2020

Current Assets - Current assets for Fiscal Year 2021 totaled \$65.2 million, which is an increase of \$31.0 million from Fiscal Year 2020 current assets of \$34.2 million. This increase is attributed to an increase in total cash of \$2.5 million, an increase in short-term investments of \$13.5 million primarily due to a decrease in long-term investments at year end, an increase in federal grant receivables of \$15.3 million (HEERF II & III Institutional Funds) and an increase in student tuition receivable of \$0.6 million at year end. In addition, there was an increase in inventories of \$0.1 million, and a combined decrease of \$0.6 million in prepaid expenses, interest receivable, foundation receivable and loans to students at year-end.

Non-Current Assets - Total non-current assets decreased approximately \$16.3 million. The decrease is primarily due to the decrease in long-term investments of \$14.7 million, a decrease of \$0.5 million in non-current loans to students and a decrease in capital assets of approximately \$1.0 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 \$3.3 million due to a decrease of \$3.3 million in deferred pension expense associated with GASB 68 and an increase of \$0.1 million in deferred OPEB liability associated with GASB 75, and a decrease of \$0.1 million in debt refunding due to amortization.

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

Management's Discussion And Analysis (*Continued*)

Current Liabilities - Current liabilities totaled \$40.6 million increasing by approximately \$8.6 million compared to the prior year total of \$32 million. This is attributed primarily to an increase in accounts payable and accrued liabilities of \$0.4 million and an increase in unearned revenue of \$6.4 million as a result of a \$6.3 million increase in grant revenue and a \$0.1 million increase in scholarship revenue. In addition, there was an increase in long-term debt and lease liability of \$1.5 million and a combined increase totaling \$0.3 million in student deposits, accrued compensated absences and interest payable.

Non-Current Liabilities - Total non-current liabilities increased approximately \$22.2 million. This increase is primarily attributed to the \$10.6 million increase in pension liability and an increase in long-term debt and leased liability of \$13 million due to the implementation of GASB87. In addition, accrued compensated absences liability decreased by \$0.6 million and other long-term liability decreased by \$0.5 million due to a decrease of \$0.6 post-employment benefit obligations and an increase of \$0.1 million of unearned Sodexo Capital Project funds.

Deferred Inflows Of Resources - Total deferred inflows of resources had a decrease of \$5.6 million due to a decrease of \$6.2 million to the University's proportionate share of MOSERS deferred inflows related to GASB Statement No. 68 and an increase of \$0.6 million to the University's proportionate share of OPEB deferred inflows related to GASB Statement No. 75.

Net Position - On June 30, 2021, the University's net position was \$127.1 million. This was comprised of unrestricted - \$(28.2) million; net investment in capital assets - \$148.2 million; restricted for loans - \$5.0 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):

	2022	2021	2020
Operating Revenues			
Tuition and fees	\$ 90.1	\$ 78.5	\$ 83.0
Scholarship allowances	(17.5)	(17.5)	(17.4)
Net tuition and fees	72.6	61.0	65.6
Federal grants and contracts	2.4	2.4	5.4
Auxiliary enterprises	30.4	29.2	32.4
Scholarship allowances	(3.8)	(3.9)	(4.8)
Net auxiliary enterprises	26.6	25.3	27.6
Other	8.5	6.9	8.3
Total Operating Revenues	110.1	95.6	106.9
Operating Expenses	188.3	179.2	193.3
Operating Loss	(78.2)	(83.6)	(86.4)
Non-Operating Revenues (Expenses)			
State appropriation	55.6	48.9	46.7
Federal grants and contracts	26.4	40.9	24.6
State grants and contracts	4.2	1.2	0.9
Other grants and contracts	1.1	0.9	0.9
Loss on disposal of capital assets	0.1	—	—
Contributions	6.1	3.8	3.4
Investment income (loss)	(3.0)	0.5	4.4
Interest expense	(3.0)	(3.2)	(3.0)
Other non-operating expenses	(0.6)	(0.8)	(1.2)
Net Non-Operating Revenues	86.9	92.2	76.7
Increase (Decrease) In Net Position	8.7	8.6	(9.7)
Capital Grants And Gifts	0.6	0.1	—
Increase (Decrease) In Net Position	9.3	8.7	(9.7)
Net Position - Beginning Of Year	127.1	118.4	128.1
Net Position - End Of Year	\$ 136.4	\$ 127.1	\$ 118.4

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

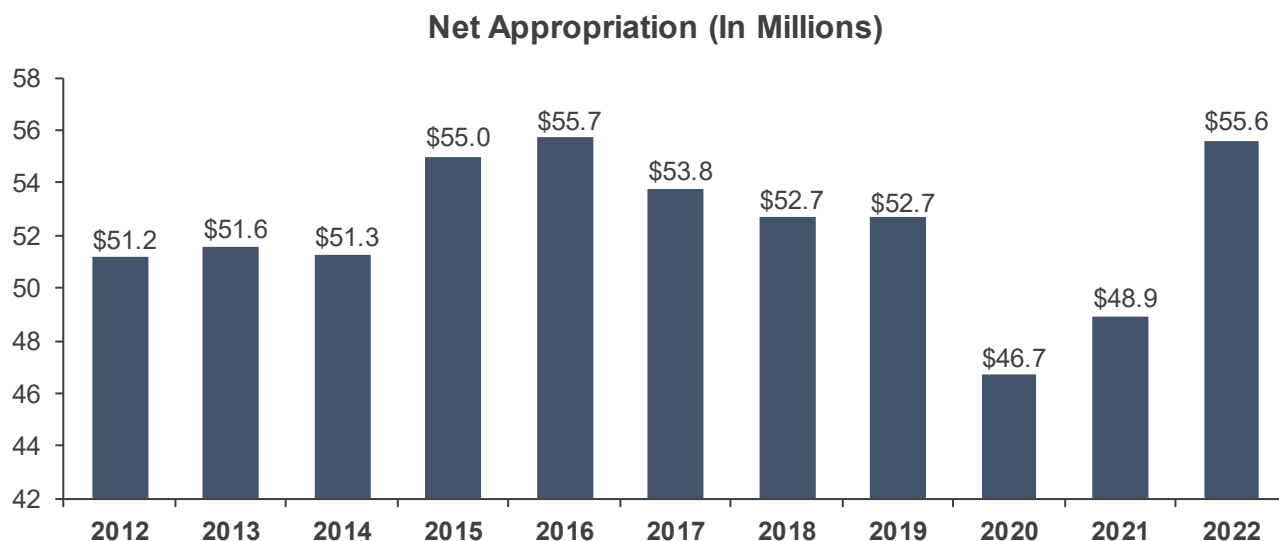
Comparative Analysis Of Fiscal Years 2022 And 2021

Operating Revenues - For the year ended June 30, 2022, tuition and fee revenues (net of scholarship allowances) increased approximately \$11.6 million compared to fiscal year 2021 as a result of the increase in international graduate enrollment. Fiscal year 2021 tuition and fees were approximately \$4.6 million below the year ended June 30, 2020, as a result of a continued decrease in on campus undergraduate enrollment contributed to COVID-19.

Auxiliary enterprises experienced an increase of \$1.3 million above fiscal year 2021, which is primarily attributed to returning to pre-COVID 19 room occupancy and in person learning.

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 increased by \$6.7 million from 2021 to 2022 as a direct result of State budget. State of Missouri appropriations increased by \$2.2 million in fiscal year 2021 compared to fiscal year 2020. Following is a historical trend of the University's state appropriation funding (net of withholdings).

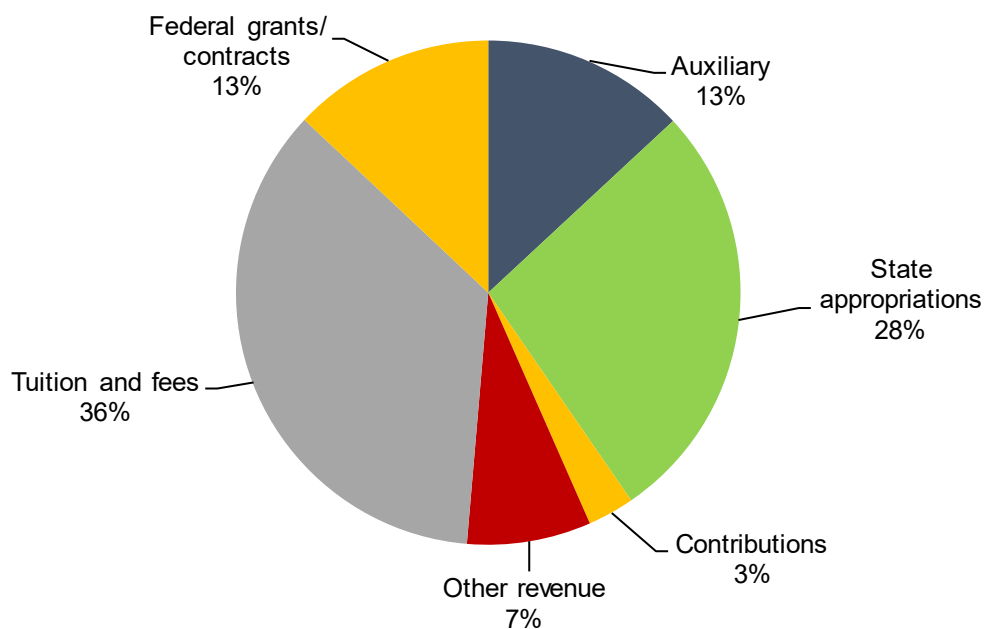


UNIVERSITY OF CENTRAL MISSOURI
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Management's Discussion And Analysis (*Continued*)

Fiscal Year 2022, other non-operating revenues decreased due to a reduction in federal grants and contracts of \$14.5 million because of the decrease in CARES Higher Education Emergency Relief Funds awarded. Fiscal Year 2021, other non-operating revenues increased \$16.3 million due to an increase in institutional CARES Higher Education Emergency Relief Funds from fiscal year 2020.

The following graph summarizes the University's fiscal year 2022 revenue sources:



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

	2022	2021	2020
Compensation and benefits	\$ 102.1	\$ 107.4	\$ 120.6
Contractual services	16.1	11.9	15.4
Supplies and materials	12.6	11.5	10.4
Scholarships and fellowships	16.9	10.5	9.9
Depreciation and amortization	18.9	18.4	16.8
Utilities	5.7	6.1	5.6
Other	16.0	13.4	14.6
	\$ 188.3	\$ 179.2	\$ 193.3

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

Operating Expenses - Total operating expenses increased \$9.1 million from \$179.2 million in fiscal year 2021 to \$188.3 million in fiscal year 2022.

Fiscal year 2022 Compensation and Benefits decreased \$5.3 million from the prior year primarily due to a \$9.6 million dollar reduction in the MOSERS accrual, an increase in Administration and Faculty Salaries of \$.3 million which was partly attributed to a January 1, 2022 pay increase for all regular employees of \$.50 an hour, and to the \$2.8 million increase in temporary staff and faculty as a response to the shortage of available work force. Also contributing was the net increase in benefits of \$.7 million and an increase of \$0.5 million in student wages due to the return of students to campus.

Contractual services increased \$4.2 million primarily due to an increase of other services (\$2.1 million) including an increase in International Student Recruitment expenses of \$1.2 million and a \$.6 million in educational and athletic services, an increase in grounds keeping services (\$.3 million), hazardous waste removal (\$.4 million), janitorial service (\$.4 million), information systems (\$.3 million), accounting/auditing (\$.1 million), food and beverage service (\$.1 million), honoraria/speakers (\$.2 million) and non-capital building improvements (\$.9 million) and a decrease in telephone services (\$0.1 million), management consulting (\$0.3 million) and architect/engineering services (\$.2 million).

Supplies and materials increased \$1.1 million and depreciation expense increased \$0.5 million. Scholarships and fellowships increased \$6.4 million which was offset by an increase in Federal HEERF funds included in federal grant revenue, utilities decreased \$0.4 million and other expenses increased \$2.6 million over fiscal year 2021.

For the year ended June 30, 2021, operating expenses decreased by \$14.1 million from the year ended June 30, 2020. This was primarily due to a decrease in Administration and Faculty Salaries of \$4.4 million and the associated increase in benefits of \$2.9 million and the \$0.2 million reduction in student wages as a result of office closures due to COVID-19 and a \$5.7 million dollar reduction in MOSERS accrual. Other decreases were in contractual services (\$3.5 million) and in other services (\$1.2 million). Offsetting the decreases were increases in supplies/materials (\$1.1 million), scholarships (\$.6 million), depreciation (\$1.6 million) and utilities (\$.5 million).

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

Management's Discussion And Analysis (*Continued*)

	Cash Flows		
	For The Years Ended June 30,		
	(In Millions)		
	2022	2021	2020
Cash Provided By (Used In)			
Operating activities	\$ (65.0)	\$ (49.3)	\$ (51.8)
Non-capital financing activities	105.1	79.8	70.2
Capital and related financing activities	(23.9)	(30.0)	(20.2)
Investing activities	2.3	2.0	0.9
Increase (Decrease) In Cash And Cash Equivalents	18.5	2.5	(0.9)
Cash And Cash Equivalents - Beginning Of Year	12.5	10.0	10.9
Cash And Cash Equivalents - End Of Year	\$ 31.0	\$ 12.5	\$ 10.0

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

During the year ended June 30, 2022, cash used in operating activities amounted to (\$65.0) 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 \$105.1 million includes state appropriations, gifts and grants for other than capital purposes and other receipts.

Cash used for capital and related financing activities was (\$23.9) million. The University had capital expenditures of \$10.9 million including: \$1.5 million JCKL Roof Replacement, \$1.1 million Crane Stadium, \$.6 million W C Morris Lab Renovation, \$0.5 million Multi-Purpose Bldg. Audio System, \$0.6 million Fitzgerald Renovation Elevator, \$0.5 Wood Hall Recording Studio, and \$0.5 million for Panhellenic Roof Replacement. Additional other capital expenditures totaling approximately \$4.1 million include parking lot improvements, various building improvements and \$1.5 million in capital equipment purchases. Capital related financing included principal and interest on capital debt and leases of \$11.8 million. Cash and cash equivalents at June 30, 2022, were \$31 million, which increased by \$18.5 million from June 30, 2021.

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

Management's Discussion And Analysis (*Continued*)

During the year ended June 30, 2021, cash used in operating activities amounted to (\$49.3) 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 payment to suppliers, utilities, employees, scholarships and fellowships and other payments. Cash provided by non-capital financing activities of (\$79.8 million) includes state appropriations, gifts and grants for other than capital purposes and other receipts.

Capital Assets

Information on capital assets can be found in Note 3. Net capital assets totaled \$233.7 million, which consisted of a cost of \$531.9 million and accumulated depreciation of \$298.2 million.

Debt

Information on debt can be found in Note 4. Long-term debt totaled \$54.0 million at June 30, 2022, excluding lease liabilities. In 2018, the University issued Revenue Bonds, Series 2018A for renovations to the Elliot Student Union in the amount of (\$7.1 million) and conducted a current refunding of their Stadium Series 2013B-2 revenue bonds. In 2018, the University entered into a note agreement with the University of Central Missouri Foundation (\$0.4 million) for the Kennedy Field turf replacement and in 2016, the University entered into a note agreement with the University of Central Missouri Foundation (\$2.3 million) and a short-term loan for the purchase of additional airplane for the aviation program (\$0.5 million). Long-term debt decreased in total by \$4.8 million for 2022, primarily due to scheduled principal payments.

Economic Outlook

Management believes that the University is well positioned to maintain its strong financial condition and to continue providing excellent service to its students, the community and the state of Missouri. The University'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, Associate Vice-President of Finance and Administration, at University of Central Missouri, Administration 316K, 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,	
	2022	2021 (as restated)
Assets		
Current Assets		
Cash and cash equivalents	\$ 21,248,544	\$ 1,404,167
Restricted cash and cash equivalents	9,774,189	11,102,071
Short-term investments	12,306,347	13,193,874
Accounts receivable, net of allowance; 2022 - \$4,549,441 2021 - \$4,492,279	8,222,302	7,523,553
Interest receivable	134,955	170,266
State appropriation receivable	131,995	—
Federal and grants receivable	14,744,938	26,952,137
Due from foundation	595,262	595,262
Inventories	2,054,173	1,994,895
Loans to students, net	893,786	1,221,490
Prepaid expenses	1,179,494	1,034,201
Total Current Assets	71,285,985	65,191,916
Noncurrent Assets		
Investments	88,625,293	93,059,662
Loans to students, net	1,220,615	1,461,358
Due from foundation	325,494	314,012
Capital assets, net	233,662,570	240,549,957
Total Noncurrent Assets	323,833,972	335,384,989
Total Assets	395,119,957	400,576,905
Deferred Outflows Of Resources		
Deferred amount on debt refundings	193,325	273,653
Proportionate share of collective deferred outflows of resources - pension	23,065,665	24,831,940
Deferred amount on OPEB liability	576,052	621,993
Total Deferred Outflows Of Resources	23,835,042	25,727,586

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

STATEMENT OF NET POSITION

Page 2 Of 2

	June 30,	
	2022	2021 (as restated)
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 13,103,078	\$ 15,156,689
Accrued compensated absences	2,234,358	2,016,660
Lease liability	4,149,819	4,023,914
Unearned revenue	13,847,425	13,530,434
Interest payable	602,885	650,963
Long-term debt	4,762,451	4,741,528
Accrued settlement	50,000	50,000
Student deposits	423,744	476,815
Total Current Liabilities	39,173,760	40,647,003
Noncurrent Liabilities		
Accrued compensated absences	1,284,365	1,716,194
Lease liability	26,432,274	30,548,714
Accrued settlement	325,494	314,012
Other long-term liability	2,600,000	3,900,000
OPEB liability	2,650,964	3,525,939
MOSERS net pension liability	128,578,260	156,331,778
Long-term debt	49,231,274	54,066,977
Total Noncurrent Liabilities	211,102,631	250,403,614
Total Liabilities	250,276,391	291,050,617
Deferred Inflows Of Resources		
Deferred inflows of resources - OPEB	1,220,567	603,324
Proportionate share of collective deferred inflows of resources - pension	31,052,587	7,517,499
Total Deferred Inflows Of Resources	32,273,154	8,120,823
Net Position		
Net investment in capital assets	150,083,326	148,177,576
Restricted for		
Nonexpendable		
Loans	3,978,096	3,523,802
Expendable		
Scholarships and fellowships	118,257	115,879
Loans	1,044,770	1,372,473
Other	2,133,230	2,133,229
Unrestricted	(20,952,225)	(28,189,908)
Total Net Position	\$ 136,405,454	\$ 127,133,051

UNIVERSITY OF CENTRAL MISSOURI FOUNDATION

STATEMENT OF FINANCIAL POSITION

	June 30,	
	2022	2021
Assets		
Cash	\$ 445,992	\$ 698,430
Investments	68,987,299	76,068,001
Accrued investment income	226,978	214,819
Contributions receivable, net	4,834,863	1,567,816
Notes receivable	1,692,841	1,928,363
Cash surrender value or life insurance	601,184	537,175
Beneficial interest in trusts	805,612	1,168,836
Prepaid expenses	8,107	9,712
Total Assets	\$ 77,602,876	\$ 82,193,152
Liabilities		
Accrued expenses and due to University	\$ 401,276	\$ 659,208
Annuities payable	637,871	1,272,478
Total Liabilities	1,039,147	1,931,686
Net Assets		
Without donor restrictions	8,266,652	9,544,835
With donor restrictions	68,297,077	70,716,631
Total Net Assets	76,563,729	80,261,466
Total Liabilities and Net Assets	\$ 77,602,876	\$ 82,193,152

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,	
	2022	2021 (as restated)
Operating Revenues		
Tuition and fees, net of scholarship allowances; 2022 - \$17,499,193; 2021 - \$17,524,282	\$ 72,639,152	\$ 61,011,350
Federal grants and contracts	2,358,777	2,430,900
Interest on student receivables	804,876	644,932
Sales and services of educational activities	1,994,554	1,481,892
Auxiliary enterprises		
Housing, net of scholarship allowances; 2022 - \$3,846,136; 2021 - \$3,902,307	14,944,310	14,233,028
Bookstore	3,220,605	3,630,370
Other auxiliary enterprises	8,481,025	7,492,606
Other operating revenues	5,650,801	4,732,065
Total Operating Revenues	110,094,100	95,657,143
Operating Expenses		
Compensation and benefits	102,149,036	107,424,963
Contractual services	16,078,847	11,925,756
Supplies and services	12,624,373	11,467,055
Scholarships and fellowships	16,904,501	10,521,986
Depreciation and amortization	18,946,842	18,365,912
Utilities	5,662,487	6,085,970
Other	15,952,809	13,396,295
Total Operating Expenses	188,318,895	179,187,937
Operating Loss	(78,224,795)	(83,530,794)

**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,	
	2022	2021 (as restated)
Nonoperating Revenues (Expenses)		
State appropriations	\$ 55,664,299	\$ 48,897,328
Federal grants and contracts	26,452,104	40,933,562
State grants and contracts	4,174,740	1,186,817
Other grants and contracts	1,122,075	881,372
Contributions	6,095,103	3,809,258
Gain (loss) on disposal of capital assets	76,086	(4,158)
Investment income (loss)	(3,022,278)	509,660
Interest expense	(3,020,553)	(3,248,282)
Other nonoperating expenses	(626,131)	(830,916)
Net Nonoperating Revenues	86,915,445	92,134,641
 Gain Before Other Revenues And Expenses, Gains Or Losses	 8,690,650	 8,603,847
Capital Grants And Gifts	581,753	115,204
Increase In Net Position	9,272,403	8,719,051
Net Position - Beginning Of Year	127,133,051	118,414,000
Net Position - End Of Year	\$ 136,405,454	\$ 127,133,051

UNIVERSITY OF CENTRAL MISSOURI FOUNDATION

STATEMENTS OF ACTIVITIES For The Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Losses And Other Support			
Gifts	\$ 381,644	\$ 11,096,705	\$ 11,478,349
In-kind gifts	817,264	483,481	1,300,745
Other income	3,803	152,356	156,159
Investment income	330,104	1,130,524	1,460,628
Net realized and unrealized loss on investments and beneficial interests in trusts	(599,925)	(9,827,517)	(10,427,442)
Change in donor restrictions	(28,400)	28,400	—
Net assets released from restrictions	5,780,906	(5,780,906)	—
Total revenues, losses and other support	6,685,396	(2,716,957)	3,968,439
Expenses and Gains			
Foundation expenses			
General administrative expenses	1,216,705	—	1,216,705
Fundraising expenses	1,283,239	—	1,283,239
Total Foundation expenses	2,499,944	—	2,499,944
Expenses for University advancement			
Program expenses			
Scholarships	1,506,131	—	1,506,131
Academic support - TV	319,646	—	319,646
Student services - athletics	998,235	—	998,235
Instruction and other departmental	647,674	—	647,674
Support services			
Institutional support - plant facilities	1,991,949	—	1,991,949
Total expenses for University advancement	5,463,635	—	5,463,635
Actuarial gain on annuity obligations	—	(297,403)	(297,403)
Total Expenses And Gains	7,963,579	(297,403)	7,666,176
Change In Net Assets	(1,278,183)	(2,419,554)	(3,697,737)
Net Assets, Beginning Of Year	9,544,835	70,716,631	80,261,466
Net Assets, End Of Year	\$ 8,266,652	\$ 68,297,077	\$ 76,563,729

UNIVERSITY OF CENTRAL MISSOURI FOUNDATION

STATEMENTS OF ACTIVITIES For The Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains And Other Support			
Gifts	\$ 350,662	\$ 4,936,521	\$ 5,287,183
In-kind gifts	825,667	346,087	1,171,754
Other income	406	97,044	97,450
Investment income	356,401	969,711	1,326,112
Net realized and unrealized gain on investments and beneficial interests in trusts	2,130,534	10,450,037	12,580,571
Change in donor restrictions	(38,459)	38,459	—
Net assets released from restrictions	3,453,858	(3,453,858)	—
Total revenues, gains and other support	7,079,069	13,384,001	20,463,070
Expenses and Gains			
Foundation expenses			
General administrative expenses	1,200,208	—	1,200,208
Fundraising expenses	1,245,287	—	1,245,287
Total Foundation expenses	2,445,495	—	2,445,495
Expenses for University advancement			
Program expenses			
Scholarships	1,323,292	—	1,323,292
Academic support - TV	241,167	—	241,167
Student services - athletics	715,382	—	715,382
Instruction and other departmental	381,378	—	381,378
Support services			
Institutional support - plant facilities	467,908	—	467,908
Total expenses for University advancement	3,129,127	—	3,129,127
Actuarial gain on annuity obligations	—	(95,917)	(95,917)
Total Expenses And Gains	5,574,622	(95,917)	5,478,705
Change In Net Assets	1,504,447	13,479,918	14,984,365
Net Assets, Beginning Of Year	8,040,388	57,236,713	65,277,101
Net Assets, End Of Year	\$ 9,544,835	\$ 70,716,631	\$ 80,261,466

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,	
	2022	2021
		(as restated)
Cash Flows From Operating Activities		
Tuition and fees	\$ 72,257,394	\$ 66,709,861
Grants and contracts	2,358,777	2,430,900
Sales and services of educational activities	1,994,554	1,481,892
Payments to suppliers	(30,341,423)	(21,458,206)
Payments for utilities	(5,662,487)	(6,085,970)
Payments to employees	(106,327,113)	(100,004,648)
Payments for scholarships and fellowships	(16,904,501)	(10,521,986)
Collection of loans to students	1,373,323	1,424,891
Sales and services of auxiliary enterprises	26,592,869	25,379,887
Other payments	(10,302,008)	(8,664,230)
Net Cash Used In Operating Activities	(64,960,615)	(49,307,609)
Cash Flows From Noncapital Financing Activities		
State appropriations	55,664,299	48,897,328
Gifts and grants for other than capital purposes	50,051,221	31,552,781
Other payments	(637,613)	(676,095)
Net Cash Provided By Noncapital Financing Activities	105,077,907	79,774,014
Cash Flows From Capital And Related Financing Activities		
Capital appropriations - state	(131,995)	—
Proceeds from sale of capital assets	101,300	500
Purchase of capital assets	(12,071,472)	(18,140,192)
Principal paid on capital debt and leases	(8,845,256)	(8,615,776)
Interest paid on capital debt and leases	(2,988,303)	(3,214,689)
Net Cash Used In Capital And Related Financing Activities	(23,935,726)	(29,970,157)

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,	
	2022	2021 (as restated)
Cash Flows From Investing Activities		
Investment income (loss)	\$ 526,308	\$ 755,298
Proceeds from sales and maturities of investments	58,578,760	14,722,781
Purchases of investments	(56,770,139)	(13,482,614)
Net Cash Provided By Investing Activities	2,334,929	1,995,465
Net Increase In Cash And Cash Equivalents	18,516,495	2,491,713
Cash And Cash Equivalents - Beginning Of Year	12,506,238	10,014,525
Cash And Cash Equivalents - End Of Year	\$ 31,022,733	\$ 12,506,238
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	\$ (78,224,795)	\$ (83,530,794)
Depreciation and amortization	18,946,842	18,365,912
Changes in deferred amounts related to pension	25,301,363	(2,876,746)
Changes in deferred amounts on OPEB liability	663,184	534,875
Changes in assets and liabilities:		
Accounts receivable and student loans	(130,302)	89,291
Inventory	(59,278)	(115,033)
Prepaid expenses	(145,293)	15,567
Accounts payable and accrued liabilities	(1,433,632)	2,034,071
Unearned revenue	316,991	6,389,179
Accrued salaries and benefits	(214,131)	(315,164)
Pension liability	(27,753,518)	10,565,147
OPEB and other long-term liability	(2,174,975)	(487,797)
Student deposits	(53,071)	23,883
Net Cash Used In Operating Activities	\$ (64,960,615)	\$ (49,307,609)
Supplemental Cash Flows Information		
New leases for right-to-use assets	\$ 39,941	\$ 10,389
Unrealized gains/(losses)	\$ (3,513,275)	\$ 428,529
Accounts payable incurred for capital asset purchases	\$ 989,341	\$ 1,597,838

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 And 2021

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 are reported using the economic resources measurement focus and 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*)

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.

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.

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 receivables 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 refunding incurred as a result of revenue bond refunding that have been deferred and are being amortized over the life of the bonds using the straight-line method. Total amortization was \$80,328 and \$80,327 for the years ended June 30, 2022 and 2021, respectively. The University also reports deferred outflows of resources related to pensions and other postemployment benefits.

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

Notes To Financial Statements (*Continued*)

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 \$40,000 and \$60,000 for the years ended June 30, 2022 and 2021.

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

Leasing Arrangements

The University implemented GASB Statement No. 87, *Leases*, effective July 1, 2020. The implementation of this Statement had no impact on the University's net position upon implementation. At July 1, 2020, the University's right to use assets and lease liabilities were \$38,033,121.

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

Notes To Financial Statements (*Continued*)

For arrangements where the University is a lessee, a lease liability and a right to use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the University's right to use the underlying assets for the lease term and lease liabilities represent the University's obligation to make lease payments arising from the lease. RTU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

Since the University had not issued debt since 2018, they used the average interest rate from a recent bond issuance of a similar entity with a similar risk profile to calculate the present value of lease payments when the rate implicit in the lease was not known. The University includes lease extension and termination options in the lease term, if after considering relevant economic factors, it is reasonably certain that the University will exercise the option. The University has not recognized RTU assets and lease liabilities that are lease terms for 12 months or less.

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 the applicable eligibility requirements.

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

Notes To Financial Statements (*Continued*)

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.

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.

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

Notes To Financial Statements (*Continued*)

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.

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, 2022 and 2021 were \$17,499,193 and \$17,524,282, respectively. The scholarship allowances on housing for the years ended June 30, 2022, and 2021 were \$3,846,136 and \$3,902,307, 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, 2022 and 2021 of \$375,494 and \$364,012, 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).

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

Foundation

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

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

During the years ended June 30, 2022 and 2021, the Foundation provided \$5,463,635 and \$3,129,127, 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.

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

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.

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, 2022 and 2021, the University's bank balances were \$30,770,014 and \$13,000,413, respectively. None of these deposits were exposed to custodial credit risk at June 30, 2022 or 2021.

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.

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

At June 30, 2022 and 2021, the University had the following investments and maturities:

Type	2022		
	Fair Value	Less Than 1 Year	1 - 5 Years
U.S. Treasury obligations	\$ 67,634,008	\$ —	\$ 67,634,008
U.S. agencies obligations	33,297,632	12,306,347	20,991,285
	<u>\$ 100,931,640</u>	<u>\$ 12,306,347</u>	<u>\$ 88,625,293</u>

Type	2021		
	Fair Value	Less Than 1 Year	1 - 5 Years
U.S. Treasury obligations	\$ 40,188,849	\$ —	\$ 40,188,849
U.S. agencies obligations	61,066,202	8,195,389	52,870,813
Commercial paper	4,998,485	4,998,485	—
	<u>\$ 106,253,536</u>	<u>\$ 13,193,874</u>	<u>\$ 93,059,662</u>

At June 30, 2022 and 2021, 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, 2022 and 2021. However, these notes carry a rate of interest, and therefore, the University is subject to interest rate risk on these notes at June 30, 2022 and 2021.

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 limits maturities to 5 years or less and 180 days or less for U.S. agencies obligations and commercial paper, respectively.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2022 and 2021, 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+" as rated by Standard & Poor's and "A1" as rated by Moody's Investors Services.

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

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, 2022 and 2021, are held in the University's name.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The University's investment policy permits it to hold up to 25% 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 9% of its investments in Federal Home Loan Mortgage Corporation, 6% in Federal National Mortgage Association, and 7% 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>2022</u>	<u>2021</u>
Carrying value		
Deposits	\$ 31,022,733	\$ 12,506,238
Investments	100,931,640	106,253,536
	\$ 131,954,373	\$ 118,759,774
Included in the following statement of net position captions		
Cash and cash equivalents	\$ 21,248,544	\$ 1,404,167
Restricted cash and cash equivalents - current	9,774,189	11,102,071
Short-term investments	12,306,347	13,193,874
Noncurrent investments	88,625,293	93,059,662
	\$ 131,954,373	\$ 118,759,774

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Notes To Financial Statements (*Continued*)

Investment Income (Loss)

Investment income (loss) for the years ended June 30, 2022 and 2021 consisted of:

	<u>2022</u>	<u>2021</u>
Investment income (loss)	<u>\$ (3,022,278)</u>	<u>\$ 509,660</u>

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.

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 University's investments at fair value as of June 30, 2022 and 2021, respectively:

Investments	2022			Total
	Level 1	Level 2	Level 3	
Debt securities				
U.S. Treasury obligations	\$ 67,634,008	\$ —	\$ —	\$ 67,634,008
U.S. agencies obligations	33,297,632	—	—	33,297,632
Total investments at fair value	\$ 100,931,640	\$ —	\$ —	\$ 100,931,640

Investments	2021			Total
	Level 1	Level 2	Level 3	
Debt securities				
U.S. Treasury obligations	\$ 40,188,849	\$ —	\$ —	\$ 40,188,849
U.S. agencies obligations	61,066,202	—	—	61,066,202
Commercial paper	—	4,998,485	—	4,998,485
Total investments at fair value	\$ 101,255,051	\$ 4,998,485	\$ —	\$ 106,253,536

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

3. Capital Assets

Capital assets activity for the years ended June 30, 2022 and 2021 were:

	2022				
	Beginning Balance (as restated)	Additions	Disposals	Transfers	Ending Balance
Land	\$ 15,062,634	\$ —	\$ —	\$ —	\$ 15,062,634
Collections	2,912,973	194,350	—	—	3,107,323
Infrastructure	43,940,383	—	—	1,382,544	45,322,927
Buildings and improvements	365,233,576	—	—	7,992,976	373,226,552
Furniture, fixtures and equipment	39,733,934	1,497,854	153,609	—	41,078,179
Library materials	10,993,356	935,717	1,199,000	—	10,730,073
Construction in progress	5,189,735	9,416,807	—	(9,375,520)	5,231,022
	483,066,591	12,044,728	1,352,609	—	493,758,710
Less accumulated depreciation					
Infrastructure	26,295,544	2,022,526	—	—	28,318,070
Buildings and improvements	213,012,768	10,720,739	—	—	223,733,507
Furniture, fixtures and equipment	31,722,864	1,880,599	128,395	—	33,475,068
Library materials	6,287,961	1,073,005	1,199,000	—	6,161,966
	277,319,137	15,696,869	1,327,395	—	291,688,611
Right-to-use assets					
Buildings and improvements	37,781,028	—	—	—	37,781,028
Equipment	262,482	39,941	—	—	302,423
	38,043,510	39,941	—	—	38,083,451
Less accumulated amortization					
Buildings and improvements	3,172,419	3,172,419	—	—	6,344,838
Equipment	68,588	77,554	—	—	146,142
	3,241,007	3,249,973	—	—	6,490,980
Net capital assets	\$ 240,549,957	\$ (6,862,173)	\$ 25,214	\$ —	\$ 233,662,570

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

Notes To Financial Statements (*Continued*)

	2021 (as restated)				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	\$ 15,062,634	\$ —	\$ —	\$ —	\$ 15,062,634
Collections	2,912,823	150	—	—	2,912,973
Infrastructure	43,276,777	—	—	663,606	43,940,383
Buildings and improvements	356,391,844	—	—	8,841,732	365,233,576
Furniture, fixtures and equipment	35,561,887	4,363,473	191,426	—	39,733,934
Library materials	11,218,807	1,135,857	1,361,308	—	10,993,356
Construction in progress	3,536,995	11,158,078	—	(9,505,338)	5,189,735
	<u>467,961,767</u>	<u>16,657,558</u>	<u>1,552,734</u>	<u>—</u>	<u>483,066,591</u>
Less accumulated depreciation					
Infrastructure	24,260,171	2,035,373	—	—	26,295,544
Buildings and improvements	202,705,720	10,307,048	—	—	213,012,768
Furniture, fixtures and equipment	30,226,483	1,683,149	186,768	—	31,722,864
Library materials	6,549,934	1,099,335	1,361,308	—	6,287,961
	<u>263,742,308</u>	<u>15,124,905</u>	<u>1,548,076</u>	<u>—</u>	<u>277,319,137</u>
Right-to-use assets					
Buildings and improvements	37,781,028	—	—	—	37,781,028
Equipment	252,093	10,389	—	—	262,482
	<u>38,033,121</u>	<u>10,389</u>	<u>—</u>	<u>—</u>	<u>38,043,510</u>
Less accumulated amortization					
Buildings and improvements	—	3,172,419	—	—	3,172,419
Equipment	—	68,588	—	—	68,588
	<u>—</u>	<u>3,241,007</u>	<u>—</u>	<u>—</u>	<u>3,241,007</u>
Net capital assets	<u>\$ 242,252,580</u>	<u>\$ (1,697,965)</u>	<u>\$ 4,658</u>	<u>\$ —</u>	<u>\$ 240,549,957</u>

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

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, 2022 and 2021:

	2022				
	Beginning Balance (as restated)	Additions	Deductions	Ending Balance	Current Portion
Revenue Bonds					
Student Union Series 2018A	\$ 6,615,000	\$ —	\$ 245,000	\$ 6,370,000	\$ 255,000
Stadium, Series 2018B	3,670,000	—	—	3,670,000	—
Advance Refunding of Student Bond Issue, Series 2013A - Direct Placement Stadium Facility, Series	5,295,000	—	1,725,000	3,570,000	1,765,000
2013B-1 - Direct Placement	775,000	—	250,000	525,000	260,000
Student Housing System, Mixed Use Faculty Series 2013C-1 - Direct Placement	6,635,000	—	2,155,000	4,480,000	2,210,000
Student Housing System, Mixed Use Faculty, Series 2013C-2	32,650,000	—	—	32,650,000	—
Total Revenue Bonds	55,640,000	—	4,375,000	51,265,000	4,490,000
Notes Payable - Foundation	1,928,363	—	235,522	1,692,841	245,846
Notes Payable - Airplanes	157,638	—	130,568	27,070	26,605
	57,726,001	—	4,741,090	52,984,911	4,762,451
Unamortized Premium On Bonds Payable	1,082,504	—	73,690	1,008,814	—
Total Long-Term Debt	58,808,505	—	4,814,780	53,993,725	4,762,451
Other Noncurrent Liabilities					
Accrued compensated absences	3,732,854	217,698	431,829	3,518,723	2,234,358
Lease liability	34,572,628	39,941	4,030,476	30,582,093	4,149,819
Accrued settlement	364,012	11,482	—	375,494	50,000
Other long-term liability	3,900,000	—	—	2,600,000	—
OPEB liability	3,525,939	—	—	2,650,964	—
Total Other Noncurrent Liabilities	46,095,433	269,121	4,462,305	39,727,274	6,434,177
Total Long-Term Debt And Other Obligations	\$ 104,903,938	\$ 269,121	\$ 9,277,085	\$ 93,720,999	\$ 11,196,628

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

Notes To Financial Statements (*Continued*)

	2021 (as restated)				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Revenue Bonds					
Student Union Series 2018A	\$ 6,850,000	\$ —	\$ 235,000	\$ 6,615,000	\$ 245,000
Stadium, Series 2018B	3,670,000	—	—	3,670,000	—
Advance Refunding of Student Bond Issue, Series 2013A - Direct Placement	6,980,000	—	1,685,000	5,295,000	1,725,000
Stadium Facility, Series 2013B-1 - Direct Placement	1,020,000	—	245,000	775,000	250,000
Student Housing System, Mixed Use Faculty Series 2013C-1 - Direct Placement	8,740,000	—	2,105,000	6,635,000	2,155,000
Student Housing System, Mixed Use Faculty, Series 2013C-2	32,650,000	—	—	32,650,000	—
Total Revenue Bonds	59,910,000	—	4,270,000	55,640,000	4,375,000
Notes Payable - Foundation	2,153,999	—	225,636	1,928,363	235,522
Notes Payable - Airplanes	286,013	—	128,375	157,638	131,006
	62,350,012	—	4,624,011	57,726,001	4,741,528
Unamortized Premium On Bonds Payable					
	1,156,158	—	73,654	1,082,504	—
Total Long-Term Debt	63,506,170	—	4,697,665	58,808,505	4,741,528
Other Noncurrent Liabilities					
Accrued compensated absences	4,048,018	321,020	636,184	3,732,854	2,016,660
Lease liability	38,033,121	10,389	3,470,882	34,572,628	4,023,914
Accrued settlement	373,230	—	9,218	364,012	50,000
Other long-term liability	3,750,000	150,000	—	3,900,000	—
OPEB liability	4,163,736	—	637,797	3,525,939	—
Total Other Noncurrent Liabilities	50,368,105	481,409	4,754,081	46,095,433	6,090,574
Total Long-Term Debt And Other Obligations	\$ 113,874,275	\$ 481,409	\$ 9,451,746	\$ 104,903,938	\$ 10,832,102

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.

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

Notes To Financial Statements (*Continued*)

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.

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.

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Notes To Financial Statements (*Continued*)

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.

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

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. In fiscal year 2022 two note agreements were paid in full leaving one remaining.

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, 2022 are as follows:

	Total To Be Paid	Principal	Interest
2023	\$ 2,175,250	\$ 255,000	\$ 1,920,250
2024	2,174,850	265,000	1,909,850
2025	4,737,775	2,890,000	1,847,775
2026	4,736,900	3,020,000	1,716,900
2027	4,739,900	3,175,000	1,564,900
2028-2032	23,687,938	18,110,000	5,577,938
2033-2037	15,264,125	13,965,000	1,299,125
2038-2040	1,050,800	1,010,000	40,800
Total	\$ 58,567,538	\$ 42,690,000	\$ 15,877,538

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

The direct placement debt service requirements as of June 30, 2022 are as follows:

	Total To Be Paid	Principal	Interest
2023	\$ 4,736,844	\$ 4,507,451	\$ 229,393
2024	4,608,943	4,497,039	111,904
2025	214,919	163,321	51,598
2026	214,919	169,854	45,065
2027	214,919	176,648	38,271
2028-2031	860,141	780,598	79,543
Total	\$ 10,850,685	\$ 10,294,911	\$ 555,774

Lease Liabilities

The University has entered into three lease arrangements for buildings and improvements and four for equipment. The lease contracts expire at various dates through 2078, assuming that all renewal options are exercised by the University. The right to use assets are intangible assets and are recorded in capital assets as buildings and improvements and equipment (Note 3). The beginning balances in Note 3 were restated for the right to use asset amounts for buildings and improvements and equipment in amounts of \$37,781,028 and \$252,093, respectively. During 2022 and 2021, the University paid \$4,397,451 and \$4,306,310, respectively, in lease payments.

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

The annual requirements to repay lease liabilities as of June 30, 2022 are as follows:

	Total To			
	Be Paid	Principal	Interest	
2023	\$ 4,822,987	\$ 4,149,819	\$ 673,168	
2024	4,801,464	4,247,419	554,045	
2025	4,745,144	4,313,028	432,116	
2026	3,181,182	2,869,531	311,651	
2027	1,607,588	1,349,938	257,650	
2028-2032	8,037,940	7,115,419	922,521	
2033-2037	6,442,452	6,163,095	279,357	
2038-2042	62,900	30,978	31,922	
2043-2047	63,500	34,451	29,049	
2048-2052	63,500	37,599	25,901	
2053-2057	63,400	40,936	22,464	
2058-2062	65,520	46,845	18,675	
2063-2067	66,150	51,801	14,349	
2068-2072	66,150	56,534	9,616	
2073-2077	66,150	61,699	4,451	
2078	13,230	13,001	229	
Total	\$ 34,169,257	\$ 30,582,093	\$ 3,587,164	

5. Related Party Transactions

At June 30, 2022 and 2021, the University had receivables from the Foundation in the amount of \$920,756 and \$909,274, 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 \$898,667 and \$806,193 for the years ended June 30, 2022 and 2021, respectively. In addition, University employees provided services to the Foundation valued at \$817,214 and \$824,971 for the years ended June 30, 2022 and 2021, 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, 2022 or 2021.

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

Included in amounts due from Foundation at June 30, 2022 and 2021 were receivables from the Foundation for reimbursements due of \$113,679 and \$59,926, respectively, for wages and benefits. The University also has receivables from the Foundation at June 30, 2022 and 2021 of \$278,427 and \$565,148, respectively, for miscellaneous services performed on behalf of the Foundation.

6. Pension Plans

Missouri State Employees' Retirement System (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 Financial Report (ACFR), 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' ACFR starting on page 31.

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, 2022 was 23.51 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, 2021 was 22.88 percent, which is the year of measurement for the net pension liability. Contributions to the pension plan were \$11,075,005 and \$10,507,538 for the years ended June 30, 2022 and 2021, respectively.

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

At June 30, 2022 and 2021, the University reported a liability of \$128,578,260 and \$156,331,778, respectively, for its proportionate share of the net pension liability. The net pension liability for 2022 and 2021 was measured as of June 30, 2021 and 2020, 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 ACFR as of June 30, 2021, 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, 2021. The University's proportion for the plan year ended June 30, 2021 was 2.29985 percent, a decrease from its proportion of 2.46286 percent as of the June 30, 2020 measurement date.

During the MOSERS plan year ended June 30, 2021, 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, 2020, that affected the measurement of total pension liability.

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

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 2,050,219	\$ 568,871
Changes of assumptions	8,992,794	—
Net difference between projected and actual earnings on pension plan investments	—	23,181,288
Changes in proportion and differences between University contributions and proportionate share of contributions	947,647	7,302,428
University contributions subsequent to the measurement date of 6/30/2021	11,075,005	—
	<u>\$ 23,065,665</u>	<u>\$ 31,052,587</u>

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Notes To Financial Statements (*Continued*)

For the year ended June 30, 2021, the University recognized pension expense of \$18,277,288. At June 30, 2021, 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	\$ 70,798	\$ 1,623,772
Changes of assumptions	4,132,001	—
Net difference between projected and actual earnings on pension plan investments	8,299,744	—
Changes in proportion and differences between University contributions and proportionate share of contributions	1,821,859	5,893,727
University contributions subsequent to the measurement date of 6/30/2020	10,507,538	—
	\$ 24,831,940	\$ 7,517,499

The amount of \$11,075,005 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date of June 30, 2021 will be recognized as a reduction of the net pension liability in the University's year ended June 30, 2023. 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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (2,740,598)
2023	(3,221,680)
2024	(6,210,801)
2025	(6,888,848)
	\$ (19,061,927)

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

The total pension liability in the June 30, 2021 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	
Actuarial cost method	Entry age normal
Valuation date	June 30, 2021
Price inflation	2.25 percent
Salary increases	2.75 to 10.00 percent, including inflation thereafter
Wage Inflation	2.25 percent
Investment rate of return	6.95 percent per year, compounded annually, net after investment expenses and including inflation

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. In addition, the investment return, wage growth, and price inflation assumptions had no change and stayed at 6.95%, 2.25% and 2.25% respectively.

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.

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, volatility, and correlations.

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Notes To Financial Statements (*Continued*)

Best estimates of the real rates of return expected are summarized by asset class in the following table:

Long-Term Expected Rate of Return - New Portfolio

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

* Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.

** Cash and cash equivalents policy allocation amounts are negative due to use of leverage.

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

	1% Decrease	Current	1% Increase
	(5.95%)	Discount Rate	(7.95%)
	(6.95%)		
	(7.95%)		
University's proportionate share of the net pension liability	\$ 169,472,422	\$ 128,578,260	\$ 94,436,775

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

As of June 30, 2022, and 2021, the University had payables of \$669,715 and \$580,608, 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. Employees first hired on or after July 1, 2018, will have a 2 percent mandatory employee contribution. In 2021 and 2020, the University contributed 6.0 percent of the participant's salary to CURP each month. The University's contributions to the plan for the years ended June 30, 2022, 2021 and 2020, were \$1,336,780, \$1,326,446 and \$1,333,900, 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
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Notes To Financial Statements (*Continued*)

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, 2022, the following employees were covered by the benefit terms:

Inactive employees and/or spouses	39
Active employees	<u>1,013</u>
	<u><u>1,052</u></u>

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.

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Notes To Financial Statements (*Continued*)

Total OPEB Liability and Changes in OPEB Liability: For the year ended June 30, 2021, the University's total OPEB liability was based on an actuarial valuation dated January 1, 2020. For the year ended June 30, 2022, the University's total OPEB liability was based on an actuarial valuation dated January 1, 2022. The changes in the OPEB liability were rolled forward to the measurement date of June 30 are as follows:

	<u>2022</u>	<u>2021</u>
Net OPEB liability - beginning of year	\$ 3,525,939	\$ 4,163,736
Service costs	18,233	18,444
Interest	68,683	105,604
Differences between expected and actual experience	(359,492)	(676,747)
Changes in assumptions and inputs	(382,399)	155,902
Employer contributions (benefit payments)	(220,000)	(241,000)
Net OPEB liability - end of year	\$ 2,650,964	\$ 3,525,939

Changes for the June 30, 2022 measurement date relative to the June 30, 2021 measurement date include the following:

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

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

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

Actuarial Assumptions and Other Inputs: The total OPEB liability in the January 1, 2022 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	January 1, 2022
Measurement date	June 30, 2022
Salary Scale	3.0%
UAAL amortization method	Level dollar amount
UAAL amortization period, closed/open	5 years, open
Discount rate	3.9% (Measurement Date)
	2.0% (Year Preceding Measurement Date)
Mortality	Pub-2010 Public Retirement Plans headcount-weighted mortality with MP-2021 full generational improvement
Healthcare cost trend rates	6.5% decreasing to ultimate rate of 5.00%

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 3.9% (measurement date) and 2.0% (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 was required for fiscal year 2021-22. The OPEB expense and OPEB liability were re-measured using the published bond rates as of the measurement date of June 30, 2022.

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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 (2.9 percent) or 1-percentage-point higher (4.9 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 2,906,793	\$ 2,650,964	\$ 2,435,102

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 or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 2,431,507	\$ 2,650,964	\$ 2,910,361

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2022, the University recognized OPEB expense of \$8,209. At June 30, 2022, 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	\$ 57,204	\$ 885,968
Changes in assumptions	518,848	334,599
	<u>\$ 576,052</u>	<u>\$ 1,220,567</u>

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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>
2023	\$ (78,707)
2024	(78,707)
2025	(78,707)
2026	(81,560)
2027	(76,255)
Thereafter	(250,579)
	<u>\$ (644,515)</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, 2022 and 2021, 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 \$13,920,606 related to construction contracts at June 30, 2022.

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.

COVID-19

The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of businesses and individuals throughout the United States. Further, financial markets have recently experienced significant volatility attributed to COVID-19 concerns. The continued spread of COVID-19 may adversely impact the local, regional, and national economics. The extent to which COVID-19 impacts the University's financial results will depend on future developments, which are highly uncertain and cannot be predicted. The impact is highly dependent upon the breadth and duration of any forthcoming outbreaks, and the agility of the University's response to the changing needs of our students and staff. Accordingly, management cannot presently estimate the overall operational and financial impact to the University, but such an impact could have material adverse effect on the financial condition of the University.

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

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 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.

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 for the year ended June 30, 2022, is \$581,008, which is included in accounts payable and accrued liabilities within the Statement of Net Position at June 30, 2022.

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.

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

Notes To Financial Statements (*Continued*)

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 net assets with donor restrictions and net assets without donor restrictions. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. The FASB ASC establishes standards for external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities and a statement of cash flows.

Investments

The Foundation's investment portfolio at June 30, 2022 and 2021 is composed of the following:

	Fair Value	
	2022	2021
Money market mutual funds	\$ 2,564,951	\$ 441,557
Domestic equity	28,035,365	36,039,302
International equity	7,257,170	7,951,127
Fixed income	24,387,929	25,760,981
Alternative	6,741,884	5,875,034
	<u>\$ 68,987,299</u>	<u>\$ 76,068,001</u>

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.

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

Notes To Financial Statements (*Continued*)

Level 2 - Inputs to the valuation methodology include:

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

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

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

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, 2022 or 2021.

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
A COMPONENT UNIT OF THE STATE OF MISSOURI

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, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Mutual funds				
Money market	\$ 2,564,951	\$ —	\$ —	\$ 2,564,951
Domestic equity	14,320,683	—	—	14,320,683
International equity	7,248,524	—	—	7,248,524
Common stock				
Domestic	11,041,467	—	—	11,041,467
International	8,646	—	—	8,646
Exchange traded funds				
Domestic	2,673,215	—	—	2,673,215
Fixed income investments				
Mortgage	—	1,387,409	—	1,387,409
Credit	11,439	13,012,918	—	13,024,357
U.S. Treasuries	5,721,874	—	—	5,721,874
Agencies	—	1,624,985	—	1,624,985
Asset-backed securities	—	146,253	—	146,253
Taxable municipal bonds	—	2,275,668	—	2,275,668
Diversified taxable mutual funds	207,383	—	—	207,383
Alternative investments				
Hedge funds	5,854,323	—	—	5,854,323
Closely held funds	887,561	—	—	887,561
Total Investments	50,540,066	18,447,233	—	68,987,299
Beneficial Interests In Trusts				
	—	—	805,612	805,612
	\$ 50,540,066	\$ 18,447,233	\$ 805,612	\$ 69,792,911

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

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, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Mutual funds				
Money market	\$ 441,557	\$ —	\$ —	\$ 441,557
Domestic equity	20,199,714	—	—	20,199,714
International equity	7,951,127	—	—	7,951,127
Common stock				
Domestic	12,221,260	—	—	12,221,260
Exchange traded funds				
Domestic	3,618,328	—	—	3,618,328
Fixed income investments				
Mortgage	—	1,213,069	—	1,213,069
Credit	46,462	12,921,969	—	12,968,431
U.S. Treasuries	5,106,857	—	—	5,106,857
Agencies	—	1,212,580	—	1,212,580
Asset-backed securities	—	334,841	—	334,841
Taxable municipal bonds	—	2,648,237	—	2,648,237
Diversified taxable mutual funds	595,147	—	—	595,147
Domestic preferred stock	1,344,938	—	—	1,344,938
Taxable high-yield funds	168,510	—	—	168,510
Emerging markets	168,371	—	—	168,371
Alternative investments				
Hedge funds	5,781,479	—	—	5,781,479
Closely held funds	93,555	—	—	93,555
Total Investments	57,737,305	18,330,696	—	76,068,001
Beneficial Interests In Trusts				
	—	—	1,168,836	1,168,836
	\$ 57,737,305	\$ 18,330,696	\$ 1,168,836	\$ 77,236,837

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, 2022 and 2021 is as follows:

	June 30,	
	2022	2021
Due within one year	\$ 1,227,500	\$ 1,046,500
Due in one to five years	3,770,627	628,595
	4,998,127	1,675,095
Less:		
Allowance for uncollectible promises	40,419	58,174
Unamortized discount	122,845	49,105
	\$ 4,834,863	\$ 1,567,816

Net Assets

Endowment net assets at June 30, 2022 and 2021 by type of fund consisted of the following:

	2022		Total
	Without Donor Restrictions	With Donor Restrictions	
Undesignated	\$ 471,778	\$ —	\$ 471,778
Board-designated operating reserve fund	2,997,233	—	2,997,233
Board-designated endowment fund	4,598,743	—	4,598,743
University President directed fund	198,898	—	198,898
Subject to expenditure for specified purpose			
Scholarships	—	7,964,810	7,964,810
Instruction and other departmental	—	14,302,081	14,302,081
Student services - athletics	—	785,074	785,074
Academic support - TV	—	515,747	515,747
Institutional support - facilities	—	6,862,149	6,862,149
Net accumulated earnings in excess of approved payout	—	5,809,200	5,809,200
Perpetually restricted with earnings subject to Foundation endowment spending policy			
Scholarships	—	28,088,380	28,088,380
Instruction and other departmental	—	3,802,813	3,802,813
Student services - athletics	—	126,578	126,578
Institutional support - facilities	—	40,245	40,245
	\$ 8,266,652	\$ 68,297,077	\$ 76,563,729

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

Notes To Financial Statements (*Continued*)

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Undesignated	\$ 1,529,777	\$ —	\$ 1,529,777
Board-designated operating reserve fund	2,620,233	—	2,620,233
Board-designated endowment fund	5,273,717	—	5,273,717
University President directed fund	121,108	—	121,108
Subject to expenditure for specified purpose			
Scholarships	—	8,010,465	8,010,465
Instruction and other departmental	—	10,680,125	10,680,125
Student services - athletics	—	748,840	748,840
Academic support - TV	—	432,868	432,868
Institutional support - facilities	—	4,914,621	4,914,621
Net accumulated earnings in excess of approved payout	—	16,209,041	16,209,041
Perpetually restricted with earnings subject to Foundation endowment spending policy			
Scholarships	—	25,702,458	25,702,458
Instruction and other departmental	—	3,853,890	3,853,890
Student services - athletics	—	124,078	124,078
Institutional support - facilities	—	40,245	40,245
	\$ 9,544,835	\$ 70,716,631	\$ 80,261,466

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 3

For The Years Ended June 30, 2022, 2021, 2020, 2019 And 2018

Total OPEB Liability	June 30, 2022
Service cost	\$ 18,233
Interest	68,683
Changes in benefit terms	—
Differences between expected and actual experience	(359,492)
Changes in assumptions or other inputs	(382,399)
Benefit payments	<u>(220,000)</u>
Net change in total OPEB liability	(874,975)
Total OPEB liability - beginning	<u>3,525,939</u>
 Total OPEB liability - ending	 <u><u>\$ 2,650,964</u></u>
 Covered payroll	 \$ 59,952,507
Total OPEB liability as a percentage of covered payroll	4.4%
 Total OPEB Liability	 June 30, 2021
Service cost	\$ 18,444
Interest	105,604
Changes in benefit terms	—
Differences between expected and actual experience	(676,747)
Changes in assumptions or other inputs	155,902
Benefit payments	<u>(241,000)</u>
Net change in total OPEB liability	(637,797)
Total OPEB liability - beginning	<u>4,163,736</u>
 Total OPEB liability - ending	 <u><u>\$ 3,525,939</u></u>
 Covered payroll	 \$ 55,328,223
Total OPEB liability as a percentage of covered payroll	6.4%

**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 3

For The Years Ended June 30, 2022, 2021, 2020, 2019 And 2018

Total OPEB Liability	June 30, 2020
Service cost	\$ 10,703
Interest	105,976
Changes in benefit terms	—
Differences between expected and actual experience	91,527
Changes in assumptions or other inputs	561,204
Benefit payments	<u>(255,000)</u>
Net change in total OPEB liability	514,410
Total OPEB liability - beginning	<u>3,649,326</u>
 Total OPEB liability - ending	 <u><u>\$ 4,163,736</u></u>
 Covered payroll	 \$ 55,328,223
Total OPEB liability as a percentage of covered payroll	7.5%
 Total OPEB Liability	 June 30, 2019
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><u>\$ 3,649,326</u></u>
 Covered payroll	 \$ 55,605,898
Total OPEB liability as a percentage of covered payroll	6.6%

**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 3 Of 3

For The Years Ended June 30, 2022, 2021, 2020, 2019 and 2018

Total OPEB Liability	June 30, 2018
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	(226,756)
Net change in total OPEB liability	(54,216)
Total OPEB liability - beginning	3,930,908
 Total OPEB liability - ending	 \$ 3,876,692
 Covered payroll	 \$ 55,605,898
Total OPEB liability as a percentage of covered payroll	7.0%

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

Changes Of Benefit Terms Or Assumptions

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

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

**SCHEDULES OF SELECTED PENSION INFORMATION
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM**

June 30, 2022

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

Schedule of University's Proportionate Share of Net Pension Liability

	Plan Fiscal Year End							
	2021	2020	2019	2018	2017	2016	2015	2014
University's proportion of the net pension liability	2.2999%	2.4629%	2.4129%	2.6674%	2.8959%	2.8591%	2.8410%	2.7413%
University's proportionate share of the net pension liability	\$ 128,578,260	\$ 156,331,778	\$ 145,766,631	\$ 148,795,182	\$ 150,787,953	\$ 132,717,900	\$ 91,236,621	\$ 64,634,510
University's covered payroll	46,356,483	48,837,309	46,755,339	51,924,427	56,998,231	55,002,021	50,573,280	52,233,469
University's proportionate share of net pension liability as a percentage of its covered payroll	277.37%	317.68%	309.76%	285.85%	264.55%	239.69%	165.88%	127.80%
Plan fiduciary net position as a percentage of the total pension liability	63.00%	55.48%	56.72%	59.02%	60.41%	63.60%	72.62%	79.49%

Schedule Of University's Contributions

	University Fiscal Year End							
	2022	2021	2020	2019	2018	2017	2016	2015
Required contribution	\$ 11,275,376	\$ 10,606,366	\$ 10,631,882	\$ 9,449,254	\$ 10,099,301	\$ 9,690,708	\$ 9,333,841	\$ 8,946,847
Contributions in relation to the required contribution	11,275,376	10,606,366	10,631,882	9,449,254	10,099,301	9,690,708	9,333,841	8,946,847
University's covered payroll	47,959,911	46,356,483	48,837,309	46,755,339	51,924,427	56,998,231	55,002,021	50,573,280
Contributions as a percentage of covered payroll	23.51%	22.88%	21.77%	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.

The investment return, wage growth, and price inflation assumptions had no change and stayed at 6.95%, 2.25% and 2.25% respectively.

Supplementary Information

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

**STADIUM BONDS - SERIES 1999, SERIES 2013B
AND SERIES 2018B - SELECTED INFORMATION
June 30, 2022**

Revenues

Foundation Suite Revenue (Chart C) \$ 105,500
(100010-150150-550020-5200)

Walton Stadium

Building rent income —
(100010-150100-550020-5200)

Men's Football

Advance ticket sales 79,937

General Fund Transfer For Walton Stadium

Bond Payment (Series 2013B) 267,341
Bond Payment (Series 2018B) 137,862

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, 2022

Operating Revenues	
Housing, net of bad debt expense	\$ 17,780,918
Bookstore, net of bad debt expense	3,213,541
University union fee	2,261,202
Tuition and fees	2,656
Other operating revenues	1,452,272
Total Operating Revenue	<u>24,710,589</u>
Operating Expenses	
Compensation and benefits	2,540,941
Contractual services	4,638,622
Supplies and services	2,674,155
Scholarships	2,200
Utilities	2,258,292
Debt service	4,335,011
Other	8,520,776
Total Operating Expenses	<u>24,969,997</u>
Operating Gain	<u>(259,408)</u>
Nonoperating Revenues (Expenses)	
Other nonoperating revenues	—
Other nonoperating expenses	(39,320)
Total Nonoperating Revenues	<u>(39,320)</u>
Income Before Other Revenues And Expenses, Gains Or Losses	<u>(298,728)</u>
Add Back Debt Service Payments (Net)	
Student housing	3,387,716
University Store	526,436
Student union	420,859
Total Debt Service Payments	<u>\$ 4,335,011</u>
Add Back Capital Improvement Transfers	1,125,656
Net Operating Revenue Before Debt Service Payments	5,161,939
Net Operating Revenue As A % Of Debt Service	119%

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, 2022**

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, 2022:

1. Lexington Insurance Company, Policy No. 066095351, (60%); Zurich, Policy No. ERP-0174168-02, (40%), providing \$100,000,000 all risk coverage on scheduled buildings and other property. There is a shared captive retention layer of \$1,000,000 per occurrence and \$7,850,693 aggregate through the Midwestern Higher Education Compact (MHEC).
2. Lexington Insurance Company, Policy No. 66095363 (60%) and Zurich Policy No. ERP 019811500 (40%): furnishes the secondary layer of shared coverage, which is \$400,000,000 excess of the \$100,000,000 layer.
3. Zurich, Policy No. XPP00174448-02, (20%); AIG, Policy No. 25030902 (60%), Westport Insurance Corp., Policy No. NAP 0453214-02 (20%): furnishes the third layer of shared coverage, which is \$500,000,000 excess of the \$500,000,000.

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

**INSURANCE COVERAGE
STUDENT HOUSING SYSTEM BONDS**

**Page 2 Of 3
June 30, 2022**

	Amount Of Coverage	
	Building	Contents
Residential complex (included in blanket figures)		
Diemer Hall	\$ 6,687,113	\$ 145,903
South Ellis Hall	11,110,973	186,059
East Ellis Hall	13,076,872	204,800
North Ellis Hall	14,153,900	250,310
Foster Knox Hall	9,134,826	330,624
Fraternity Hall	12,081,659	487,236
Hudson Hall	11,946,588	1,390,552
University Conference Center	13,359,780	400,229
Hosey Hall	7,913,154	362,749
Nattinger-Bradshaw Hall	20,725,262	720,145
Nickerson Hall	10,339,699	291,807
Panhellenic Hall	10,942,641	427,001
South Todd Hall	2,915,082	153,934
Todd Hall	8,901,142	436,372
South Yeater Hall	15,864,610	453,771
Yeater Hall	9,568,931	291,807
Knox Hall	7,680,142	252,987
Houts Hall	8,239,571	406,923
Fitzgerald Hall	16,630,005	518,023
Apartments (included in blanket figures)		
Greenwood 4-Plex #2	538,557	10,709
Greenwood 4-Plex #3	538,557	10,709
Greenwood 4-Plex #4	538,557	10,709
Greenwood 4-Plex #6	538,557	10,709
Greenwood 4-Plex #8	538,557	10,709
Greenwood 4-Plex #10	538,557	10,709
Greenwood 4-Plex #12	538,557	10,709

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

**INSURANCE COVERAGE
STUDENT HOUSING SYSTEM BONDS**

**Page 3 Of 3
June 30, 2022**

	Amount Of Coverage	
	Building	Contents
<i>Apartments (included in blanket figures - continued)</i>		
Greenwood 4-Plex #13	\$ 538,557	\$ 10,709
Greenwood 4-Plex #14	538,557	10,709
Greenwood 4-Plex #16	538,557	11,533
Greenwood Handicap Unit	294,435	5,354
Greenwood VIP Unit	273,405	82,992
Greenwood Community Center	648,163	10,709
Central Village 8-Plex #1	1,539,800	22,755
Central Village 8-Plex #2	1,066,731	22,755
Central Village 8-Plex #3	1,539,800	22,755
Central Village 8-Plex #4	1,066,332	22,755
Central Village 8-Plex #5	1,529,800	22,755
Central Village 8-Plex #6	1,066,731	22,755
Central Village Community Building	776,929	22,936
Central Village 8-Plex #8	1,066,731	22,755
Central Village 8-Plex #9	1,066,731	22,755
Central Village 8-Plex #10	1,066,731	22,755
Central Village 8-Plex #12	1,066,731	22,755
The Crossing	49,692,455	3,277,196
 Stadium		
Walton Stadium	10,798,386	2,213,681
Walton Stadium Field	1,364,882	—
 Other (included in blanket figures)		
University Union	39,944,592	4,237,321
Ellis Mechanical Building	277,061	1,158,256
Greenwood Morton Building	167,109	—
 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, 2022

	<u>Headcount</u>	<u>Full-time Equivalent</u>	<u>Semester Credit Hours</u>
Summer 2021			
Undergraduate	1,419	1,727	12,942
Graduate	400	2,128	12,758
Fall 2021			
Undergraduate	7,577	5,997	35,812
Graduate	2,953	1,690	18,817
Spring 2022			
Undergraduate	8,015	5,629	84,409
Graduate	3,663	2,328	27,928

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

<u>Residence Halls</u>		<u>Apartments</u>	
20 - 21	21 - 22	20 - 21	21 - 22
90%	81%	95%	95%

The following information sets forth the living choices of undergraduate students for the Fall 2021 semester:

Total on-campus	26.8%
Total off-campus	73.2%
Total	100.0%

Room and board charges for the fiscal years ended June 30, 2022 and 2021 are as follows:

	<u>Rate</u>	
	<u>2022</u>	<u>2021</u>
Residence halls (per semester)		
Single occupancy room	\$ 3,582	\$ 3,547
Double occupancy room	2,952	2,923
Apartments (per month)		
Central Village - one-bedroom	628	622
Central Village - two-bedroom	758	750
Central Village - three-bedroom	905	896
Foster/Knox	769	761
Greenwood Park	827	819
Nickerson	769	761
Todd - one-bedroom	769	761
Todd - two-bedroom	945	936
The Crossing 2 BR, per person	715	708
The Crossing 4 BR, per person	612	606
The Crossing 4 BR - 2 story, per person	612	606
Basic meal plan (per semester)	1,727	1,675

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

	<u>2022</u>	<u>2021</u>
University Union Fee		
Per credit hour (<9 credit hours)	\$ 8.25	\$ 8
Flat rate (9+ credit hours)	123.75	120