




University of Central Missouri A Component Unit of the State of Missouri

Independent Auditor's Reports and Financial Statements

June 30, 2024 and 2023



University of Central Missouri
A Component Unit of the State of Missouri
Contents
June 30, 2024 and 2023

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Independent Auditor's Report

Board of Governors
University of Central Missouri
Warrensburg, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of the University of Central Missouri (the "University"), collectively a component unit of the state of Missouri, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University of Central Missouri, as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the University of Central Missouri Foundation, the discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

The Stadium Bonds – Series 2018B – Selected Information; Condensed Statement of Revenues, Expenses, and Changes in Net Position- Student Housing System; Insurance Coverage – Student Housing System Bonds; and Enrollment and Occupancy Statistics – Student Housing System Bonds, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2024, on our consideration of University of Central Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of University of Central Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering University of Central Missouri's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Springfield, Missouri
October 22, 2024**

University of Central Missouri
A Component Unit of the State of Missouri
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023

Overview

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

The University takes ongoing pride in providing a student-centered learning environment where tenured professors teach the majority of classes. The University has a 21:1 student-faculty ratio and a 94% first destination success rate. This means that within six months after earning their diplomas, graduates are either beginning employment, joining the military, or returning to higher education to earn a graduate degree. The University's 2024 fall enrollment is 13,734. Students are served by 388 full-time faculty members and 73% of these faculty members have earned a doctorate or other terminal degree.

The University is also well known for its culture of friendship and service that extends far outside its campus boundaries. UCM has 34 international exchange agreements with institutions worldwide, and students come from six continents (excluding Antarctica), 55 countries, 48 states (excluding West Virginia and Vermont), and 108 of 114 counties in Missouri, which contribute to a diverse student body. Through the Center for Global Education - Study Abroad, students can study in more than 60 countries at a variety of institutions.

UCM is the only public university in Missouri that owns and operates its own airport. Other unique facilities that contribute to a quality learning environment include its 322,000-watt public broadcasting facilities for KMOS-TV, the Prussing Research Farm, and the Missouri Safety Center. Including its airport and other special facilities, the University occupies more than 1,500 acres.

Academic Programs

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

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

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 graduate programs for Master of Arts, Master of Arts in Teaching, Master of Business Administration, Master of Science, Master of Library Science and Master of Science in Education degrees.

The University provides additional graduate-level study for Education Specialist degrees in the areas of Educational Leadership, Elementary Mathematics Specialist, Educational Technology and Professional Leadership. UCM also participates in a consortium for a cooperative doctoral degree in Technology Management through Indiana State University.

University of Central Missouri
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Awards and Accomplishments

The University has been recognized by a large number of organizations for areas such as overall affordability, best online programs, and best value, along with recognition in those categories for specific degrees and programs.

In fall 2024, UCM was named to two national lists that help guide students in their college selection process. The Princeton Review recognized the University as one of the best colleges and universities in the Midwest for the 21st consecutive year and U.S. News & World Report ranked UCM among the nation's best regional institutions in the Midwest category.

Released in September 2024, U.S. News & World Report rankings are included in the 2025 Best Colleges guidebook, which is online. UCM was ranked #73 among Regional Universities in the Midwest and #22 among Top Public Schools. Regionally, UCM was also recognized as #61 in Best Value Schools, #34 in Best Colleges for Veterans and the university jumped seven spots to #92 in Top Performers on Social Mobility. The Social Mobility category looks at colleges and universities that advance social mobility by enrolling and graduating large proportions of disadvantaged students awarded with Pell Grants.

Nationally, UCM was recognized as #392 among Nursing programs and #236-286 in Best Undergraduate Engineering Programs.

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

Several organizations have also recognized UCM for its commitment to veterans and military members. The university has been named a 2023 Best College for Veterans by Military Times and College Factual, a 2024-25 Top 10 for large public Military Friendly School by VIQTORY, and a Best College for Veterans by U.S. News and World Report. Most recently, U.S. Veterans Magazine recognized UCM as a 2024 Top Veteran-Friendly School.

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 number 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, 2024 and 2023, the Foundation provided support to the University of \$5,537,984 and \$8,728,016, 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, 2024, 2023, and 2022. 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.

University of Central Missouri
A Component Unit of the State of Missouri
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023

Statement of Net Position

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

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

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

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

Deferred Inflows of Resources - Deferred inflows are the acquisition of net assets applicable to a future reporting period. These balances are attributable to the deferred amount on bond refunding and future period pension liabilities.

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Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023

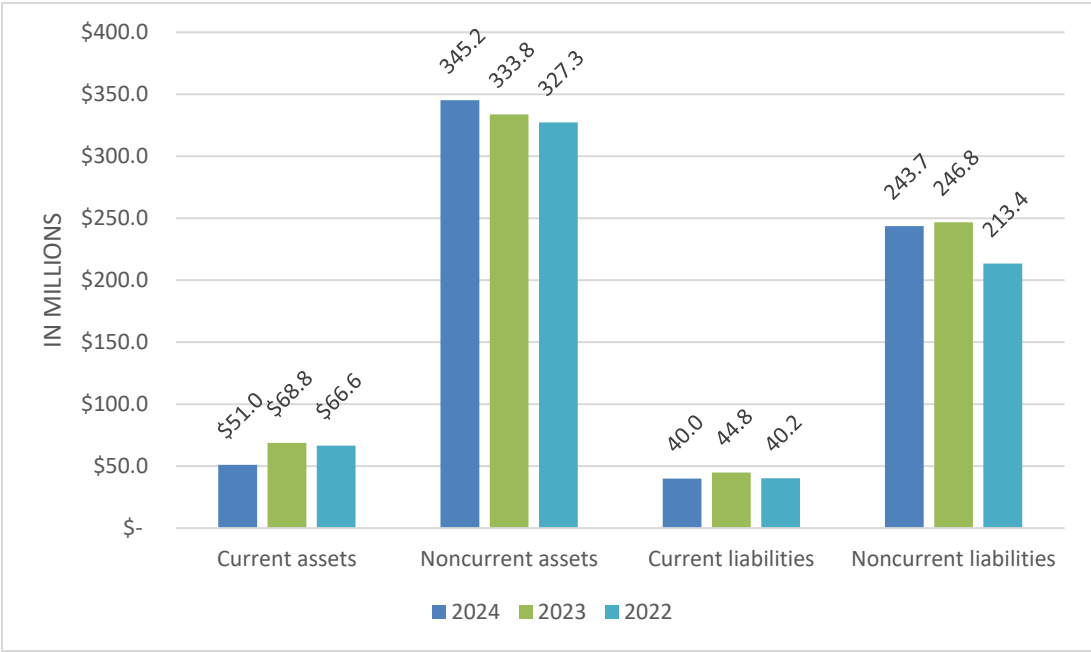
Net Position - Net position represents the University's total assets, plus deferred outflows of resources, less total liabilities. Net position is classified in three major categories which include 1.) Net Investment in Capital Assets, 2.) Restricted, and 3.) Unrestricted.

1. Net Investment in capital assets represents buildings, building improvements, equipment, etc., that is net of accumulated depreciation and related debt.
2. Restricted net positions are those whose purpose has been determined by an outside party for a specific use such as scholarships, loans, and capital projects.
3. Unrestricted net position represents balances from operational activities that have not been restricted by parties external to the University. This includes funds that have been designated for specific purposes as well as amounts that have been contractually committed for goods and services not yet received.

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

	2024	2023	2022
Current assets	\$ 50.9	\$ 68.8	\$ 66.6
Noncurrent assets	345.2	333.8	327.3
Total assets	396.1	402.6	393.9
Deferred outflows of resources	39.9	33.4	23.8
Current liabilities	39.9	44.8	40.2
Noncurrent liabilities	243.7	246.8	213.4
Total liabilities	283.6	291.6	253.6
Deferred inflows of resources	4.8	4.2	32.3
Net position			
Net investment in capital assets	164.6	160.7	148.4
Restricted	3.4	3.9	4.4
Unrestricted	(20.4)	(24.4)	(21.0)
Total net position	\$ 147.6	\$ 140.2	\$ 131.8

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Management’s Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023



Comparative Analysis of Fiscal Years 2024 and 2023

Current Assets – Current asset for fiscal year 2024 totaled \$50.9 million, which is a decrease of \$17.9 million from fiscal year 2023 current assets of \$68.8 million. This decrease is attributed to a decrease in cash, restricted cash, and equivalents of \$19.5 million, a decrease of \$8.7 million in state appropriation and grants receivable, and due from foundation. There was an increase in short-term investments of \$10.5 million due to the University purchasing \$5.8 million in certificates of deposit, \$2.8 million increase Treasury Bills/Notes, \$3.6 million purchase of Federal Agency collateralized mortgages, \$0.6 million increase in MOSIP investments and a \$2.3 million decrease in Supra National Agency Bonds. In addition, there was a slight decrease of \$0.2 million in account receivables, interest receivable, inventories, loans to students and prepaid expenses.

Noncurrent Assets - Total noncurrent assets increased approximately \$11.4 million. The increase is primarily due to the increase in long-term investments of \$17.9 million. A decrease of \$5.1 million in capital net and net right to use assets and a combined decrease of \$1.4 million in due from foundation, loans to students and subscription assets. Refer to *Note 3* for additional information on capital asset activity.

Deferred Outflows of Resources - Total deferred outflows of resources had an increase of \$6.5 million due to an increase of \$6.7 million in the deferred MOSER liability and \$0.2 million decrease in the deferred OPEB liability and debt refunding. The difference between projected and actual earnings on plan investment is associated with GASB 68.

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A Component Unit of the State of Missouri
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023

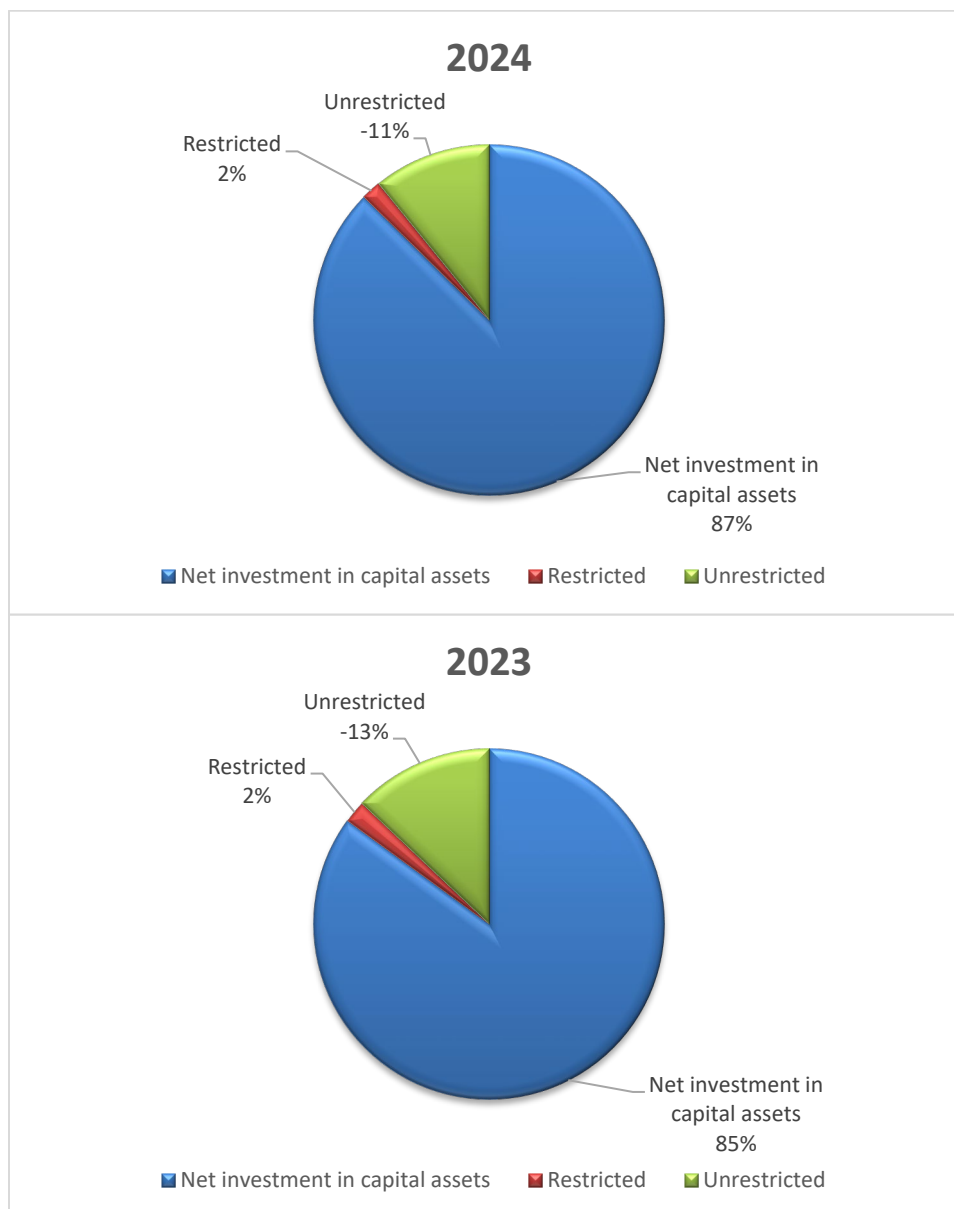
Current Liabilities - Current liabilities totaled \$40.0 million, a decrease of approximately \$4.8 million compared to the prior year of \$44.8 million. This is attributed primarily to a decrease in the current maturities of long-term debt in the amount of 3.6 million and a decrease of \$1.3 million in accounts payable and unearned revenue.

Noncurrent Liabilities - Total noncurrent liabilities decreased approximately \$3.1 million. This decrease is primarily attributed to the \$4.2 million and \$1.4 million decrease in lease liabilities and long-term debt, respectively. Also, a combined decrease of \$2.9 million in accrued settlement \$(0.3), other long-term liabilities \$(1.3), subscription liabilities \$(0.7), and OPEB liability \$(0.6). With an increase in MOSER pension liabilities of \$5.3 million and \$0.1 million in accrued compensated absences.

Deferred Inflows of Resources - Total deferred inflows of resources had an increase of \$0.6 million due to an increase of \$0.4 million in the deferred amount on debt refunding and an increase of \$0.3 million to the University's OPEB deferred inflows related to GASB Statement No. 75.

Net Position - At June 30, 2024, the University's net position was \$147.6 million. This was comprised of unrestricted - \$(20.4) million; net investment in capital assets - \$164.6 million; restricted for loans - \$1.0 million and other restricted - \$2.4 million.

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A Component Unit of the State of Missouri
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023



University of Central Missouri
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Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023

Comparative Analysis of Fiscal Years 2023 and 2022

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

Noncurrent Assets - Total noncurrent assets increased approximately \$6.5 million. The increase is primarily due to the increase in long-term investments of \$1.9 million, an increase in net capital assets of \$7.0 million and an increase in net subscription asset of \$1.1 million. A decrease of \$3.3 million in net right to use assets and a combined decrease of \$0.2 million in noncurrent loans to students and due from the Foundation. Refer to *Note 3* for additional information on capital asset activity.

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

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

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

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

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

University of Central Missouri
A Component Unit of the State of Missouri
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023

Operating Results

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

	2024	2023	2022
Operating Revenues			
Tuition and fees	\$ 106.9	\$ 96.5	\$ 90.1
Scholarship allowances	(18.3)	(17.2)	(17.5)
Net tuition and fees	88.6	79.3	72.6
Federal grants and contracts	2.0	2.2	2.4
Auxiliary enterprises	32.4	31.4	30.4
Scholarship allowances	(3.2)	(3.4)	(3.8)
Net auxiliary enterprises	29.2	28.0	26.6
Other	11.7	9.5	8.5
Total Operating Revenues	131.5	119.0	110.1
Operating Expenses	219.7	202.3	188.2
Operating Loss	(88.2)	(83.3)	(78.1)
Nonoperating Revenues (Expenses)			
State appropriations	62.8	60.1	55.6
Federal grants and contracts	18.3	16.1	25.8
State grants and contracts	2.2	2.6	4.2
Other grants and contracts	1.4	1.1	1.1
Contributions	4.3	4.4	6.1
Gain (loss) on disposal of capital assets	(0.4)	-	0.1
Investment income (loss)	6.4	1.7	(3.0)
Interest on capital asset-related debt	(2.4)	(2.9)	(3.0)
Other nonoperating expenses	(0.4)	(0.9)	(0.6)
Net Nonoperating Revenues	92.2	82.2	86.3
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	4.0	(1.1)	8.2
Other Revenues, Expenses, Gains or Losses	3.4	9.5	0.6
Increase in Net Position	7.4	8.4	8.8
Net Position - Beginning of Year	140.2	131.8	123.0
Net Position - End of Year	\$ 147.6	\$ 140.2	\$ 131.8

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Management’s Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023

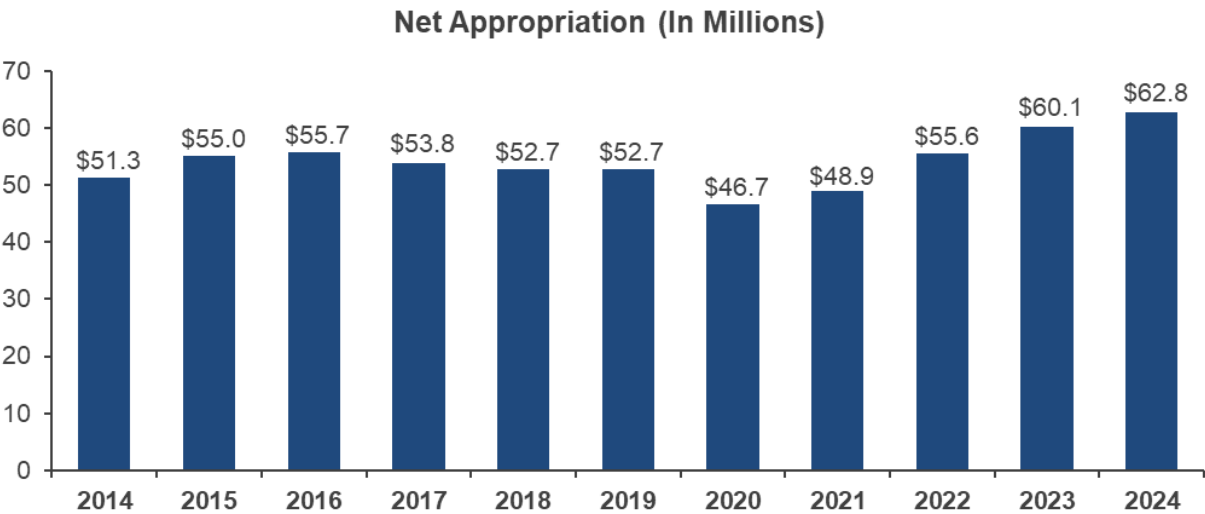
Comparative Analysis of Fiscal Years 2024 and 2023

Operating Revenues - For the year ended June 30, 2024, tuition and fee revenues (net of scholarship allowances) increased approximately \$9.3 million compared to fiscal year 2023 as a result of the increase in graduate enrollment. Fiscal year 2023 tuition and fees were approximately \$6.4 million over the year ended June 30, 2022.

Auxiliary enterprises experienced an increase of \$1 million above fiscal year 2023.

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

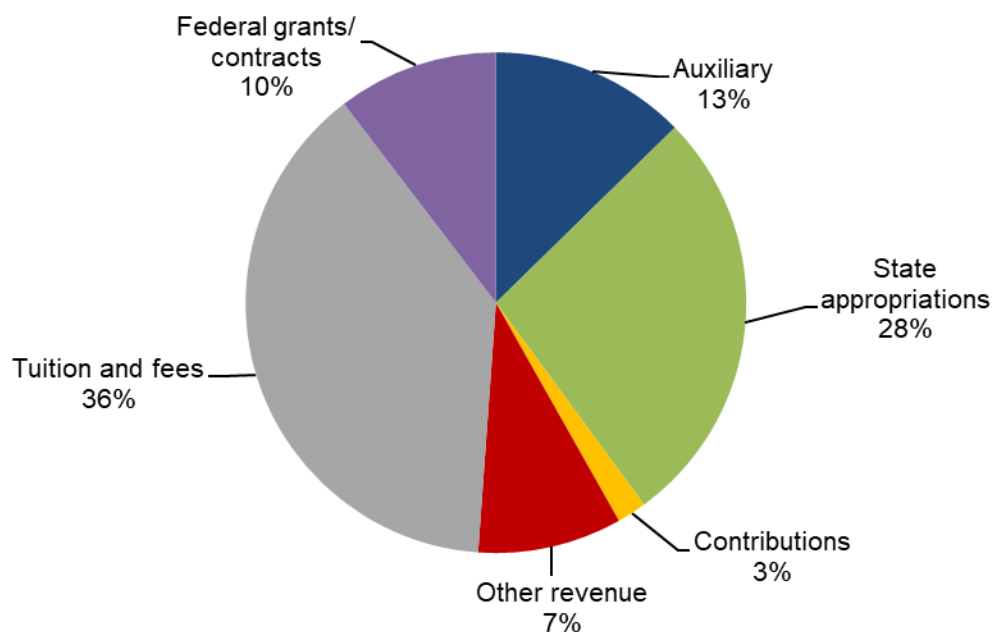
The University’s financial position is closely tied to the State of Missouri and the associated general revenue and lottery proceeds appropriated by the Legislature. State appropriation revenue increased by \$2.7 million (net of withholding) from 2023 to 2024 as a direct result of State budget. State of Missouri appropriations increased by \$4.5 million in fiscal year 2023 compared to fiscal year 2022. Following is a historical trend of the University’s state appropriation funding (net of withholdings).



Fiscal year 2024, other nonoperating revenues increased by \$10.0 million due mostly to an increase in federal grants and contracts of \$2.2 million due to the institution receiving *American Rescue Plan Act Funds*, \$2.7 million in state appropriations and an increase in investment income of \$4.7 million. Fiscal year 2023 other nonoperating revenues decreased \$4.1 million due mostly to a decrease in federal grants and contract of \$9.7 million due to the institution receiving less CARES Higher Education Emergency Relief Funds.

University of Central Missouri
A Component Unit of the State of Missouri
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023

The following graph summarizes the University's fiscal year 2024 revenue sources:



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

	2024	2023	2022
Compensation and benefits	\$ 125.7	\$ 120.0	\$ 102.1
Contractual services	21.1	17.6	16.1
Supplies and materials	14.1	12.4	12.6
Scholarships and fellowships	7.3	7.3	16.9
Depreciation and amortization	21.7	21.2	20.2
Utilities	6.7	6.5	5.7
Other	23.1	17.3	14.6
	<u>\$ 219.7</u>	<u>\$ 202.3</u>	<u>\$ 188.2</u>

Operating Expenses - Total operating expenses increased \$17.4 million from \$202.3 million in fiscal year 2023 to \$219.7 million in fiscal year 2024.

University of Central Missouri
A Component Unit of the State of Missouri
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023

Fiscal year 2024 compensation and benefits increased \$5.7 million from the prior year primarily due to across-the-board salary increases in administration and faculty salaries of \$3.6 million and the associated increase in benefits of \$2.2 million, and \$0.6 million increase in student wages.

Contractual services increased \$3.5 million primarily due to increases in international student recruiting expenses (\$1.0 million), consultants that perform a work study in the Finance and Administration departments (\$0.3 million), athletics entered into some new service contracts (\$0.1 million), and a combined increase of 2.1 million other contractual services.

Supplies and materials increased \$1.7 million; depreciation expense increased \$0.5 million. Scholarships and fellowships had no change, utilities increased \$0.2 million, and other expenses increased by \$5.8 million over fiscal year 2023.

Cash Flows For The Years Ended June 30, (In Millions)			
	2024	2023	2022
Cash Provided By (Used In)			
Operating activities	\$ (69.1)	\$ (52.5)	\$ (63.2)
Noncapital financing activities	92.1	81.7	104.7
Capital and related financing activities	(19.7)	(32.4)	(25.3)
Investing activities	(22.8)	1.2	2.3
Increase (Decrease) in Cash and Cash Equivalents	(19.5)	(2.0)	18.5
Cash and Cash Equivalents - Beginning of Year	29.0	31.0	12.5
Cash and Cash Equivalents - End of Year	<u>\$ 9.5</u>	<u>\$ 29.0</u>	<u>\$ 31.0</u>

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, 2024, cash used in operating activities amounted to (\$69.1) million, which resulted from tuition and fees, grants and contracts, sales and services of educational activities and auxiliary enterprises, and associated collections that were offset by payments to suppliers, utilities, employees, scholarships and fellowships, and other payments. Cash provided by noncapital financing activities of \$92.1 million includes state appropriations, gifts and grants for other than capital purposes, and other receipts.

University of Central Missouri
A Component Unit of the State of Missouri
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023

Cash used for capital and related financing activities was (\$19.8) million. The University had capital expenditures of \$14.7 million including: \$3.1 million Humphreys Building Renovation, \$0.7 million WC Morris Lab Renovation, \$1.9 million Pertle UCM Golf Building, \$1.1 million Electronic Access Control Locks. Additional other capital expenditures totaling approximately \$7.9 million include parking lot improvements, and other various building improvements and capital equipment purchases. Capital related financing included principal and interest on capital debt, leases, and SBITAs of \$13.3 million. Offsetting revenue was received in the amount of \$2.5 million in Capital Appropriations and \$5.8 million in Capital Grants and Gifts. Cash and cash equivalents at June 30, 2023, were \$29 million, which decreased by \$2.0 million from June 30, 2022.

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

Capital Assets

Information on capital assets can be found in *Note 3*. Net capital assets totaled \$207.1 million, which consisted of a cost of \$520.8 million and accumulated depreciation of \$313.7 million.

Debt

Information on debt can be found in *Note 4*. Long-term debt totaled \$44.1 million at June 30, 2024, excluding lease liabilities. In 2024, the University issued Revenue Bonds, Series 2023 (\$30.4 million) for current refunding of their Series 2013C-2 revenue bonds. Long-term debt decreased in total by \$5.0 million for 2024, primarily due to scheduled principal payments.

Economic Outlook

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

Contact Information

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

University of Central Missouri
A Component Unit of the State of Missouri
Statements of Net Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	\$ 3,531,281	\$ 22,041,763
Restricted cash and cash equivalents	6,000,079	6,997,991
Short-term investments	21,204,487	10,651,372
Accounts receivable, net of allowance; 2024 - \$4,617,748 2023 - \$4,763,204	8,765,403	9,317,553
Interest receivable	1,099,671	436,301
State appropriation receivable	-	1,021,427
Grants receivable	4,942,721	8,893,237
Due from foundation	1,775,154	5,512,153
Inventories	1,622,248	1,676,999
Loans to students, net	266,655	598,512
Prepaid expenses	1,710,958	1,606,305
Total current assets	<u>50,918,657</u>	<u>68,753,613</u>
Noncurrent Assets		
Investments	108,401,785	90,508,457
Loans to students, net	288,777	1,005,116
Due from foundation	-	316,341
Capital assets, net	207,129,085	209,126,558
Lease assets, net	25,250,235	28,335,843
Subscription assets, net	4,087,796	4,535,853
Total noncurrent assets	<u>345,157,678</u>	<u>333,828,168</u>
Total assets	<u>396,076,335</u>	<u>402,581,781</u>
Deferred Outflows of Resources		
Loss on refunding of bonds	75,246	112,998
Pension related	39,434,119	32,762,913
Other postemployment benefit related	437,105	566,729
Total deferred outflows of resources	<u>39,946,470</u>	<u>33,442,640</u>
Total assets and deferred outflows of resources	<u>\$ 436,022,805</u>	<u>\$ 436,024,421</u>

See Notes to Financial Statements

	2024	2023
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 17,964,994	\$ 18,684,768
Accrued compensated absences	2,480,269	2,185,583
Unearned revenue	11,201,050	11,788,170
Interest payable	504,755	553,373
Current maturities of long-term debt	1,158,321	4,762,450
Current portion of lease liabilities	4,387,379	4,248,925
Current portion of subscription liabilities	1,882,579	1,959,366
Accrued settlement	-	50,000
Student deposits	394,259	559,110
Total current liabilities	<u>39,973,606</u>	<u>44,791,745</u>
Noncurrent Liabilities		
Long-term debt	42,982,455	44,395,096
Accrued compensated absences	1,497,313	1,355,639
Accrued settlement	-	316,341
Other long-term liabilities	-	1,300,000
Lease liabilities	17,940,705	22,181,247
Subscription liabilities	1,776,294	2,434,964
OPEB liability	2,055,677	2,670,055
MOSERS pension liability	177,413,989	172,156,823
Total noncurrent liabilities	<u>243,666,433</u>	<u>246,810,165</u>
Total liabilities	<u>283,640,039</u>	<u>291,601,910</u>
Deferred Inflows of Resources		
Gain on refunding of bonds	367,110	-
Other postemployment benefit related	1,309,224	1,027,274
Pension related	3,098,433	3,152,869
Total deferred inflows of resources	<u>4,774,767</u>	<u>4,180,143</u>
Net Position		
Net investment in capital assets	164,611,962	160,743,784
Restricted for		
Nonexpendable		
Loans	810,545	984,034
Expendable		
Scholarships and fellowships	182,033	112,634
Loans	139,730	653,494
Other	2,217,721	2,147,077
Unrestricted	<u>(20,353,992)</u>	<u>(24,398,655)</u>
Total net position	<u>147,607,999</u>	<u>140,242,368</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 436,022,805</u></u>	<u><u>\$ 436,024,421</u></u>

University of Central Missouri
A Component Unit of the State of Missouri
University of Central Missouri Foundation
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Cash	\$ 389,597	\$ 273,889
Investments	93,287,531	86,923,479
Accrued investment income	323,307	315,444
Accounts receivable	-	28,568
Contributions receivable, net	1,212,473	1,761,350
Notes receivable	1,289,955	1,446,994
Cash surrender value or life insurance	547,299	527,032
Beneficial interest in trusts	1,043,190	970,598
Prepaid expenses	8,796	8,466
	<u>98,102,148</u>	<u>92,255,820</u>
Total assets	<u>\$ 98,102,148</u>	<u>\$ 92,255,820</u>
Liabilities and Net Assets		
Liabilities		
Accrued expenses and due to University	\$ 1,735,696	\$ 5,473,915
Annuities payable	587,593	620,200
	<u>2,323,289</u>	<u>6,094,115</u>
Total liabilities	<u>2,323,289</u>	<u>6,094,115</u>
Net Assets		
Without donor restrictions	14,645,136	12,027,653
With donor restrictions	81,133,723	74,134,052
	<u>95,778,859</u>	<u>86,161,705</u>
Total net assets	<u>95,778,859</u>	<u>86,161,705</u>
Total liabilities and net assets	<u>\$ 98,102,148</u>	<u>\$ 92,255,820</u>

University of Central Missouri
A Component Unit of the State of Missouri
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Tuition and fees, net of scholarship allowances; 2024 - \$18,332,434; 2023 - \$17,218,494	\$ 88,631,897	\$ 79,323,116
Federal grants and contracts	2,027,564	2,223,421
Interest on student receivable	1,014,500	1,026,411
Sales and services of educational activities	2,282,812	2,077,281
Auxiliary enterprises		
Housing, net of scholarship allowances; 2024 - \$3,209,399; 2023 - \$3,363,303	16,389,809	15,611,881
Bookstore	3,301,293	3,339,710
Other auxiliary enterprises	9,496,539	9,076,090
Other operating revenues	8,408,575	6,390,208
Total operating revenues	<u>131,552,989</u>	<u>119,068,118</u>
Operating Expenses		
Compensation and benefits	125,671,489	120,042,661
Contractual services	21,138,433	17,593,309
Supplies and services	14,124,842	12,442,609
Scholarships and fellowships	7,299,418	7,272,839
Depreciation and amortization	21,730,122	21,186,692
Utilities	6,713,034	6,532,951
Other	23,102,471	17,272,671
Total operating expenses	<u>219,779,809</u>	<u>202,343,732</u>
Operating Loss	<u>(88,226,820)</u>	<u>(83,275,614)</u>
Nonoperating Revenues (Expenses)		
State appropriations	62,778,484	60,101,740
Federal grants and contracts	18,267,275	16,086,641
State grants and contracts	2,201,218	2,574,709
Other grants and contracts	1,424,170	1,104,961
Contributions	4,362,402	4,454,310
Loss on disposal of capital assets	(401,007)	(10,598)
Investment income	6,353,184	1,700,667
Interest on capital asset-related debt, lease, and subscription liabilities	(2,396,290)	(2,863,638)
Other nonoperating expenses	(400,886)	(942,738)
Net nonoperating revenues	<u>92,188,550</u>	<u>82,206,054</u>

University of Central Missouri
A Component Unit of the State of Missouri
Statements of Revenues, Expenses, and Changes in Net Position (Continued)
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	<u>\$ 3,961,730</u>	<u>\$ (1,069,560)</u>
Other Revenues, Expenses, Gains, or Losses		
Capital appropriations	1,439,735	4,113,016
Capital grants and gifts	<u>1,964,166</u>	<u>5,353,410</u>
	<u>3,403,901</u>	<u>9,466,426</u>
Increase in Net Position	7,365,631	8,396,866
Net Position, Beginning of Year	<u>140,242,368</u>	<u>131,845,502</u>
Net Position, End of Year	<u><u>\$ 147,607,999</u></u>	<u><u>\$ 140,242,368</u></u>

University of Central Missouri
A Component Unit of the State of Missouri
University of Central Missouri Foundation
Statements of Activities
Years Ended June 30, 2024 and 2023

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Gifts	\$ 799,634	\$ 5,764,579	\$ 6,564,213
In-kind gifts	4,050	494,000	498,050
Personnel paid by University	1,021,515	-	1,021,515
Other income	29	252,062	252,091
Investment income	343,791	1,808,706	2,152,497
Net realized and unrealized gain (loss) on investments and beneficial interests in trusts	2,906,641	4,775,045	7,681,686
Change in donor restrictions	129,383	(129,383)	-
Net assets released from restrictions	5,957,694	(5,957,694)	-
Total revenues, gains, and other support	11,162,737	7,007,315	18,170,052
Expenses and Losses			
Foundation expenses			
General administrative expenses	1,580,865	-	1,580,865
Fundraising expenses	1,426,405	-	1,426,405
Total Foundation expenses	3,007,270	-	3,007,270
Expenses for University advancement			
Program expenses			
Scholarships	1,660,077	-	1,660,077
Academic support - TV	476,085	-	476,085
Student services - athletic	673,477	-	673,477
Instruction and other departmental	846,515	-	846,515
Support services			
Institutional support - plant facilities	1,881,830	-	1,881,830
Total expenses for University advancement	5,537,984	-	5,537,984
Actuarial gain on annuity obligations	-	7,644	7,644
Total expenses and losses	8,545,254	7,644	8,552,898
Change in Net Assets	2,617,483	6,999,671	9,617,154
Net Assets, Beginning of Year	12,027,653	74,134,052	86,161,705
Net Assets, End of Year	\$ 14,645,136	\$ 81,133,723	\$ 95,778,859

See Notes to Financial Statements

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

University of Central Missouri
A Component Unit of the State of Missouri
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Tuition and fees	\$ 88,769,351	\$ 79,017,034
Grants and contracts	2,027,564	2,223,421
Sales and services of educational activities	2,282,812	2,077,281
Payments to suppliers	(38,191,889)	(26,227,827)
Payments for utilities	(6,713,034)	(6,532,952)
Payments to employees	(126,906,409)	(114,203,444)
Payments for scholarships and fellowships	(7,299,418)	(7,272,839)
Collection of loans to students	2,062,696	1,537,184
Sales and services of auxiliary enterprises	29,690,205	27,748,628
Other payments	(14,867,280)	(10,883,418)
Net cash used in operating activities	<u>(69,145,402)</u>	<u>(52,516,932)</u>
Cash Flows from Noncapital Financing Activities		
State appropriations	62,778,484	60,101,740
Gifts and grants for other than capital purposes	29,365,742	22,538,755
Other payments	(34,545)	(933,585)
Net cash provided by noncapital financing activities	<u>92,109,681</u>	<u>81,706,910</u>
Cash Flows from Capital and Related Financing Activities		
Capital appropriations	2,461,162	3,223,584
Capital grants and gifts received	5,824,549	829,582
Purchase of capital assets	(14,732,106)	(22,513,137)
Proceeds from sale of capital assets	163,959	6,189
Principal paid on capital debt	(4,409,850)	(4,762,505)
Principal paid on lease liabilities	(4,282,858)	(4,151,921)
Principal paid on subscription liabilities	(2,093,934)	(2,069,384)
Interest paid on capital debt, lease, and subscription liabilities	(2,646,966)	(2,906,497)
Net cash used in capital and related financing activities	<u>(19,716,044)</u>	<u>(32,344,089)</u>
Cash Flows from Investing Activities		
Investment income	4,112,057	2,820,253
Proceeds from sales and maturities of investments	192,613,430	53,560,945
Purchase of investments	(219,482,116)	(55,210,066)
Net cash provided by (used in) investing activities	<u>(22,756,629)</u>	<u>1,171,132</u>
Decrease in Cash and Cash Equivalents	<u>(19,508,394)</u>	<u>(1,982,979)</u>
Cash and Cash Equivalents, Beginning of Year	<u>29,039,754</u>	<u>31,022,733</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 9,531,360</u></u>	<u><u>\$ 29,039,754</u></u>

University of Central Missouri
A Component Unit of the State of Missouri
Statements of Cash Flows (Continued)
Years Ended June 30, 2024 and 2023

	2024	2023
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Cash and cash equivalents	\$ 3,531,281	\$ 22,041,763
Restricted cash and cash equivalents	6,000,079	6,997,991
	<u>\$ 9,531,360</u>	<u>\$ 29,039,754</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (88,226,820)	\$ (83,275,614)
Depreciation and amortization	21,730,122	21,186,692
Loss on disposal of subscription assets	510,361	-
Changes in operating assets and liabilities:		
Receivables, net	1,426,962	(977,541)
Inventories	54,751	377,174
Prepaid expenses	(1,057,476)	(445,540)
Accounts payable and accrued liabilities	(1,136,250)	5,176,457
Accrued compensated absences	436,360	22,499
Unearned revenue	252,719	766,856
Other liabilities	(1,300,000)	(1,300,000)
Student deposits	(164,851)	135,367
OPEB liability	(614,378)	19,091
MOSERS pension liability	5,257,166	43,578,563
Deferred outflows of resources - pension and other postemployment benefits	(6,541,582)	(9,687,925)
Deferred inflows of resources - pension and other postemployment benefits	227,514	(28,093,011)
	<u>\$ (69,145,402)</u>	<u>\$ (52,516,932)</u>
Net cash used in operating activities		
	<u>\$ (69,145,402)</u>	<u>\$ (52,516,932)</u>
Supplemental Cash Flows Information		
Accounts payable incurred for capital asset purchases	\$ 1,435,556	\$ 1,385,421
Lease liabilities incurred for lease assets	624,863	-
Subscription liabilities incurred for subscription assets	1,358,477	3,177,557

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

Nature of Operations and Reporting Entity

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

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

Foundation

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

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

During the years ended June 30, 2024 and 2023, the Foundation provided \$5,537,984 and \$8,728,016, respectively, of support to the University. Complete financial statements of the Foundation may be obtained from its administrative office at the following address: UCM Smiser Alumni Center, Warrensburg, Missouri 64093.

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

Basis of Accounting and Presentation

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

Use of Estimates

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

Cash Equivalents

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

Accounts Receivable

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

Inventories

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

Investments and Investment Income

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

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

Loans to Students

The University makes loans to students under various federal and other loan programs. Such loans receivable are recorded net of estimated uncollectible amounts. The allowance for uncollectible loans netted against loans to students was \$92,000 for the years ended June 30, 2024 and 2023.

Capital Assets (Including Intangible Assets)

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

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

Lease Assets

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

Subscription Assets

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

Capital, Lease, and Subscription Asset Impairment

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

No asset impairment was recognized during the years ended June 30, 2024 and 2023.

Deferred Outflows of Resources

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

Compensated Absences

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

Unearned Revenue

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

Risk Management

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

Cost-Sharing Defined Benefit Pension Plan

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

Other Postemployment Benefit Plan

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

Deferred Inflows of Resources

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

Net Position

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

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

Classification of Revenues

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

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

1. student tuition and fees, net of scholarship allowances
2. sales and services of auxiliary enterprises
3. interest on student loans

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

1. gifts and contributions
2. other revenue sources that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*
3. GASB No. 34, such as state appropriations and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, are recorded as nonoperating revenues and other governmental grants are recorded as operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship allowance. The scholarship allowances on tuition and fees and housing for the year ended June 30, 2024, were \$18,332,434 and \$3,209,399, respectively, and for the year ended June 30, 2023, were \$17,218,494 and \$3,363,303, 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.

Note 2. Deposits, Investments, and Investment Income

Deposits

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

At June 30, 2024 and 2023, the University's bank balances were \$9,818,626 and \$29,379,235, respectively. None of these deposits were exposed to custodial credit risk at June 30, 2024 and 2023.

Investments

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

At June 30, 2024 and 2023, the University had the following investments and maturities:

Type	Fair Value	June 30, 2024	
		Maturities in Years	
		Less than 1	1-5
Certificates of Deposit	\$ 5,784,000	\$ 5,784,000	\$ -
U.S. Treasury obligations	88,170,929	7,594,715	80,576,214
U.S. agencies obligations	31,881,028	4,055,457	27,825,571
Money market mutual funds	3,770,315	3,770,315	-
	<u>\$ 129,606,272</u>	<u>\$ 21,204,487</u>	<u>\$ 108,401,785</u>

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

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At June 30, 2024 and 2023, 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, 2024 and 2023. However, these notes carry a rate of interest, and therefore, the University is subject to interest rate risk on these notes at June 30, 2024 and 2023.

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2024 and 2023, the University had government agency securities that were rated "AAA" and "AA+" by Standard & Poor's. It is the University's policy to limit its investments in commercial paper to "A-1" as rated by Standard & Poor's and Moody's Investors Services.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The University's investment policy does not address custodial risk. All of the University's investments at June 30, 2024 and 2023, are held in the University's name.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The University's investment policy permits it to hold up to 25 percent of total investments, including certificates of deposit, in corporate bonds, with no more than 5 percent of its investments to be invested with any one issuer. The University's investment policy requires the ratio of investments in corporate bonds to be reviewed on an annual basis. The University places no restrictions on investments in direct obligations of the U.S. government, U.S. agency issues, U.S. government guaranteed securities, or repurchase agreements that are collateralized 100 percent with U.S. Treasury bills, bonds or notes, and are entered into for periods of 180 days or less. At June 30, 2024 and 2023, the University had 16 percent and 12 percent, respectively, of its investments in Federal Home Loan Mortgage Corporation.

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Summary of Carrying Values

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

	<u>2024</u>	<u>2023</u>
Carrying value		
Deposits	\$ 9,531,360	\$ 29,039,754
Investments	<u>129,606,272</u>	<u>101,159,829</u>
	<u>\$ 139,137,632</u>	<u>\$ 130,199,583</u>
Included in the following statement of net position captions		
Cash and cash equivalents	\$ 3,531,281	\$ 22,041,763
Restricted cash and cash equivalents	6,000,079	6,997,991
Short-term investments	21,204,487	10,651,372
Investments	<u>108,401,785</u>	<u>90,508,457</u>
	<u>\$ 139,137,632</u>	<u>\$ 130,199,583</u>

Fair Value Measurements

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

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value

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Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023:

June 30, 2024				
	Level 1	Level 2	Level 3	Total
Investments				
Debt securities				
U.S. Treasury obligations	\$ 88,170,929	\$ -	\$ -	\$ 88,170,929
U.S. agencies obligations	-	31,881,028	-	31,881,028
Money market mutual funds	3,770,315	-	-	3,770,315
 Total investments	 \$ 91,941,244	 \$ 31,881,028	 \$ -	 \$ 123,822,272

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

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The University did not have any investments classified as Level 3 at June 30, 2024 and 2023.

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Note 3. Capital, Lease, and Subscription Assets

Capital assets activity for the years ended June 30, 2024 and 2023, was:

	2024				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	\$ 15,062,634	\$ 384,050	\$ -	\$ -	\$ 15,446,684
Collections	3,107,323	-	-	-	3,107,323
Infrastructure	46,050,441	-	-	1,617,134	47,667,575
Buildings and improvements	384,324,850	133,634	3,899,710	5,558,134	386,116,908
Furniture, fixtures, and	42,469,853	2,523,035	543,198	-	44,449,690
Library materials	10,581,824	146,071	1,270,125	-	9,457,770
Construction in progress	10,243,961	11,595,450	99,767	(7,175,268)	14,564,376
	<u>511,840,886</u>	<u>14,782,240</u>	<u>5,812,800</u>	<u>-</u>	<u>520,810,326</u>
Less accumulated					
Infrastructure	30,375,819	2,090,016	-	-	32,465,835
Buildings and	233,265,791	11,075,620	3,450,827	-	240,890,584
Furniture, fixtures, and					
equipment	32,994,149	2,103,334	526,882	-	34,570,601
Library materials	6,078,569	945,777	1,270,125	-	5,754,221
	<u>302,714,328</u>	<u>16,214,747</u>	<u>5,247,834</u>	<u>-</u>	<u>313,681,241</u>
Capital assets, net	<u>\$ 209,126,558</u>	<u>\$ (1,432,507)</u>	<u>\$ 564,966</u>	<u>\$ -</u>	<u>\$ 207,129,085</u>

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

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Lease assets activity for the years ended June 30, 2024 and 2023, was:

	2024		
	Beginning Balance	Additions	Ending Balance
Buildings and improvements	\$ 37,781,028	\$ 205,006	\$ 37,527,600
Equipment	302,423	421,089	496,256
	<u>38,083,451</u>	<u>626,095</u>	<u>38,023,856</u>
Less accumulated amortization			
Buildings and improvements	9,517,257	3,168,049	12,672,197
Equipment	230,351	98,329	101,424
	<u>9,747,608</u>	<u>3,266,378</u>	<u>12,773,621</u>
Lease assets, net	<u>\$ 28,335,843</u>	<u>\$ (2,640,283)</u>	<u>\$ 25,250,235</u>
2023			
	Beginning Balance	Additions	Ending Balance
Buildings and improvements	\$ 37,781,028	\$ -	\$ 37,781,028
Equipment	302,423	-	302,423
	<u>38,083,451</u>	<u>-</u>	<u>38,083,451</u>
Less accumulated amortization			
Buildings and improvements	6,344,838	3,172,419	9,517,257
Equipment	146,141	84,210	230,351
	<u>6,490,979</u>	<u>3,256,629</u>	<u>9,747,608</u>
Lease assets, net	<u>\$ 31,592,472</u>	<u>\$ (3,256,629)</u>	<u>\$ 28,335,843</u>

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Subscription asset activity for the years ended June 30, 2024 and 2023, was:

	2024			
	Beginning Balance	Additions	Disposals	Ending Balance
Subscription IT asset	\$ 7,859,763	\$ 2,357,695	\$ 1,670,270	\$ 8,547,188
Less accumulated amortization Subscription IT asset	3,323,910	2,248,996	1,113,514	4,459,392
Subscription assets, net	<u>\$ 4,535,853</u>	<u>\$ 108,699</u>	<u>\$ 556,756</u>	<u>\$ 4,087,796</u>

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

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Note 4. Long-Term Obligations

The following is a summary of long-term obligation transactions for the University for the years ended June 30, 2024 and 2023:

	2024				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-term debt					
Revenue bonds payable					
Student Union, Series 2018A	\$ 6,115,000	\$ -	\$ 265,000	\$ 5,850,000	\$ 275,000
Stadium, Series 2018B	3,670,000	-	-	3,670,000	275,000
Advance Refunding of Student Bond Issue, Series 2013A - Direct Placement	1,805,000	-	1,805,000	-	-
Stadium Facility, Series 2013B-1 - Direct Placement	265,000	-	265,000	-	-
Student Housing System, Mixed Use Facility, Series 2013C-1 - Direct Placement	2,270,000	-	2,270,000	-	-
Student Housing System, Mixed Use Facility, Series 2013C-2	32,650,000	-	32,650,000	-	-
Educational Facilities, Series 2023	-	30,410,000	-	30,410,000	445,000
Notes payable					
Foundation	1,446,995	-	157,039	1,289,956	163,321
Airplanes	411	-	411	-	-
Unamortized premium on bonds payable	935,140	2,605,192	619,512	2,920,820	-
Total long-term debt	49,157,546	33,015,192	38,031,962	44,140,776	1,158,321
Other long-term liabilities					
Accrued compensated absences	3,541,222	436,360	-	3,977,582	2,480,269
Accrued settlement	366,341	-	366,341	-	-
Other long-term liabilities	1,300,000	-	1,300,000	-	-
Lease liabilities	26,430,172	614,931	4,717,019	22,328,084	4,387,379
Subscription liabilities	4,394,330	1,358,477	2,093,934	3,658,873	1,882,579
OPEB liability	2,670,055	-	614,378	2,055,677	-
MOSERS pension liability	172,156,823	5,257,166	-	177,413,989	-
Total other noncurrent liabilities	210,858,943	7,666,934	9,091,672	209,434,205	8,750,227
Total long-term liabilities	\$ 260,016,489	\$ 40,682,126	\$ 47,123,634	\$ 253,574,981	\$ 9,908,548

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

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Revenue Bonds Payable

On December 10, 2013, the University issued \$16,310,000 of Educational Facilities Revenue Bonds, Series 2013A (Direct Placement) with an average interest rate of 2.32 percent to advance refund \$17.4 million of outstanding 2009 Series bonds with interest rates ranging from 3.0 percent to 5.05 percent. The net proceeds of \$16.1 million (after payment of \$178,510 in underwriting fees and other issuance costs) plus an additional \$2.0 million of issuer funds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2009 Series bonds. As a result, the 2009 Series bonds are considered to be defeased, and the liability for those bonds has been removed from the general ledger. The University advance refunded the 2009 Series bonds to reduce its total debt service payments over the next 16 years by approximately \$6.6 million and to obtain an economic gain (difference between present values of the debt service payments on the old and new debt) of \$2.5 million. Principal maturities began April 1, 2014, and continued until October 1, 2023. As of June 30, 2024, these bonds were paid in full. The bonds were secured by student recreation center fees.

On December 10, 2013, the University issued \$2,365,000 of Educational Facilities Revenue Bonds, Series 2013B-1 (Direct Placement). The bonds bore interest, payable semiannually, at a rate of 2.63 percent, which began April 1, 2014. Proceeds from the issuance of these private placement bonds are being used to finance renovation and equipping of Walton Stadium, including the lower level thereof, demolition of the existing stadium "horseshoe" seating and replacement with turf-grass landscape, construction of new visitor grandstands with permanent concessions and restrooms, and construction of a new ticket booth and installation of upgraded perimeter fencing. Principal maturities begin October 1, 2014, and continued until October 1, 2023. As of June 30, 2024, these bonds were paid in full. The bonds were 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 bore interest, payable semiannually, at a rate of 2.53 percent, which began April 1, 2014. Proceeds from the issuance of these private placement bonds are being used to finance construction of a new combined residential and retail (mixed use) facility. Principal maturities continued until October 1, 2023. As of June 30, 2024, these bonds were paid in full. The bonds were 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 bore interest, payable semiannually, at rates of 3.795 percent to 5.0 percent, which began April 1, 2014. Proceeds from the issuance of these bonds are being used to finance construction of a new combined residential and retail (mixed use) facility. Principal maturities continued until October 1, 2023; at which time the bonds were refunded. The bonds were secured by the net revenues available for debt service of the housing system of the University.

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

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

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On October 4, 2023, the University issued the \$30,410,000 of Educational Facilities Revenue Bonds, Series 2023, with interest rate 5.0 percent, with principal maturities continuing until October 1, 2028. The Series 2023 bonds were issued to refund \$32,650,000 of the Educational Facilities Revenue Bonds, Series 2013C-2. The University completed the refunding to reduce its total debt service payments and to obtain a \$391,584 economic gain (difference between present values of the old and new debt service payments.) The bonds are secured by the net revenues available for debt service of the housing system of the University.

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

Notes Payable

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

The University entered into three separate note agreements with a financial institution during 2015 for an aggregate total of \$867,770 to purchase three airplanes. The notes are secured by the airplanes acquired. The notes each bear interest at 1.98 percent and mature in fiscal years 2022 and 2023. Payments of principal and interest are due in 14 equal installments. As of June 30, 2024, all three note agreements were paid in full.

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

Debt Service Requirements

Debt service requirements on revenue bonds (Series 2018A, 2018B, and 2023) and notes payable as of June 30, 2024, are as follows:

Year Ending June 30	Total to Be Paid	Principal	Interest
2025	\$ 3,100,519	\$ 1,158,321	\$ 1,942,198
2026	4,949,919	3,109,854	1,840,065
2027	4,952,044	3,266,648	1,685,396
2028	4,946,794	3,423,714	1,523,080
2029	4,948,794	3,596,062	1,352,732
2030 - 2034	24,114,362	20,170,357	3,944,005
2035 - 2039	6,840,475	6,495,000	345,475
	<u>\$ 53,852,907</u>	<u>\$ 41,219,956</u>	<u>\$ 12,632,951</u>

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Note 5. Lease Liabilities

The University has entered into three lease arrangements for buildings and improvements and three for equipment. The lease contracts expire at various dates through 2078, assuming that all renewal options are exercised by the University. During 2024 and 2023, the University paid \$4,282,858 and \$4,151,924, respectively, in lease payments.

The following is a schedule by year of payments under the leases as of June 30, 2024:

Year Ending June 30	Total to Be Paid	Principal	Interest
2025	\$ 4,837,775	\$ 4,387,379	\$ 450,396
2026	3,264,508	2,942,245	322,263
2027	1,700,218	1,431,011	269,207
2028	1,700,218	1,458,902	241,316
2029	1,660,997	1,447,880	213,117
2030 - 2034	8,030,440	7,347,042	683,398
2035 - 2039	3,244,501	3,126,668	117,833
2040 - 2044	55,625	8,142	47,483
2045 - 2049	55,625	10,410	45,215
2050 - 2054	55,625	13,324	42,301
2055 - 2059	55,876	17,314	38,562
2060 - 2064	57,881	24,554	33,327
2065 - 2069	57,880	31,621	26,259
2070 - 2074	57,880	40,723	17,157
2075 - 2078	46,305	40,869	5,436
	<u>\$ 24,881,354</u>	<u>\$ 22,328,084</u>	<u>\$ 2,553,270</u>

Note 6. Subscription Liabilities

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

The following is a schedule by year of payments under the SBITAs as of June 30, 2024:

Year Ending June 30	Total to Be Paid	Principal	Interest
2025	\$ 1,981,351	\$ 1,882,579	\$ 98,772
2026	1,226,639	1,175,930	50,709
2027	610,955	600,364	10,591
	<u>\$ 3,818,945</u>	<u>\$ 3,658,873</u>	<u>\$ 160,072</u>

Note 7. Related Party Transactions

At June 30, 2024 and 2023, the University had receivables from the Foundation in the amount of \$1,775,154 and \$5,828,494, respectively. Included in amounts due from Foundation at June 30, 2024 and 2023, were receivables from the Foundation for reimbursements due of \$112,769 and \$102,975, respectively, for wages and benefits; \$445,902 and \$290,088, respectively, for miscellaneous services performed on behalf of the Foundation; \$0 and \$366,341, respectively, for the reimbursement of an accrued settlement; and \$1,216,483 and \$5,069,090, respectively, for the reimbursement of costs related to donor funded capital projects. The Foundation reports the accrued settlement annuity payable in the annuities payable line of the statement of financial position.

The University pays payroll expenses for some employees that are subsequently reimbursed by the Foundation. The total amount of wages paid by the University on behalf of the Foundation was \$1,016,719 and \$949,583 for the years ended June 30, 2024 and 2023, respectively. In addition, University employees provided services to the Foundation valued at \$1,021,515 and \$909,927 for the years ended June 30, 2024 and 2023, 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, 2024 and 2023.

Note 8. Pension Plans

MOSERS

Plan Description

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

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

Benefits Provided

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

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Actuarial Assumptions

The total pension liability in the June 30, 2024 and 2023, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

June 30, 2023

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

June 30, 2022

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

Mortality

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

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

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

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

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

The actuarial assumptions used in the June 30, 2023 and 2022, valuations were based on the results of an actuarial experience study for the five-year period ended June 30, 2020.

Long-Term Expected Rate of Return

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

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

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

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Discount Rate

The discount rate used to measure the total pension liability was 6.95 percent at June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Contributions

Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.0 percent of their annual pay. The University's required contribution rate for the year ended June 30, 2024, was 27.26 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, 2023, was 26.33 percent, which is the year of measurement for the net pension liability. Contributions to the pension plan were \$14,971,348 and \$13,267,942 for the years ended June 30, 2024 and 2023, respectively.

Payable to the Pension Plan

As of June 30, 2024 and 2023, the University had payables of \$883,239 and \$750,185, respectively, to MOSERS due to end of fiscal year processing.

Pension Liabilities

At June 30, 2024 and 2023, the University reported a liability of \$177,413,989 and \$172,156,823, respectively, for its proportionate share of the net pension liability. The net pension liability for 2024 and 2023 was measured as of June 30, 2023 and 2022, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates.

The University's proportion of the net pension liability was based on the University's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2023. The University's proportion for the plan year ended June 30, 2023, was 2.32430 percent, a decrease from its proportion of 2.40423 percent as of the June 30, 2022, measurement date.

During the MOSERS plan year ended June 30, 2023, 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, 2022, that affected the measurement of total pension liability.

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

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

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
University's proportionate share of the net pension liability	\$ 221,155,282	\$ 177,413,989	\$ 140,874,615

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

For the year ended June 30, 2024, the University recognized pension expense of \$13,715,950. At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,312,546	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	14,597,611	-
Changes in proportion and differences between the University contributions and the proportionate share of contributions	1,552,614	3,098,433
University contributions made subsequent to the measurement date	14,971,348	-
	<u>\$ 39,434,119</u>	<u>\$ 3,098,433</u>

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

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

At June 30, 2024 and 2023, the University reported \$14,971,348 and \$13,267,942, respectively, as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the years ending June 30, 2024 and 2023, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2024, related to pensions will be recognized in pension expense as follows:

2025	\$ 7,629,604
2026	3,215,760
2027	8,658,755
2028	1,860,219
	<u>\$ 21,364,338</u>

Pension Plan Fiduciary Net Position

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

CURP

As of July 1, 2002, all faculty on full-time, regular appointment were enrolled in the College and University Retirement Plan (CURP) if they had not previously been enrolled in MOSERS. CURP is a noncontributory 401(a) defined contribution retirement plan that uses TIAA-CREF as its third-party administrator. Employees first hired on or after July 1, 2018, will have a 2 percent mandatory employee contribution. In 2024 and 2023, 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, 2024, 2023 and 2022, were \$1,546,456, \$1,412,949, and \$1,336,780, respectively. CURP provides a retirement program, which offers interstate portability, immediate vesting, and no minimum service requirement. Contributions made by the University are self-directed by participants into their selected individual accounts. After participating in CURP for at least six years, a faculty member may elect to become a member of MOSERS.

Note 9. Health Care Benefits

Employee Health and Welfare Benefits

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

Other Postemployment Benefit Plan

Plan Description

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

Benefits Provided

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

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Actuarial Assumptions

The total OPEB liability at June 30, 2024 and 2023, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

June 30, 2024

Actuarial cost method	Entry Age Normal - Level Percent of Pay
Valuation date	January 1, 2024
Measurement date	June 30, 2024
Salary scale	2.0%
UAAL amortization method	Level dollar amount
UAAL amortization period, closed/open	5 years, open
Discount rate	4.1% (Measurement Date) 3.0% (Year Preceding Measurement Date)
Mortality	Pub-2010 Public Retirement Plans headcount-weighted mortality with MP-2021 full generational improvement
Healthcare cost trend rates	7.5% decreasing to ultimate rate of 4.5%

June 30, 2023

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

The employees covered by the benefit terms at June 30, 2024 and 2023, are:

	2024	2023
Inactive employees and/or spouse	27	39
Active employees	909	1,013
	<u>936</u>	<u>1,052</u>

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

GASB 75 requires full update valuations every 2 years unless material change occurs. In this context a "full" valuation is meant to entail an updated census and revised analysis of per capita costs/assumptions/actuarial methods. A full valuation was not required for fiscal year 2022-23 but was completed for fiscal year 2023-2024. The OPEB expense and OPEB liability were re-measured using the published bond rates as of the measurement date of June 30, 2024.

Total OPEB Liability

The University's total OPEB liability of \$2,055,677 and \$2,670,055 was measured as of June 30, 2024 and 2023, for the years ended June 30, 2024 and 2023, respectively, and was determined by actuarial valuations as of January 1, 2024.

Changes in the total OPEB liability are:

	2024	2023
Total OPEB liability, beginning of year	\$ 2,670,055	\$ 2,650,964
Changes for the year:		
Service cost	11,226	12,085
Interest	103,531	99,705
Differences between expected and actual experience	(390,695)	89,912
Change in assumptions and inputs	(152,440)	30,389
Benefit payments	(186,000)	(213,000)
Net changes	(614,378)	19,091
Total OPEB liability, end of year	<u>\$ 2,055,677</u>	<u>\$ 2,670,055</u>

Changes for the June 30, 2024 measurement date relative to the June 30, 2023 measurement date include the following:

1. The salary scale assumption was revised from 2.5 percent to 2.0 percent per year.
2. The discount rate changed from 4.0 percent to 4.1 percent.
3. The census was updated from January 1, 2022 to January 1, 2024.
4. The retiree per capita costs, retiree contribution premiums, and trend assumptions were updated as part of the actuarial evaluation. The January 1, 2024, renewal was taken into account.

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

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

The total OPEB liability of the University has been calculated using a discount rate of 4.1 percent. The following presents the total OPEB liability using a discount rate 1 percent higher and 1 percent lower than the current discount rate.

	<u>1% Decrease (3.1%)</u>	<u>Current Discount Rate (4.1%)</u>	<u>1% Increase (5.1%)</u>
University's total OPEB liability	\$ 2,255,597	\$ 2,055,677	\$ 1,887,879

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

	<u>1% Decrease (6.5%)</u>	<u>Current Health Care Cost Trend Rates (7.5%)</u>	<u>1% Increase (8.5%)</u>
University's total OPEB liability	\$ 1,885,449	\$ 2,055,677	\$ 2,258,122

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

For the years ended June 30, 2024 and 2023, the University recognized OPEB expense of \$16,804 and \$48,121, respectively. At June 30, 2024 and 2023, the University reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 101,756	\$ 936,840
Changes of assumptions	335,349	372,384
	<u>\$ 437,105</u>	<u>\$ 1,309,224</u>
	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 442,293	\$ 286,799
Changes of assumptions	124,436	740,475
	<u>\$ 566,729</u>	<u>\$ 1,027,274</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2024, related to OPEB will be recognized in OPEB expense as follows:

2025	\$ (48,631)
2026	(51,484)
2027	(46,179)
2028	(127,771)
2029	(62,656)
Thereafter	<u>(535,398)</u>
	<u>\$ (872,119)</u>

Note 10. 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, 2024 and 2023, 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 \$26,042,455 and \$6,511,263 related to construction contracts at June 30, 2024 and 2023, respectively.

Note 11. University of Central Missouri Foundation

Financial Statements

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

Investments

The Foundation's investment portfolio at June 30, 2024 and 2023, is composed of the following:

	2024	2023
Money market mutual funds	\$ 894,282	\$ 5,893,491
Domestic equity	44,533,931	34,658,738
International equity	8,652,242	9,807,626
Fixed income	30,585,559	29,774,535
Alternative investment funds	8,621,517	6,789,089
	<u>\$ 93,287,531</u>	<u>\$ 86,923,479</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.

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.

University of Central Missouri
A Component Unit of the State of Missouri
Notes to Financial Statements
June 30, 2024 and 2023

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023:

	June 30, 2024				
	Level 1	Level 2	Level 3	NAV (A)	Total
Investments					
Mutual funds					
Money market	\$ 894,282	\$ -	\$ -	\$ -	\$ 894,282
Domestic equity	21,695,537	-	-	-	21,695,537
International equity	8,652,242	-	-	-	8,652,242
Common stock					
Domestic	15,968,847	-	-	-	15,968,847
Exchange traded funds					
Domestic	6,869,547	-	-	-	6,869,547
Fixed income investments					
Mortgage	-	3,036,217	-	-	3,036,217
Credit	-	15,369,111	-	-	15,369,111
U.S. Treasuries	6,680,448	-	-	-	6,680,448
Agencies	-	1,637,015	-	-	1,637,015
Asset-backed securities	-	422,419	-	-	422,419
Taxable municipal bonds	-	1,947,382	-	-	1,947,382
Diversified taxable mutual funds	239,414	-	-	-	239,414
Emerging markets	1,253,553	-	-	-	1,253,553
Alternative investments					
Hedge funds	6,229,507	-	-	-	6,229,507
Closely held funds	-	-	2,149,635	242,375	2,392,010
Total investments	68,483,377	22,412,144	2,149,635	242,375	93,287,531
Beneficial interests in trusts	-	-	1,043,190	-	1,043,190
 Total assets	 \$ 68,483,377	 \$ 22,412,144	 \$ 3,192,825	 \$ 242,375	 \$ 94,330,721

University of Central Missouri
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Notes to Financial Statements
June 30, 2024 and 2023

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

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

Investments

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

University of Central Missouri
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Notes to Financial Statements
June 30, 2024 and 2023

Beneficial Interest in Trusts

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

Contributions Receivable

Contributions receivable consist of unconditional gifts to be received in future periods and are discounted to their present value based on anticipated payment streams. Unconditional contributions receivable with donor restrictions at June 30, 2024 and 2023, consisted of the following:

	2024	2023
Due within one year	\$ 659,000	\$ 746,395
Due in one to five years	782,538	1,224,000
	<u>1,441,538</u>	<u>1,970,395</u>
Less		
Allowance for uncollectible contributions	12,247	35,946
Unamortized discount	<u>216,818</u>	<u>173,099</u>
	<u><u>\$ 1,212,473</u></u>	<u><u>\$ 1,761,350</u></u>

Discount rates ranged from 0.8 percent to 5.8 percent and from 0.8 percent to 5.0 percent for 2024 and 2023, respectively.

Beneficial Interest in Trust

The Foundation is named as the beneficiary of a unitrust held by third-party trustees totaling \$393,139 and \$366,647 at June 30, 2024 and 2023, respectively.

The Foundation is named as the beneficiary of a perpetual trust held by a third-party trustee. Under the terms of the trust, the Foundation is designated to receive the net income derived from trust assets on a quarterly basis, which is to be used for the purpose of scholarships and is recorded as temporarily restricted net assets. The Foundation is the beneficiary of the trust with the condition that the University continues to operate or maintain an accredited four-year college for a term in excess of 24 successive calendar months. The Foundation records its beneficial interest in the trust at fair value. Changes in the fair value of the Foundation's interest in the trust are reflected as unrealized gains or losses in the statement of activities in the year in which they take place. The unrealized gain on this trust was \$70,433 for the year ended June 30, 2024, and the unrealized gain on this trust was \$56,974 for the year ended 2023. The Foundation's share in the trust had a value of \$650,051 and \$603,951 at June 30, 2024 and 2023, respectively.

University of Central Missouri
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Notes to Financial Statements
June 30, 2024 and 2023

Net Assets Without Donor Restrictions

Net assets without donor restrictions at June 30, 2024 and 2023, are designated for the following purposes:

	<u>2024</u>	<u>2023</u>
Undesignated	\$ 2,204,648	\$ 1,015,807
Board-designated operating reserve fund	3,500,233	3,272,233
Board-designated endowment funds	8,746,020	7,479,534
University President directed fund	194,235	260,079
	<u>\$ 14,645,136</u>	<u>\$ 12,027,653</u>

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2024 and 2023, are restricted for the following purposes:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose		
Scholarships	\$ 8,272,888	\$ 8,267,251
Academic instruction and departmental	14,765,514	17,060,332
Athletic program	1,233,565	690,361
KMOS-TV	620,117	623,424
Capital projects	5,346,883	5,017,750
Net accumulated earnings in excess of approved payout	13,015,324	8,441,981
	<u>43,254,291</u>	<u>40,101,099</u>
Perpetually restricted with the earnings subject to		
Foundation endowment spending policy		
Scholarships	31,823,057	29,397,629
Academic instruction and departmental	5,880,241	4,467,491
Athletic program	135,889	127,588
Capital projects	40,245	40,245
	<u>37,879,432</u>	<u>34,032,953</u>
	<u>\$ 81,133,723</u>	<u>\$ 74,134,052</u>

University of Central Missouri
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Notes to Financial Statements
June 30, 2024 and 2023

Endowments

The composition of net assets by type of endowment fund at June 30, 2024 and 2023, was:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 73,476,256	\$ 73,476,256
Board-designated endowment funds	8,746,020	-	8,746,020
Total endowment funds	<u>\$ 8,746,020</u>	<u>\$ 73,476,256</u>	<u>\$ 82,222,276</u>
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 66,274,081	\$ 66,274,081
Board-designated endowment funds	7,479,531	-	7,479,531
Total endowment funds	<u>\$ 7,479,531</u>	<u>\$ 66,274,081</u>	<u>\$ 73,753,612</u>

University of Central Missouri
A Component Unit of the State of Missouri
Notes to Financial Statements
June 30, 2024 and 2023

Change in endowment net assets for the years ended June 30, 2024 and 2023, were:

	2024		
	Without Donor	With Donor	Total
Endowment net assets, beginning of year	<u>\$ 7,479,531</u>	<u>\$ 66,274,081</u>	<u>\$ 73,753,612</u>
Net investment return			
Net investment income	-	1,787,788	1,787,788
Net realized and unrealized gain on investments	<u>1,050,942</u>	<u>4,641,827</u>	<u>5,692,769</u>
Total net investment return	<u>1,050,942</u>	<u>6,429,615</u>	<u>7,480,557</u>
Gifts	327,904	3,529,329	3,857,233
Appropriation of assets for expenditure	(39,858)	(2,914,207)	(2,954,065)
Change in donor restrictions	(72,499)	174,765	102,266
Actuarial loss on annuity obligations	<u>-</u>	<u>(17,327)</u>	<u>(17,327)</u>
Endowment net assets, end of year	<u>\$ 8,746,020</u>	<u>\$ 73,476,256</u>	<u>\$ 82,222,276</u>
	2023		
	Without Donor	With Donor	Total
Endowment net assets, beginning of year	<u>\$ 4,598,743</u>	<u>\$ 60,832,847</u>	<u>\$ 65,431,590</u>
Net investment return			
Net investment income	-	1,479,850	1,479,850
Net realized and unrealized gain on investments	<u>469,096</u>	<u>3,202,269</u>	<u>3,671,365</u>
Total net investment return	<u>469,096</u>	<u>4,682,119</u>	<u>5,151,215</u>
Gifts	2,440,365	7,603,733	10,044,098
Appropriation of assets for expenditure	(63,675)	(6,657,326)	(6,721,001)
Change in donor restrictions	35,002	(169,686)	(134,684)
Actuarial loss on annuity obligations	<u>-</u>	<u>(17,606)</u>	<u>(17,606)</u>
Endowment net assets, end of year	<u>\$ 7,479,531</u>	<u>\$ 66,274,081</u>	<u>\$ 73,753,612</u>

University of Central Missouri
A Component Unit of the State of Missouri
Notes to Financial Statements
June 30, 2024 and 2023

Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2024 and 2023, comprise the following:

	2024	2023
Financial assets at year-end		
Cash	\$ 389,597	\$ 273,889
Investments	93,287,531	86,923,479
Accrued investment income	323,307	315,444
Contributions receivable	1,212,473	1,761,350
Notes receivable	1,289,955	1,446,994
	<u>96,502,863</u>	<u>90,721,156</u>
Less amounts restricted or not available to be		
Donor-imposed restrictions on financial assets	79,543,234	72,636,422
Board-designated operating reserve fund	3,500,233	3,272,233
Board-designated endowment funds	8,746,020	7,479,531
University President directed fund	194,235	260,079
Notes receivable – due after one year	1,126,634	1,289,955
	<u>93,110,356</u>	<u>84,938,220</u>
Financial assets not available to meet general expenditures within one year		
	<u>93,110,356</u>	<u>84,938,220</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 3,392,507</u></u>	<u><u>\$ 5,782,936</u></u>

University of Central Missouri
A Component Unit of the State of Missouri
Notes to Financial Statements
June 30, 2024 and 2023

Note 12. Operating Expenses by Function

Operating expenses by functional classification for the year ended June 30, 2024, are summarized as follows:

	Compensation and Benefits	Contractual Services	Supplies and Services	Scholarships and Fellowships	Depreciation and Amortization	Utilities	Other	Total
Instruction	\$ 66,884,437	\$ 1,561,199	\$ 533,165	\$ -	\$ 9,257,476	\$ 417	\$ 9,834,927	\$ 88,071,621
Research	732,890	261,182	57,457	-	142,152	-	(57,403)	1,136,278
Public Service	3,702,905	860,366	1,148,416	-	810,626	71,467	1,352,637	7,946,417
Academic Support	6,346,673	165,509	1,747,728	-	1,274,309	17,012	1,255,000	10,806,231
Student Services	16,597,964	4,804,563	4,294,183	-	3,648,975	8,471	3,746,692	33,100,848
Institutional Support	17,748,135	2,731,745	(6,681,136)	-	245,420	320,058	8,153,139	22,517,361
Operation and Maintenance of Plant	6,765,417	4,335,212	1,944,214	-	2,506,438	3,513,177	(4,483,245)	14,581,213
Scholarships and Fellowships	1,336,188	5,516	22,820	7,299,418	-	-	11,132	8,675,074
Auxiliary Enterprises	5,556,880	6,413,141	11,057,995	-	3,844,726	2,782,432	3,289,592	32,944,766
	<u>\$ 125,671,489</u>	<u>\$ 21,138,433</u>	<u>\$ 14,124,842</u>	<u>\$ 7,299,418</u>	<u>\$ 21,730,122</u>	<u>\$ 6,713,034</u>	<u>\$ 23,102,471</u>	<u>\$ 219,779,809</u>

Note 13. Subsequent Events

Subsequent events have been evaluated through October 22, 2024, which is the date the financial statements were available to be issued.

Required Supplementary Information

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

	2024	2023	2022	2021	2020
University's proportion of the net pension liability	2.3243%	2.4042%	2.2999%	2.4629%	2.4129%
University's proportionate share of the net pension liability	\$ 177,413,989	\$ 172,156,823	\$ 128,578,260	\$ 156,331,778	\$ 145,766,631
University's covered-employee payroll	\$ 51,200,229	\$ 47,959,911	\$ 46,356,483	\$ 48,837,309	\$ 46,755,339
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	346.51%	358.96%	277.37%	320.11%	311.76%
Plan fiduciary net position as a percentage of the total pension liability	52.86%	53.53%	63.00%	55.48%	56.72%
	2019	2018	2017	2016	2015
University's proportion of the net pension liability	2.6674%	2.8959%	2.8591%	2.8410%	2.7413%
University's proportionate share of the net pension liability	\$ 148,795,182	\$ 150,787,953	\$ 132,717,900	\$ 91,236,621	\$ 64,634,510
University's covered-employee payroll	\$ 51,924,427	\$ 56,998,231	\$ 55,002,021	\$ 50,573,280	\$ 52,233,469
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	286.56%	264.55%	241.30%	180.40%	123.74%
Plan fiduciary net position as a percentage of the total pension liability	59.02%	60.41%	63.60%	72.62%	79.49%

Notes

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

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

	2024	2023	2022	2021	2020
Contractually required contribution	\$ 15,219,840	\$ 13,481,020	\$ 11,275,376	\$ 10,606,366	\$ 10,631,882
Contributions in relation to the contractually required contribution	15,219,840	13,481,020	11,275,376	10,606,366	10,631,882
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll	\$ 55,832,121	\$ 51,200,229	\$ 47,959,911	\$ 46,356,483	\$ 48,837,309
Contributions as a percentage of covered-employee payroll	27.26%	26.33%	23.51%	22.88%	21.77%
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 9,449,254	\$ 10,099,301	\$ 9,690,708	\$ 9,333,841	\$ 8,946,847
Contributions in relation to the contractually required contribution	9,449,254	10,099,301	9,690,708	9,333,841	8,946,847
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll	\$ 46,755,339	\$ 51,924,427	\$ 56,998,231	\$ 55,002,021	\$ 50,573,280
Contributions as a percentage of covered-employee payroll	20.21%	19.45%	17.00%	16.97%	17.69%

Notes

Benefit Changes

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

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

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

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

Changes of Assumptions

There were no changes to actuarial assumptions used in the June 30, 2023, valuation.

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

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

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

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

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

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

The assumed investment rate of return was reduced from 7.25 percent to 7.10 percent for the

June 30, 2019, valuation. The salary increase rate was reduced from 3.00 percent to 2.85 percent.

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

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

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

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

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

Salary increases: 3.25 percent to 8.75 percent including inflation

Wage inflation: 3.00 percent

Investment rate of return: 7.65 percent

Post-retirement mortality tables: RP-2014 Healthy Annuitant projected to 2026 with Scale

MP-2015 and scaled by 120 percent

Pre-retirement mortality tables: RP-2014 Employee projected to 2026 with Scale MP-2015 and scaled by 95 percent for males and 90 percent for females

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

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

	2024	2023	2022	2021	2020
Total OPEB Liability					
Service cost	\$ 11,226	\$ 12,085	\$ 18,233	\$ 18,444	\$ 10,703
Interest	103,531	99,705	68,683	105,604	105,976
Differences between expected and actual experience	(390,695)	89,912	(359,492)	(676,747)	91,527
Changes of assumptions or other inputs	(152,440)	30,389	(382,399)	155,902	561,204
Benefit payments	<u>(186,000)</u>	<u>(213,000)</u>	<u>(220,000)</u>	<u>(241,000)</u>	<u>(255,000)</u>
Net Change in Total OPEB Liability	(614,378)	19,091	(874,975)	(637,797)	514,410
University's Total OPEB Liability - Beginning	<u>2,670,055</u>	<u>2,650,964</u>	<u>3,525,939</u>	<u>4,163,736</u>	<u>3,649,326</u>
University's Total OPEB Liability - Ending	<u><u>\$ 2,055,677</u></u>	<u><u>\$ 2,670,055</u></u>	<u><u>\$ 2,650,964</u></u>	<u><u>\$ 3,525,939</u></u>	<u><u>\$ 4,163,736</u></u>
Covered-Employee Payroll	\$ 60,606,754	\$ 59,952,507	\$ 59,952,507	\$ 55,328,223	\$ 55,328,223
University's Net OPEB Liability as a Percentage of Covered-Employee Payroll	3.39%	4.45%	4.42%	6.37%	7.53%
	2019	2018			
Total OPEB Liability					
Service cost	\$ 9,763	\$ 9,121			
Interest	123,163	130,106			
Differences between expected and actual experience	(127,704)	-			
Changes of assumptions or other inputs	75,900	33,313			
Benefit payments	<u>(308,487)</u>	<u>(226,756)</u>			
Net Change in Total OPEB Liability	(227,365)	(54,216)			
University's Total OPEB Liability - Beginning	<u>3,876,691</u>	<u>3,930,908</u>			
University's Total OPEB Liability - Ending	<u><u>\$ 3,649,326</u></u>	<u><u>\$ 3,876,692</u></u>			
Covered-Employee Payroll	\$ 55,605,898	\$ 55,605,898			
University's Net OPEB Liability as a Percentage of Covered-Employee Payroll	6.56%	6.97%			

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

Notes

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

Benefit Changes

There were no changes to benefit terms of the years ended June 30, 2018 through 2024.

Changes of Assumptions

Actuarial assumptions used in the June 30, 2024; valuation was changed as follows:

- The salary scale assumption was revised from 2.5 percent to 2.0 percent per year.
- The census was updated from January 1, 2022 to January 1, 2024
- The discount rate changed from 4.0 percent to 4.1 percent.
- The retiree per capita costs, retiree contribution premiums, and trend assumptions were updated as part of the actuarial evaluation. The January 1, 2024, renewal was taken into account.

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

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

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

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

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

- The salary scale assumption was revised from 2.0 percent to 3.5 percent per year.
- The discount rate changed from 2.6 percent to 2.0 percent.
- The mortality assumption was changed from Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP2019 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP2020 Full Generational Improvement.
- The retiree per capita costs, retiree contribution premiums, and trend assumptions were updated as part of the actuarial evaluation. The January 1, 2021, renewal was taken into account. The 2021 renewal produced lower premium costs relative to 2020 leading to actuarial gains. The PCB PPO plan was eliminated effective January 1, 2021. The UCM Custom Plan is the one available plan option effective January 1, 2021.

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

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

- The retirement, disability, and turnover assumptions were updated when applicable based on the latest statistics from MOSERS.
- The assumed healthy life mortality was updated to reflect the Society of Actuaries RPH-2014 adjusted to 2006 Headcount-Weighted Total Dataset Mortality table with MP-2018 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2019 Full Generational Improvement
- The per capita costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation.
- The discount rate was changed from 3.30 percent (June 30, 2018) to 3.0 percent (June 2019) and ultimately 2.6 percent when rolled forward to the measurement date of June 30, 2020.
- It is assumed that 1 percent of future employees retiring at > Age 65 will elect coverage in the University's program. Future employees retiring at < Age 65 assumed not to elect University sponsored coverage.
- The actuarial cost method was changed from Projected Unit Credit to Entry Age Normal - Level Percent of Pay.
- The assumed salary scale is 2 percent per year.

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

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

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

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

Supplementary Information

University of Central Missouri
A Component Unit of the State of Missouri
Stadium Bonds – Series 2018B
Selected Information
Year Ended June 30, 2024

Revenues

Foundation Suite Revenue (Chart C)	\$	77,813
(100010-150150-550020-5200)		
Walton Stadium		
Building rent income		3,000
(100010-150100-550020-5200)		
Men's Football		
Advance ticket sales		118,907
org 150031		
General Fund Transfer For Walton Stadium		
Bond Payment (Series 2013B)		268,543
Bond Payment (Series 2018B)		137,862

University of Central Missouri
A Component Unit of the State of Missouri
Student Housing System
Condensed Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2024

Operating Revenues

Housing, net of bad debt expense	\$ 19,307,442
Bookstore, net of bad debt expense	3,287,496
University union fee	2,600,080
Tuition and fees	1,192
Other operating revenues	1,646,386
Total operating revenues	<u>26,842,596</u>

Operating Expenses

Compensation and benefits	3,180,875
Contractual services	5,034,614
Supplies and services	2,769,583
Scholarships	300
Utilities	2,523,285
Debt service	5,075,861
Other	7,124,275
Total operating expenses	<u>25,708,793</u>

Operating Income	<u>1,133,803</u>
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Nonoperating Revenues (Expenses)

Other nonoperating expenses	<u>(38,938)</u>
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Income Before Other Revenues and Expenses, Gains or Losses	<u>1,094,865</u>
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Add Back Debt Service Payments

Student housing	4,131,578
University Store	418,247
Student union	526,036
Total debt service payments	<u>5,075,861</u>

Add Back Capital Improvement Transfers	<u>677,585</u>
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Net Operating Revenue Before Debt Service Payments	<u>\$ 6,848,311</u>
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Net Operating Revenue as a % of Debt Service	135%
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University of Central Missouri
A Component Unit of the State of Missouri
Student Housing System
Condensed Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2024

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 2018A and Series 2023 Revenue Bonds.

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

University of Central Missouri
A Component Unit of the State of Missouri
Student Housing System
Insurance Coverage
June 30, 2024

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, 2024:

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

University of Central Missouri
A Component Unit of the State of Missouri
Student Housing System
Insurance Coverage
June 30, 2024

	Amount of Coverage	
	Building	Contents
Residential complex (included in blanket figures)		
Diemer Hall	\$ 8,660,556	\$ 163,462
South Ellis Hall	14,326,798	208,451
East Ellis Hall	16,845,797	229,447
North Ellis Hall	18,265,329	280,435
Foster Knox Hall	11,977,736	370,414
Hosey Hall	10,461,389	406,405
Nickerson Hall	13,465,241	326,926
Panhellenic Hall	14,382,843	478,390
South Todd Hall	3,876,558	172,460
Todd Hall	11,799,277	488,889
South Yeater Hall	20,667,019	508,382
Yeater Hall	12,485,852	326,926
Houts Hall	10,925,648	455,896
Fitzgerald Hall	21,711,565	580,367
Apartment (included in blanket figures)		
Greenwood 4-Plex #2	696,324	11,998
Greenwood 4-Plex #3	696,324	11,998
Greenwood 4-Plex #4	696,324	11,998
Greenwood 4-Plex #6	696,324	11,998
Greenwood 4-Plex #8	696,324	11,998
Greenwood 4-Plex #10	696,324	11,998
Greenwood 4-Plex #12	696,324	11,998

University of Central Missouri
A Component Unit of the State of Missouri
Student Housing System
Insurance Coverage
June 30, 2024

	Amount of Coverage	
	Building	Contents
Apartments (included in blanket figures - <i>continued</i>)		
Greenwood 4-Plex #13	\$ 696,324	\$ 11,998
Greenwood 4-Plex #14	696,324	11,998
Greenwood 4-Plex #16	697,247	12,921
Greenwood Handicap Unit	380,127	5,998
Greenwood VIP Unit	440,386	92,980
Greenwood Community Center	835,597	11,998
Central Village 8-Plex #1	1,982,066	25,494
Central Village 8-Plex #2	1,380,954	25,494
Central Village 8-Plex #3	1,982,066	25,494
Central Village 8-Plex #4	1,380,954	25,494
Central Village 8-Plex #5	1,982,066	25,494
Central Village 8-Plex #6	1,380,954	25,494
Central Village Community Building	1,012,914	25,696
Central Village 8-Plex #8	1,380,954	25,494
Central Village 8-Plex #9	1,380,954	25,494
Central Village 8-Plex #10	1,380,954	25,494
Central Village 8-Plex #12	1,380,954	25,494
The Crossing	66,814,171	3,671,607
Stadium		
Walton Stadium	16,201,250	2,480,097
Walton Stadium Field	1,734,310	-
Other (included in blanket figures)		
University Union	55,503,558	4,747,282
Ellis Mechanical Building	1,649,705	1,297,652
Greenwood Morton Building	212,340	-
Liability insurance		
Covered under the State Legal Expense Fund		

University of Central Missouri
A Component Unit of the State of Missouri
Student Housing System
Enrollment and Occupancy Statistics
Year Ended June 30, 2024

	Headcount	Full-time Equivalent	Semester Credit Hours
Summer 2023 (202330)			
Undergraduate	2,251	1,648	13,154
Graduate	3,845	3,773	25,132
Fall 2023 (202410)			
Undergraduate	7,203	5,419	81,275
Graduate	5,585	3,149	38,303
Spring 2024 (202420)			
Undergraduate	8,019	5,274	79,082
Graduate	5,715	3,178	38,149

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

Residence Halls		Apartments	
22-23	23-24	22-23	23-24
76%	80%	95%	96%

The following information sets forth the living choices of undergraduate students for the Fall 2023 semester:

Total on-campus	28.3%
Total off-campus	71.7%
Total	100.0%

Room and board charges for the fiscal years ended June 30, 2024 and 2023, are as follows:

	2024	2023
Residence halls (per semester)		
Single occupancy room	\$ 3,846	\$ 3,698
Double occupancy room	3,169	3,048
Apartments (per month)		
Central Village - one-bedroom	674	648
Central Village - two-bedroom	813	782
Central Village - three-bedroom	971	934
Foster/Knox	825	793
Greenwood Park	887	853
Nickerson	825	793
Todd - one-bedroom	825	793
Todd - two-bedroom	1,014	975
The Crossing 2 BR, per person	767	738
The Crossing 4 BR, per person	657	631
The Crossing 4 BR - 2 story, per person	657	631
Basic meal plan (per semester)	1,934	1,802

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

	2024	2023
University Union Fee		
Per credit hour (<9 credit hours)	\$ 8.85	\$ 8.55
Flat rate (9+ credit hours)	\$ 132.75	\$ 128.25

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education				
Student Financial Assistance Cluster				
Teacher Education Assistance for College and Higher Education Grants	84.379	NA	\$ -	\$ 47,150
Federal Supplemental Educational Opportunity Grants	84.007	NA	-	169,926
Federal Work-Study Program	84.033	NA	-	336,121
Federal Pell Grants	84.063	NA	-	10,708,786
Federal Direct Student Loans	84.268	NA	-	27,779,300
Federal Perkins Loan Program	84.038	NA	-	1,674,545
Total Student Financial Assistance Cluster			-	40,715,828
Higher Education Institutional Aid	84.031F	NA	-	696,019
TRIO Cluster				
TRIO McNair Post-Baccalaureate Achievement	84.217A	NA	-	272,957
TRIO Upward Bound	84.047V	NA	-	(6,268)
Total TRIO Cluster			-	266,689
COVID-19 - Education Stabilization Fund				
Governor's Emergency Education Relief Fund	84.425C	NA	-	(180)
Elementary and Secondary School Emergency Relief Fund				
FY22 Literacy Instruction & Intervention	84.425D	NA	-	(5,799)
FY23 Leadership Specialist ESSER II	84.425D	NA	-	425
FY23 Literacy & Language K-3	84.425D	NA	-	437
FY23 Literacy & Language K-12	84.425D	NA	-	399
FY23 Literacy Instruction & Intervention	84.425D	NA	-	860
Mathematics Consultant	84.425D	NA	-	310,160
FY23 Math Improvement Consultation Specialist	84.425D	NA	-	1,536
FY23 Literacy Coach	84.425D	NA	-	2,203
FY23 Teacher Recruitment & Retention Specialist	84.425D	NA	-	367
FY24 Leadership Specialist (ESSER)	84.425D	NA	-	102,481
FY24 Literacy & Language K-3	84.425D	NA	-	100,655
FY24 Literacy & Language K-12	84.425D	NA	-	100,988
FY24 Literacy Instruction & Intervention	84.425D	NA	-	102,709
FY24 Literacy Coach	84.425D	NA	-	203,375
FY24 Teacher Recruitment & Retention Specialist	84.425D	NA	-	105,796
Elementary Mathematics Specialist (EMS) Certificate Program	84.425D	NA	-	416,238
Recruit & Retention Social Workers	84.425D	NA	-	15,000
Recruit & Retention Social Workers Counseling	84.425D	NA	-	15,000
Missouri Teacher Preparation Program	84.425D	NA	-	100,000
American Rescue Plan-Elementary and Secondary School				
FY24 Summer Enrichment	84.425U	NA	-	776
Teacher Recruitment	84.425U	NA	-	(638)
Dual Credit Expansion	84.425	NA	-	5,624
Total Education Stabilization Fund			-	1,578,412

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education / Missouri Department of Elementary and Secondary Education Special Education Cluster (IDEA) Special Education Grants to States				
FY21 DCI Consultants	84.027A	None	\$ -	\$ 283
FY21 SW PBS Consultant	84.027A	None	-	117
FY22 DCI Consultants	84.027A	None	-	(341)
FY22 SW-PBS Consultant	84.027A	None	-	(47)
DESE Federal Pass Through Funds	84.027A	None	-	(891)
FY23 IDEA Compliance Consultant	84.027A	None	-	411
FY23 RPDC Director Support	84.027A	None	-	263
FY23 Special Ed Improvement Consultant	84.027A	None	-	344
FY23 SW-PBS Specialist	84.027A	None	-	927
FY23 DCI Consultants	84.027A	None	-	1,777
FY24 DCI-E Consultants - Border Region	84.027A	None	-	102,784
FY23 DCI Travel Expenses	84.027A	None	-	121
FY24 Behavioral Specialist	84.027A	None	-	112,859
FY24 IDEA Compliance Consultant	84.027A	None	-	103,280
FY24 RPDC Director Support	84.027A	None	-	69,743
FY24 Severe Disabilities Certification	84.027A	3750 01505-2265-I071	-	36,593
FY24 Special Ed Improvement Consultant	84.027A	None	-	98,030
FY24 SW-PBS Specialist	84.027A	None	-	194,116
FY24 District Continuous Improvement	84.027A	None	-	86,298
FY24 DCI Consultants	84.027A	None	-	379,454
FY24 DCI Travel Expenses	84.027A	None	-	14,467
Total Special Education Cluster (IDEA)			-	1,200,588
Supporting Effective Instruction State Grants				
FY21 Non-Traditional Event(s) Program	84.367A	None	-	333
Mentor-Mentee Program	84.367A	None	-	37,500
FY23 Leadership Specialist (TITLE II.A)	84.367A	None	-	389
FY24 Leadership Specialist (TITLE II.A)	84.367A	None	-	101,334
Total Supporting Effective Instruction State Grants			-	139,556
Title I Grants to Local Education Agencies				
FY23 Continuous Improvement Consultants	84.010A	None	-	363
Career and Technical Education-Basic Grants to States				
MO Career Pathways Grant - Externships	84.048A	V048A190025	-	1,039
Pathways for Teacher Grant	84.048A	V048A190025	-	(182)
Pathways for Teacher Grant	84.048A	V048A190025	-	146
Professional Development of Skilled Tech Teacher	84.048A	YJY5YZLMOGUTNZ	-	(69)
FY23 Career Pathway Regional Consultants	84.048A	None	-	226
Skilled Technical Sciences Model Curriculum for Graphic Arts, Welding Technology and Auto Body Repair	84.048A	None	-	(1,799)
FY23 Skilled Technical Sciences Curriculum Development	84.048A	N2Q5NGY3ZDAIM2	-	4,661
FY23 Missouri Health Career Day	84.048A	V048A220025	(19,000)	(19,000)
Technology & Engineering Education Teacher and Program CTE Certification	84.048A	3420-0105-0513-VLP1	-	3,930
FY23 GYO - Missouri Career Pathways Program	84.048A	None	-	1,422
FY23 Chamber KC Show Me Careers	84.048A	None	-	1,425
FY24 Non-Traditional Event(s) Program	84.048A	None	-	4,190
FY24 New Teacher Institute	84.048A	3420-0105-0513-VLP2	-	39,514
FY24 Federal Administrative Costs	84.048A	3420-0105-0513-VLP2	-	117,842
FY24 Career Pathway Regional Consultants	84.048A	None	-	61,491
FY24 Curriculum Projects	84.048A	3420-0105-0513-VLP2	-	21,173
FY24 Transition to Success Ready SPED Teacher Externship	84.048A	None	-	8,085
FY24 Health Care Career Day	84.048A	42702	-	20,000
Total Career and Technical Education-Basic Grants to States			(19,000)	264,094

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Comprehensive Literacy Development MO Comprehensive State Literacy Development (CLSD)	84.317C	PL 111-117	\$ -	\$ 500,267
U.S. Department of Education / National Writing Project Supporting Effective Instruction State Grants SEED Summer Camp Grant	84.367D	92-MO02- SEED2017-CAMP	-	(621)
Total Supporting Effective Instruction State Grants			-	(621)
U.S. Department of Transportation / Missouri Department of Transportation Airport Improvement Program Master Plan and Airport Layout Plan Update	20.106	20-019A-1	-	16,998
Total Airport Improvement Program			-	16,998
FMCSA Cluster Motor Carrier Safety Assistance Program FY21 Commercial Motor Vehicle Survey	20.218	21-CMV-MC-007 DTNH2217D00040-	-	971
Law Enforcement Phlebotomy Program	20.218	693JJ920F000	-	4,955
Total FMCSA Cluster			-	5,926
Highway Safety Cluster State and Community Highway Safety FY17 Enforcement Youth Seat Belt	20.600	17-OP-05-012	-	(52)
FY17 Impaired Driving Countermeasures	20.600	17-M50T-03-004	-	(9,322)
FY17 Survey-Statewide Seat Belt	20.600	17-OP-05-001	-	5,867
FY17 Occupant Protection LEL	20.600	17-PT-02-149	-	(117)
FY18 Teen High School Safety Belt	20.600	18-OP-05-001	-	(92)
FY18 Occupant Protection LEL	20.600	18-PT-02-092	-	(162)
FY20 Driver Improvement Program (DIP)	20.600	18-PT-02-048	-	(183)
FY21 - Driver Instructor Course	20.600	21-DE-02-001	-	(147)
FY21 Instructor Development Course	20.600	21-DE-02-002	-	1,854
FY21 Driver Improvement Program	20.600	21-PT-02-097	-	(341)
FY22 Driver Improvement Program	20.600	22-PT-02-001	-	(36)
FY22 Occupant Protection LEL	20.600	22-PT-02-150	-	(173)
FY23 Enforcement HMV	20.600	23-PT-02-059	-	3,380
FY23 Driver Improvement Program (DIP)	20.600	23-PT-02-130	-	12,012
FY23 Police Driving Course	20.600	23-PT-02-033	-	6,361
FY23 - Driver Instructor Course	20.600	23-DE-02-001	-	10,835
Y23 HMV, OP & Speed Law Enforcement Liaison	20.600	23-PT-02-156	-	24,458
FY23 Statewide Safety Belt Survey	20.600	23-PT-02-157	-	44,483
FY24 Police Driving	20.600	24-PT-02-027	-	1,794
FY24 HMV, OP & Speed LEL	20.600	24-PT-02-152	-	37,255
FY24 Enforcement HMV	20.600	24-PT-02-088	-	13,605
FY24 Driver Improvement Program (DIP)	20.600	24-PT-02-032	-	36,106
Total State and Community Highway Safety			-	187,385

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
National Priority Safety Programs				
FY16 Survey Teen Seat Belt	20.616	None	\$ -	\$ (1,275)
Drug Impaired Driving FY15	20.616	#15-M5TR-03-001	-	1,610
FY18 Occupant Protection Enforcement	20.616	18-M2OP-05-020	-	18,078
FY18 Statewide Seat Belt Survey	20.616	18-M2OP-05-015	-	242
FY18 Drug Impaired Driving	20.616	18-M5OT-03-005	-	(3,358)
FY18 Drug Impaired Driving	20.616	19-M5OT-03-002	-	(9,713)
FY20 Drug Impaired Driving	20.616	None	-	(419)
FY21 MOU LE Phlebotomy	20.616	21-M2HVE-05-013	-	(1,222)
FY21 Drug Impaired Driving	20.616	21-M5OT-03-006	-	(2,528)
FY22 Statewide Safety Belt Survey	20.616	22-M5HVE-05-031	-	132
FY23 Enforcement DWI	20.616	23-M5HVE-03-025	-	1,351
FY23 DID & SFST	20.616	23-M5OT-03-001	-	66,487
FY23 Alcohol Law Enforcement Liaison	20.616	23-M5HVE-03-048	-	58,051
FY23 Enforcement - Occupant Protection Campaign	20.616	23-M2HVE-05-031	46,286	62,304
FY23 Teen (High School) Safety Belt Survey	20.616	23-M2HVE-05-005	-	7,743
FY23 Law Enforcement Phlebotomy Program Pilot	20.616	23-M5TR-03-006	-	29,355
FY24 DID & SFST	20.616	24-M5OT-03-001	-	277,092
FY24 LEPP Training	20.616	24-M5TR-03-002	-	34,135
FY24 Occupant Protection Enforcement	20.616	24-McHVE-05-032	-	24,329
FY24 Statewide Safety Belt Survey	20.616	24-M2HVE-05-033	-	156,138
FY24 Survey Prep Teen Seat Belt	20.616	24-M2HVE-05-034	-	17,874
FY24 Enforcement DWI	20.616	24-M5HVE-03-014	-	1,341
Total National Priority Safety Programs			46,286	737,747
Total Highway Safety Cluster			46,286	925,132
Alcohol Open Container Requirements				
FY14 Impaired Driving Countermeasures	20.607	14-154-AL-063	-	(192)
FY18 Impaired Driving Countermeasure	20.607	18-154-AL-130	-	(14,961)
FY18 Enforcement Drive Sober	20.607	18-154-AL-154	-	3,376
FY18 Alcohol LEL	20.607	18-154-AL-114	-	1,306
FY17 Alcohol LEL	20.607	17-154-SL-169	-	(1,317)
FY19 Enforcement Drive Sober	20.607	19-154-AL-019	-	(308)
FY19 Impaired Driving Countermeasure	20.607	19-154-AL-024	-	928
FY20 - Impaired Driving Countermeasures	20.607	None	-	(8,139)
FY20 Drive Sober or Get Pulled Over	20.607	None	-	805
FY21 Enforcement Drive Sober	20.607	21-154-AL-037	462	60
FY21 Impaired Driving	20.607	21-154-AL-140	-	(2,555)
FY22 Impaired Driving Countermeasure	20.607	22-154-AL-131	-	(2,491)
FY23 Enforcement - Drive Sober	20.607	23-154-AL-044	130,381	163,800
FY23 Impaired Driving Countermeasures	20.607	23-154-AL-031	-	79,268
FY23 Ignition Interlock Device (IID) Program	20.607	23-154-AL-045	-	17,976
FY24 Impaired Driving Countermeasure	20.607	24-154-AL-031	-	209,433
FY24 Drive Sober or Get Pulled Over	20.607	24-154-AL-049	130,406	186,485
FY24 Ignition Interlock Device (IID) Program	20.607	24-154-AL-052	-	84,934
FY24 Alcohol Law Enforcement Liaison	20.607	24-154-AL-135	-	105,568
FY24 Dedicated Impaired Driving	20.607	24-154-AL-047	-	46,345
Total Alcohol Open Container Requirements			261,249	870,321

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Treasury / State of Missouri				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund				
Agricultural Certifications to Meet Modern Workforce and Industry Demands	21.027	SLFRP4542	\$ -	\$ 28,969
ARPA Humphreys Building	21.027	SLFRP4542	-	3,607,787
Total Coronavirus State and Local Fiscal Recovery Funds			-	3,636,756
U.S. Department of Treasury / Johnson County, Missouri				
COVID-19 - Coronavirus Relief Fund				
ARPA Humphreys Building	21.019	GPAP1-0011	-	1,162
Total Coronavirus Relief Fund			-	1,162
U.S. Department of Health and Human Services / Missouri Department of Elementary and Secondary Education				
MO Child Care Licensing Regulatory Alignment	93.575	3300-24681586-AD16	-	229,591
U.S. Department of Health and Human Services / Missouri Department of Health and Senior Services				
Injury Prevention and Control Research and State and Community Based Programs				
Implementation of Violence Prevention Strategy	93.136	AOC19380249	-	402
Implementation of Violence Prevention Strategy	93.136	DH220051616-00	-	53,774
Total Injury Prevention and Control Research and State and Community Based Programs			-	54,176
U.S. Department of Health and Human Services / Missouri Department of Elementary and Secondary Education				
Every Student Succeeds Act/Preschool Development Grants				
Development of Missouri Early Learning Standards & Missouri Kindergarten Standard Alignment Tool	93.434	300-0105-7217-PDF2	-	(653)
National Science Foundation				
Anchoring HS Students in Real Life Issues that Integrate STEM Content and Literacy	47.076	NA	-	(6,694)
National Science Foundation				
U.S. Science Support Program Ocean Discovery Program	47.050	NA	-	19,583
U.S. Department of Agriculture				
Capacity Building for Non-Land Grant Colleges of Agriculture				
Certified to Teach Ag	10.326	NA	-	29,895
Building Partnerships Between Stakeholders in Western Missouri	10.326	NA	54,311	54,123
Total Capacity Building for Non-Land Grant Colleges of Agriculture			54,311	84,018

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture / Missouri Department of Health and Senior Services				
Child and Adult Care Food Program	10.558	ERS46110155	\$ -	\$ 25,545
U.S. Department of Labor				
Occupational Safety and Health Susan Harwood Training Grants				
Susan Harwood Training Grant	17.502	NA	-	141
COVID - Susan Harwood Training Grant	17.502	NA	-	37,461
Bloodborne Pathogens - Susan Harwood Training Grant	17.502	NA	-	38,100
Total Occupational Safety and Health Susan Harwood Training Grants			-	75,702
U.S. Department of the Interior				
Native American Graves Protection and Repatriation Act				
McClures Digitization and Consultation Project	15.922	NA	-	79
U.S. Department of Justice				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	NA	(272)	100,110
U.S. Department of Justice				
Public Safety Partnership and Community Policing Grants	16.710	NA	-	13,096
U.S. Department of Veterans Affairs				
Veterans Legacy Grants Program	64.204	NA	-	271,465
National Endowment for the Humanities / National Writing Project				
Promotion of the Humanities Public Programs	45.164	92-MO02-2022BMPU	-	887
National Endowment for the Humanities / National Writing Project				
Promotion of the Humanities Public Programs	45.129	2208	-	573
			\$ 342,574	\$ 51,684,968

University of Central Missouri
A Component Unit of the State of Missouri
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of University of Central Missouri under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of University of Central Missouri, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Federal Loan Programs

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

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

Board of Governors
University of Central Missouri
Warrensburg, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities, and the discretely presented component unit of University of Central Missouri (the "University"), collectively a component unit of the state of Missouri, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic final financial statements, and have issued our report thereon dated October 22, 2024. The financial statements of University of Central Missouri Foundation, which are included in the University's financial statements as a discretely presented component unit, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with University of Central Missouri Foundation.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-001 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-002 to be significant deficiencies.

Report on Compliance and Other Matters

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

University's Responses to Findings

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

Purpose of This Report

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

Forvis Mazars, LLP

**Springfield, Missouri
October 22, 2024**

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Independent Auditor's Report

Board of Governors
University of Central Missouri
Warrensburg, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited University of Central Missouri's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University of Central Missouri's major federal programs for the year ended June 30, 2024. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, University of Central Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Forvis Mazars, LLP

**Springfield, Missouri
October 22, 2024**

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
- ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer
2. Internal control over financial reporting:
- Significant deficiency(ies) identified? ☒ Yes ☐ None reported
- Material weakness(es) identified? ☒ Yes ☐ No
3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal awards programs:
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported
- Material weakness(es) identified? ☐ Yes ☒ No
5. Type of auditor's report issued on compliance for major federal program(s):
- ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer
6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

7. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
	Student Financial Assistance Cluster
84.379	Teacher Education Assistance for College and Higher Education Grants
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grants
84.268	Federal Direct Student Loans
84.038	Federal Perkins Loan
	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund
21.027	Agricultural Certifications to Meet Modern Workforce and Industry Demands
21.027	ARPA Humphreys Building

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

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

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section II – Financial Statement Findings

Reference Number	Finding
2024-001	<p>Criteria - Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition - Audit adjustments were proposed and recorded to roll forward Net Position from the prior year financial statements. Multiple audit adjustment were proposed and recorded to correct activity posted to the Expense Related to Prior Periods account.</p> <p>Cause - The University improperly posted current year activity to Net Position and Fund Balance accounts that should have been recorded to revenues and expenses accounts. The activity posted directly to Net Position and Fund Balance accounts by the University was primarily related to efforts to correct account balances related to the University's Perkins loan program. Additionally, during fiscal year 2024 the University used an account titled Expense Relating to Prior Periods to record the closure of inactive Funds into active Funds and other attempts to clean up account balances. The practice of using the Expense Relating to Prior Periods account resulted in a material balance in the account and material under or overstatements in other revenue and expense accounts.</p> <p>Effect or potential effect - Net Position and the Statement of Revenues, Expenses, and Changes in Net Position were not properly presented.</p> <p>Recommendation - We recommend the University prepare a roll forward of Net Position accounts when preparing quarterly financial statements and discontinue the practice of posting activity directly to Net Position and Fund Balance accounts and the Expense Relating to Prior Periods account.</p> <p>Views of responsible officials and planned corrective actions - UCM agrees with the auditor's recommendations and the following action will be taken to improve the process. The University identified a missed step in the fiscal year-end closing process and has now implemented a procedure to ensure future year-end balances align with the beginning balances of the subsequent year. To correct the Perkins loan program accounts, a one-time posting to Fund Balance accounts was necessary. This adjustment will not recur in the future. Entries were posted to 'Expense Related to Prior Periods' because these income and expense items pertained to previous years. However, they were included in the current year's income and expenses based on the auditors' recommendation.</p>

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Reference Number	Finding
2024-002	<p data-bbox="352 401 1369 464">Criteria - Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p data-bbox="352 501 1406 793">Condition - The University received grant funding for the renovations of the Humphreys Building. The University uses fund numbers to track financial activity. Humphreys Building construction expenditures were initially recorded in a non-grant fund. Once grant funding was in place the construction expenditures were tracked in a grant fund. Construction in progress accumulated in the non-grant fund was never removed from the fund when the new grant fund was established resulting in certain Humphreys Building renovation costs being duplicated in Construction in Progress at year end. An audit adjustment was proposed and recorded to remove the duplicated costs from Construction in Progress at year end.</p> <p data-bbox="352 831 1406 957">Cause - Construction in progress accumulated in the non-grant fund was never removed from the non-grant fund when the new grant fund was established resulting in certain Humphreys Building renovation costs being duplicated in Construction in Progress at year end.</p> <p data-bbox="352 995 1289 1058">Effect or potential effect - Construction in Progress costs were duplicated for the Humphreys Building renovation at year end.</p> <p data-bbox="352 1096 1382 1159">Recommendation - We recommend the University reconcile Construction in Progress at least quarterly to ensure appropriate costs are capitalized.</p> <p data-bbox="352 1197 1417 1356">Views of responsible officials and planned corrective actions - We concur with the auditor's findings and will implement the following actions to enhance this process: The Fixed Asset Accountant will reconcile construction in progress on a quarterly basis. Both quarterly and at year-end the Director of Accounting Services will review the reconciliation to ensure all expenditures are accurately accounted for and correctly posted.</p>

University of Central Missouri
A Component Unit of the State of Missouri
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable

University of Central Missouri
A Component Unit of the State of Missouri
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

Reference Number	Finding	Status
2023-001	<p>Criteria - Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition - The University receives funding for certain capital projects from donor funds raised and maintained by the University of Central Missouri Foundation. At June 30, 2023, and in prior years, the University did not properly record contributions from the Foundation for capital projects and the related receivable balances. Audit adjustments were proposed and recorded to remove the receivable balance carried forward from prior years and record the amounts receivable from the Foundation for capital projects completed by the University.</p> <p>Cause - The University does not have a consistent and repetitive process in place to record amounts receivable from University of Central Missouri Foundation for capital projects funded by donors. The University had carried forward a receivable balance that was collected from the Foundation in a prior year. The University's Facilities Planning & Operations team periodically requests reimbursement from the Foundation for completed projects with donor funding held by the Foundation. These reimbursement requests are not recorded as a reduction of the related receivables by the University when accepted by the Foundation.</p> <p>Effect or potential effect - Contribution revenue and the amounts due from the Foundation were not properly recognized in the financial statements.</p>	Resolved

University of Central Missouri
A Component Unit of the State of Missouri
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

Reference Number	Finding	Status
2023-002	<p>Criteria - Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition - The University has received state appropriations to fund renovations to the W.C. Morris Science Building. The renovation project was ongoing at fiscal year end. The University did not record a receivable for appropriations available to be drawn for capital expenditures to date at year end. An audit adjustment was proposed and recorded to properly recognize state appropriations revenue.</p> <p>Cause - The University does not have a consistent and repetitive process in place to record appropriations earned but not yet received.</p> <p>Effect or potential effect - State appropriation revenue and appropriations receivable were not properly recognized in the financial statements.</p>	Resolved

University of Central Missouri
A Component Unit of the State of Missouri
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

Reference Number	Finding	Status
2023-003	<p>Criteria - Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition - The University has applied for grant funding through Federal Emergency Management Agency's public assistance disaster grants. Revenue was recognized in 2022 and 2023 under FEMA disaster grant programs and these funds were reported on the University's schedule of expenditures of federal awards. The University's initial request for funding under these FEMA programs is pending in FEMA's grantee portal. As FEMA's grantee portal does not show these funds as obligated, no approved grant award is in place at year end and therefore grant revenue cannot be recognized or federal expenditures presented in the schedule of expenditures of federal awards. Audit adjustments were proposed and recorded to correct current and prior year grant revenues recognized.</p> <p>Cause - The University does not have controls in place to record grant revenues consistent with the scope and terms of approved grant awards.</p> <p>Effect or potential effect - Grant revenue and grants receivable were not properly recognized in the financial statements.</p>	Resolved

University of Central Missouri
A Component Unit of the State of Missouri
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

Reference Number	Finding	Status
2023-004	<p>Criteria - Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition - The University received federal funding through the Missouri Department of Transportation for the expansion of the Skyhaven Airport. These specific federal grant funded programs were completed in fiscal year 2021. In prior fiscal years, the University recognized grant revenue in excess of the funding provided through MODOT and carried the receivable balance through fiscal years 2021, 2022 and 2023. These overstatements of grant revenue also resulted in an overstatement in the amounts reported of the schedule of expenditures of federal awards in prior years. An audit adjustment was proposed and recorded to correct grant receivables and net position.</p> <p>Cause - The University does not have controls in place to record grant revenues consistent with the scope and terms of approved grant awards. The University's recording of grants receivable and grants deferred revenue balances is an annual process rather than being monthly or quarterly.</p> <p>Effect or potential effect - Grant revenue and grants receivable were not properly recognized in the financial statements.</p>	Resolved

University of Central Missouri
A Component Unit of the State of Missouri
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

Reference Number	Finding	Status
2023-005	<p>Criteria - Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition - The University's reported net position restricted for loans has not included the amounts repaid to the Department of Education therefore overstating the restricted portion of net position. As the portfolio of Federal Perkins Loans are paid down by borrowers, the University is making annual repayments of the federal contribution to the Perkins Loan program. An audit adjustment was proposed and recorded to correct the classification of net position at June 30, 2023, and prior years.</p> <p>Cause - When calculating the amount of net position restricted for loans, the University did not consider amounts repaid to the Department of Education.</p> <p>Effect or potential effect - The classification of net position was not presented correctly.</p>	Resolved

University of Central Missouri
A Component Unit of the State of Missouri
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

Reference Number	Finding	Status
2023-006	<p data-bbox="345 405 1291 583">Student Financial Assistance Cluster 84.379 Teacher Education Assistance for College and Higher Education Grants, 84.007 Federal Supplemental Educational Opportunity Grants, 84.033 Federal Work-Study Program, 84.063 Federal Pell Grants, 84.268 Federal Direct Student Loans, 84.038 Federal Perkins Loan Program U.S. Department of Education Program Year 2022 - 2023</p> <p data-bbox="345 621 1291 709">Criteria or Specific Requirement - Special Tests: Gramm-Leach-Bliley Act - Student Information Security 16 CFR 314.4(c)(1) - (8), 16 CFR 314.4(d), 16 CFR 314.4(e)(1), 16 CFR 314.4(f), 16 CFR 314.4(g)</p> <p data-bbox="345 747 1291 800">Condition - University does not have a written information security program that addresses all required elements of the Gramm-Leach-Bliley Act.</p> <p data-bbox="345 837 602 863">Questioned costs - None</p> <p data-bbox="345 900 1291 1100">Context - On December 9, 2021, the Federal Trade Commission issued final regulations for 16 CFR Part 314 to implement the Gramm-Leach-Bliley Act information safeguarding standards that institutions must implement. The regulations established minimum standards that institutions must meet. Institutions were required to be in compliance with the revised requirements no later than June 9, 2023. The University's written information security program contained 2 out of the 14 elements required by the revised Gramm-Leach- Bliley Act regulations.</p> <p data-bbox="345 1173 1291 1226">Effect - The University's written information security procedures do not address all required written statement elements of the Gramm-Leach-Bliley Act.</p> <p data-bbox="345 1264 911 1289">2023 for the revised requirements of 16 CFR Part 314.</p> <p data-bbox="345 1327 704 1352">Indication as a repeat finding - N/A</p>	Resolved