

BOARD OF REGENTS MEETING
9:00 a.m., Friday, December 13, 2019
Academic Hall Board of Regents Room*

Open Session Agenda

Welcome, Roll Call, and Call to Order

Presentation of Resolution of Honor to Kendra Neely-Martin

ACTION ITEMS:	Attachment	iPad Page #
1-O. Review and Approve Consent Agenda		
1A. Consideration of Approval of Minutes for: <ul style="list-style-type: none">• Open Session Meeting of September 20, 2019• Open Session Meeting of September 23, 2019• Open Session Meeting of October 24, 2019	A	
1B. Consideration of Approval of Appointment to the Show Me Center Board of Managers	B	
1C. Consideration of Approval of Conferring Degrees for Summer & Fall 2019	C	
2-O. Consideration of Acceptance of Annual Audits from Rubin Brown for Year Ending June 30, 2019 <ul style="list-style-type: none">• Annual Financial Report• Single Audit Report on the Schedule of Expenditures of Federal Awards• Systems Facilities Financial Report• Report on NCAA Independent Auditor's Report on Agreed Upon Procedures	D	
3-O. Consideration of Approval of Special Course Fee effective Spring 2020	E	

REPORT ITEMS:

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| 4-O. University President's Report | <i>verbal</i> |
| 5-O. Student Presentation | F |
| 6-O. Report from Student Government Representative | <i>verbal</i> |
| 7-O. Report from Faculty Senate Chair | <i>verbal</i> |
| 8-O. Progress Report on Contracts and Facilities Management Projects | G |
| 9-O. Integrated Energy Master Plan | <i>handout</i> |
| 10-O. FY20 Operating Budget to Actual Report | H |
| 11-O. Consideration of Motion for "Closed Session for Appropriate Considerations:" | |
| A. RSMo 610.021.1 -- pertaining to legal actions, causes of action or litigation | |
| B. RSMo 610.021.3 -- pertaining to the hiring, firing, disciplining or promotion of personnel | |

ACTION ITEM:

- 12-O. **Reconvene Open Session**
- 13-O. Announcement of Actions Taken in Closed Session
- 14-O. **Consideration of Motion to Adjourn Board of Regents Meeting**

**MINUTES OF THE OPEN SESSION
OF THE
SOUTHEAST MISSOURI STATE UNIVERSITY
BOARD OF REGENTS
HELD ON THE
TWENTIETH DAY OF SEPTEMBER 2019**

The Board of Regents for Southeast Missouri State University convened at 9:01 a.m. on Friday, September 20, 2019, in the Board of Regents Room, Academic Hall, on the campus of Southeast Missouri State University. Mr. Edward P. Gargas, President of the Board of Regents called the meeting to order and asked Board of Regents Secretary Mr. Christopher R. Martin to call roll to establish quorum. Regents responding present were: Mr. Edward P. Gargas, President of the Board of Regents; Mrs. Tina L. Klocke; Mr. Jay B. Knudtson; Mr. James P. Limbaugh; Mr. Dennis L. Vinson; and Mr. Luke M. LeGrand, Student Representative to the Board of Regents. Quorum having been established, Board President Gargas welcomed those in attendance and outlined the Board's various agendas for the meeting and proceeded to the first order of business. Regent Phillip M. Britt was absent and excused due to professional commitments.

Also present were: Dr. Carlos Vargas, President of Southeast Missouri State University; Dr. Mike Godard, Provost; Dr. Debbie Below, Vice President of Enrollment Management and Student Success; Dr. Trudy Lee, Interim Vice President of University Advancement; Mr. Brady Barke, Director of Athletics; Ms. Ann Hayes, Director of University Communications; Ms. Sonia Rucker, Assistant to the President for Equity and Diversity and Dean of Students; Ms. Kathy Mangels, Board Treasurer; and Mr. Christopher R. Martin, Board Secretary. Board President Gargas presided.

Board President Gargas started the meeting by making some introductory welcome comments and acknowledging the recent confirmation of new Board of Regents member, Mr. Dennis L. Vinson. Before The Honorable Stephen N. Limbaugh, Jr., United States District Judge of the United States District Court for the Eastern District of Missouri, administered the Oath of Office, Board President Gargas offered the following remarks:

This morning we are pleased to welcome Dennis Vinson of Cape Girardeau, as a new member of the Board of Regents. Before we administer the Oath of Office, I would like to share with you some a brief biography.

Mr. Vinson was appointed to the University's Board of Regents by Governor Mike Parson for a six-year term ending January 1, 2026.

Mr. Vinson is chief executive officer, founder and owner of Signature Packaging and Paper, LLC, in Jackson, Missouri and has held various positions with manufacturing companies in the financial arena.

Mr. Vinson is a 2015 graduate of both the Delta Leadership Institute and Harvard University's John F. Kennedy School for Executive Management. He attended Trenton State College, where he was a business major.

Mr. Vinson is chairman of the Missouri Chamber of Commerce Board of Directors and a member of the SoutheastHEALTH System Board of Directors; The Bank of Missouri Advisory Board in Jackson, Missouri; the 2030 Committee of the Missouri Chamber; and the Board of Directors of the Cape Girardeau Area Magnet (Economic Development).

Mr. Vinson and his wife Joy are the parents of Crystal, Chelsea and Dennis II. They have one granddaughter, Kaiyah.

Please help me welcome Dennis this morning.

To help us administer the Oath of Office this morning, we are delighted to have with us The Honorable Stephen N. Limbaugh, Jr., United States District Judge of the United States District Court for the Eastern District of Missouri.

A native of Cape Girardeau, Judge Limbaugh graduated from Southern Methodist University with a Bachelor of Arts in 1973. He earned his Juris Doctor from the Dedman School of Law at Southern Methodist University in 1976, and holds a Master of Laws in Judicial Process from the University of Virginia School of Law.

Judge Limbaugh was nominated to the United States District Court for the Eastern District of Missouri on December 6, 2007 by President George W. Bush, and was subsequently confirmed on June 10, 2008. Prior to his current role, Judge Limbaugh also served on the Missouri Supreme Court, he was the elected Prosecuting Attorney for Cape Girardeau County and worked in private practice.

Judge Limbaugh and his wife, Marsha, are great supporters of Southeast Missouri State University. They have two grown sons, Stephen Limbaugh III and Chris.

Judge Limbaugh, thank you for being here today.

At this time, we will now administer the Oath of Office.

Mr. Vinson, will you please come forward, and Judge Limbaugh would you please administer the Oath of Office?

Please join me again in congratulating Dennis.

CONSIDERATION OF APPROVAL OF RESOLUTION OF HONOR

Board President Gargas introduced consideration of approval of a Resolution of Honor for Kendra Neely-Martin recognizing her service to the Board of Regents. Board President Gargas read excerpts from the resolution and requested the entire copy be made a part of the formal record as follows:

Whereas, Kendra Neely-Martin graduated from Southeast Missouri State University, achieving a Bachelor of Science in Business Administration degree, and graduated from Webster University with a Master of Arts in Marketing, and

Whereas, Kendra Neely-Martin has worked successfully in the pharmaceutical sales industry, including as a Senior Pharmaceutical Sales Specialist for AstraZeneca for more than 13 years, and as a Senior Sales Representative for Astellas Pharma since 2016; and

Whereas, Kendra Neely-Martin has been recognized for her significant contributions to her local community through service and volunteerism, including work with at-risk girls in St. Louis through Delta Sigma Theta Sorority for more than two decades; overseeing the Delta Academy, a national program to provide health and wellness training; as executive director of Backpack to Briefcase; as a parent educator for City Academy; and other significant organizations, including the American Stroke Association, the Girl Scouts of Eastern Missouri, and the Mary Institute and St. Louis Country Day School; and

Whereas, Kendra Neely-Martin has been a great ambassador for Southeast Missouri State University and was awarded the Jefferson Award for Public Service which honors individuals across the country who perform outstanding community and public service, and she received the "Using Heroine" Humanitarian Award from the St. Louis chapter of the Top Ladies of Distinction, Inc.; and

Whereas, Kendra Neely-Martin was appointed to the Southeast Missouri State University Board of Regents by Missouri Governor Jay Nixon in December 2011 and served with distinction until July 2019; and during her tenure, she served admirably as Vice President of the Southeast Board of Regents from February 2013 to December 2017; and the Board of Regents completed such major physical enhancements at Southeast as the development and the opening of Southeast's Autism Center for Diagnosis and Treatment, the Catapult Creative House, the Kenneth and Jeanine Dolbins River Campus Center, the launch of the Show-Me Gold program, the planning and opening of Donald G. and Gloria King LaFeria Hall, the Greek Village, the Rust Center for Media, the Holcomb Success Center, renovations of Academic Hall, Magill Hall, Memorial Hall, the Grauel Building, Crisp Hall, the International Village, the opening of the new Center for Speech and Hearing and the dedication of the NPHC Plaza; and other significant initiatives, including the adoption and execution of a new Strategic Plan, the planning of a new facilities master plan and the addition of multiple new programs, including The Jeanine Larson Dolbins Conservatory of Theatre and Dance, degrees and accreditations; and

Whereas, Kendra Neely-Martin has represented the University well in various civic activities and public appearances, has been faithful in her stewardship of the public trust, and has demonstrated extraordinary dedication to the service of the University and its constituents;

Now, therefore, be it resolved by the Board of Regents of Southeast Missouri State University that the appreciation of the University community be expressed to Kendra Neely-Martin for her outstanding service as a Regent, and that this resolution, accompanied by best wishes for her future success and happiness, be placed in the minutes of the Board of Regents, and that a properly inscribed copy of this resolution be presented with appropriate ceremony;

Done in the City of Cape Girardeau, Missouri, this twentieth day of September in the year two thousand nineteen.

A motion was made by Regent Limbaugh and seconded by Regent Klocke to approve the Resolution of Honor for Kendra Neely-Martin [Attachment A]. The motion carried unanimously.

CONSIDERATION OF APPROVAL OF MINUTES

Board President Gargas introduced consideration of approval of the Open Session minutes from the June 13-14 Board of Regents Retreat and Meeting.

A motion was made by Regent Limbaugh and seconded by Regent Knudtson to approve the open session minutes of June 13-14 Retreat and Meeting [Attachment B]. The motion carried unanimously.

CONSIDERATION OF APPROVAL OF BUSINESS POLICY STATEMENTS

Alcohol Beverage Use

Board President Gargas called upon Ms. Kathy Mangels, Vice President of Finance and Administration to present a motion to approve revisions to policy statement Section 01-04, Alcohol Beverage Use of the Business Policy and Procedures Manual effective September 2019. [Attachment C].

Vice President Mangels referred Regents to materials included in Attachment C of the Board packet. She noted that the motion related to alcohol use and sales at home athletic events. Ms. Mangels began by offering a history of actions taken by the NCAA and other institutions of higher education to allow alcohol sales at sporting events. She reminded the Board that for the past couple of seasons, Southeast has piloted the sale of alcoholic beverages at select home basketball games and that amenities in both end zones at Houck Stadium allow for consumption as well. If passed by the Board, the motion would allow the sale of alcohol to begin with the 2019 basketball season, with football likely to follow in fall 2020. Vice President Mangels commented that the Show Me Center staff does have experience selling beverages, managing risk and working with vendors to ensure full compliance with all laws.

A motion was made by Regent Limbaugh and seconded by Regent Vinson to approve revisions to policy statement Section 01-04, Alcohol Beverage Use of the Business Policy and Procedures Manual effective September 2019 [Attachment C]. The motion carried unanimously.

Tobacco Use

Board President Gargas called upon Ms. Kathy Mangels, Vice President of Finance and Administration to present a motion to approve revisions to policy statement Section 01-15, Tobacco Use of the Business Policy and Procedures Manual effective September 2019. [Attachment C].

Vice President Mangels referred Regents to materials included in Attachment C of the Board packet. She noted that the University routinely monitors state and federal law to determine

whether changes are needed in the University Business Policies and Procedures. As such, Vice President Mangels commented that some of the recent state policy changes related to medical marijuana necessitated such a review of campus policies and procedures. She commented that medical marijuana is still illegal at the federal level; and, as such, there is no requirement to make accommodations under the ADA for use in the workplace, but noted state law has changed with regard to allowable use. Vice President Mangels explained that the proposed changes before the Board are being made at the recommendation of legal counsel.

A motion was made by Regent Knudtson and seconded by Regent Limbaugh to approve revisions to policy statement Section 01-15, Tobacco Beverage Use of the Business Policy and Procedures Manual effective September 2019 [Attachment C]. The motion carried unanimously.

CONSIDERATION OF APPOINTMENT TO RIVER CAMPUS BOARD OF MANAGERS

Board President Gargas called upon University President to present a motion to approve as representatives for Southeast Missouri State University on the River Campus Board of Managers the appointment of Michael Godard with a term expiring December 1, 2020 and the reappointment of Dr. Trudy Lee with a term ending December 1, 2022 in anticipation of the eventual expiration of her current term on December 1, 2019. [Attachment D]

In referring to the motion behind Attachment D, University President Vargas explained that Dr. Godard would be replacing Dr. Tammy Randolph who had been serving on the River Campus Board of Managers during the 2018-2019 academic year during her service as Interim Provost.

A motion was made by Regent Limbaugh and seconded by Regent Klocke to approve as representatives for Southeast Missouri State University on the River Campus Board of Managers the appointment of Michael Godard with a term expiring December 1, 2020 and the reappointment of Dr. Trudy Lee with a term ending December 1, 2022 in anticipation of the eventual expiration of her current term on December 1, 2019 [Attachment D]. The motion carried unanimously.

CONSIDERATION TO APPROVE DEVELOPMENT OF AN INSTITUTE FOR CYBERSECURITY

Board President Gargas called on University President Vargas and Provost Godard to present a motion to authorize and approve the creation of an Institute for Cybersecurity at Southeast Missouri State University. [Attachment E].

Dr. Godard referred Regents to the full text of the motion, with background, included in Attachment E of the Board packet. In explaining the desire to create an Institute for Cybersecurity, Dr. Godard summarized the University's cybersecurity program and how such an Institute would respond to best practices and suggestions offered by the National Security Agency and other leading cybersecurity authorities. He noted that if the motion is approved, the University would immediately begin a search for a Director of the Institute, with the goal of the Institute opening in spring 2020.

During discussion of the motion, Regent Knudtson stated that the creation of such an institute is exactly the thing Southeast needs to do, and noted his pride for the University's efforts to stay on the cutting edge by doing things that help it stand out from its peers.

A motion was made by Regent Limbaugh and seconded by Regent Knudtson to authorize and approve the creation of an Institute for Cybersecurity at Southeast Missouri State University [Attachment E]. The motion carried unanimously.

UNIVERSITY PRESIDENT'S REPORT

Board President Gargas called upon University President Vargas to deliver his University President's Report. University President Vargas shared the following information with the Board of Regents:

- On August 29, Southeast hosted U.S. Senator Roy Blunt for a campus visit to showcase our advanced manufacturing labs and the unmanned aircraft systems program. During his visit, Sen. Blunt visited toured our facilities, visited with faculty and students, observed UAS demonstrations, and participated in interviews with local media.
- The Counseling and Disability Services Office has moved into their new space on the 2nd floor of Crisp Hall. The students have commented on how therapeutic the new environment is and how great it is to be in the new space. In addition, the Office has moved to an entirely paperless system; all student records are kept electronically and the disability accommodations process is facilitated via an electronic platform called Accommodate.
- Southeast Missouri State University and SoutheastHEALTH announced a collaborative partnership today in which SoutheastHEALTH will serve as comprehensive providers of orthopedic and sports medicine services for the University's NCAA Division I athletics program, its intramural and club sport participants, and for the University's performing arts students.
- Southeast is one of the best colleges in the Midwest according to The Princeton Review. The education services company lists Southeast in the Best in the Midwest section of its "2020 Best Colleges: Region by Region" website feature. Southeast is one of 159 schools and one of only six public institutions in Missouri named a "Best in the Midwest" school.
- Southeast and Three Rivers College officials signed articulation agreements in August to assist in the seamless transfer of Three Rivers students with associate degrees in business administration and agriculture into Southeast bachelor's degree programs in these academic areas. The 2+2 agreements provide Three Rivers students with convenient completion locations at Southeast campuses in Cape Girardeau, Kennett, Sikeston, Southeast's Poplar Bluff location at the Three Rivers College University Center and via Southeast Online.
- Southeast Missouri State University has been recognized among the top 100 best regional universities in the Midwest, according to the 2020 U.S. News & World Report Best Colleges rankings. Southeast tied for 78th among the best regional universities in the Midwest. In addition, Southeast tied for 16th among top public schools for regional universities in the Midwest. Southeast also is ranked 31st for top performers on social

mobility for regional universities in the Midwest and is the highest ranked Missouri public institution in this category. Southeast has been consistently ranked by U.S. News & World Report since 1993.

- Southeast is celebrating Hispanic Heritage Month now through Oct. 15 with a variety of events and activities commemorating Hispanic heritage and culture. To mark this year's celebration, the "Brindando Educacion con Acceso," or Believing Everyone Can Achieve (BECA) Hispanic/Latino Scholarship has been established through the Southeast Missouri University Foundation.
- Southeast 2017 alumnus Colten Peterson recently was awarded a Future Investigators in NASA Earth and Space Science and Technology (FINESST) research grant. Peterson, now a University of Michigan doctoral student, was awarded the grant to fund his research proposal titled "Improving Arctic Cloud Phase Retrievals using Far-Infrared Radiances." The grant will fund his research for three years.
- The Fast Track Workforce Incentive Grant is a new financial aid program in Missouri aimed at addressing workforce needs by encouraging adults to pursue a certificate, degree, or industry-recognized credential in an area designated as high need by state leaders. The program, administered by the Missouri Department of Higher Education and Workforce Development, is for individuals who are 25 years or older or individuals who have not been enrolled in any school within the last two years. It will serve students who have not earned a bachelor's degree and are planning to enroll part time or full time. The Fast Track grant is designed to ensure, when combined with other governmental financial aid, that tuition and fees for the individual pursuing their education are fully covered. Students that are interested in pursuing a degree at Southeast using resources available from the Fast Track Grant can do so in over 60 areas of study making the potential impact of the Fast Track program for individuals residing in Cape Girardeau and the surrounding area significant.
- Alumna Heather Leslie (Double Major in Mass Media and Theatre) was hired by NBC to be on the Assistant Director team for "Bluff City Law", a new show starring Jimmy Smits and Caitlin McGee, premiering this fall on NBC.
- Alumnus Jose Alpizar (Musical Theatre) was hired by Royal Caribbean Azamara and will be performing in mainstage shows touring the Mediterranean, Caribbean, South America, Africa and Asia.
- Southeast senior Jay Wade (Theatre Major) has been cast in a lead role in *Pipeline* by Dominique Morisseau. *Pipeline* is being produced at The Alabama Shakespeare Festival in October. Jay will be performing alongside professional actors from Actors' Equity.
- Dr. Leisa Marshall, Professor of Accounting, Economics and Finance, assisted The People's Shelter to obtain 501(c)(3) tax exempt status. The People's Shelter is one of the few organizations to serve people who are transient or situationally homeless in Cape Girardeau.
- The Douglas C. Greene Center for Innovation and Entrepreneurship at Southeast has announced that the Hult Prize, one of the world's most prestigious accelerator programs, will take place this fall at Southeast. The Hult Prize is an annual, year-long competition that crowd-sources ideas from MBA and college students after challenging them to solve a pressing social issue around topics such as food security, water access, energy and education.

- Myriah Bernard, a graduate student in Public Administration, has been selected to serve as a facilities management officer for International Model United Nations, which will be held this coming fall at the UN headquarters in Geneva, Switzerland. Previously, Myriah completed a paid internship with the Federal Emergency Management Agency's – FEMA Pathways Program, a program that allows students to gain valuable work experience and explore careers in the U.S. federal government. Ms. Bernard previously participated in a Model United Nations conference.
- A Major Research Instrumentation (MRI) NSF proposal for large scale high-performance computing infrastructure was awarded to a partnership of institutions in the University of Missouri (UM) System, including Southeast, to establish a state-wide supercomputing center. The award totals \$2.8M. The center will be located on the campus of the Missouri University of Science and Technology in Rolla and will connect several partner institutions. The new infrastructure will support advances in projects in Physics, Chemistry, Mathematics, Statistics, Biology, and Geophysics, among others, and will have a fundamental and wide-ranging regional impact on research activities across Missouri.
- The Sikeston campus opened a new study lab for students. The study lab has individual study carrels with computers where students can conduct research, write papers, take online tests or study in groups. The study lab also includes four offices for faculty who visit the Sikeston campus. In addition to the study carrels and offices, the new space is set up with a coffee bar and food service for students to enjoy while on campus.
- Karen Leavitt Stallman, director of community relations at Southern Illinois University-Carbondale, has been named director of dual credit and dual enrollment at Southeast. She began her new duties Aug. 19 and is responsible for managing dual credit, dual enrollment and Early College Credit programs at Southeast.
- The Arrow, Southeast's student newspaper, is a finalist for three 2018-2019 College Media Association (CMA) Pinnacle awards. The Arrow is a finalist in the Four Year Less-Than-Weekly Newspaper of the Year category as well as in the advertising and design categories. Winners will be announced at the National College Media Convention at the ACP/CMA Fall National College Media Convention Oct. 31–Nov. 2 in Washington, D.C.
- Dr. Michael P. Godard, former interim provost-chief learning officer at the University of Central Missouri at Warrensburg, Missouri, was named the provost at Southeast Missouri State University in May and began his new duties July 1. Godard was one of four finalists who visited the campus last spring following a nationwide search in which more than 50 candidates were reviewed. Godard holds a doctoral degree in human bioenergetics (physiology) from Ball State University; a Master of Arts in exercise physiology from Adelphi University; and a Bachelor of Science in exercise science from Castleton University.
- Doug Koch began as Southeast's Vice Provost on September 1. Dr. Koch joins Southeast from the University of Central Missouri (UCM) where he served as Vice Provost of Academic Programs and Services. Prior to being at UCM, Dr. Koch was at Southeast from 2003-2012 as an Instructor, Assistant Professor, Associate Professor and Interim Chair of the University's former Department of Industrial and Engineering Technology.

- Southeast has started searched for four Dean positions – Dean of Extended Studies, Dean of Graduate Studies and Research, Dean of the College of Humanities and Social Sciences, and Dean of the College of Education, Health and Human Studies.
- A news conference was held on August 27 to announce Southeast's newest financial aid program. The Will To Do Award is a need-based scholarship to fill the gap in eligible Pell students' unmet tuition and general fees beginning in fall 2020. As a result, eligible Pell students will pay zero tuition and general fees. The program is available to Missouri residents who are beginning freshmen with a 2.75 high school grade point average.
- Tameka Herrion, a Southeast alumna, joined Southeast on September 1st as the University's new Director of College Planning. Based in St. Louis, Ms. Herrion, will be responsible for representing Southeast in St. Louis and developing and delivering impactful educational programming to promote college and career planning. Prior to joining Southeast, Ms. Herrion was the Scholarship Manager for the St. Louis Community Foundation. On September 11th, Ms. Herrion was interviewed on Fox 2 St. Louis regarding the University's new Will To Do Award.
- Several Southeast fraternities have received national recognition this summer during their national conferences. Phi Delta Theta fraternity was honored with this year's national Founder's Trophy, recognizing it as the top Phi Delta Theta chapter at a medium-sized institution. Pi Kappa Alpha was recognized with the "Alumni Advisory Board of the Year" honor; Sigma Chi was awarded the Peterson Cup; Lambda Chi Alpha earned the Grand High Alpha Award; and Sigma Nu earned awards for both Pursuit of Excellence in Values-Based Leadership and Pursuit of Excellence for Operational Excellence.
- A Patriot Day ceremony was held in observance of 9/11. The event, organized by the Office of Military and Veterans Services and the Show Me GOLD program, include the placement of flags on the Academic Hall lawn, musical selections performed by the Southeast Show Band, and a flag lowering ceremony in remembrance of those lost on 9/11.
- From September 8-13, the Office of Admissions hosted nine off-campus recruitment events in the St. Louis Metropolitan area and Springfield Illinois. More than 50 faculty, staff and students travelled throughout the week to speak with prospective students and families and guidance counselors. The events attracted 201 prospective students, hundreds of parents and family members, and 65 counselors.
- IT has awarded a contract to St Louis Communications for a new IP-based phone system that will replace our current 20 year-old Avaya phone system. The new phone system will be tied to the existing phone system so the implementation can be phased in over six to ten months with little disruption to service. The new system will provide enhanced features such as desktop and mobile applications, new voicemail to email service and improved call center functionality.
- The campus network upgrade project continues. IT has recently upgraded Crisp Hall and Scully Hall. We are current working on Serena Hall. Pacific Hall, Brandt Hall and Houck stadium still need to be upgraded, but will primarily only need network configuration and equipment replacements. Kent Library remains the last large effort for this project requiring a few hundred cable pulls and new equipment closets.

- IT is working to upgrade an estimated 800 computers running the Windows 7 operating system to Windows 10. Windows 7 support runs out in January 2020. About half of these computers will be replaced.
- Human Resources completed the first phase of institutional minimum wage adjustments in July 2019 as recommended by the Budget review Committee in late March related to incremental salary adjustments up to a designated hourly pay rate for student and temporary workers.
- An external consulting firm was hired in September 2019 to coordinate a comprehensive faculty and staff salary equity study. Anticipated timeline for the study, which will include a review of current compensation philosophy and salary administration procedures, includes consultant analysis in fall 2019 semester with recommendations by February 2020 for consideration during the University's FY21 budget review process.
- Human Resources and the Office of Institutional Equity & Diversity are currently working on implementing diversity recruiting strategies to broaden applicant pools and the creation of a diversity commitment statement to incorporate into job advertisements. Database of recruiting sources by faculty discipline has been developed for use. Human Resources and Institutional Equity & Diversity are working with a consulting firm in the development of a proposed affirmative action plan.
- University Police, in partnership with the Office of Residence Life, launched the Adopt-a-Hall program to make police officers more available to students and to connect with students on campus and to nurture more positive relationships between the community and police. Officers chose a residence hall and work closely with Resident Assistants and Hall Directors, attend residence hall programs, go on rounds with RA's and even assist in hosting programs offered by University Police. The personal connection between residents and the officer creates a bond and a source of information for students who may have questions that otherwise may never be asked. University Police have completed 24 Adopt a Hall activities as follows: 10 Patrols/Rounds, 3 Hall Director Meetings, 4 Lunches/Dinners, and 7 Programs/Special Functions.
- Parking Services along with KA Associates, will evaluate the preferred parking system, permit types, parking lot designations, parking lot design and traffic flow, as well as parking signage. To increase the level of customer service Parking Services provides, they will work with the consultant to review additional aspects of the services offered such as traffic appeals, parking violations, fines, fees, and parking regulations.
- Facilities Management completed the following projects over the summer: Towers Fire Alarm Upgrades, Holcomb Success Center interior improvements and chiller replacements, Crisp Hall Renovations, Cyber Range Renovations, Student Rec Center Roof Replacement, Rhodes Hall Room 221 Renovation, and Rosengarten Transformer Replacement.
- Southeast led the OVC in Medal of Honor recipients with 37 student-athletes earning a perfect 4.0 GPA for the 2018-19 academic year.
- Southeast also led the OVC with 153 student-athletes being named to the OVC Commissioner's Honor Roll for having a GPA of 3.25 or better.
- 67.7 percent of all student-athletes earned a 3.0 GPA or better during the 2018-19 academic year.

- Homecoming 2019 will be held on Saturday, October 26. On Friday, October 25, our annual Scholarship Reception will begin at 4:30 followed by the Copper Dome/Alumni Merit Award dinner beginning at 6:30, where we will honor 6 alumni and 1 faculty member for their distinguished careers. This year's AMA recipients include Dr. Stephen Curtis ('67), Patricia "Tricia" Reinhart ('81), Jon K. Robinson ('98) and Donald R. Taylor ('79). The Faculty Merit Award recipient is Dr. Debbie Lee-DiStefano ('92), the Distinguished Service Award recipient is The Honorable Abbie Crites-Leoni ('93), and the Young Alumni Distinguished Service Award recipients is Dane Huxel ('06).
- The Advancement Division purchased new database software and a constituent relationship management (CRM) system to enhance and improve the operations and outreach of the University Foundation and Alumni Office. Implementation is expected to be a 10-12 month process, with a goal of the new system being operation by the end of FY20.
- Harold and Hermena (Parks) Holigan recently established the Holigan Family Scholarship for Puxico High School graduates to reach and achieve their higher education goals. The ongoing, restricted scholarship was established through the Southeast Missouri University Foundation and the Three Rivers Endowment Trust and will be awarded to students who are graduates of Puxico High School with a 2.75 grade point average and are pursuing an undergraduate degree at Southeast or Three Rivers College. Additionally, the scholarship will support Puxico High School students in their junior and senior years who are enrolled in dual credit courses at Southeast or Three Rivers.

In response, Regent Limbaugh stated he is encouraged by the news of the new partnerships and agreements between Southeast and Three Rivers College. He also commended the University for its new partnership with SoutheastHealth and applauded the University for working with state leaders to implement the Fast Track Work Incentive Grant, which will help provide financial aid opportunities for adults returning to school.

Regent Knudtson commented on the report noting that many of the items shared represent differential moves or successes by Southeast that will help it stand out from other schools and also noted what the University did to commemorate Patriot Day was a wonderful thing; a comment that was echoed by Board President Gargas.

STUDENT PRESENTATION

University President Vargas introduced, Francesca Bucci, a Southeast Missouri State University student, to make the student presentation to the Board. University President Vargas shared that Ms. Bucci is a senior pursuing a double major in mass media, public relations option and theatre, acting option. He added that she has performed in several productions at the Jeanine Larson Dobbins Conservatory of Theatre and Dance and that she completed a summer internship in Chicago. While at the University, Ms. Bucci created "Spork Nation" a sketch comedy group, and she leads a student-improv group, "Dramatically Incorrect." She directed her first play at the start of the fall semester.

Ms. Bucci shared why she picked Southeast, stating that every other school she visited told her that her desire to double major was not possible but that when she first met with Dr. Stilson at Southeast he encouraged her to pursue what she wanted, which made her feel at home. While at Southeast, she has served as a campus tour guide, joined a sorority, participated in student organizations, served as an RA, and was cast in several roles in productions at the River Campus. She spoke about several faculty that influenced her time at Southeast and noted that she plans to move to Chicago after graduation.

In response to the presentation, Board President Gargas and the entire Board commended Ms. Bucci for all that she has accomplished while at Southeast and wished her luck in her future endeavors

STUDENT GOVERNMENT PRESENTATION

University President Vargas introduced, Mr. Matt Rolwing, President of Southeast's Student Government Association (SGA) to provide an update.

Mr. Rolwing shared that SGA is off to a great start and that their Executive Board is the largest Southeast has ever had. He noted that SGA is reflecting on what worked well last year, and what did not, and is using that feedback to inform their preparations for the coming year. Mr. Rolwing shared that the elected Vice President is no longer in office, and that Ms. Annie Martin has been appointed to fill that role.

During discussion, Board President Gargas commended the appointment of Ms. Martin noting that her grandfather had previously served on the Board of Regents. University President Vargas shared his appreciation for the collegial relationship between SGA and administration.

FACULTY SENATE PRESENTATION

University President Vargas introduced, Dr. Nic Wilkins, Chair of Faculty Senate, to make a presentation to the Board.

Dr. Wilkins stated that the goal for Faculty Senate this year is to strengthen a sense of community with all employee groups. To that end, he commented that Dr. Diane Wood, Chair-Elect of the Senate, is organizing more social activities in an effort to better bring people together. Both individuals noted that the events will be held at various locations in the community to bridge gaps between the employee groups and to assist the University in being more present in the broader Cape Girardeau community. Dr. Wilkins shared that Faculty Senate will host two Take Away Fridays during the fall semester and that the Senate is working to implement a plan to review the Faculty Handbook every year starting with those sections that are 4 years old or older. Faculty Senate will also be working on various bills throughout the year. One area that might be a focus of Faculty Senate legislation includes student evaluations to ensure compliance with state law and to address issues of who can review them.

In response to Dr. Wilkins' comments, Student Representative LeGrand commented that students would likely appreciate a standardization of evaluations.

HIGHER LEARNING COMMISSION UPDATE

Board President Gargas called upon University President Vargas to introduce Ms. Barbara Glackin, Dean of Kent Library and Dr. Missy Nieveen-Phegley, Professor in the Department of English to provide the Board an update on Southeast's Higher Learning Commission reaffirmation of accreditation visit scheduled for September 23-25, 2019.

Dean Glackin and Dr. Phegley provided the Board an update on activities and actions taken since their last report to the Board in June. Specifically, they talked about working with the accreditation review team to finalize the agenda, the receipt of reports summarizing student and third party comments, and discussed the various information requests responded to and reports submitted.

During discussion, Regent Knudtson asked for insights on what may be expected of the Board during their visit with the review team. Regent Klocke asked if there was background on the individual review team members. Regent Vinson sought clarification on what exactly is the mission of the review team. Following responses to these inquiries, Board President Gargas, along with University President Vargas and others offered words of appreciation everyone at the University for their efforts to prepare for the upcoming visit.

FALL 2019 ENROLLMENT REPORT

Board President Gargas called upon University President Vargas and Dr. Debbie Below, Vice President for Enrollment Management and Student Success to provide a report on fall 2019 enrollment.

Dr. Below commented that this update coincides with the completion of the fall 2019 enrollment census and began by reviewing definitions and other terminology frequently used in enrollment discussions. She stated that despite an overall decline in enrollment, the University saw several positive areas of improvement particularly in its retention and graduation rates. Specifically, Dr. Below shared that the retention rate is the highest in Southeast's history and that the graduation rate is an increase over numbers reported in fall 2018. Other positive growth areas include increases in transfer students and those attending classes at the Poplar Bluff site, increases in graduate headcount, and increases in minority and international headcount and in students taking classes online.

Following her comments, Dr. Below engaged in discussion with the Board.

Regent Limbaugh sought insights into enrollment at the Regional Campuses while Regent Klocke asked if the decline in freshman is getting smaller. Following on the question about Regional Campuses, Regent Knudtson suggested that perhaps online offerings could be a tool to better enhance Regional Campus enrollments and operations. Regent Klocke also asked about

forecasting and commented about the importance of marketing Cape Girardeau the community, not just the University. Regent Vinson asked whether cost is a factor in enrollment and sought information on how Southeast's cost compares to other schools.

Following these comments, University President stressed the importance of academic offerings and why an institution such as Southeast must have a portfolio of options that not only responds to industry need but also student interest. He also commented about the need for Southeast to continue being creative and perhaps more strategic in the type of student the University recruits.

Dr. Below closed her report by thanking staff in the Office of Admissions, University Marketing, Student Financial Services and other staff and faculty that assist in the University's enrollment efforts.

PROGRESS REPORT ON CONTRACTS AND FACILITIES MANAGEMENT PROJECTS

Board President Gargas called upon Ms. Kathy Mangels, Vice President of Finance Administration, to provide a progress report update on Contracts and Facilities Management Projects. [Attachment G]

Vice President Mangels called the Board's attention to the following items on Attachment G: master planning for Houck Stadium, the completion of Crisp Hall renovations, the new indoor batting facility at Capaha Park, updates made to the Biology greenhouses, renovations and additions Track Complex, and she provided an update on the Tunnel Project.

FY20 OPERATING BUDGET TO ACTUAL REPORT

Board President Gargas called upon Ms. Kathy Mangels, Vice President for Finance and Administration to provide a report to the Board on the FY20 Operating Budget. [Attachment H]

Vice President Mangels commented that her report would provide the Board with insights as to how the approved budget is tracking to actual amounts, and that this report was in response to Board interest in receiving such an update on a more frequent basis. In presenting the update, Vice President Mangels explained Southeast's annual budget cycle and reviewed trends to provide insights into when revenues are received and expenses are incurred. Based on discussion with the Board, Vice President Mangels said she will continue to refine the update for future presentations to ensure it is a useful tool for them.

CONSIDERATION OF MOTION FOR CLOSED SESSION

At approximately 11:47 a.m. a motion was then made by Regent Limbaugh and seconded by Regent Klocke to recess the Open Session and convene Closed Session for the consideration of the following:

- A. RSMo 610.021.1 – pertaining to legal actions, causes of action or litigation
- B. RSMo 610.021.2 – pertaining to leasing, purchase or sale of real estate by a public governmental body
- C. RSMo 610.021.3 – pertaining to the hiring, firing, disciplining or promotion of personnel
- D. RSMo 610.021.12 – pertaining to contract negotiations

A roll call vote was taken. Voting in favor were Regents Gargas, Klocke, Knudtson, Limbaugh, and Vinson. The motion carried.

ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

Upon reconvening the Open Session, at approximately 1:51 p.m. Board President Gargas asked Board Secretary Martin to make the following announcements related to the Closed Session:

- By a vote of 5 to 0 the Board approved a Consent Agenda giving approval to the minutes of the Board's June 13, 2019 Closed and Closed Executive Session Meetings. Regents Gargas, Klocke, Knudtson, Limbaugh and Vinson all voted to approve. Regent Britt was excused from the meeting due to professional responsibilities.
- By a vote of 5 to 0 the Board approved the extension of the contract with Patek & Associates, LLC for legislative consulting to run through August 30, 2020. Regents Gargas, Klocke, Knudtson, Limbaugh and Vinson all voted to approve. Regent Britt was excused from the meeting due to professional responsibilities.
- By a vote of 5 to 0 the Board authorized the University to pursue a contract to acquire a FCC license and purchase equipment from an existing public radio station for the benefit of KRCU. Regents Gargas, Klocke, Knudtson, Limbaugh and Vinson all voted to approve. Regent Britt was excused from the meeting due to professional responsibilities.
- By a vote of 5 to 0 the Board approved a motion requesting the Southeast Missouri University Foundation to enter into a contract to purchase real estate. Regents Gargas, Klocke, Knudtson, Limbaugh and Vinson all voted to approve. Regent Britt was excused from the meeting due to professional responsibilities.
- The Board also had additional conversations under RSMo 610.021.1 pertaining to legal matters, RSMo 610.021.3 pertaining to personnel, and RSMo 610.021.12 pertaining to contract negotiations.

CONSIDERATION OF APPROVAL OF EMPLOYEE HEALTH INSURANCE CONTRACT FOR CALENDAR YEAR 2020

Board President Gargas called on University President Vargas and Vice President Kathy Mangels to present a motion to approve administering the employee health insurance program as

self-insured effective January 2020 and authorize administration to contract for related services to include third party administrator and stop-loss insurance carrier. [Attachment I].

Prior to beginning her remarks, Vice President Mangels referred Regents to the material included in the Board packet labeled Attachment I. She stated that the University hired Sonus Benefits following a competitive RFP in August 2018 to help navigate through this process and that negotiations were completed with United Healthcare in August 2019. Vice President Mangels noted that one proposal from United Healthcare would result in a 22.5% premium increase on employee and dependent premiums, while another would be 15% but involve a narrower network that would exclude some providers in southeast Missouri and St. Louis. She shared that both proposals would exceed budgeted amounts for employee benefits previously approved by the Board of Regents and that to continuing to fund a fully insured plan at the proposed levels would not only require reallocation of base budget resources, but also result in increased premiums for employees covering dependents and a likely change in the overall benefit structure. A self-insurance would not have such an impact, noting that while there is the potential the initial annual cost could still exceed the budgeted amount, there is a chance savings could be achieved depending on claims levels and pharmaceutical rebates.

A motion was made by Regent Knudtson and seconded by Regent Limbaugh to approve administering the employee health insurance program as self-insured effective January 2020 and authorize administration to contract for related services to include third party administrator and stop-loss insurance carrier [Attachment I]. The motion carried with four Regents voting in the affirmative and Regent Vinson abstaining due to role as a Board member for SoutheastHealth.

LEGISLATIVE REPORT

In anticipation of the up-coming 2020 legislative session, University President Vargas made the following comments:

I want to share with you some of our plans for the 2020 legislative session. In consultation with Chris and Jewell, we have determined to focus our priorities in limited areas – specifically: bringing closure to our request for a statewide mission; enhancing our state appropriations; and securing resources to support capital and/or deferred maintenance projects improvements. Each of these priorities will be communicated in a legislative brochure that we prepare for lawmakers. I have also asked Chris and Jewell to assist me in scheduling meetings with legislators and members of the administration so that we can more frequently engage in dialogue with them on these and other topics. Recognizing that some legislators are new, and others may not be as familiar with Southeast, Chris is working to explore the feasibility of hosting a legislative briefing for lawmakers later this fall where we can communicate to them who we are, our priorities, and tour them around campus so they better understand the challenges and opportunities we face. Along the way, we will work to identify opportunities for you to assist us in these endeavors recognizing the important role you can play in all of these areas. As we continue in our efforts, we will keep you updated.

CONSIDERATION OF MOTION TO ADJOURN

A motion was made by Regent Knudtson and seconded by Regent Klocke to adjourn the meeting. The motion carried unanimously.

The meeting was adjourned at approximately 1:58 p.m.

Christopher R. Martin
Secretary, Board of Regents

APPROVED:

Edward P. Gargas
President, Board of Regents
Southeast Missouri State University

**MINUTES OF THE OPEN SESSION
OF THE
SOUTHEAST MISSOURI STATE UNIVERSITY
BOARD OF REGENTS
HELD ON THE
TWENTY-THIRD DAY OF SEPTEMBER 2019**

The Board of Regents for Southeast Missouri State University convened at 12:05 p.m. on Monday, September 23, 2019, in the Dome Room, Academic Hall, on the campus of Southeast Missouri State University. Mr. Edward P. Gargas, President of the Board of Regents called the meeting to order and asked Board of Regents Secretary Mr. Christopher R. Martin to call roll to establish quorum. Regents responding present were: Mr. Edward P. Gargas, President of the Board of Regents; Ms. Tina L. Klocke, Vice President of the Board of Regents; Mr. Jay B. Knudtson; Mr. James P. Limbaugh; and Mr. Dennis L. Vinson. Mr. Luke M. LeGrand, student representative, was also in attendance. Regent Phillip M. Britt was excused from the meeting due to professional commitments. Quorum having been established, Board President Gargas welcomed those in attendance and outlined the Board's various agendas for the meeting and proceeded to the first order of business.

Also present were: Dr. Carlos Vargas, President of Southeast Missouri State University; Ms. Kathy Mangels, Board Treasurer; and Mr. Christopher R. Martin, Board Secretary. Joining the Board and University leaders were representatives from the Higher Learning Commission (HLC) – Dr. Jeffrey Anderson, Dr. Keegan Nichols, Dr. Marilyn Reineck, and Dr. Thomas Rowan. Board President Gargas presided.

CONSIDERATION OF MOTION FOR CLOSED SESSION.

A motion was made by Regent Limbaugh and seconded by Regent Klocke to recess the Open Session and convene Closed Session for the consideration of the following:

- A. RSMo 610-021.1 – pertaining to legal considerations and conversations between a public governmental body and its representatives.

Board Secretary Martin provided clarification stating that the HLC representatives had requested dialogue with the Board of Regents regarding the responsibilities for governance and institutional control vested in them by various provisions of Chapter 174, Missouri Revised Statutes.

A roll call vote was taken. Voting in favor were Regents Gargas, Klocke, Knudtson, Limbaugh, and Vinson. The motion carried.

The Open Session was recessed at approximately 12:07 p.m.

CONSIDERATION OF MOTION TO ADJOURN

Having taken no formal action in Closed Session, no announcements were made when the Open Session reconvened at approximately 1:00 p.m. A motion was made by Regent Limbaugh and seconded by Regent Vinson to adjourn the meeting. The motion carried unanimously.

The meeting adjourned at approximately 1:01 p.m.

Christopher R. Martin
Board of Regents Secretary

APPROVED:

Edward P. Gargas, President
Board of Regents
Southeast Missouri State University

**MINUTES OF THE OPEN SESSION
OF THE
SOUTHEAST MISSOURI STATE UNIVERSITY
BOARD OF REGENTS
HELD ON THE
TWENTY-FOURTH DAY OF OCTOBER 2019**

The Board of Regents for Southeast Missouri State University convened at 11:02 a.m. on Thursday, October 24, 2019, via teleconference originating from Room 143, Academic Hall, on the campus of Southeast Missouri State University. Mr. Edward P. Gargas, President of the Board of Regents called the meeting to order and asked Board of Regents Secretary Mr. Christopher R. Martin to call roll to establish quorum. Regents responding present were: Mr. Phillip M. Britt; Mr. Edward P. Gargas, President of the Board of Regents; Ms. Tina L. Klocke, Vice President of the Board of Regents; Mr. Jay B. Knudtson; and Mr. James P. Limbaugh. Mr. Luke M. LeGrand, student representative, also participated. Regent Dennis L. Vinson was excused from the meeting due to professional commitments. Quorum having been established, Board President Gargas welcomed those in attendance and outlined the Board's various agendas for the meeting and proceeded to the first order of business.

Also present were: Dr. Carlos Vargas, President of Southeast Missouri State University; Ms. Kathy Mangels, Board Treasurer; and Mr. Christopher R. Martin, Board Secretary. Board President Gargas presided.

CONSIDERATION OF MOTION FOR CLOSED SESSION

A motion was made by Regent Britt and seconded by Regent Limbaugh to recess the Open Session and convene Closed Session for the consideration of the following:

- A. RSMo 610-021.2 – pertaining to leasing, purchase or sale of real estate by a public governmental body

A roll call vote was taken. Voting in favor were Regents Britt, Gargas, Klocke, Knudtson, and Limbaugh. The motion carried.

The Open Session was recessed at approximately 11:05 a.m.

ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

Upon reconvening the Open Session at approximately 11:27 a.m. Board President Gargas called upon Board Secretary Martin to make the following announcements regarding the Board's Closed Session:

- Pursuant to RSMo § 610.021.2 for matters regarding real estate, the Board of Regents by a vote of 4 to 0 authorized University administration to enter into a Letter of Intent to develop and lease property adjacent to a Southeast Missouri State University campus.

Regents Britt, Gargas, Klocke and Knudtson all voted to approve. Regent Limbaugh abstained for business reasons. Pursuant to Missouri's Sunshine Law, additional information will be made available upon executive of the lease as public disclosure before then may adversely affect the legal consideration thereof.

- Pursuant to RSMo § 610.021.2 for matters regarding real estate, the Board of Regents by a vote of 5 to 0 approved a motion requesting that the Southeast Missouri University Foundation purchase real estate located at 1216 Broadway in Cape Girardeau, MO. Regents Britt, Gargas, Klocke, Knudtson and Limbaugh all voted to approve.

CONSIDERATION OF MOTION TO ADJOURN

A motion was made by Regent Limbaugh and seconded by Regent Klocke to adjourn the meeting. The motion carried unanimously.

The meeting adjourned at approximately 11:28 a.m.

Christopher R. Martin
Board of Regents Secretary

APPROVED:

Edward P. Gargas, President
Board of Regents
Southeast Missouri State University



SOUTHEAST MISSOURI
STATE UNIVERSITY • 1873

BOARD OF REGENTS

MOTION CONSIDERATION FORM

December 13, 2019

Open Session

I. Motion to be Considered:

Approve the appointment of Pamela Sander to a three-year term ending December 1, 2022, as a representative of Southeast Missouri State University on the Show Me Center Board of Managers.

II. Background:

The Multi-use Center Agreement between the City of Cape Girardeau and Southeast Missouri State University states that the City Council and the Board of Regents shall each appoint three members to the Show Me Center Board of Managers. The term of appointment is for three years, and the appointments are to be staggered so that only two members are appointed each year.

Listed below are the current representatives to the Board of Managers and their expiration dates.

Term Expiration Date	City Representatives	University Representatives
December 1, 2019	*Scott Meyer	Kathy M. Mangels
December 1, 2020	Donald Kaverman	Mike Buck
December 1, 2021	Lincoln Scott	Dr. Beth Easter

Kathy Mangels has served five previous terms on the Board. It is recommended to replace her with Pamela Sander, University Controller, who is also familiar with the financial operations and annual revenue requirements needed to operate the Show Me Center.

*The Cape Girardeau City Council will act on the replacement/reappointment of Scott Meyer.

Recommended By:

Student Government _____
 Faculty Senate _____
 Administrative Council _____
 VP, Enroll. Man. & Stu. Suc. _____
 VP, Finance & Admin. *[Signature]*
 VP, University Advancement *[Signature]*

Chairperson _____
 Dean _____
 Academic Council _____
 Provost _____
 President *[Signature]*

Board Action on: _____

Motion By: _____

Second By: _____

Vote: Yeas: _____ Nays: _____

Abstentions: _____

Postpone: _____

Amend: _____

Disapprove: _____

Approve: _____

Secretary: _____



BOARD OF REGENTS
MOTION CONSIDERATION FORM

December 13, 2019

Open Session

I. Motion to be Considered:

Approve the conferring of degrees upon the candidates for Summer 2019 and Fall 2019.
Graduation pending final verification of their completion of degree requirements.

II. Background:

Pursuant to 174.160.1 RSMo, the Board of Regents is empowered to confer upon students, by diploma under the common seal, such degrees as are usually granted by the University.

Consistent with past approval of conferring of degrees for Summer and Fall, the University does not hold a commencement in the summer. Therefore, a request to approve summer candidates is included contingent on confirmation and verification of their completion of degree requirements.

The breakdown for Summer and Fall candidates is as follows:

- Total degrees: 808
 - Undergraduate: 625
 - Masters: 163
 - Specialist: 20
- Academic Distinction: 0
- Cooperative Doctoral: 1
- Jane Stephens Honors Program: 12
- Cum Laude: 86
- Magna Cum Laude: 61
- Summa Cum Laude: 48
- 4.0 Graduates: 11

Recommended By:

Student Government _____
Faculty Senate _____
Administrative Council _____
VP, Enroll. Man. & Stu. Suc. _____
VP, Finance & Admin. _____
VP, University Advancement _____

Chairperson _____
Dean _____
Academic Council _____
Provost *W. J. [Signature]* _____

President *[Signature]* _____

Board Action on: _____

Motion By: _____

Second By: _____

Vote: Yeas: _____ Nays: _____

Abstentions: _____

Postpone: _____

Amend: _____

Disapprove: _____

Approve: _____

Secretary: _____

Southeast Missouri State University
Office of the Registrar - Candidates for Graduation
December 14, 2019

College of Education, Health and Human Studies

**ASSOCIATE OF ARTS
IN CHILD CARE
AND GUIDANCE**

Alecea R. Lewis
Denise J. Pratt

BACHELOR OF ARTS

Lindsay M. Babbitt
Ashley A. Buell
Kelly L. Cook
Annalea Craig
Dani Dansby
Austin N. Dowdy
Haley L. Gifford
Benjamin M. Hale
Heather V. Huhn *

BACHELOR OF SCIENCE

Kieran J. Adams
Abrar M. Alemad
Emily Arras
Jaden R. Barnes
Jessi Beasley
Sydney M. Berthlett
Tori C. Bunting
Andrew Capps
Janey K. Cowles
yle A. Denk
Alex C. Elsey
Deidra K. Evans
Sherron Evans
Bethany J. Ferrell
Rebecca L. Folkes
Brittney N. Glass, II.
Micaela G. Griffin
Sarah M. Grover
Elizabeth R. Hedgpeth
Pebbles M. Hill
David L. Hudson
Clorinda L. James
Braiden H. Jones
Kyle Kasten
Marissa Keppel
Sara E. Korobey
Ashley E. Lane
Amber L. Lillibridge
Kaitlin A. Lloyd
Hailee A. Long
Katelynn R. Long
Jasmine D. Massey
Reggie Miles, Jr.
Emily G. Miner
Auntonique S. Moore
Kaitlyn C. Oerding
Morgan L. Pettit
Shelby L. Pipkin, I.
Erin E. Prendergast *
Abraham Rodriguez
Blake Ronsick
Samuel L. Santi
Michael A. Shy
Justy W. Tolbert
Adrienne D. Underwood
Lauren M. Uskiwich

Elwood B. Voss
Moriah J. White
Sarah E. Wichern
Macy M. Wright
Cheyenne A. Zabel
**BACHELOR OF SCIENCE
IN ATHLETIC TRAINING**

Kyra N. Miller
Megan A. Shafferkoetter
**BACHELOR OF SCIENCE
IN EDUCATION**

Mackenzie L. Baxter
Madison M. Behnen
Taylor E. Birk
Marissa S. Bogner
Lindsey N. Brown
Tess M. Buechter
Clayton M. Collier
Ty N. Crowden
Emma R. Delapp
Elizabeth M. Edwards
Alondria Farr
Kelsey M. Friedrich
Anna G. Gibbs
Dustin R. Guethle
Kirsten N. Halter
Amanda K. Harrison
Jennifer L. Hatheway, I.
Sydney R. Henson
Linzie R. Jones
Kayla B. Keith
Fallon M. Kicenski
Morgan R. Kiffmeyer
Nathan D. Lichtenegger
Cheyenne K. Long
Kaitlyn B. Loughary
Alyssa J. Matoushek
Julia M. Mattie
Anna M. Miller
Julianne E. Miller
Abigail N. Montgomery
Haley L. Morgan
Anika L. Nelson
Sarah E. Newman
Mackenzie C. Null
Kaitlin T. Orr
Renee Owens
Kristen N. Phillips
Morgan E. Politte
Danielle Preston
Jada B. Reddin
Levi D. Rutherford
Danielle R. Sanchez
Kimberly D. Schoellhorn
Lauren N. Simminger
Jessica T. Smith
Alexis N. Sprenger
Courtney N. Stegall
Rebecca M. Wade
Elizabeth P. Welter
Lauren C. Whistler
Samantha N. Wytrowal

**BACHELOR OF SCIENCE
IN NURSING**

Haleigh L. Allred
Breeanna K. Bangert
Bethany E. Beals
Aaron M. Brenningmeyer
Jennifer P. Brookreson
Gavin J. Brown
Regina M. Cooper
Allyson K. Daiber *
Lauren T. DeBoor
Sarah J. Eftink
Emily M. Elfline
Carmen R. Hadler
Kaitlyn C. Harris, I.
Kristy Hill
Alyssa M. Hoops *
Christen T. Hopfer
Lauren N. Johns
Amy N. Krebs
Alyssa N. Landmann
Olivia M. Long
Mackenzie P. Lynch
Lauren E. McGowan
Brandi N. Morgan
Taylor D. Ray
Abigail M. Reichert
Lyndsie N. Robert
Alyssa N. Robison
McKenzi N. Rucker
Taylor Sanders
Kristen R. Seyer
Brandon R. Sneed
Kristal G. Sosh
Teresa A. Stephens
Alexandra M. Teague
Margaret L. Tepen *
Ashley M. Tilley
Taylor Vangennlp
Kristina L. Wadley
Savannah J. Whitten
Carlee R. Williamson
Ashley N. Yarbro *
MASTER OF ARTS
Haifa S. Alfehaid *
John M. Barnett
Caleb M. Beussink *
Hillary L. Blasko
Zachary Bone
Christopher D. Bradshaw *
Bridget M. Brennell *
Malinka L. Buchanan *
Rachel L. Burton
Hannah L. Byers *
Jonnie R. Callahan *
Teresa A. Campbell
Judy A. Cassmeyer *
Mariah D. Coleman *
Ryan Coleman *
Jennifer M. Collier
Garrett C. Cooper *
Lydia S. Cooper *
Emily G. Criddle

April L. DeBerry *
Dong Ding *
Jamyn E. Eckelkamp *
Michael A. Effan, III. *
Amy F. Forbeck
Madeline J. Gaul
Katrina L. Gunnels
Penny Hale *
Janae M. Hamilton *
Kayla Hammons
Jacqueline N. Hartley *
Allyson A. Heller *
Ryan D. Heusinkveld
Teresa A. Hickman
Sara L. Hoefer *
Taylor N. Holthaus *
Jody E. Jenkerson *
Jacob Johnson *
Blessy Joseph
Carol M. Kellison
Holly Kersten *
Lacey J. Kight
Lauren N. Kilbourne
Megan P. Klingner
Monyrath Ky *
Brittany C. Lee
Kevin Lee *
Katelyn M. Martin *
David A. Mayberry *
Brandon L. Micheletti *
Brandi N. Mickan
Joshua D. Minx *
Daniel Z. Moore *
Matthew D. Nelson *
Samantha J. Niehaus
Brittany A. Paulson *
Amanda B. Perry
Kimberly A. Rapp *
Sydney A. Reynolds *
Jennifer L. Riley
Noah M. Rosen
Joshua A. Shimkus *
Jennifer B. Siegel
Sarah Stigall *
Evan M. Theobald *
Corey Vinnedge *
Alyssa C. Whitney *
Ashlynn E. Williams *
Kelli S. Williams *
Arika B. Winborne *
Amy J. Woodward *
MASTER OF SCIENCE
James Sunder N. Kalangi
Patrik R. Piekarczyk
Gregory M. Raimondo
SPECIALIST IN EDUCATION
Loree A. Akers *
Douglas Baker *
Kellen Basler *
Kathryn S. Bates *
Bradley M. Cookson *
Kelsie E. Cooper
Jeremy Donald

Tyler R. Horner *
Andrew Johnson *
Ryun Kasten
Kelsey Kertz
Bethany C. Koetting *

Scott Kruse *
Nicole C. Lappe *
Matthew J. Metz *
Kolin Peterson *

Cody S. Schwent *
Brittany Simpson
Samohya B. Stallons
Cassie M. Williams *

DOCTOR OF EDUCATION
IN EDUCATIONAL LEADERSHIP
Lea Anne Lambert

College of Humanities and Social Sciences

BACHELOR OF ARTS

Adam Babb
Caleb C. Bess
Johnathan Brewer
Hannah L. Campbell
Heather R. Cornelius
Conner N. Dittlinger
Bridget K. Dixon
John K. Dugan
Katie D. England
Alexis R. Fjora
Christina G. Gaines
Sharnee Gilder
Derek P. Goodman
Evan M. Hankins, I.
Suzanna M. Harlow *
Kathryn A. Herrmann
Kayla J. Hester
Brent M. James
Evan Keese
Bridget J. Leavitt
Taylor N. Looney
Erica L. Maddox
Marquette D. Murdock
Parris I. Nathan
Amber L. Rigdon
Hannah L. Rusk
Marlee B. Russell
Daniel J. Santacaterina
Briana N. Schoen
Erin R. Seyer
Christopher T. Smith
Forrest C. Swift
Lauren S. Waldrop
Mary K. Whitson
Keaton R. Wiesehan
Jonathan Wiley
Molly A. Wiseman
Kenna P. Wofford
**BACHELOR OF
GENERAL STUDIES**

Jermel Adams
Natasha L. Autry
Joshua Avery
Jacob A. Barna
Hannah G. Baylor
Lori R. Blount
Tara N. Boushie
Jennifer P. Brookreson
Ellen M. Brooks
Emmalea Burchyett
Hope E. Caplan
Brandon Chunn
Tyler D. Combs
Mary Cook
Lucas P. Cunningham
Crystal D. Davis
Lindsey B. Davis
Shabari K. Davis, Jr.

Joseph D. Deimund
Jordan R. Desnoyer
Kayla Y. Dressler
Taylor M. Engle
Kimberly N. Erni
Michael A. Ervin
Elizabeth A. Fitts
Kyeli D. Flores
Shanen Graham
James C. Hall
Michael R. Heaton
Cora E. Hendrix
Katherine G. Hines
Daniel J. Holst
Katelyn Hughes
Michelle R. Hull
Veronica K. Jeziorski
Cassidy Johnson
Dyvion J. Johnson
Joshua J. Johnson
Kristina A. Johnson
Mario J. Johnston
Brian Knowles
James Kosbar
Sharon K. Lakey
Jorin Lebonick
Madison G. LeGrand
Liang Li
Emily M. Lueder
Nicholas M. Maher
Caley Martin
Skyla K. Martin
Duncan J. McKinley, Sr.
Justin L. McWilliams
Ronald M. Moses
Kellie M. Nalley
Andrew C. Nathan
Kathy Painton
Oksana L. Patterson
Tonie Payeur
Travis R. Phillips
Ashley Playle
Cedric A. Portis, Jr.
Anthony J. Preis
Nicole E. Rampley
Janeika L. Reed
Cayse L. Richey
Bryant A. Roberts
Braden Rogers
Demarcus L. Rogers
Cody M. Rouse
Paloma E. Scarpaci
Taylor L. Scott
Nathan P. Shank
Stephen C. Sladek
Tyler J. Smith
Jessie J. Snow, I.
Crystal L. Stanislav
Adam Stevens

Rafia Tahir
Noriyoshi Takeshita
Joshua D. Taylor
Matthew D. Taylor
Ashtin L. Vessells
Ryan D. Wieter
Corey T. Wilford
Sydney M. Woodruff

BACHELOR OF SCIENCE

Nik R. Alphin
Renee Bailey
Jerrica L. Barnett
Kelsey L. Barnett
Lauren M. Beach
Daniel J. Bergtholdt
Eli C. Bowen
Nick A. Brazil
Sarah M. Bridges
Madalynn R. Brown
Collin D. Carter
Jacob J. Chotrow
Martha S. Clark
Samantha I. Clary
Bailey E. Dame
Elizabeth A. Daniels
Haley L. Edwards
Christopher P. Felix
Caleb J. Folsom
Tyler Ford
Davion J. Freeman
Jacquan Fuller
Emily N. Garnier
Kimberly A. Gilpin
William J. Gray
Kelly J. Hahs
Brandon M. Harris
Jessica M. Hawkins
Kassy L. Henson
Kayla J. Hester
Sean Hollman
Kathleen E. Howland
Robert Jackson
Brent M. James
Bethany B. Jeffries
Kelcey J. Johnson
Maisie K. King
Morgan A. Lynn
Emily M. Martin
Angela McCoy
Teandre C. Meehan
Shawntice D. Midgett
Auntionique S. Moore
Taylor R. Moore, I.
James D. Murphy, Jr.
Austin W. O'Connor
Lucas B. Orchard
Isabella M. Paisley
Ridge D. Redfair
Caleb A. Robinson

Timothy M. Rodell
Hannah L. Rusk
Jordan S. Sanders
Reece C. Scherer
Blake A. Schulte
Dawn R. Shanafelt *
Connor S. Sherman
Michael A. Shy
Christopher T. Smith
Trevor Q. Smith
Alyssa H. Southard
Megan C. Tanksley
Jaala K. Terry
Joshua P. Thompson
Kasey L. Tolliver
Chase A. Urhahn
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Michael D. Weinrich
Shawntavia M. Wright
Alexis L. Wunderlich
Emily L. Young
Johnathan W. Zirkle
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IN EDUCATION**

Jessica D. Foust
Natalie M. Kayser
Taylor A. Lincoln, I.
Lindsey K. Martindale
Jordan M. Roberts
Dean R. Roehrborn
Jonathan M. Schumer
Linsey R. Walk
Taylor B. Werdehausen
Audrey A. Wilkinson
Andrew S. Willis, I.

MASTER OF ARTS

Anna E. Brockmeier *
Ryan P. Grabowski
Lamei Hu

Stephanie R. Kaiser *
Pamela Laughlin *

Emma C. Noelker

MASTER OF PUBLIC ADMINISTRATION

Othman R. Alibrahim
Ceylon J. Herath *
Sarah M. Hitchcock
Levi D. Rutherford
Renelle Theard
Zhenfang Zhang
MASTER OF SCIENCE
Christopher Cruse
Kaylan O. Friese
Jennifer Patton
Lauren M. Waddell

College of Science, Technology, Engineering and Mathematics

ASSOCIATE OF APPLIED SCIENCE IN COMPUTER TECHNOLOGY

Austin J. Dirnberger

James M. Glover

Jeremy D. Gremard

BACHELOR OF SCIENCE

Abeyasinghe Mudalige Thidas N. Abeyasinghe

Mohammad R. Al Shanar

Ahmed E. Al Thawadi

Abdulrahman A. Alduhaim

Mohammed B. Alrashidi

Fatema A. Alsheafi

Anas S. Alsafayan

Faisal M. Alwuhaimed

Jacob S. Aufdenberg

Bryce Baker

Christina L. Beauford

Cody J. Bohnert

Isaiah N. Bovard

Colton Bryant

Jacob A. Cadwell

Haden I. Clark

Molly E. Cook

Matthew L. Counts

Cheyenne R. Cover

Abdulaziz A. Danah

Alexis N. Darnstaedt

Mitchell L. Donze

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Robert J. Faries, III.

Jacob P. Frey

Chase A. Gaines

Densen L. Glaus

Katlin A. Gray

Jeremy D. Gremard

Joseph L. Grieme

Joshua D. Haggerty

Richard J. Hartig

Samantha K. Henderson

Makayla R. Hewitt

Charles R. Hilburn, III.

Madison I. Hongsermeier-Baxter

Haileigh E. Hufstедler

Mary A. Inman

Drake L. Jahraus

Christian T. Job

Aaron Jones

Abigail P. Jungers

Jeremy L. Kirkpatrick

Lindsey M. Koch

Aaron V. Koehler

Michelle D. Lang

Tianli Liao

Junxian Liu

Ryan A. Marshall

Anthony L. Mitchell

Masayuki Miyakita

Ian H. Moehl

Rachel A. Newman

Michael Norwood

Kolade Osikoya

Erica L. Overton

Corey A. Pech

Katelynn C. Pensel

Britani E. Prescott

Eric D. Puhlmann

. Raghav Juneja

Alex G. Rollhaus

Cara E. Royer

Bridgette P. Salas

Sapumal D. Salpadoru Thuppahi

Emily A. Sargent

Patrick J. Schnurbusch

Hannah N. Seyer

Kristi G. Sharp

Yuki Sheikh

Justin D. Slattery

Megan M. Steinkamp

Kylee M. Stevenson

Jordan L. Stone

Belinda M. Strack

Haonan Sun

Taylor L. Tovar

Amber N. Tyler

Alexander D. Voss

Kristian D. Wilkerson

Shelby A. Wren

Mitchell N. Yant

Tyler Zellerman

Lu Zhang

BACHELOR OF SCIENCE IN EDUCATION

Mollie L. Cunningham

Ginger M. Dailey

MASTER OF

NATURAL SCIENCE

Neil M. Baalman *

Kyle Bales

Andrew T. Bueltmann

Laura A. Ernst

Sarah E. Hendricks *

Ethan Z. Huckleby *

Kevin R. Lambert

Brett Tebbe

MASTER OF SCIENCE

Andrew K. Chronister *

An T. Dieu

Xiaoyu He

Durga Sagar Kodali

Arnab Mukherjee

Joelle Lise Nzogne Magne

Winthage S. Perera

Joanne Angella Amarasekera

Ponweera Arachchige

Hasan Fahinur Rahman Fahin

Mustafa K. Stokely

Mutabarizuddin Syed

Sierra N. Tucker *

Congyu Yan

Harrison College of Business and Computing

BACHELOR OF SCIENCE

Jacob S. Aufdenberg

Lauren S. Bailey

Gabriela A. Castillo

Sonali Khanna Chilupuri

Cindy Choi

Samuel J. Delgado

Nicholas J. Fuegner

Brynn S. Jennings *

Olivia P. Jones

Manisha Joshi Pradhan

Kanako Kihara

Isabella Krupa

Gabrielle F. Kueker

Zhuoxin Liu

Michael Maune

Masayuki Miyakita

Colin J. Pecoraro

Jason C. Rambo

Matthew R. Schaefer

Megan Schneider

Anna K. Schweigler

Sae Shimano

Bishrant Shrestha

. Silangyongcuo

Kaitlyn B. Strauser

Brooke E. Vogt

Nipu R. Weerasuriya

BACHELOR OF SCIENCE IN

BUSINESS ADMINISTRATION

Sultan K. Aldhafeeri

Faisal M. Alhumidi

McKenna D. Baker

Pasindu S. Bandaranayaka

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Madison M. Bishop

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Nicholas O. Bradshaw, I.

Jacob H. Brandt

Brandon L. Burden

Michelle R. Byer

Tyler E. Caldwell

Andrew Capps

Dylan L. Carpenter

Yifeng Chen

Makayla C. Cray

Cole R. Dallas

Samuel L. Duncan

Christopher Z. Dye

Samuel M. Eby

Natalie Engel

Christian M. Essner

Jesse C. Essner

Samuel V. Fanale

Abigail L. Farris

Jeremiah Franklin

Jessica E. Freeman

Xiaozhou Gao

Brandon N. Gassei

Stacy L. Griffin

Qilong Guo

Michael M. Hall

Madison R. Helphinstine

John T. Higgins

Wanlin Hu

Victoria L. Hughes

Garrett C. Jackson *

Devin R. Johnson

Caleb W. Kester

Carson M. Ketcher

Zachary G. Koonce

Haonan Li

Tianyu Liu

Hailee A. Long

Rachel L. Lowery

Cole A. Matzenbacher

Iyanna T. McCurdy

Shania L. McGregory, I.

Emily M. McKee

Lydia Melchior

Marion Mideva

Bethany Mills

Sarah E. Motley

Jonathan D. Mungle

Patrick W. O'Connor

Carlos Eduardo Pacha Pinto

Sejin Park

Jennifer L. Priddy

Gavin D. Pringle

Geenath Saltsara Rathnayake Mudlyanselage

Shelby C. Rhymer

Victoria O. Richards

Jordan K. Riehn

Madison C. Robinett

Jennifer L. Sadler

Kelcee J. Schroer

Adam J. Schuchardt

Matlyne P. Scott

Kathryn M. Sebaugh

Brandt L. Selesky

Hannah R. Shemonia

Connor D. Shepard, I.

Jessica A. Smith

Madison Smith

Genevive E. Sosuh

Tanner T. Teigen

Timothy J. Townsend, Jr.

Armando Villaseñor, Jr.

Ruobin Wang

Kourtney C. Wein

Zachary C. Westrich

Austin F. Willemín

Peyton Williams

Jason P. Woodworth

Ami M. Wright

Qinyue Yan

Emily L. Young

Jiapei Yu

Qi Yu

Shushu Zhao

. Zhaxidawa

MASTER OF

BUSINESS ADMINISTRATION

Yushu Ma

Douglas M. MacRae

Robert Moser *

Olufolahan I. Oduyemi

Halley M. Olveda *

Reed L. Schafer *

Valerie J. Seick

Clairessa G. Sipes

Yibo Sun

Nina Vanspauwen

MASTER OF SCIENCE

Lakshmi Nagendra B. Alavala

Iffat Ara

Mounisha Bhashyam
 Qiuyan Chen
 Puneet Chinni
 Neeshma Chinthala
 Laura A. Copeland
 Manasa Devidi
 Maimaiti Dilidaer
 Lakshman Sai Donavan
 Ramtej Gajula
 Sai Siddardha Gajula
 Deepika Sai Golla

Bhavya V. Goriparthi
 . Hafsa Sami
 Casey D. Hohler *
 Zachary S. Howard
 Rajiv Roy Jangam
 Kiran Kamma
 Akhilesh Kandepu
 Neeraja Kareti
 Hari Charan Yadav Kaveri
 Archana Khadka *
 Geetika Koneru *

Dmytro Kudriashov *
 Joshua C. Lane
 Mante Li
 Manga Vishnu Priya Manukonda
 Megha Manyam
 Danielle N. Mostrom *
 Janaki Padala
 Saketh Parvathapuram
 Sai Ashish Peddineni
 Sara Rybacki *
 Neha Sattu

Basheer Shaik
 Raghav Sharma
 Sai Priya Sudanagunta
 Nitesh Sunku
 Kunal Reddy Vallakonda
 Pranathi Reddy Vanteru
 Lance H. West
 Tonya M. Wooden

Holland College of Arts and Media

BACHELOR OF ARTS

Madison I. Hongsermeier-Baxter
 Katie Kreutz
 Merritt L. Tressler
 Katrina A. Yeager
BACHELOR OF FINE ARTS
 Rachel A. Christophe *
 Ramielle O. Felicia
 Asia Glenn
 Erin Higgins
 Cody L. Porzelt
 Katryna B. Preston
 Ashley B. Sexton
 Nicolette M. Szendzial, I.
 Jayvonn K. Wade
 Zi Zhu

BACHELOR OF MUSIC EDUCATION

Brandi N. Foster
BACHELOR OF SCIENCE
 Bianca N. Arnold
 Jessie D. Arnzen
 Ricardo Yukio Ashimi Ponce
 Alexander M. Bargen
 Aidan G. Burke
 Jake H. Condellire, I.
 Tyre J. Craigs
 Erica J. Crews
 Destiny A. Davis
 Jelani C. Days
 Alexis T. Dilg
 Lauren M. Eby
 Christian D. Edwin
 Regan E. Ernst

Kara M. Filbeck
 Jessica A. Guntli
 Kourtnee N. Hawkins
 Tori N. Holloway
 Haley R. Hutchison
 Katelyn M. Johnson
 Lauren N. Jones
 Allison O. Kaempfe
 Madison A. Little
 Tessa M. Mangels
 Ashley N. Marlo
 Jasmine D. Massey
 Peter C. McNelly
 Andrew T. Myles
 Patrick A. Odriscoll
 Aja A. Reutzel
 Devin F. Rhone
 Deana N. Ruebel

Sierra S. Smith
 Emily J. Standley
 Dalton W. Tripp
 Ryan F. Unterseh
 Tanner Ward
 Seth Watkins
 Kiersten N. Wendler
 Jackson W. Winters
 Veronica B. Young
**BACHELOR OF SCIENCE
IN EDUCATION**
 Olivia M. Capps
 Erin G. Hardin
 Sarah McAtee

**Southeast Missouri State University
Office of the Registrar
Candidates for Certificates^
December 14, 2019**

College of Education, Health and Human Services

April L. DeBerry *
Hallie D. Henry

Lacey J. Kight
Megan P. Klingner

James Kosbar
Samantha J. Niehaus

College of Humanities and Social Sciences

Alexis R. Fjora

^Candidates for certificates do not participate in commencement.

Southeast Missouri State University
Office of the Registrar
Honor Candidates for Graduation
December 14, 2019

With Honors in Associate Degrees

Alecea R. Lewis

Cum Laude

Emily Arras
Mackenzie L. Baxter
Sydney M. Berthlett
Madison M. Bishop
Marissa S. Bogner
Cody J. Bohnert
Tara N. Boushie
Eli C. Bowen
Lindsey N. Brown
Michelle R. Byer
Hannah L. Campbell
Sonali Khanna Chilupuri
Jacob J. Chotrow
Samantha I. Clary
Molly E. Cook
Ginger M. Dailey
Cole R. Dallas
Elizabeth A. Daniels
Dani Dansby
Destiny A. Davis
Alexis T. Dilg
John K. Dugan

Samuel M. Eby
Sarah J. Eftink
Natalie Engel
Ross W. Essner
Bethany J. Ferrell
Christina G. Gaines
Xiaozhou Gao
Anna G. Gibbs
Asia Glenn
Katlin A. Gray
Dustin R. Guethle
Amanda K. Harrison
Madison I. Hongsermeier-Baxter
Christen T. Hopfer
David L. Hudson
Devin R. Johnson
Sara E. Korobey
Michelle D. Lang
Haonan Li
Kaitlyn B. Loughary
Ashley N. Marlo
Julia M. Mattie

Iyanna T. McCurdy
Peter C. McNelly
Lydia Melchior
Emily G. Miner
Abigail N. Montgomery
Brandi N. Morgan
James D. Murphy, Jr.
Parris I. Nathan
Rachel A. Newman
Lucas B. Orchard
Kathy Painton
Britani E. Prescott
Taylor D. Ray
Jordan M. Roberts
McKenzi N. Rucker
Danielle R. Sanchez
Kelcee J. Schroer
Jonathan M. Schumer
Kristen R. Seyer
Connor D. Shepard, I.
Michael A. Shy
Stephen C. Sladek

Jessica A. Smith
Jessica T. Smith
Kristal G. Sosh
Alyssa H. Southard
Alexis N. Sprenger
Emily J. Standley
Belinda M. Strack
Ashley M. Tilley
Lauren M. Uskiwich
Kristina L. Wadley
Lauren S. Waldrop
Kiersten N. Wendler
Zachary C. Westrich
Mary K. Whitson
Keaton R. Wiesehan
Audrey A. Wilkinson
Samantha N. Wytrowski
Emily L. Young
Tyler Zellerman
Zi Zhu

Magna Cum Laude

Breeanna K. Bangert
Bethany E. Beals
Christina L. Beauford
Caleb C. Bess
Aaron M. Brenningmeyer
Sarah M. Bridges
Gavin J. Brown
Madalynn R. Brown
Yifeng Chen
Ty N. Crowden
Mollie L. Cunningham
Alexis N. Darnstaedt
Lauren T. DeBoer
Lauren M. Eby
Kelsey M. Friedrich

Brittney N. Glass, II.
Densen L. Glaus
Micaela G. Griffin
Stacy L. Griffin
Sarah M. Grover
Evan M. Hankins, I.
Jennifer L. Hatheway, I.
Kourtnee N. Hawkins
Samantha K. Henderson
Kassy L. Henson
Kayla J. Hester
Pebbles M. Hill
Haley R. Hutchison
Lauren N. Johns
Manisha Joshi Pradhan
Natalie M. Kayser

Kayla B. Keith
Isabella Krupa
Alyssa N. Landmann
Ashley E. Lane
Taylor A. Lincoln, I.
Olivia M. Long
Mackenzie P. Lynch
Erica L. Maddox
Lindsey K. Martindale
Julianne E. Miller
Mackenzie C. Null
Kaitlin T. Orr
Renee Owens
Kristen N. Phillips
Gavin D. Pringle
Dean R. Roehrborn

Reece C. Scherer
Erin R. Seyer
Hannah N. Seyer
Megan A. Shafferkoetter
Hannah R. Shemonia
Trevor Q. Smith
Kylee M. Stevenson
Alexandra M. Teague
Elizabeth P. Welter
Taylor B. Werdehausen
Savannah J. Whitten
Sarah E. Wichern
Molly A. Wiseman
Katrina A. Yeager

Summa Cum Laude

Jacob S. Aufdenberg
Jaden R. Barnes
Reese L. Bourne
Rachel A. Christophe
Erica J. Crews
Allyson K. Daiber
Kyle A. Denk
Mitchell L. Donze
Austin N. Dowdy
Kirsten N. Halter
Suzanna M. Harlow
Kaitlyn C. Harris, I.

Makayla R. Hewitt
Alyssa M. Hoops
Brian K. Hopkins
Kathleen E. Howland
Heather V. Huhn
Mary A. Inman
Garrett C. Jackson
Brynn S. Jennings
Evan Keese
Amy N. Krebs
Madison G. LeGrand
Hailee A. Long

Tessa M. Mangels
Ian H. Moehl
Shelby L. Pipkin, I.
Erin E. Prendergast
Danielle Preston
Ridge D. Redfairn
Abigail M. Reichert
Lyndsie N. Robert
Marlee B. Russell
Levi D. Rutherford
Kimberly D. Schoellhorn
Kathryn M. Sebaugh

Brandt L. Selesky
Dawn R. Shanafelt
Teresa A. Stephens
Kaitlyn B. Strauser
Margaret L. Tepen
Joshua P. Thompson
Merritt L. Tressler
Adrienne D. Underwood
Seth Watkins
Carlee R. Williamson
Shelby A. Wren
Ashley N. Yarbro



Jane Stephens Honors Program

Rachel A. Christophe
Dani Dansby
Alexis T. Dilg

Sarah M. Grover
Mary A. Inman
Brynn S. Jennings

Taylor N. Looney
Kaitlin T. Orr
Marlee B. Russell

Kathryn M. Sebaugh
Kaitlyn B. Strauser
Margaret L. Tepen



SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873

BOARD OF REGENTS

MOTION CONSIDERATION FORM

December 13, 2019

Open Session

I. Motion to be Considered:

Approve the acceptance of the University's annual financial statement, the Single Audit Report and the System Facilities financial statement for the year ending June 30, 2019, from RubinBrown, LLP.

II. Background:

The University has prepared the financial statements in accordance with GASB Statement No. 35, *Basic Financial Statements- and Management's Discussion and Analysis-for Public Colleges and Universities*. The Foundation is considered a discretely presented component unit of the University that reports under the FASB model and, consequently, is presented separately from the University within the University's financial statements. The Missouri Innovation Corporation is not included in the University's financial statements because it does not meet the significance criteria for component units under GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14*.

The financial statement document (Attachment 1) consists of a Management's Discussion and Analysis; basic comparative financial statements for the University including a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for the University as a whole; basic comparative financial statements for the Foundation including a Statement of Financial Position and Statement of Activities; notes to the basic financial statements; and additional required supplementary information pertaining to the University's pension plan and other post-employment benefit plan. The financial report includes an unmodified opinion by RubinBrown, LLP.

Recommended By:

Student Government _____	Chairperson _____
Faculty Senate _____	Dean _____
Administrative Council _____	Academic Council _____
VP, Enroll. Man. & Stq. Suc. _____	Provost _____
VP, Finance & Admin. <i>Jacky M. Mangels</i>	
VP, University Advancement _____	President <i>[Signature]</i>

Board Action on: _____	Postpone: _____
Motion By: _____	Amend: _____
Second By: _____	Disapprove: _____
Vote: Yeas: _____ Nays: _____	Approve: _____
Abstentions: _____	Secretary: _____

The Single Audit evaluates whether the University has complied with applicable laws and regulations for each major federal program as defined under Title 2 U. S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and whether there are any material weaknesses or significant deficiencies in the University's internal control structure surrounding the administration of federal awards. The Single Audit includes an unmodified opinion on compliance. Several individual audit reports are contained within the Single Audit Report (Attachment 2) which addresses various requirements concerning the University's management of federal grant programs. There were no findings or instances of non-compliance.

The System Facilities financial statements present the activity for fiscal year 2019 for the funds established by the terms of the bond resolution for the System Facilities Revenue Bonds Series 2011B, 2013A, 2013B, 2016A, 2016B and 2016C. The basis financial statements for the System Facilities were also prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis-for Public Colleges and Universities*.

The System Facilities Report (Attachment 3) consists of a Management's Discussion and Analysis; basic financial statements including a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for System Facilities, notes to the basic financial statements, and various supplemental schedules required by terms of the University's bond agreements. The financial report includes an unmodified opinion by RubinBrown, LLP.

Southeast Missouri State University



Report to the Board of Regents - Results of Annual Audit



for the year ended
June 30, 2019

Table Of Contents

	Page
Auditor Communications	1 - 7
Summarized Financial Information	8 - 11
Independent Auditors' Report On Additional Information	12

Auditor Communications

Southeast Missouri State University

Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

We have audited the financial statements of Southeast Missouri State University (the University), a component unit of the State of Missouri, as of and for the year ended June 30, 2019, and issued our report dated November 22, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility Under Generally Accepted Auditing Standards In The United States Of America and Government Auditing Standards

As stated in our engagement letter dated July 11, 2019 our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with our assistance are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and that the University complied in all material respects with the applicable compliance requirements of its major federal programs. Our audit of the financial statements and compliance does not relieve you or management of responsibility for the accuracy of the financial statements or compliance with applicable requirements. Our responsibility is also to plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit in accordance with professional standards does not provide absolute assurance about, or guarantee the accuracy of, the financial statements or noncompliance with grant requirements. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is an inherent risk that material errors, fraud or illegal acts may exist and not be detected by us.

Auditor Communications (Continued)

Professional standards also require that we obtain a sufficient understanding of the University's internal control to plan the audit. However, such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We issued the following reports:

- An unmodified opinion on the University's financial statements for the year ended June 30, 2019.
- A report on compliance and on internal control over financial reporting based on an audit of the financial statements in accordance with *Government Auditing Standards*.
- An unmodified opinion on compliance and a report on internal controls over federal financial assistance in accordance with Uniform Guidance.
- An unmodified opinion of the System Facilities financial statements for the year ended June 30, 2019.
- An independent accountant's report on agreed-upon procedures applied pursuant to NCAA Bylaw 3.2.4.15.

Auditor Communications (Continued)

Other Information In Documents Containing Audited Financial Statements

The 2019 audited financial statements of the University will be included in the financial statements of the State of Missouri. To our knowledge, the 2019 audited financial statements for the University are not included within any other document.

Planned Scope And Timing Of The Audit

We performed the audit according to the planned scope and timing previously communicated to management prior to the commencement of the audit, as well as the engagement letter, regarding the nature, timing and extent of our audit procedures.

Qualitative Aspects Of Accounting Practices

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about appropriateness of accounting policies and their application. The significant accounting policies used by the University are described in Note 2 to the financial statements. No new accounting policies were adopted during the year ended June 30, 2019.

Auditor Communications (Continued)

We noted no transactions entered into by the University during the year for which there was a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transactions occurred.

Management Judgments And Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most notable estimates affecting the financial statements are:

- Allowance for uncollectible loans and student accounts receivable: Management has derived an estimated amount of loans and student accounts receivable that will not be collected in the future, utilizing a historical collection percentage.
- The depreciable lives used to calculate depreciation: Management's estimate of the depreciable lives of buildings and building improvements, infrastructure and equipment is based on the assets' estimated useful lives.
- Net pension liability: Management estimates the future liability for pension benefits based upon an actuarial calculation that includes assumptions related to mortality, investment return, and the discount rate utilized.
- Net other postretirement employee benefit liability: Management estimates the future liability for postretirement benefits based upon an actuarial estimate of future health insurance costs for eligible retirees participating in the program.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Auditor Communications (Continued)

Financial Statement Disclosures

The disclosures to the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the financial statements' users. The most sensitive disclosures affecting the financial statements are:

- Deposits and investments in Note 3 to the financial statements, which details the summary of the University's investment holdings and their respective fair values, as well as custodial credit risk, interest rate risk and credit risk related to such holdings.
- Capital assets in Note 6 to the financial statements, which details types of assets held by the University at June 30, 2019, as well as the current year additions, current year retirements, depreciation expense and total accumulated depreciation expense for the year ended June 30, 2019.
- The disclosure of long-term liabilities in Notes 8 and 9 to the financial statements, which lists the issuance and retirement of bonded debt and other notes payable during the year, the scheduled future maturity payments, and the University's compliance status with certain covenants related to the bond issues.
- Disclosures in Note 10 relating to the net pension liability and related deferred inflows and outflows of resources.
- Disclosures in Note 12 relating to the net other postretirement employee benefit liability.
- Disclosures related to the Foundation, a discretely presented component unit, in Note 17.

Difficulties In Performing The Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Auditor Communications (Continued)

Corrected And Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, communicate them to the appropriate level of management, and request their correction.

We did not identify any corrected or uncorrected misstatements during our audit.

Disagreements With Management

For the purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter which could be significant to the University's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Management Representations

We requested certain representations from management that are included in the management representation letter dated November 22, 2019. A copy of the letter has been attached to this document.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to an entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Auditor Communications (Continued)

Southeast Missouri State University

Other Audit Findings Or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the University's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Regents and management of Southeast Missouri State University and is not intended to be and should not be used by anyone other than these specified parties.

RubinBrown LLP

November 22, 2019

Schedule Of Assets (Thousands)

	June 30,	
	2019	2018
Assets		
Cash	\$ 12,232	\$ 5,586
Investments	55,503	59,338
Interest receivable	364	190
Accounts and note receivable	7,803	7,782
Due from federal government	2,445	3,358
Inventory	2,257	2,424
Prepaid expenses	379	330
Capital assets	449,825	452,588
Due from component unit - Foundation	5,735	5,763
Total Assets	536,543	537,359
Deferred Outflows		
Deferred outflows - pension	35,007	42,712
Deferred outflows - bond refunding	5,964	6,588
Total Deferred Outflows	40,971	49,300
Total Assets And Deferred Outflows	\$ 577,514	\$ 586,659

OBSERVATIONS

Total assets and deferred outflows decreased approximately \$9.15 million over the prior year, primarily due to the following:

- A decrease in deferred outflows – pension by \$7.7 million as a result of the current year's pension actuarial valuation.
- Due to investment maturities during fiscal year 2019, investments decreased and cash increased.

Schedule Of Liabilities And Net Position (Thousands)

Southeast Missouri State University

	June 30,	
	2019	2018
Liabilities		
Accounts payable	\$ 4,735	\$ 2,913
Accrued compensation	8,600	7,863
Bond interest payable	1,821	1,900
Due to federal government	3,484	3,687
Funds held for others	155	184
Unearned income	10,901	10,667
Net pension liability	128,923	127,976
Bonds payable	171,688	179,018
Notes payable	238	279
Net other postretirement employee benefit liability	4,328	4,242
Total Liabilities	334,873	338,729
Deferred Inflows - Pension	7,208	2,337
Total Net Position	235,433	245,593
Total Liabilities, Deferred Inflows And Net Position	\$ 577,514	\$ 586,659

OBSERVATIONS

Total liabilities and deferred outflows increased by \$1.0 million, primarily due to the following:

- An increase in accounts payable of \$1.8 million related to payables for capital improvements that were due at year-end
- A decrease in bonds payable of \$7 million due to current year principal payments
- An increase in deferred outflows of \$4.8 million due to the current year's actuarial calculations of the University's share of the MOSERS pension plan liability

Schedule Of Revenues (Thousands)

Southeast Missouri State University

	For The Years Ended June 30,	
	2019	2018
Revenues		
Tuition and fees, net	\$ 54,314	\$ 55,054
Grants, contracts and appropriations	69,418	70,547
Capital grants and appropriations	3,209	2,881
Investment income	4,385	2,685
Auxiliary enterprises, net	28,838	31,207
Other sources	11,070	9,709
Contributions	3,894	2,880
Total Revenues	\$ 175,128	\$ 174,963

OBSERVATIONS

Total Revenues increased by approximately \$165k. Revenues are flat primarily as the result of stagnant enrollment in higher education programs.

Schedule Of Expenses (Thousands)

Southeast Missouri State University

	For The Years Ended June 30,	
	2019	2018
Expenses		
Salaries, wages and benefits	\$ 105,402	\$ 107,634
Scholarships and fellowships	19,328	19,466
Utilities	4,424	4,780
Supplies and other services	32,866	32,439
Deprecation and amortization	15,161	14,935
OPEB	86	122
Interest on bonds and notes payable	7,707	7,964
Loss on disposal of plant funds	315	94
Total Expenses	185,289	187,434
Change In Net Position	\$ (10,161)	\$ (12,471)

OBSERVATIONS

Total expenses decreased by \$2.15 million over the prior year due to the following:

- A decrease in salaries, wages and benefits of \$2.2 million largely due to longer delays in filling vacant positions.

Change in net position decreased \$2.3 million from the prior year.

Independent Auditors' Report On Additional Information

Southeast Missouri State University

Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

Our report on our audit of the basic financial statements of Southeast Missouri State University (the University) for June 30, 2019 appears in the financial statements of the University. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information contained herein is presented for purposes of additional analysis and is 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 express no opinion on it.

RubinBrown LLP

November 22, 2019



Management Representation Letter



November 22, 2019

RubinBrown LLP
One North Brentwood Boulevard
Saint Louis, Missouri 63105

We are providing this letter in connection with your audit of the financial statements of Southeast Missouri State University as of June 30, 2019 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Southeast Missouri State University and the respective changes in financial position and cash flows thereof in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles.

We understand we are responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

We confirm, to the best of our knowledge and belief the following representations made to you during your audit.

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the Board of Regents is contingently liable, if any, have been properly recorded or disclosed.
10. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Regents or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
15. We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
18. We have made available to you all financial records and related data.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. The Board of Regents has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial

statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

23. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
24. As part of your audit, you assisted with preparation of the financial statements and related notes, the Schedule of Expenditures of Federal Awards and the auditee section of the Data Collection Form. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes, the Schedule of Expenditures of Federal Awards and the auditee section of the Data Collection Form.
25. The Board of Regents has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
26. The Board of Regents has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
27. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
28. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
29. The financial statements properly classify all funds and activities.
30. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
31. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
32. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
33. Provisions for uncollectible receivables have been properly identified and recorded.
34. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
35. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
36. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
37. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
38. We have appropriately disclosed the Board of Regents' policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
39. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you

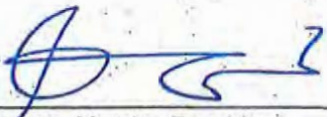
any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

40. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the University vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.

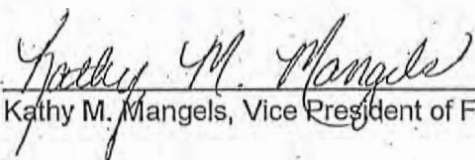
41. With respect to federal award programs:

- a. We are responsible for understanding and complying with and have complied 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), including requirements relating to preparation of the schedule of expenditures of federal awards.
- b. We have prepared the schedule of expenditures of federal awards in accordance with Uniform Guidance, and have included, identified and disclosed in the schedule expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.
- c. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
- d. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- e. We have identified and disclosed to you all of our government programs and related activities subject to Uniform Guidance.
- f. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- g. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to major federal programs.
- h. We have complied, in all material respects, with the compliance requirements, including when applicable, those set forth in the Single Audit Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including those resulting from other audits or program reviews.
- i. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the applicable compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

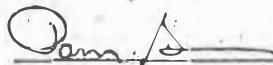
- j. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken up to the date of the auditor's report.
- k. Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
- l. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- n. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- o. We have charged costs to federal awards in accordance with applicable cost principles.
- p. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- q. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- r. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by Uniform Guidance.
- s. We are responsible for preparing and implementing a corrective action plan for each audit finding.
- t. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.



Dr. Carlos Vargas-Aburto, President

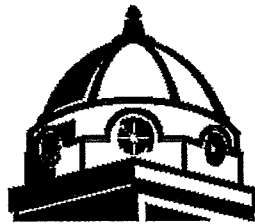


Kathy M. Mangels, Vice President of Finance and Administration



Pam Sander, Controller

**SOUTHEAST MISSOURI
STATE UNIVERSITY**
FINANCIAL STATEMENTS
JUNE 30, 2019



**SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873**

Contents

	Page
Independent Auditors' Report	1 - 2
Management's Discussion And Analysis	3 - 10
 Financial Statements	
Statement Of Net Position - University.....	11 - 12
Statement Of Financial Position - Foundation	13
Statement Of Revenues, Expenses And Changes In Net Position - University.....	14
Statement Of Activities - Foundation.....	15 - 16
Statement Of Cash Flows - University.....	17 - 18
Notes To Financial Statements.....	19 - 60
 Required Supplementary Information	
Schedules Of Selected Pension Information.....	61 - 62
Schedule Of Selected Postemployment Healthcare Plan Information	63



Independent Auditors' Report

Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

RubinBrown LLP
Certified Public Accountants &
Business Consultants

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Saint Louis, MO 63105

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Report On The Financial Statements

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

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Southeast Missouri University Foundation, a discretely presented component unit of the University for the year ended June 30, 2018. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts include for Southeast Missouri University Foundation, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Board of Regents
Southeast Missouri State University

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, based on our audits, and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Southeast Missouri State University as of June 30, 2019 and 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10, the Schedules of Selected Pension Information on pages 61 and 62 and the Schedule of Selected Postemployment Healthcare Plan Information on page 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

RubinBrown LLP

November 22, 2019

SOUTHEAST MISSOURI STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Southeast Missouri State University's (the University) basic financial statements provides a comparative overview of the University's financial performance during the years ended June 30, 2019 and 2018. The Management's Discussion and Analysis is designed to focus on current activities and resulting changes, and should be read in conjunction with the University's basic financial statements and footnotes.

Using this Report

This report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis - for Public Colleges and Universities*. These basic financial statements focus on the financial condition of the University, the results of operations, and cash flows of the University as a whole.

The Statement of Net Position includes the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the end of the fiscal year. The Statement of Net Position is a point of time financial statement. It is prepared under the accrual basis of accounting, whereby assets are recognized when the service is provided and liabilities are recognized when others provide the service, regardless of when cash is exchanged. The University's net position (the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources) is one indicator of the University's financial health. Over time, increases or decreases in net position is one indicator of the improvement or erosion of the University's financial health when considered with non-financial facts such as enrollment levels and the conditions of facilities.

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as operating, nonoperating or other. All things being equal, a public University's dependency on state appropriations and gifts will result in operating deficits. That is because the financial reporting model prescribed by GASB No. 34 classifies state appropriations and gifts as nonoperating revenues. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the basic financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The Statement of Cash Flows presents the University's flows of cash. The primary purpose of the Statement of Cash Flows is to provide information about the University's cash receipts and payments summarized by operating, capital and related financing, noncapital financing and investing activities.

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Financial Analysis of the University

The following table reflects the Net Position of the University as of June 30:

Condensed Statement of Net Position As of June 30, 2019, 2018 and 2017

	2019	2018	2017
Current Assets	\$ 50,414,050	\$ 31,880,672	\$ 36,823,832
Noncurrent Assets			
Capital assets, net of depreciation	449,824,221	452,587,892	458,519,203
Other	36,304,732	52,890,668	52,899,530
Total Assets	536,543,003	537,359,232	548,242,565
Deferred Outflows of Resources	40,971,442	49,300,077	48,208,733
Current Liabilities	33,478,798	30,481,722	35,890,836
Noncurrent Liabilities	301,395,118	308,247,254	299,365,656
Total Liabilities	334,873,916	338,728,976	335,256,492
Deferred Inflows of Resources	7,207,800	2,336,766	1,018,485
Net Position			
Net investment in capital assets	275,129,523	271,123,217	269,458,109
Restricted	3,731,719	4,080,729	4,760,837
Unrestricted	(43,428,513)	(29,610,379)	(14,042,625)
Total Net Position	<u>\$ 235,432,729</u>	<u>\$ 245,593,567</u>	<u>\$ 260,176,321</u>

Current assets consist primarily of cash and cash equivalents, short-term investments, accounts receivable and inventories. Current assets totaled \$50.41, \$31.88 and \$36.82 million for June 30, 2019, 2018 and 2017, respectively.

The majority of noncurrent assets are capital assets which are recorded net of accumulated depreciation. See Note 6 for a recap of the capital asset activity. In addition to capital assets, long-term investments comprised \$28.98, \$44.96 and \$44.27 million for June 30, 2019, 2018 and 2017, respectively, of total noncurrent assets.

Implementation of GASB No. 65, *Items Previously Recognized as Assets and Liabilities* requires reporting of deferred inflows and outflows of resources. Deferred outflows related to debt refundings were \$5.96, \$6.59 and \$7.25 million for June 30, 2019, 2018 and 2017, respectively.

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

During fiscal year 2015, the University implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expense associated with defined benefit pension plans. Deferred outflows were \$35.01, \$42.71 and \$40.96 million for June 30, 2019, 2018 and 2017 for deferred amounts related to pension plan and pension plan contributions. Deferred inflows were \$7.21, \$2.34 and \$1.02 million for June 30, 2019, 2018 and 2017, respectively.

Current liabilities consist primarily of accounts payable, accrued compensation, accrued interest payable and unearned income. Current liabilities also include the current portion of bonds and notes payable. Current liabilities totaled \$33.48, \$30.48 and \$35.89 million for June 30, 2019, 2018 and 2017, respectively.

Noncurrent liabilities consist primarily of long-term debt, pension and OPEB liabilities. Noncurrent liabilities totaled \$301.40, \$308.25 and \$299.37 million for June 30, 2019, 2018 and 2017, respectively. Bond debt was reduced by \$6.92 million from fiscal year 2018 to 2019. See Note 8 for detailed activity of bonds payable. The liability for pension and other postretirement benefits (OPEB) has increased \$17.22 million from June 30, 2017 to June 30, 2019. Net pension liability increased from \$114.02 million at June 30, 2017 to \$128.92 million at June 30, 2019 and the net other postretirement employee benefits increased from \$2.01 million at June 30, 2017 to \$4.33 at June 30, 2019. These liabilities are determined by actuarial valuations and are required reporting under GASB Statement No. 68 and GASB Statement No. 75.

Net position represents the residual interest in the University's assets after liabilities are deducted.

	June 30,		
	2019	2018	2017
Net Position:			
Net investment in capital assets	\$ 275,129,523	\$ 271,123,217	\$ 269,458,109
Restricted:			
Nonexpendable	2,170,881	2,092,185	2,158,105
Expendable	1,560,838	1,988,544	2,602,732
Total Restricted	278,861,242	275,203,946	274,218,946
Unrestricted:			
Designated	27,552,403	31,304,229	39,918,777
Undesignated	(70,980,916)	(60,914,608)	(53,961,402)
Total Unrestricted	(43,428,513)	(29,610,379)	(14,042,625)
Total Net Position	<u>\$ 235,432,729</u>	<u>\$ 245,593,567</u>	<u>\$ 260,176,321</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Net position invested in capital assets represent the University's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Net investment in capital assets increased approximately \$10.97 million from \$269.46 million at June 30, 2017 to \$275.13 million at June 30, 2019.

Restricted net position includes the University's permanent endowment, managed by the Southeast Missouri University Foundation.

Following is a breakdown of designated unrestricted net position as of June 30:

	2019	2018	2017
Unrestricted-Designated Net Position			
Investment in inventories	\$ 2,257,010	\$ 2,423,535	\$ 2,530,621
Future operations (including capital projects)	23,008,797	26,636,038	35,316,126
Quasi-endowment	2,286,596	2,244,656	2,072,030
Total	<u>\$ 27,552,403</u>	<u>\$ 31,304,229</u>	<u>\$ 39,918,777</u>

The total unrestricted-undesignated net position of the University totaled \$(70.81), \$(60.91) and \$(53.96) million for June 30, 2019, 2018 and 2017 respectively. The negative unrestricted net position results from the implementation of GASB Statements No 68 and 71 and the recording of a \$128.92, \$127.98 and \$114.02 million pension liability and related deferred inflows and outflows as discussed previously. Although unrestricted net position is not subject to externally imposed stipulations, all of unrestricted net position has been internally designated as of June 30, 2019. The balance of University operations undesignated, unrestricted net position has increased approximately \$4.23 million from June 30, 2017 to June 30, 2019. University operations undesignated, unrestricted totaled \$24.35, \$26.69 and \$20.12 million at June 30, 2019, 2018 and 2017, respectively.

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

The following schedule reflects the condensed revenues and expenses of the University for fiscal years 2019, 2018 and 2017:

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2019	2018	2017
Operating Revenues:			
Student tuition and fees, net of scholarship allowance	\$ 54,313,868	\$ 55,053,969	\$ 57,042,769
Grants and contracts	11,313,866	11,778,390	12,830,106
Auxiliary services	28,838,528	31,207,127	31,283,309
Other operating revenues	11,069,311	9,709,401	10,286,080
Total Operating Revenues	<u>105,535,573</u>	<u>107,748,887</u>	<u>111,442,264</u>
Operating Expenses:			
Personal service	105,402,422	107,634,266	105,524,547
Utilities and supplies	37,290,186	37,218,912	40,173,984
Scholarships	19,328,357	19,465,735	19,885,809
Depreciation	15,161,739	14,935,085	14,070,764
Other post-employment benefits (OPEB) expense	85,801	122,324	120,432
Total Operating Expenses	<u>177,268,505</u>	<u>179,376,322</u>	<u>179,775,536</u>
Operating Loss	<u>(71,732,932)</u>	<u>(71,627,435)</u>	<u>(68,333,272)</u>
Nonoperating Revenues (Expenses)			
State appropriations	43,961,331	43,783,556	44,945,270
Federal grants - restricted	14,144,527	14,984,408	13,714,616
Investment income	4,385,233	2,685,492	2,072,951
Gifts	3,893,110	2,879,854	3,406,914
Nonoperating expenses	(8,021,111)	(8,057,695)	(8,426,489)
Net Nonoperating Revenues	58,363,090	56,275,615	55,713,262
Other Revenues	3,209,004	2,880,838	6,664,149
Increase (Decrease) In Net Position	(10,160,838)	(12,470,982)	(5,955,861)
Net Position Beginning of Year	<u>245,593,567</u>	<u>260,176,321</u>	<u>266,132,182</u>
Adjustment due to the adoption of GASB Statement No. 75	—	(2,111,772)	—
As restated	<u>245,593,567</u>	<u>258,064,549</u>	<u>266,132,182</u>
Net Position End of Year	<u>\$ 235,432,729</u>	<u>\$ 245,593,567</u>	<u>\$ 260,176,321</u>

Total revenues were \$175.13, \$174.96 and \$182.25 million for fiscal years ended June 30, 2019, 2018 and 2017, respectively. The most significant sources of revenue for the University are student tuition and fees, state appropriations, grants and contracts, including federal financial aid, and auxiliary services.

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Student tuition and fees, net of scholarship allowance decreased by \$2.73 million and auxiliary services, net of scholarship allowance decreased by \$2.44 million from fiscal year 2017 to 2019. Both changes were primarily the result of declining enrollment in higher education programs.

Student tuition and fees surpassed state appropriations as the largest source of revenue for the University in fiscal year 2007. State appropriations have been declining as a percent of total revenue from 37% in fiscal year 2002 to 25% in fiscal years 2017 through 2019. The University state appropriation for fiscal year 2017 was reduced by budget withholdings from \$48.08 to \$44.55 in January 2017. The University's state appropriation for fiscal year 2018 and 2019, net of the 3% governor's reserve withholding, was \$43.53 million, a 9% decrease over the fiscal year 2017 level before budget withholdings. The University's appropriation for fiscal year 2020 increased 2.22% to \$44.50 million, net of the 3% governor's reserve withholdings.

Operating expenses of the University totaled \$177.27, \$179.38 and \$179.78 million for the fiscal years ended June 30, 2019, 2018 and 2017 respectively. Personnel service costs, including the costs related to faculty, staff and student labor and fringe benefits accounted for 59%, 60% and 58% of total operating expenses for June 30, 2019, 2018 and 2017 respectively. The decrease in personnel costs between fiscal years 2018 and 2019 are the result of longer delays in filling vacant positions. The University reduced staff positions by approximately 4 percent of the University's full-time workforce in fiscal year 2018. The cost saving measure, along with other changes, reduced salaries between fiscal years 2017 and 2018, however fringe benefits continued to increase due to increases to health insurance premiums and retirement plan costs.

Bonds and Notes Payable

The University had outstanding bonds of approximately \$171.69, \$179.02 and \$186.15 million at June 30, 2019, 2018 and 2017, respectively. During fiscal year 2019 and 2018, there were no new bonds issued. During fiscal year 2017, the University issued 2016C bonds for the purpose of partially refunding 2011B bonds. The University made all regularly scheduled debt service payments. Please refer to the bonds payable footnote (Note 8) in the notes to the basic financial statements for additional disclosures.

The University had outstanding notes payable of approximately \$239, \$279 and \$318 thousand at June 30, 2019, 2018 and 2017, respectively. No new notes were issued in fiscal years 2019, 2018 or 2017. Please refer to the notes payable footnotes (Note 9) in the notes to the basic financial statements for additional disclosures.

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Capital Assets

At June 30, 2019, 2018 and 2017, the University's investment in capital assets was as follows:

	2019	2018	2017
Land	\$ 4,217,138	\$ 4,217,138	\$ 4,217,138
Buildings and improvements	518,824,773	513,867,512	500,539,430
Leasehold improvements	4,416,323	4,392,555	4,303,781
Infrastructure	39,626,525	39,503,407	39,417,146
Equipment	48,241,352	48,269,730	47,290,494
Library books	26,760,998	26,605,297	26,314,260
Construction in progress	9,600,709	3,402,206	10,041,853
	651,687,818	640,257,845	632,124,102
Less: Accumulated depreciation	201,863,597	187,669,953	173,604,899
	<u>\$ 449,824,221</u>	<u>\$ 452,587,892</u>	<u>\$ 458,519,203</u>

At June 30, 2019, the University had initiated plans and incurred certain contractual commitments related to the construction of various facilities. The costs to complete these projects are estimated at \$7.20 million at June 30, 2019 and are to be funded from state capital appropriations and other local funds. These projects included approximately \$1.06 million to complete renovation to Crisp Hall, \$1.45 million for renovations to other academic buildings, \$1.79 million for tunnel repairs and \$2.90 million for other campus renovations.

Economic Outlook

Southeast Missouri State University is the only four-year, public university located in the southeast portion of Missouri between St. Louis and the Arkansas border. Declining traditional age college prospects and increased competition in the delivery of higher education programs has led to a decline in overall enrollment at the University the past three academic years. The University is updating their Strategic Enrollment Management Plan and implementing strategies related to recruitment and retention including new discounting strategies.

In fall 2016, the University announced a goal to retain at least 80 percent of all first-time, full-time student to the second year and graduate at least 60 percent of this cohort in six years. In fall 2017, Southeast achieved a retention rate of 75.1 percent and a graduation rate of 51.9 percent - at that time the highest rate since Southeast began tracking this data. Data from fall 2019 census shows that the University has achieved a new record-high retention rate of 75.3%, while continuing to make progress towards its graduation goal.

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

The Board of Regents approved a \$173.7 million operating budget for fiscal year 2020. This included an assumption of state appropriations remaining flat from FY19 funding levels, which was based on the Governor's proposed budget and state revenue projections at the time. After board approval of the FY20 budget, the Governor signed HB3 funding bill which provided an additional \$1.0 million in state support for Southeast Missouri State University.

While the state economy, limited increases in tuition revenue, and uncertain state support will continue to pose budgetary challenges for the University, the University has consistently taken a proactive approach to cost containment and revenue enhancement to meet these challenges. The University's budget process intends to mitigate risks from state support reductions or enrollment fluctuations by modeling three years of anticipated budget needs. The University has implemented \$10.5 million in expense reductions over the last three fiscal years to meet known and anticipated budget needs. The University will continue to actively manage budgetary challenges by prioritizing strategic goals that will advance the University in its operations and build a strong foundation in the face of uncertainties in the future of the higher education industry.

Contacting the University's Financial Management

This financial report is designed to provide a general overview of the University's finances and to show the University's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to the Vice President for Finance and Administration, One University Plaza, MS 3000, Cape Girardeau, MO 63701.

SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENT OF NET POSITION

Page 1 Of 2

	June	
	2019	
Assets		
Current Assets		
Cash and cash equivalents	\$ 10,671,607	\$
Restricted cash and cash equivalents	1,560,838	
Short-term investments	26,521,760	
Accrued interest receivable	364,292	
Due from component unit - Foundation	1,264,045	
Accounts receivable (net of allowance of \$666,254 in 2019 and \$655,317 in 2018)	4,396,416	
Notes receivable	554,438	
Due from federal government	2,444,721	
Inventory	2,257,010	
Prepaid expenses	378,923	
Total Current Assets	50,414,050	
Noncurrent Assets		
Investments	28,981,327	
Due from component unit - Foundation	4,470,927	
Notes receivable (net of allowance of \$1,068,931 and \$1,069,912 in 2019 and 2018)	2,852,478	
Capital assets - non-depreciable	19,012,104	
Capital assets, net - depreciable	430,812,117	
Total Noncurrent Assets	486,128,953	
Total Assets	536,543,003	
Deferred Outflows Of Resources		
Deferred amounts on refunding of bonds payable	5,964,573	6,588,010
Deferred amounts related to pension plan	26,678,178	33,972,780
Deferred amounts related to pension contributions	8,328,691	8,739,287
Total Deferred Outflows Of Resources	40,971,442	49,300,077

SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENT OF NET POSITION

Page 2 Of 2

	June 30,	
	2019	2018
Liabilities		
Current Liabilities		
Accounts payable	\$ 4,734,797	\$ 2,912,836
Accrued compensation	8,600,089	7,862,596
Bond interest payable	1,821,129	1,899,834
Funds held for others	155,384	184,220
Unearned income	10,900,358	10,666,690
Current portion of bonds payable	7,225,000	6,915,000
Current portion of notes payable	42,041	40,546
Total Current Liabilities	33,478,798	30,481,722
Noncurrent Liabilities		
Due to federal government	3,483,872	3,686,487
Bonds payable	164,463,848	172,103,491
Notes payable	196,665	238,707
Net other postretirement employee benefit liability	4,327,989	4,242,188
Net pension liability	128,922,744	127,976,381
Total Noncurrent Liabilities	301,395,118	308,247,254
Total Liabilities	334,873,916	338,728,976
Deferred Inflows Of Resources		
Deferred amounts related to pension plan	7,207,800	2,336,766
Net Position		
Net investment in capital assets	275,129,523	271,123,217
Restricted for:		
Nonexpendable -		
Scholarships	2,170,881	2,092,185
Expendable -		
Debt service	1,560,838	1,635,360
Loans and other	—	353,184
Unrestricted	(43,428,513)	(29,610,379)
Total Net Position	\$ 235,432,729	\$ 245,593,567

SOUTHEAST MISSOURI UNIVERSITY FOUNDATION
(A Component Unit of Southeast Missouri State University)
STATEMENT OF FINANCIAL POSITION

	June 30,	
	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,052,369	\$ 2,115,508
Short-term investments	19,307,288	17,330,212
Receivables:		
Pledges receivable	20,667	195,401
Notes receivable	489,321	488,669
Accrued interest receivable	68,476	71,307
Prepaid insurance	5,336	—
Total Current Assets	<u>22,943,457</u>	<u>20,201,097</u>
Noncurrent Assets		
Investments:		
Endowment investments	80,898,333	77,256,267
Cash surrender value of life insurance	699,901	653,092
Pledges receivable (net of allowance of \$43,828 and \$15,125 in 2019 and 2018, respectively)	582,289	537,912
Long term notes receivable, net of imputed interest	3,247,185	3,626,383
Property held for resale and development	1,242,602	1,241,045
Property and equipment, net of accumulated depreciation	10,779,883	11,018,104
Total Noncurrent Assets	<u>97,450,193</u>	<u>94,332,803</u>
Total Assets	<u><u>\$ 120,393,650</u></u>	<u><u>\$ 114,533,900</u></u>
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	\$ 36,223	\$ 40,290
Due to primary institution - University	1,264,045	1,418,869
Note payable to bank	58,950	640,421
Funds held for others	67,635	66,854
Annuity obligations	206,154	213,471
Total Current Liabilities	<u>1,633,007</u>	<u>2,379,905</u>
Noncurrent Liabilities		
Deferred revenue	178,761	236,363
Note payable to bank	720,780	188,250
Annuity obligations	1,302,908	1,233,785
Due to primary institution - University	4,470,927	4,345,290
Total Noncurrent Liabilities	<u>6,673,376</u>	<u>6,003,688</u>
Total Liabilities	<u>8,306,383</u>	<u>8,383,593</u>
Net Assets		
Without donor restriction	23,305,723	22,852,713
With donor restriction	88,781,544	83,297,594
Total Net Assets	<u>112,087,267</u>	<u>106,150,307</u>
Total Liabilities And Net Assets	<u><u>\$ 120,393,650</u></u>	<u><u>\$ 114,533,900</u></u>

SOUTHEAST MISSOURI STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For The Years Ended June 30, 2019 And 2018

	June 30,	
	2019	2018
Operating Revenues		
Student tuition and fees (net of scholarship allowance of \$23,822,875 in 2019 and \$23,726,886 in 2018)	\$ 54,313,868	\$ 55,053,969
Federal grants - restricted	3,441,126	3,604,124
State grants and contracts - restricted	7,069,922	7,285,105
Nongovernmental grants and contracts - restricted	802,818	889,161
Sales and services of educational departments	2,887,856	3,334,877
Auxiliary enterprises:		
Residence life (net of scholarship allowance of \$4,045,844 in 2019 and \$3,977,451 in 2018; revenues are used as security for revenue bonds Series 2011B, 2013A, 2013B, 2016A, 2016B and 2016C)	20,739,429	22,569,891
Other auxiliary (net of scholarship allowance of \$148,640 in 2019 and \$128,514 in 2018; revenues are used as security for revenue bonds Series 2011B, 2013A, 2013B, 2016A, 2016B and 2016C)	8,099,099	8,637,236
Other operating revenues	8,181,455	6,374,524
Total Operating Revenues	105,535,573	107,748,887
Operating Expenses		
Personnel services	105,402,422	107,634,266
Scholarships	19,328,357	19,465,735
Utilities	4,424,519	4,780,001
Supplies and other services	32,865,667	32,438,911
Depreciation and amortization	15,161,739	14,935,085
Other post-employment benefit (OPEB) expense	85,801	122,324
Total Operating Expenses	177,268,505	179,376,322
Operating Loss	(71,732,932)	(71,627,435)
Nonoperating Revenues (Expenses)		
State appropriations	43,961,331	43,783,556
Federal grants - restricted	14,144,527	14,984,408
Investment income	4,385,233	2,685,492
Contributions and gifts	3,893,110	2,879,854
Interest on capital asset-related debt	(7,706,501)	(7,963,453)
Loss on disposal of plant facilities	(314,610)	(94,242)
Net Nonoperating Revenues	58,363,090	56,275,615
Loss Before Other Revenues, Expenses And Gains	(13,369,842)	(15,351,820)
State capital appropriations	2,905,139	2,201,753
Capital grants and gifts	303,865	679,085
Total Other Revenues, Expenses And Gains	3,209,004	2,880,838
Change In Net Position	(10,160,838)	(12,470,982)
Net Position - Beginning Of Year (As Originally Stated)	245,593,567	260,176,321
Adjustment Due To The Adoption Of GASB Statement No. 75	—	(2,111,772)
Net Position - Beginning Of Year (As Restated)	245,593,567	258,064,549
Net Position - End Of Year	\$ 235,432,729	\$ 245,593,567

SOUTHEAST MISSOURI UNIVERSITY FOUNDATION
(A Component Unit of Southeast Missouri State University)

STATEMENT OF ACTIVITIES

June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Totals
Support and Revenue			
Contributions, net of discount	\$ 330,301	\$ 4,521,884	\$ 4,852,185
Investment return	(103,623)	5,602,094	5,498,471
Rental income	693,937	2,474	696,411
Special events, net of expense	1,549	61,306	62,855
Loss on sale of property	(8,296)	—	(8,296)
Gain (loss) on annuity and trust obligations	—	(188,615)	(188,615)
Other revenues and transfers	496,298	(12,867)	483,431
Net assets released from restrictions	4,502,326	(4,502,326)	—
Total Support And Revenue	5,912,492	5,483,950	11,396,442
Expenses And Losses			
Program expenses	4,641,280	—	4,641,280
Management and general	771,247	—	771,247
Fundraising	46,955	—	46,955
Total Expenses And Losses	5,459,482	—	5,459,482
Change In Net Assets	453,010	5,483,950	5,936,960
Net Assets - Beginning Of Year	22,852,713	83,297,594	106,150,307
Net Assets - End Of Year	\$ 23,305,723	\$ 88,781,544	\$ 112,087,267

SOUTHEAST MISSOURI UNIVERSITY FOUNDATION
(A Component Unit of Southeast Missouri State University)

STATEMENT OF ACTIVITIES

June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Totals
Support and Revenue			
Contributions, net of discount	\$ 313,462	\$ 3,260,842	\$ 3,574,304
Investment return	891,619	4,841,734	5,733,353
Rental income	781,988	—	781,988
Special events, net of expense	59,918	—	59,918
Gain on sale of property	(3,334)	—	(3,334)
Gain (loss) on annuity and trust obligations	—	382,779	382,779
Other revenues and transfers	857,314	(435,973)	421,341
Net assets released from restrictions	4,103,246	(4,103,246)	—
Total Support And Revenue	7,004,213	3,946,136	10,950,349
Expenses And Losses			
Program expenses	4,632,943	—	4,632,943
Management and general	815,674	—	815,674
Fundraising	34,774	—	34,774
Total Expenses And Losses	5,483,391	—	5,483,391
Change In Net Assets	1,520,822	3,946,136	5,466,958
Net Assets - Beginning Of Year	21,331,891	79,351,458	100,683,349
Net Assets - End Of Year	\$ 22,852,713	\$ 83,297,594	\$ 106,150,307

SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENT OF CASH FLOWS

Page 1 Of 2

For The Years Ended June 30, 2019 And 2018

	June 30,	
	2019	2018
Cash Flows From Operating Activities		
Tuition and fees	\$ 55,021,179	\$ 53,564,286
Grants and contracts	11,786,866	11,969,014
Auxiliary enterprises	28,822,674	31,111,972
Other receipts	11,162,128	10,202,874
Payments to vendors and suppliers	(56,905,142)	(56,434,671)
Payments to employees	(90,714,088)	(94,323,846)
Net Cash Used In Operating Activities	<u>(40,826,383)</u>	<u>(43,910,371)</u>
Cash Flows From Noncapital Financing Activities		
State appropriations	43,533,085	43,533,085
Nonoperating federal grants	14,144,527	14,984,408
Gifts received for other than capital purposes	3,761,669	2,709,484
Net Cash Provided By Noncapital Financing Activities	61,439,281	61,226,977
Cash Flows From Capital And Related Financing Activities		
Capital appropriations	2,905,139	2,201,753
Capital gifts received	303,865	679,085
Purchases of capital assets and payments to contractors	(10,736,240)	(12,697,776)
Loss on disposal of capital assets	47,416	—
Principal paid on capital debt and notes	(6,955,547)	(6,724,105)
Interest paid on capital debt and notes	(7,576,412)	(7,845,696)
Net Cash Used In Capital And Related Financing Activities	<u>(22,011,779)</u>	<u>(24,386,739)</u>
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	27,125,638	17,113,456
Interest on investments	3,501,840	2,953,055
Purchase of investments	(22,581,693)	(13,999,250)
Net Cash Provided By Investing Activities	8,045,785	6,067,261
Net Increase (Decrease) In Cash And Cash Equivalents	6,646,904	(1,002,872)
Cash And Cash Equivalents - Beginning Of Year	5,585,541	6,588,413
Cash And Cash Equivalents - End Of Year	<u><u>\$ 12,232,445</u></u>	<u><u>\$ 5,585,541</u></u>
Supplemental Disclosure Of Cash Flow Information		
Noncash transactions:		
Capital asset purchases included in accounts payable	\$ 2,793,219	\$ 972,027
Unrealized (gain) loss on investments	734,491	(308,070)

SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENT OF CASH FLOWS

Page 2 Of 2

For The Years Ended June 30, 2019 And 2018

	June 30,	
	2019	2018
Reconciliation Of Operating Loss To Net Cash		
From Operating Activities:		
Operating loss	\$ (71,732,932)	\$ (71,627,435)
Adjustments to reconcile operating loss to net cash		
from operating activities:		
Depreciation expense	15,161,739	14,935,085
Other post-employment benefit (OPEB) expense	85,801	122,324
Workers compensation and unemployment expenses		
paid by state	428,246	250,471
Gifts in kind from Southeast Missouri University		
Foundation	131,441	170,370
Changes in deferred outflows related to pension plan	7,294,602	(1,218,697)
Changes in deferred outflows related to pension contributions	410,596	(530,308)
Changes in deferred inflows related to pension plan	4,871,034	1,318,281
Changes in assets and liabilities:		
Receivables, net	921,001	397,375
Inventories	166,525	107,086
Prepaid expenses	(48,616)	62,920
Accounts payable	(404,508)	79,970
Unearned revenues	233,668	(1,535,709)
Accrued compensation	737,493	(464,559)
Deposits held for others	(28,836)	67,223
Net pension liability	946,363	13,955,232
	-	
Net Cash Used In Operating Activities	\$ (40,826,383)	\$ (43,910,371)

SOUTHEAST MISSOURI STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 And 2018

1. Organization

Southeast Missouri State University (the University) was established in 1873 as the Southeast Missouri Normal School. Since then the school has been named the Southeast Missouri State Teachers' College and the Southeast Missouri State College. In 1972, the Missouri State legislature adopted the school's current name. The University is a state assisted regional institution of higher education, offering instructional programs and other learning experiences at the certificate, associate, baccalaureate, masters and specialist levels. The University is governed by a six-member Board of Regents, appointed by the Governor and confirmed by the Senate of the State of Missouri. The University is considered a component unit of the State of Missouri.

2. Basis Of Accounting And Presentation And Summary Of Significant Accounting Policies

Basis Of Accounting And Presentation:

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

The basic financial statements of the University have been prepared using the economic resource measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for public colleges and universities and is presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements - Management's Discussion and Analysis for Public Colleges and Universities*.

Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements unless they relate to services provided and used internally. 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.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Reporting Entity:

GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, provides guidance as to the financial reporting of component units (legally separate organizations for which the University is financially accountable). The University has adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This statement amends GASB Statement No. 14 to provide additional guidance for determining whether certain organizations, for which the University is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the University. The Missouri Innovation Corporation is not included in the University's financial statements because it does not meet the criteria set forth for component units under GASB Statement No. 61 or GASB Statement No. 39. However, it is considered a related entity.

The Southeast Missouri University Foundation (the Foundation) is a legally separate tax-exempt entity which meets the criteria set forth for component units under GASB Statement No. 39. The Foundation provides financial support for the objectives, purposes, and programs of the University. Although the University does not control the timing, purpose, or amount of receipts from the Foundation, the resources (and income thereon) which the Foundation holds and invests are restricted to the activities of the University. Because these 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.

The Foundation is a private nonprofit organization that reports under generally accepted accounting principles set forth by the Financial Accounting Standards Board (FASB) standards. 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 financial information in the University's financial report for these differences. The Foundation's significant notes are summarized in Note 17.

During the years ended June 30, 2019 and 2018, the Foundation distributed \$3,956,980 and \$3,571,087, respectively, to the University for both restricted and unrestricted purposes.

Complete financial statements for the Foundation can be obtained by sending a written request to: Southeast Missouri University Foundation, Wehking Alumni Center, One University Plaza, Cape Girardeau, Missouri, 63701.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Summary Of Significant Accounting Policies:

Cash And Cash Equivalents - The University considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are combined on the statement of cash flows and represent cash and repurchase agreements.

Investments - The University accounts for its investments at fair value. Certificates of deposit are accounted for at amortized cost which approximates fair value. Changes in unrealized gain (loss) in the carrying value of the investments are reported as a component of investment income in the statement of revenues, expenses and changes in net position.

Fair Value Measurements - The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs use to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Due From Component Unit-Foundation - The University bills the Foundation monthly for the use of University services. The final billing for the fiscal year is not paid by the Foundation and received by the University until the following fiscal year, therefore creating a receivable for the University. Additionally, the University participates in the Foundation's investment pool. As the University does not have title to these investments, their share of the investment pool is recorded as a Due from Component Unit - Foundation.

Inventories - Inventories consist of office, store, farm and physical plant supplies and are recorded at cost using the first-in, first-out method. Textbooks available for rental are recorded at the lower of cost (using the first-in, first-out method) or market (net realizable value).

Capital Assets - Physical properties are recorded at cost or, when donated, at acquisition value at date of gift. All financially significant building and infrastructure additions and improvements are capitalized if the life of the building is extended. Additionally, all purchases of equipment, furnishings and other personal property with a useful life greater than one year and costing \$5,000 or greater are capitalized.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Depreciation on equipment is computed using the straight line method with depreciation beginning in the month after acquisition and none in the year of disposal. Depreciation is computed on all other assets using the straight-line method, with a full-year expense in the year after acquisition and partial depreciation through the month of disposition. Expenditures for construction in progress are capitalized with depreciation beginning when the project is completed. Capital assets are depreciated over the estimated useful lives as follows:

	Years
Capital Assets	
Buildings and site improvements	10 to 50
Infrastructure	10 to 50
Leasehold improvements	9 to 15
Library books	30
Machinery and tools	5 to 20
Office equipment and furnishings	5 to 20
Scientific equipment and other	5 to 50
Computer hardware and software	4 to 5
Vehicles	4 to 6

When capital assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts.

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

Compensated Absences - University employees earn vacation benefits based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation pay based upon the nature of separation (death, retirement or termination). Certain limitations have been placed on the hours of vacation that employees may accumulate and carry over for payment at termination, retirement or death. Unused hours exceeding these limitations are forfeited.



SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Net Position

Resources are required to be classified for accounting and reporting purposes into the following three net position categories:

- ***Net Investment In Capital Assets:*** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

- ***Restricted:***

Nonexpendable - Net position subject to externally imposed stipulations that the University maintain them permanently. Such assets include the University's permanent endowment funds.

Expendable - Net position whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.

- ***Unrestricted:*** Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Regents or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic and research programs and initiatives, and capital projects, excluding the pension obligation.

Operating And Nonoperating Revenues - The University's policy for defining operating activities as reported on the Statement of Revenues, Expenses, and Changes in Net Position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Operating revenues include student tuition and fees net of scholarship allowances and auxiliary activities. Nearly all of the University's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement No. 34. Nonoperating revenues include revenues from activities that have the characteristics of nonexchange transactions such as gifts and contributions and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting* and GASB Statement No. 34, such as state appropriations and investment income and certain federal, state and nongovernmental grants and contracts.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Unearned Income - Unearned income consists of the University's dining services vendor's investment in facilities that will be amortized over the life of the contract, and summer school tuition not earned during the current year.

Tuition, Discounts And Allowances - Student tuition and fee revenues and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by the students or third parties on behalf of the students. Certain grants, including federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenue, while Pell grants are recorded as nonoperating revenue 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 discount and allowance.

Deferred Outflows And Inflows Of Resources - In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and therefore will not be recognized as an outflow of resources until then. At June 30, 2019 and 2018, the University's deferred outflows of resources consist of deferred amounts on refunding of bonds payable, which results from the difference between the reacquisition price of refunded debt and its carrying value. This amount is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Deferred outflows also include contributions to MOSERS retirement plan which were made subsequent to the plan's measurement date. Finally, deferred outflows also include the University's proportionate share of collective deferred outflows of resources for the University's MOSERS retirement plan.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources consist of the acquisition of net position that is applicable to a future reporting period or periods and so will not be recognized as inflow of resources until then. As of June 30, 2019 and 2018, the University's deferred inflows consist of the University's proportionate share of the collective deferred inflows of resources for the MOSERS retirement plan.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Amortization - The deferred amount on refunding is amortized as interest on capital related debt using the bonds outstanding method. Deferred outflows related to the current fiscal year pension contributions will be fully amortized to pension expense in the following year. Deferred inflows and outflows related to the proportionate share of the collective deferred amounts will be netted together and amortized to pension expense according to the amortization schedule provided by the MOSERS retirement plan.

Auxiliary Activities - Auxiliary activities mainly represent revenues generated from University housing and food service, textbook rentals and various other departmental activities that provide services to the students, faculty, staff and general public.

Income Taxes - The University is classified as a political subdivision of the State of Missouri under Internal Revenue Code Section 115(a) and is therefore exempt from federal income taxes. Certain activities of the University may be subject to taxation as unrelated business income.

Use Of Estimates - The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

3. Deposits And Investments

Deposits:

Custodial Credit Risk. This represents 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 requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. Agencies or instrumentalities of the state of Missouri; bonds of any city, county, school district or special road district of the state of Missouri; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits. The University maintains a depository contract and pledge agreement with its safekeeping bank that complies with the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

As of June 30, 2019 and 2018, the University had no deposits exposed to custodial credit risk.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

Foreign Currency Risk. This represents the risk related to adverse effects on the fair value of a deposit from changes in exchange rates. As of June 30, 2019 and 2018, the University had no exposure to foreign currency risk as the University had no deposits held by international banks.

Investments:

The University may invest in United States Treasury Securities, United States Agency Securities, repurchase agreements, collateralized public deposits (certificates of deposits) and banker's acceptances.

At June 30, 2019, the University had the following investments and maturities:

Investment Type	Credit Rating	Fair Value	Investment Maturities (In Years)	
			< 1 Year	1-5 Years
U.S. Treasury Obligations	*	\$ 11,014,677	\$ 11,014,677	\$ —
U.S. Agency Obligations	*	42,238,410	13,702,852	28,535,558
Total		\$ 53,253,087	\$ 24,717,529	\$ 28,535,558

At June 30, 2018, the University had the following investments and maturities:

Investment Type	Credit Rating	Fair Value	Investment Maturities (In Years)	
			< 1 Year	1-5 Years
U.S. Agency Obligations	*	\$ 57,087,908	\$ 12,929,469	\$ 44,158,439

*U.S. Treasury and Agency obligations are rated Aaa by Moody's Investor Services and AAA by Standard and Poor's Corporation.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of ensuring the safety of principal invested, the University's investment policy is to diversify investments so as to minimize the potential loss on individual securities. The maturities are structured to meet cash flow needs of the University, thereby avoiding the need to sell securities in the open market prior to maturity. Callable securities are restricted to securities callable at par only.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the University's policy to limit its credit risk by:

1. Only investing with reputable financial institutions, brokers and dealers.
2. Diversifying the investments so as to minimize the potential loss on individual securities.
3. Structuring the investments so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
4. Investing operating funds primarily in shorter-term securities.

Custodial Credit Risk. 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. Collateralization equal to at least 100% of the market value (including accrued interest) is required for repurchase agreements. In accordance with the investment policy, the University addresses custodial credit risk by diversifying its investment portfolio and maintaining a standard of quality for its investments. The University had no investments exposed to custodial credit risk at June 30, 2019 or 2018.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government investment in a single issuer. According to the University's investment policy, investments shall be diversified to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of securities. The types of investments that can be held in the University's portfolio include U.S. Treasury and Agency securities, repurchase agreements, collateralized public deposits, commercial paper and banker's acceptances. No more than 5% of the total market value of the portfolio may be invested in banker's acceptances issued by any one commercial bank and no more than 5% of the total market value of the portfolio may be invested in commercial paper of any one issuer.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

The University's investments in U.S. Agency Obligations consist of Freddie Mac, Fannie Mae, Federal Farm Credit Bank, and Federal Home Loan Bank securities. Each of these agencies represents more than 5% of the University's total investments.

	2019	2018
U.S. Treasury Note	20.68%	0.00%
Freddie Mac	28.12%	31.14%
Fannie Mae	16.37%	15.06%
Federal Farm Credit Bank	24.31%	27.46%
Federal Home Loan Bank	10.52%	26.34%
	100.00%	100.00%

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. As of June 30, 2019 and 2018, the University had no exposure to foreign currency risk as there were no foreign investments in the University's portfolio.

Summary Of Fair Values:

The fair value of deposits and investments are as follows:

	2019	2018
Deposits		
Cash in bank	\$ 4,663,778	\$ 5,535,063
Cash on hand	63,747	50,478
Repurchase agreement	7,504,920	—
Certificates of deposit	2,250,000	2,250,000
	14,482,445	7,835,541
Investments		
US Government Treasury Obligations	11,014,677	—
US Government Agency Obligations	42,238,410	57,087,908
	53,253,087	57,087,908
	\$ 67,735,532	\$ 64,923,449

Included in the following statement of net position captions:

	2019	2018
Cash and cash equivalents	\$ 10,671,607	\$ 4,208,123
Restricted cash and cash equivalents	1,560,838	1,377,418
Short-term investments	26,521,760	14,379,469
Long-term investments	28,981,327	44,958,439
	\$ 67,735,532	\$ 64,923,449

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The University has the following recurring fair value measurements as of June 30, 2019:

- U. S. Treasury Securities of \$11,014,677 valued using a matrix pricing model (Level 2 inputs).
- Government Agency Obligations of \$42,238,410 valued using a matrix pricing model (Level 2 inputs).

The University has the following recurring fair value measurements as of June 30, 2018:

- Government Agency Obligations of \$57,087,908 valued using a matrix pricing model (Level 2 inputs).

Investment Income

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

	2019	2018
Interest and dividend income	\$ 3,676,109	\$ 2,986,907
Realized gain (loss) on investments	(25,367)	6,655
Net increase (decrease) in fair value of investments	734,491	(308,070)
	<u>\$ 4,385,233</u>	<u>\$ 2,685,492</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements *(Continued)*

4. Accounts Receivable

The composition of accounts receivable at June 30, 2019 and 2018 is summarized as follows:

	2019	2018
Student billings	\$ 3,713,709	\$ 3,446,652
Departmental operations	297,776	426,463
State and private grants	433,381	177,972
Capital project funding	268,561	83,535
Auxiliary operations	141,682	125,828
Other	207,561	39,899
	5,062,670	4,300,349
Less: Allowance for doubtful accounts	666,254	655,317
	<u>\$ 4,396,416</u>	<u>\$ 3,645,032</u>

5. Notes Receivable

The composition of notes receivable at June 30, 2019 and 2018 is summarized as follows:

	2019	2018
Federal loan programs	\$ 4,475,847	\$ 5,206,591
Less: Allowance for doubtful accounts	1,068,931	1,069,912
	<u>\$ 3,406,916</u>	<u>\$ 4,136,679</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

6. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance - June 30, 2018	Additions	Retirements	Balance - June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 4,217,138	\$ —	\$ —	\$ 4,217,138
Library books	5,286,552	—	(92,295)	5,194,257
Construction in progress	3,402,206	11,514,132	(5,315,629)	9,600,709
Total capital assets not being depreciated	12,905,896	11,514,132	(5,407,924)	19,012,104
Capital assets, being depreciated:				
Building and improvements	513,867,512	5,279,056	(321,795)	518,824,773
Infrastructure	39,503,407	123,118	—	39,626,525
Leasehold improvements	4,392,555	23,768	—	4,416,323
Equipment	48,269,730	887,654	(916,032)	48,241,352
Library books	21,318,745	247,996	—	21,566,741
Total capital assets being depreciated	627,351,949	6,561,592	(1,237,827)	632,675,714
Less accumulated depreciation for:				
Building and improvements	131,333,654	11,417,548	(125,948)	142,625,254
Infrastructure	9,080,564	774,484	—	9,855,048
Leasehold improvements	459,620	234,169	—	693,789
Equipment	36,516,642	2,083,634	(842,147)	37,758,129
Library books	10,279,473	651,904	—	10,931,377
Total accumulated depreciation	187,669,953	15,161,739	(968,095)	201,863,597
Total capital assets being depreciated, net	439,681,996	(8,600,147)	(269,732)	430,812,117
Capital assets, net	\$ 452,587,892	\$ 2,913,985	\$ (5,677,656)	\$ 449,824,221

The estimated cost to complete construction in progress at June 30, 2019 is \$7,197,747 of which funds are available from state capital appropriations, auxiliary funds and other local sources. Projects in progress include upgrades to Student Housing, and Athletic facilities, and Academic Building renovations and infrastructure.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance - June 30, 2017	Additions	Retirements	Balance - June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 4,217,138	\$ —	\$ —	\$ 4,217,138
Library books	5,290,437	—	(3,885)	5,286,552
Construction in progress	10,041,853	7,608,400	(14,248,047)	3,402,206
Total capital assets not being depreciated	19,549,428	7,608,400	(14,251,932)	12,905,896
Capital assets, being depreciated:				
Building and improvements	500,539,430	13,401,021	(72,939)	513,867,512
Infrastructure	39,417,146	86,261	—	39,503,407
Leasehold improvements	4,303,781	88,774	—	4,392,555
Equipment	47,290,494	1,866,686	(887,450)	48,269,730
Library books	21,023,823	294,922	—	21,318,745
Total capital assets being depreciated	612,574,674	15,737,664	(960,389)	627,351,949
Less accumulated depreciation for:				
Building and improvements	120,297,611	11,054,046	(18,003)	131,333,654
Infrastructure	8,308,864	771,700	—	9,080,564
Leasehold improvements	235,790	223,830	—	459,620
Equipment	35,137,591	2,231,079	(852,028)	36,516,642
Library books	9,625,043	654,430	—	10,279,473
Total accumulated depreciation	173,604,899	14,935,085	(870,031)	187,669,953
Total capital assets being depreciated, net	438,969,775	802,579	(90,358)	439,681,996
Capital assets, net	\$ 458,519,203	\$ 8,410,979	\$ (14,342,290)	\$ 452,587,892

The estimated cost to complete construction in progress at June 30, 2018 is \$10,047,206 of which the majority is available from bond proceeds, state capital appropriations and other local sources. Projects in progress include Student Housing Upgrades, University Center, Athletic facility upgrades, and Academic Building Renovations.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements *(Continued)*

7. Accounts Payable

The composition of accounts payable at June 30, 2019 and 2018 is summarized as follows:

	2019	2018
Equipment purchases	\$ 116,641	\$ 102,401
Supplies and operating expenses	1,824,937	1,838,408
Capital improvements	2,536,647	918,117
Retainage - capital projects	256,572	53,910
	<u>\$ 4,734,797</u>	<u>\$ 2,912,836</u>

8. Bonds Payable

Bonds payable at June 30, 2019 are summarized as follows:

	Balance - June 30, 2018	Principal Additions	Principal Payments	Balance - June 30, 2019
Educational Facilities Taxable Revenue Bonds Series 2010B	\$ 50,490,000	\$ —	\$ (1,400,000)	\$ 49,090,000
System Facilities Revenue Bonds Series 2011B	2,140,000	—	(695,000)	1,445,000
System Facilities Revenue Bonds Series 2013A	70,930,000	—	(2,685,000)	68,245,000
System Facilities Revenue Bonds Series 2016A	18,600,000	—	(1,925,000)	16,675,000
System Facilities Taxable Revenue Bonds Series 2016B	8,710,000	—	(210,000)	8,500,000
System Facilities Revenue Bonds Series 2016C	25,025,000	—	—	25,025,000
	<u>\$ 175,895,000</u>	<u>\$ —</u>	<u>\$ (6,915,000)</u>	168,980,000
Less: Current maturities (due within one year)				7,225,000
Less: Discount on bond payable				664,589
Add: Premium on bond payable				3,373,437
				<u>\$ 164,463,848</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements *(Continued)*

Bonds payable at June 30, 2018 are summarized as follows:

	Balance - June 30, 2017	Principal Additions	Principal Payments	Balance - June 30, 2018
Educational Facilities Taxable Revenue Bonds Series 2010B	\$ 51,855,000	\$ —	\$ (1,365,000)	\$ 50,490,000
System Facilities Revenue Bonds Series 2011B	2,820,000	—	(680,000)	2,140,000
System Facilities Revenue Bonds Series 2013A	73,095,000	—	(2,165,000)	70,930,000
System Facilities Taxable Revenue Bonds Series 2013B	410,000	—	(410,000)	—
System Facilities Revenue Bonds Series 2016A	20,455,000	—	(1,855,000)	18,600,000
System Facilities Taxable Revenue Bonds Series 2016B	8,920,000	—	(210,000)	8,710,000
System Facilities Revenue Bonds Series 2016C	25,025,000	—	—	25,025,000
	<u>\$ 182,580,000</u>	<u>\$ —</u>	<u>\$ (6,685,000)</u>	175,895,000
Less: Current maturities (due within one year)				6,915,000
Less: Discount on bond payable				727,168
Add: Premium on bond payable				3,850,659
				<u>\$ 172,103,491</u>

On August 10, 2016, the Board of Regents issued \$25,025,000 of System Facilities Revenue Bonds Series 2016C for the purpose of partially refunding Series 2011B System Facilities Revenue bonds. The partial refunding decreased the University's total debt service payments by \$3,068,337 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$2,723,714.

During 2016, the advance refunding of the Series 2011B bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,767,433. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through 2042 using the bonds outstanding method.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The Series 2016C bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2016C bonds maturing April 1, 2025 and thereafter may be called to redemption and payment prior to maturity on or after April 1, 2024 in lots of \$5,000 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2016C bonds maturing April 1, 2037, April 1, 2039 and April 1, 2042 are subject to mandatory redemption and payment prior to maturity at the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, in accordance with the following schedule:

Series 2016C Bonds Maturing April 1, 2037

Years	Amount
2036-2037	\$2,840,000

Series 2016C Bonds Maturing April 1, 2039

Years	Amount
2038-2039	\$3,005,000

Series 2016C Bonds Maturing April 1, 2042

Years	Amount
2040-2042	\$4,850,000

The Series 2016C bonds, collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at rates varying from 2.00% to 4.00% and mature serially through fiscal year 2042.

On February 26, 2016, the Board of Regents issued \$21,710,000 of System Facilities Revenue Bonds Series 2016A and \$8,920,000 of Taxable System Facilities Revenue Bonds Series 2016B for the purpose of refunding \$23,555,000 Systems Facilities Revenue bonds Series 2011 and constructing, furnishing, and equipping a facility for Greek student housing and certain other expansions, renovations, and improvements to System Facilities. The refunding decreased the University's total debt service payments by \$2,830,120 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$2,808,956.

During 2016, the refunding of the Series 2011 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$609,621. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through 2032 using the bonds outstanding method.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The Series 2016A and 2016B bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2016A bonds maturing April 1, 2026 and thereafter may be called to redemption prior to maturity on or after April 1, 2025 in lots of \$5,000 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The series 2016B bonds maturing April 1, 2027 and thereafter, at the option of the University may be called to redemption prior to maturity on or after April 1, 2026 in lots of \$5,000 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2016B bonds maturing April 1, 2031, April 1, 2036 and April 1, 2045 are subject to mandatory redemption prior to maturity at the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, in accordance with the following schedule:

Series 2016B Bonds Maturing April 1, 2031

Years	Amount
2027-2031	\$1,350,000

Series 2016B Bonds Maturing April 1, 2036

Years	Amount
2032-2036	\$1,625,000

Series 2016B Bonds Maturing April 1, 2045

Years	Amount
2037-2045	\$3,935,000

The Series 2016A bonds, collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at rates varying from 3.00% to 5.00% and mature serially through fiscal year 2032. The Series 2016B bonds also collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at rates varying from 1.375%-4.37% and mature serially through 2045.

On February 28, 2013, the Board of Regents issued \$82,555,000 of System Facilities Revenue Bonds Series 2013A and \$2,050,000 of Taxable System Facilities Revenue Bonds Series 2013B for the purpose of constructing and furnishing a facility for student housing and related education and performance activities in the River Campus area of the University campus; and for the purpose of advanced refunding \$7,805,000 System Facilities Revenue bonds Series 2006A and \$51,615,000 System Facilities Revenue Bonds Series 2008. The advanced refunding decreased the University's total debt service payments by \$9,712,950 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$3,188,038.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

During 2013, the advance refunding of the Series 2006A and Series 2008 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$380,948 and \$7,162,605, respectively. These differences, reported in the accompanying basic financial statements as a deferred outflow of resources, are being charged to operations through 2021 using the bonds outstanding method.

The Series 2013A and 2013B bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2013A bonds maturing April 1, 2021 and thereafter shall be subject to redemption on or after April 1, 2020 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2013A bonds, collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at rates varying from 2.60% to 5.00% and mature serially through fiscal year 2043. The Series 2013B bonds matured in 2018. Extraordinary Option Redemption at 100% for the Series 2013A bonds may take place upon the occurrence of certain special conditions or events.

On December 22, 2011, the Board of Regents issued \$28,980,000 of System Facilities Revenue Bonds Series 2011B for the purpose of constructing, furnishing and equipping a five-story, 262 bed residence hall with 180 parking spaces, constructing a chiller and boiler plant and funding capitalized interest on the Series 2011B bonds. The Series 2011B bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2011 bonds maturing April 1, 2018 and thereafter shall be subject to redemption on or after April 1, 2017 as follows:

Redemption Dates	Redemption Prices
April 1, 2019 - April 1, 2042	100%

Extraordinary Option Redemption at 100% may occur upon the occurrence of certain special conditions or events. The Series 2011B bonds bear interest at rates varying from 2.4% to 2.8% and mature serially through fiscal year 2021.

On August 10, 2016, the University issued \$25,025,000 Series 2016C System Facilities Revenue Bonds to partially fund the Series 2011B bonds. The University will pay principal and interest through 2021 on the Series 2011B bonds. During fiscal year 2017, the University refunded the Series 2011B bonds maturing April 1, 2022 - April 1, 2042. The refunded Series 2011B bonds were placed in escrow and were removed from the University's financial statements.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

On December 8, 2010, the Board of Regents approved a resolution to issue bonds providing construction proceeds for campus facility renovations and repair projects including renovations to Academic Hall, renovations and an addition to Magill Hall and the University science laboratories, and deferred maintenance projects over the next five years, and conversion of the campus power plant to natural gas installation. On December 16, 2010, the Health and Educational Facilities Authority of the State of Missouri issued \$4,760,000 Educational Facilities Revenue Bond Series 2010A and \$54,495,000 Taxable Educational Facilities Revenue Bonds Series 2010B (Build America Bonds). The Series 2010A bonds were paid in full at final maturity on October 1, 2014. The Series 2010B bonds shall pay interest semiannually on April 1 and October 1. The University participates in the Build America Bonds program relative to the Series 2010B bonds. Build America Bonds were created under section 1531 of Title 1 of Division B of the American Recovery and Reinvestment Act, and provide a federal subsidy of 35% of the interest paid on the bonds to the issuer. Due to sequestration, subsidy payments were reduced by 8.7% in September 2013, by 7.2% in March 2014, 7.3% in March 2015, 6.8% in March 2016, 6.9% in March 2017 and 6.6% in March 2018. The University received a 6.6% reduction in the September 2018 subsidy payment. The order does not affect payments for future years, although the University has been informed that there could be additional sequester orders for future fiscal years through and including fiscal year 2021.

At the option of the University, the Series 2010B bonds maturing October 1, 2021 and thereafter shall be subject to redemption on or after October 1, 2020 at a redemption price of 100% of the principal amount. The Series 2010B bonds bear interest at rates varying from 4.625% to 6.875% and mature serially through fiscal year 2041. The true interest cost after the federal subsidy averages 4.316%.

The System Facilities is composed of the Housing System, the Student Union Facility (University Center), Textbook Services, the Student Recreation Center, the Outdoor Recreation Fields, and the Parking and Transit system. Revenue derived from the operation of these facilities is pledged for the retirement of the outstanding 2011B, 2013A, 2013B, 2016A, 2016B, and 2016C Series Bonds. Under the provisions of these bond resolutions, the University covenants to establish rates for the use and services of the System Facilities sufficient to fund operations, maintain reserves, and provide revenues to pay principal and interest on the bonds. Refer to Note 16 for a summary of System Facilities pledged revenue for fiscal years 2019 and 2018.

Interest expense on bonded debt was \$7,697,047 for 2019.

Interest expense on bonded debt was \$7,952,558 for 2018 net of capitalized interest of \$27,495.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

Scheduled fiscal year maturities of System Facilities and Educational Facilities bonds payable and related interest are as follows:

Year	Principal	Interest
2020	\$ 7,225,000	\$ 7,248,391
2021	7,520,000	6,907,943
2022	5,825,000	6,577,091
2023	6,385,000	6,355,158
2024	7,210,000	6,119,042
2025-2029	39,930,000	26,092,170
2030-2034	38,770,000	17,794,140
2035-2039	36,925,000	9,271,458
2040-2044	18,675,000	1,645,423
2045	515,000	22,506
	<u>\$ 168,980,000</u>	<u>\$ 88,033,322</u>

9. Notes Payable

Notes payable at June 30, 2019 are summarized as follows:

	Balance - June 30, 2018	Principal Additions	Principal Payments	Balance - June 30, 2019
Chartwell's-Olive's and Skylight Terrace Expansion	\$ 279,253	\$ —	\$ (40,547)	\$ 238,706
Less: Current maturities (due within one year)				42,041
				<u>\$ 196,665</u>

Notes payable at June 30, 2018 are summarized as follows:

	Balance - June 30, 2017	Principal Additions	Principal Payments	Balance - June 30, 2018
Chartwell's-Olive's and Skylight Terrace Expansion	\$ 318,358	\$ —	\$ (39,105)	\$ 279,253
Less: Current maturities (due within one year)				40,546
				<u>\$ 238,707</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

On July 1, 2009, the University entered into an agreement with Chartwells, the University's contracted food service provider, for the construction of dining facilities in the new residence hall and expansion of the University Center to provide additional dining space. The University will make monthly principal payments, totaling \$577,870 through fiscal year 2025. The note is noninterest bearing. Interest has been imputed using a rate of 3.625%.

Interest expense was \$9,454 and \$10,895 for 2019 and 2018, respectively. Scheduled fiscal year maturities on notes payable and related interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 42,041	\$ 7,959
2021	43,590	6,410
2022	45,197	4,803
2023	46,863	3,137
2024	48,590	1,410
2025	12,425	75
	<u>\$ 238,706</u>	<u>\$ 23,794</u>

The University entered into a loan agreement dated May 19, 2017 with the Missouri Department of Economic Development-Division of Energy to provide energy efficient lighting in Crisp Hall, an academic building. The loan is approved for \$97,545 with an interest rate of 2.75% and a loan origination fee of 1% of the principal loan amount. An extension request was approved in October 2017. The promissory note will be executed at the completion date of the project or October 31, 2019, whichever is earlier.

10. Retirement Plan - Missouri State Employees' Retirement System

General Information about the Pension Plan

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

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

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 plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000 and MSEP2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR.

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 MSEP2011 Plan are required to contribute 4% of their annual pay. The University's required contribution rate for the year ended June 30, 2019, was 20.215% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The contribution rate for the MOSERS plan year ended June 30, 2018 was 19.45% which is the year of measurement for the net pension liability. Contributions to the pension plan from the University were \$8,328,691 and \$8,739,287 for the years ended June 30, 2019 and 2018, respectively.

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

At June 30, 2019 and 2018, the University reported a liability of \$128,922,744 and \$127,976,381, respectively, for its proportionate share of the net pension liability. The net pension liability at June 30, 2019 and 2018 was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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, 2018. At June 30, 2018, the University's proportion was 2.3112%, a decrease from its proportion measured using 2.4578% as of the June 30, 2017 measurement date.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

During the MOSERS plan year ended June 30, 2018, there were changes to reduce the long-term expected rate of return on investments from 7.50% to 7.25% which increase the total pension liability.

During the MOSERS plan year ended June 30, 2017, there were changes to reduce the long-term expected rate of return on investments from 7.65% to 7.50%, which increase the total pension liability. In addition, there were changes to the 2011 benefit provisions that reduced the actuarial accrued liability.

For the years ended June 30, 2019 and 2018, the University recognized pension expense of \$21,849,296 and \$22,264,132, respectively. At June 30, 2019, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 293,407	\$ 3,052,263
Changes of assumptions	11,110,982	—
Net difference between projected and actual earnings on pension plan investments	15,162,936	—
Changes in proportion and differences between University contributions and proportionate share of contributions	110,853	4,155,537
University contributions subsequent to the measurement date of June 30, 2018	8,328,691	—
	<u>\$ 35,006,869</u>	<u>\$ 7,207,800</u>

At June 30, 2018, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 709,002	\$ 2,015,574
Changes of assumptions	11,229,765	321,192
Net difference between projected and actual earnings on pension plan investments	21,438,003	—
Changes in proportion and differences between University contributions and proportionate share of contributions	596,010	—
University contributions subsequent to the measurement date of June 30, 2017	8,739,287	—
	<u>\$ 42,712,067</u>	<u>\$ 2,336,766</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Deferred outflows of resources of \$8,328,691 resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the University's fiscal year following MOSERS' fiscal year as follows:

Plan Year Ending June 30:	Amount
2019	\$ 13,070,396
2020	4,911,485
2021	1,480,271
2022	8,226
	<u>\$ 19,470,378</u>

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

Inflation	2.5%, approximate
Salary increases	3.00% - 8.50% annually including inflation
Wage inflation	2.5% annually
Investment rate of return	7.25% per year, compounded annually, net after investment expenses and including inflation

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015. In addition, the Board reaffirmed its previous decision to reduce the investment return assumption from 7.50% to 7.25% for the June 30, 2018 valuation.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

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

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

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

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



SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

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 7.25%, 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 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
University's proportionate share of the net pension liability	\$ 164,688,399	\$ 128,922,744	\$ 98,847,899

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

Payables to the Pension Plan

As of June 30, 2019 and 2018 the University had payables of \$806,566 and \$813,128, respectively, due to MOSERS for legally required contributions to the plan.

11. Retirement Plan - College And University Retirement Plan

Beginning July 1, 2002, in accordance with Section 104.1200 through 104.1215 of the Revised Statutes of Missouri, employees hired who meet the criteria of an "education employee" participate in the College and University Retirement Plan (CURP). It is a noncontributory 401(a) defined contribution plan for education employees at regional colleges/universities in Missouri. The MOSERS has been given the responsibility by law to implement and oversee the administration of the plan. The TLAA group of companies is the third-party administrator for the CURP and manages the investment options under the plan. Contributions made by the University are self-directed by participants into their selected individual accounts. By law, the CURP contribution rate is equal to 1% less than the normal cost contribution rate of the Missouri State Employees' Plan 2000 (MSEP 2000). After participating in CURP for at least six years, a faculty member may elect to become a member of MOSERS.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The University is required to contribute to CURP at an actuarially determined rate; the rate was 6.00% and 6.19% of annual covered payroll for 2019 and 2018, respectively. The University's contributions to CURP for the years ended June 30, 2019 and 2018 were \$1,029,973 and \$1,050,372, respectively, which equaled the required contributions for those years.

12. Postemployment Healthcare Plan

Plan Description. The University provides a one-time opportunity for retirees to continue medical insurance coverage. Retirees after October 22, 2010 who elect to continue medical insurance are required to pay monthly premiums determined by plan type elected and Medicare eligibility. Pre-65 retirees who retired prior to October 22, 2010 who elect to continue medical insurance are required to pay monthly premiums on the basis of an implicit rate subsidy calculation. Monthly premiums for pre-October 22, 2010 participating retirees under 65 years of age are subsidized by the University at the rate of 1% for every year of active service to the University. Pre-October 22, 2010 retiree's adjusted monthly premium cost will not go below 80% of the premium amount. Financial statements for the plan are not available.

Effective July 1, 2017, the University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The University's annual other postemployment benefit (OPEB) cost (expense) is calculated based on an actuarial valuation prepared in accordance with the parameters of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Employees Covered by Benefit Terms. As of June 30, 2018, the following employees were covered by the benefit terms:

Active employees eligible for coverage	1,125
Inactive employees or beneficiaries currently receiving benefits	63
	<hr/> 1,188

Net OPEB Liability. The University's net OPEB liability of \$4,327,989 and \$4,242,188 was measured as of June 30, 2019 and 2018, respectively, and was determined by an actuarial valuation as of July 1, 2017 and rolled forward to subsequent years.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

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

Discount Rate	3.10%
Annual Wage Increases	3.00%
Price Inflation	3.00%
Healthcare Cost Trend Rates	8% for 2018, decreasing 0.5% per year to an ultimate rate of 5% for 2025 and later years

Discount Rate. The University's plan is pay as you go and there is not a trust set up to hold plan assets, therefore the long-term expected rate of return is not a factor in determining the discount rate. The discount rate reflects the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met. The source of the index rate used for the actuarial valuation is the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates were based on SOA RPH-2014 Total Dataset Headcount-Weighted Mortality Margin for mortality improvements: Scale MP-2017.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results on an experience study for the period July 1, 2015 – June 30, 2017.

Changes in the Net OPEB Liability:

Balance at June 30, 2018	\$ 4,242,188
Service cost	271,452
Interest cost	126,667
Net benefits paid by employer	<u>(312,318)</u>
Net Change	<u>85,801</u>
Balance at June 30, 2019	<u>\$ 4,327,989</u>
Balance at June 30, 2017	\$ 4,119,864
Service cost	263,545
Interest cost	123,611
Net benefits paid by employer	<u>(264,832)</u>
Net Change	<u>122,324</u>
Balance at June 30, 2018	<u>\$ 4,242,188</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The following changes of assumptions are in accordance with GASB 75:

- The discount rate was decreased from 3.75% to 3.10%
- Per-capita costs were updated to reflect experience since the previous valuation
- The plan election assumption for future retirees was adjusted to account for the addition Base plan option
- The mortality assumption was updated to the “RP” base mortality with future mortality improvements based on the most recent scale MP-2017

Sensitivity Results. The following presents the net OPEB liability of the University as of June 30, 2019 and 2018, as well as what the University’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.10%) or 1-percentage-point higher (4.10%) than the current rate:

June 30, 2019			
Current Discount			
	1% Decrease (2.10%)	Rate (3.10%)	1% Increase (4.10%)
University's net OPEB liability	\$ 4,785,183	\$ 4,327,989	\$ 3,921,993
June 30, 2018			
Current Discount			
	1% Decrease (2.10%)	Rate (3.10%)	1% Increase (4.10%)
University's net OPEB liability	\$ 4,638,382	\$ 4,242,188	\$ 3,888,115

The following presents the net OPEB liability of the University as of June 30, 2019 and 2018, as well as what the University’s net OPEB liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

- The current health care trend rate is 8% decreasing by 0.5% annually to an ultimate rate of 5.0%
- The 1% decrease in health care trend rate would be 7% decreasing by 0.5% annually to an ultimate rate of 4.0%
- The 1% increase in health care trend rate would be 9% decreasing by 0.5% annually to an ultimate rate of 6.0%

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

	1% Decrease	June 30, 2019 Current Trend Rate	1% Increase
University's net OPEB liability	\$ 3,861,011	\$ 4,327,989	\$ 4,878,307

	1% Decrease	June 30, 2018 Current Trend Rate	1% Increase
University's net OPEB liability	\$ 3,821,696	\$ 4,242,188	\$ 4,735,584

For the year ended June 30, 2019 and 2018, the University recognized OPEB expense of \$85,801 and \$122,324, respectively. At June 30, 2019 and 2018, the University reported no deferred inflows of resources or deferred outflows of resources related to OPEB.

Prior Period Adjustment. The implementation of GASB Statement No. 75 resulted in the following adjustment to net position as of July 1, 2017:

Addition of net OPEB liability calculated pursuant to GASB Statement No. 75	\$ 4,119,864
Removal of net other postretirement employee benefit obligation calculated pursuant to GASB Statement No. 45	(2,008,092)
Adjustment to net position as of July 1, 2017	<u>\$ 2,111,772</u>

Payables to the OPEB Plan

As of June 30, 2019 and 2018, the University had payables of \$109,264 and \$93,224, respectively, of outstanding healthcare premiums related to the OPEB.

13. Contingencies And Risk Management

The University is subject to various legal proceedings and claims which arise in the ordinary course of its operations. In the opinion of the University management, the amount of ultimate liability with respect to these actions will not materially affect the overall financial position of the University.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the University's financial position.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

University employees are covered under Worker's Compensation by the State of Missouri. Claims are submitted to the State and paid by the State on behalf of the University. Total claims paid for the University employees for fiscal year 2019 and fiscal year 2018 were \$428,246 and \$250,470, respectively.

The majority of University employees are also covered by unemployment insurance administered by the State of Missouri Division of Employment Security.

The University is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health and accident benefits. The University purchases commercial insurance and also receives coverage through the State of Missouri for these risks of loss. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The University has purchased property on occasion that requires monitoring for environmental issues that could result in liability. As of June 30, 2019 and 2018, the University is not aware of any material environmental liability.

14. Net Position

Restricted - Net position is restricted when constraints placed are either externally imposed, or are imposed by law or legislation. The composition of restricted net position at June 30, 2019 and 2018 was:

	2019	2018
Nonexpendable		
Scholarships	\$ 2,170,881	\$ 2,092,185
Expendable		
Debt service	1,560,838	1,635,360
Loans and other	—	353,184
	<u>1,560,838</u>	<u>1,988,544</u>
Total Restricted	<u>\$ 3,731,719</u>	<u>\$ 4,080,729</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Unrestricted - Unrestricted net position is not subject to externally imposed stipulations; however, it may be subject to internal designations. For example, unrestricted net position may be designated for specific purposes by action of the Board of Regents or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is internally designated for academic programs and initiatives, investment in inventories and capital programs. Designated unrestricted net position was \$27,552,403 and \$31,304,229 at June 30, 2019 and 2018, respectively. Undesignated unrestricted net position, including those of auxiliary operations, was \$(70,814,403) and \$(60,914,608) at June 30, 2019 and 2018, respectively.

Undesignated unrestricted net position at June 30, 2019 and 2018 consists of the following:

	2019	2018
Undesignated Unrestricted		
Net pension liability at June 30, offset by		
pension-related deferred inflows and outflows,		
net of amounts included in restricted net position	\$ (95,160,967)	\$ (87,601,080)
 All other operations of the University, including		
auxiliary operations	24,346,564	26,686,472
 Total undesignated unrestricted net position	<u>\$ (70,814,403)</u>	<u>\$ (60,914,608)</u>

As of June 30, 2019 University operations undesignated unrestricted net position consists of \$654,127 US Government Loan Programs, \$4,159,286 Auxiliary Undesignated and Unrestricted Undesignated of \$19,533,151.

As of June 30, 2018 University operations undesignated unrestricted net position consists of \$461,233 US Government Loan Programs, \$6,545,943 Auxiliary Undesignated and Unrestricted Undesignated of \$19,679,296.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

15. Operating Leases

The University has entered into several operating leases for equipment. These leases will expire on various dates through fiscal year 2021. Future minimum lease payments at June 30, 2019 were:

Year	Amount
2020	\$ 108,379
2021	62,190
2022	27,725
	<u>\$ 198,294</u>

16. Segment Information

A segment is an identifiable activity reported within a stand-alone entity for which one or more revenue bonds are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds and has related expenses, gains and losses, assets and liabilities that are required by an external party to be accounted for separately. The University has one segment that meets the reporting requirements of GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus - an amendment of GASB Statements No. 21 and No. 34*. As of June 30, 2019 and 2018, the University's outstanding bond debt includes System Facilities Revenue Bonds. The System Facilities is composed of the Housing System, the Student Union facility, the Student Recreation Center, the Parking and Transit System, Textbook Services, and the Outdoor Recreation Fields. Revenue derived from the operation of these facilities is pledged for the retirement of the outstanding Series 2011B, Series 2013A & 2013B, Series 2016A, Series 2016B & Series 2016C bonds and payment of interest thereon semi-annually on April 1 and October 1.



SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The condensed financial information for the System Facilities Revenue Bond Fund as of June 30, 2019 and 2018 is as follows:

Condensed Statement Of Net Position

	2019	2018
Current Assets	\$ 11,358,720	\$ 12,722,236
Noncurrent Assets		
Capital assets, net of depreciation	170,060,216	172,811,190
Total Assets	<u>181,418,936</u>	<u>187,531,688</u>
Deferred Outflows Of Resources	<u>5,964,573</u>	<u>6,588,010</u>
Current Liabilities	8,472,843	8,131,479
Noncurrent Liabilities	117,919,923	125,060,402
Total Liabilities	<u>126,392,766</u>	<u>133,191,881</u>
Net Position		
Net investment in capital assets	51,907,604	49,883,288
Restricted	6,995	489,040
Unrestricted	9,076,144	8,557,227
Total Net Position	<u>\$ 60,990,743</u>	<u>\$ 58,929,555</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Condensed Statement Of Revenues, Expenses, And Changes In Net Position

	2019	2018
Operating Revenue		
Housing contracts, net of scholarship allowance	\$ 21,336,020	\$ 23,555,550
Textbook sales and rentals	1,565,283	1,860,590
Student recreation center fees	2,333,358	2,438,238
Parking fees and fines	1,505,457	1,330,016
Student union building fees	267,000	267,000
Other operating revenues	2,974,775	2,394,681
Total Operating Revenue	29,981,893	31,846,075
Operating Expenses		
Personnel service	4,909,238	4,765,762
Contract food service	6,910,564	7,240,303
Utilities and maintenance	3,095,659	2,981,549
Book purchases	1,065,938	1,240,211
Depreciation	4,724,901	4,551,518
Other operating expenses	3,001,243	3,077,822
Total Operating Expenses	23,707,543	23,857,165
Operating Income	6,274,350	7,988,910
Nonoperating Revenue (Expenses)		
Investment income	256,475	196,788
Disposal of plant facilities	(4,469,637)	(54,936)
Interest on capital asset related debt	—	(4,663,017)
Net Nonoperating Expenses	(4,213,162)	(4,521,165)
Increase In Net Position	2,061,188	3,467,745
Net Position Beginning Of Year	58,929,555	55,461,810
Net Position End Of Year	\$ 60,990,743	\$ 58,929,555

Condensed Statement Of Cash Flows

	2019	2018
Net cash provided by operating activities	\$ 9,803,102	\$ 12,019,559
Net cash used in capital and related financing activities	(11,261,407)	(11,851,785)
Net cash provided by investing activities	256,475	1,198,721
Net decrease in cash and cash equivalents	(1,201,830)	1,366,495
Cash and cash equivalents - beginning of year	11,532,399	10,165,904
Cash and cash equivalents - end of year	<u>\$ 10,330,569</u>	<u>\$ 11,532,399</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

17. Southeast Missouri University Foundation

The following disclosures pertain to the University's discretely presented component unit - the Foundation:

Investments And Investment Return

Investments at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Cash and money market funds	\$ 1,125,338	\$ 1,175,589
Certificates of deposit	288,874	287,154
Equities		
Domestic	20,452,125	17,765,906
Developing international	3,500,884	3,238,113
Mutual funds		
Domestic	8,660,600	14,051,462
Developing international	10,126,559	3,922,380
Emerging market	10,863,201	4,667,418
International fixed income	13,245,790	14,908,185
Other	22,169,401	24,392,831
Corporate bonds	4,531,154	4,893,473
Asset back securities	516,069	543,125
U.S. Treasury securities	643,306	598,259
U.S. government obligations	2,817,587	2,883,505
Municipal securities	437,071	225,566
Alternative strategies	827,662	1,033,513
	<u>100,205,621</u>	<u>94,586,479</u>
Less: short-term investments	<u>19,307,288</u>	<u>17,330,212</u>
	<u>\$ 80,898,333</u>	<u>\$ 77,256,267</u>

Total investment return is comprised of the following as of June 30:

	2019	2018
Interest and dividends, net of fees	\$ 1,976,533	\$ 1,522,040
Unrealized and realized investment gains	3,521,938	4,211,313
	<u>\$ 5,498,471</u>	<u>\$ 5,733,353</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

Pledges Receivable

Pledges receivable at June 30 consists of:

	2019	2018
Pledges receivable	\$ 648,340	\$ 752,116
Allowance for doubtful accounts	(45,384)	(18,803)
	<u>\$ 602,956</u>	<u>\$ 733,313</u>

Property And Equipment

Property and equipment at June 30 consists of:

	2019	2018
Land	\$ 6,967,461	\$ 6,967,461
Buildings and improvement	8,246,149	8,254,446
Vehicles and equipment	257,071	239,922
	<u>15,470,681</u>	<u>15,461,829</u>
Less: Accumulated depreciation	4,690,798	4,443,725
	<u>\$ 10,779,883</u>	<u>\$ 11,018,104</u>

Notes Receivable

Notes receivable at June 30 consists of:

	2019	2018
City of Cape Girardeau	\$ 3,239,504	\$ 3,589,380
APG Limited	497,002	525,672
	<u>3,736,506</u>	<u>4,115,052</u>
Less: Current maturities due within one year	489,321	488,669
	<u>\$ 3,247,185</u>	<u>\$ 3,626,383</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements *(Continued)*

On March 14, 2013, the Foundation sold 247.43 acres to the City of Cape Girardeau (the City). The City signed a 12-year, noninterest bearing promissory note for the amount of \$5,520,000 to the Foundation. The City shall pay 12 annual installments of \$460,000. Imputed interest amount was calculated using the long-term applicable federal rate for the month of March 2013, which was 2.66%. In April 2017, an additional \$920,000 was added to the note as a result of a joint capital project between the City and the University. The City signed a new promissory note with the Foundation to fund the City's share of the capital improvements and the Foundation will reimburse the University as funds are collected from the City.

On December 9, 2013, the Foundation sold the property located at 401 and 505 Washington Avenue to APG Limited, LLC. APG Limited signed a 10-year promissory note with an interest rate of 2.25% for the amount of \$647,000 to the Foundation. APG Limited shall pay 119 payments of \$3,350 and a final balloon payment of \$362,378.

Aggregate annual maturities of notes receivable at June 30, 2019 are:

Year	Amount
2020	\$ 489,321
2021	489,988
2022	490,670
2023	491,367
2024	492,080
Thereafter	1,723,576
	4,177,002
Less: Imputed interest on loan	440,496
	<u>\$ 3,736,506</u>

Notes Payable To Bank

Notes payable to bank at June 30 consists of:

	2019	2018
Montgomery Bank - South Lorimier	\$ —	\$ 237,677
Montgomery Bank - 334 Morgan Oak	—	386,275
First Missouri State Bank - 315 South Lorimier	188,233	204,719
Montgomery Bank - South Lorimier & 334 Morgan Oak	591,497	—
	779,730	828,671
Less: Current maturities due within one year	58,950	640,421
	<u>\$ 720,780</u>	<u>\$ 188,250</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Aggregate annual maturities of notes payable at June 30, 2019 are:

Year	Amount
2021	\$ 58,950
2022	61,867
2023	64,927
2024	182,266
2025	411,720
	<u>\$ 779,730</u>

On February 1, 2008, the Foundation purchased three adjacent properties on South Lorimier Street in Cape Girardeau, Missouri. To finance the purchase, the Foundation entered into a promissory note with Montgomery Bank in the amount of \$340,500. After a three-month extension dated May 1, 2013, which reduced the interest from 5.85% to 3.95%, a five-year promissory note was executed on August 1, 2013. Current payments on the note are regular payments of \$6,069 and one irregular last payment estimated at \$236,434. The interest rate of the promissory note is 3.95% with a maturity date of August 1, 2018. This note was consolidated and refinanced with the note below for the 334 Morgan Oak property with Montgomery Bank on August 8, 2018.

On December 30, 2008, the Foundation purchased property at 334 Morgan Oak and additional lots nearby in Cape Girardeau, Missouri. To finance the purchase, the Foundation entered into a promissory note with Montgomery Bank in the amount of \$600,000. On March 19, 2014, a change in terms agreement was signed, which changed the collateral held on this loan. Current payments on the note are regular payments of \$3,794 and one lump sum last payment estimated at \$385,086 due on August 31, 2018, and an interest rate of 3.95%. This note was consolidated and refinanced with the note above for South Lorimier Street property with Montgomery Bank on August 8, 2018.

On December 28, 2012, the Foundation purchased property located at 315 South Lorimier in Cape Girardeau, Missouri. To finance the purchase, the Foundation entered into a promissory note with First Missouri State Bank in the amount of \$289,220 with a maturity date of December 28, 2017. The Foundation renewed the note during the year with a revised maturity date of December 28, 2022. Current payments on the note are regular payments of \$2,139 and one lump sum payment estimated at \$126,447. The interest rate of the promissory note is 4.60%.

On August 8, 2018 the Foundation entered into a promissory note with Montgomery Bank in the amount of \$624,389 to consolidate and refinance the South Lorimier (A) and 334 Morgan Oak (B) notes. The promissory note requires 59 monthly principal and interest of \$5,817, with one balloon payment estimated at \$410,961 due at maturity on August 8, 2023. The promissory note bears interest at 4.91% per annum.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are available for the following purposes or periods:

	2019	2018
Scholarships	\$ 77,761,711	\$ 72,233,496
Loans	166,396	163,744
Other	10,853,437	10,900,354
	<u>\$ 88,781,544</u>	<u>\$ 83,297,594</u>

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2019	2018
Scholarships	\$ 2,406,997	\$ 2,413,602
Loans	769	785
Other purpose restrictions accomplished	2,094,560	1,688,859
	<u>\$ 4,502,326</u>	<u>\$ 4,103,246</u>

Annuity Obligations

The Foundation has been the recipient of several gift annuities and charitable remainder trusts, which require future payments to the contributors or their named beneficiaries. The assets received from the donor are recorded at fair values. The Foundation has recorded a liability of \$1,209,186 and \$1,139,289 at June 30, 2019 and 2018, respectively which represents the present value of the future annuity obligations. The liability has been determined using a discount rate of 5.85% and 7.65% at June 30, 2019 and 2018, respectively.

Operating Leases

The Foundation leases certain plant assets to the University. Minimum future rentals receivable under noncancellable operating leases at June 30, 2019 and 2018 were \$3,065,859 and \$3,527,439, respectively. A total of \$581,814 is due within the next year.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements *(Continued)*

18. Subsequent Event

Subsequent to year-end, on July 24, 2019 the University issued Series 2019 bonds in the amount of \$44,595,000 to refund the Series 2010B which are maturing on October 1, 2021 and thereafter.

Required Supplementary Information

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULES OF SELECTED PENSION INFORMATION
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM
June 30, 2019
(In Thousands)

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

	Measurement Date As Of June 30:				
	2018	2017	2016	2015	2014
University's proportion of the net pension liability	2.3112%	2.4578%	2.4563%	2.4420%	2.3902%
University's proportionate share of the net pension liability	\$ 128,922,744	\$ 127,976,381	\$ 114,021,149	\$ 78,422,893	\$ 56,354,914
University's covered-employee payroll	44,921,805	48,380,403	47,570,877	47,277,247	46,027,547
University's proportionate share of net pension liability as a percentage of its covered-employee payroll	286.99%	264.52%	239.69%	165.88%	122.44%
Plan fiduciary net position as a percentage of the total pension liability	59.02%	60.41%	63.60%	72.62%	79.49%

Notes:

The above schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Changes Of Benefit Terms Or Assumptions

Senate Bill 62 (SB62), which contained changes to the benefit structure for MSEP 2011, was passed by the 2017 legislature. The provisions of the bill decreased vesting from ten to five years of service, but also included provisions that essentially offset the cost of the vesting change. As a result, SB 62 had no impact on the employer contribution rate and created a decrease to the UAAL of \$1.6 million.

During the MOSERS plan year ended June 30, 2018, there were changes to reduce the long-term expected rate of return on investments from 7.50% to 7.25% which increased the total pension liability. During the MOSERS plan year ended June 30, 2017, there were changes to reduce the long-term expected rate of return on investments from 7.65% to 7.50% which increased the total pension liability.

Changes to assumptions for the year ended June 30, 2016 were related to changes in the mortality table, investment returns, and salary increases.

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULES OF SELECTED PENSION INFORMATION (Continued)
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM
June 30, 2019
(In Thousands)

Schedule Of University's Contributions

	Fiscal Year End As Of June 30:									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Required contribution	\$ 8,328,691	\$ 8,739,287	\$ 8,209,302	\$ 8,072,759	\$ 8,022,949	\$ 8,096,002	\$ 6,602,853	\$ 6,385,969	\$ 6,192,472	\$ 5,935,271
Contributions in relation to the required contribution	8,328,691	8,739,287	8,208,979	8,072,759	8,022,949	8,096,002	6,602,853	6,385,969	6,192,472	5,935,271
University's covered-employee payroll	45,770,829	44,921,805	48,380,403	47,570,877	47,277,247	47,679,635	45,694,484	45,354,109	44,840,492	46,551,145
Contributions as a percentage of covered-employee payroll	18.20%	19.45%	16.97%	16.97%	16.97%	16.98%	14.45%	13.97%	13.81%	12.75%

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULES OF SELECTED POSTEMPLOYMENT
HEALTHCARE PLAN INFORMATION
June 30, 2019

	As of June 30,	
	2019	2018
Service cost	\$ 271,452	\$ 263,545
Interest cost	126,667	123,611
Net benefits paid by employer	(312,318)	(264,832)
Net change in total OPEB liability	85,801	122,324
Total OPEB liability - beginning of year	4,242,188	4,119,864
Total OPEB liability - end of year	<u>\$ 4,327,989</u>	<u>\$ 4,242,188</u>
Covered employee payroll	60,235,272	58,480,847
Total OPEB liability as a percentage of covered employee payroll	7.19%	7.25%

Notes:

The above schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SOUTHEAST MISSOURI
STATE UNIVERSITY
SINGLE AUDIT REPORT
JUNE 30, 2019

Contents

	Page
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	1 - 2
Independent Auditors' Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; And Report On The Schedule Of Expenditures Of Federal Awards Required By Uniform Guidance.....	3 - 5
Schedule Of Expenditures Of Federal Awards	6 - 9
Notes To Schedule Of Expenditures Of Federal Awards	10 - 11
Schedule Of Findings And Questioned Costs.....	12 - 13
Schedule Of Prior Audit Findings.....	14



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**Independent Auditors' 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 Regents
Southeast Missouri State University
Cape Girardeau, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Southeast Missouri State University, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Southeast Missouri State University's basic financial statements, and have issued our report thereon dated November 22, 2019.

Internal Control Over Financial Reporting

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

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

Board of Regents
Southeast Missouri State University

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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose Of This Report

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

RubinBrown LLP

November 22, 2019



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**Independent Auditors' Report On
Compliance For Each Major Federal
Program; Report On Internal Control Over
Compliance; And Report On The Schedule
Of Expenditures Of Federal Awards
Required By Uniform Guidance**

Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

Report On Compliance For Each Major Federal Program

We have audited Southeast Missouri State University's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2019. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the University's major federal programs based on our audit of the types of compliance referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion On Each Major Federal Program

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report On Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 purposes.



Board of Regents
Southeast Missouri State University

Report On Schedule Of Expenditures Of Federal Awards Required By Uniform Guidance

We have audited the financial statements of the business-type activities and discretely presented component unit of the University as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We have issued our report thereon dated November 22, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RubinBrown LLP

November 22, 2019

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures	Expenditures To Sub- Recipients
United States Department of Agriculture					
Passed through Natural Resources Conservation Services	Conservation Compliance FY19	NR186424XXXXC081	10.072	\$ 5,911	\$ —
Passed through Missouri Department of Agriculture	Specialty Crop 18	AM17010XXXXG015	10.170	3,871	—
Passed through Arkansas State University	Cover Crop Research 16	2015-70001-23439	10.326	38,522	—
Passed through Arkansas State University	Resilient Cropping year 1 18	2018-70001-27817	10.326	17,816	—
				56,338	—
Direct	Beef Tech Initiative 18	29-016-155568610	10.351	54,941	—
Direct	Ag Advanced Tech 19	29-016-155568610	10.351	39,815	—
				94,756	—
Passed through Missouri Department of Health and Senior Services	Child and Adult Care Food Program: USYC Food Program	ERS4611-2646	10.558	51,279	—
Direct	Organic Horticulture 17	69-6424-17-010	10.912	15,445	—
Total United States Department of Agriculture				\$ 227,600	\$ —
United States Fish and Wildlife Service					
Passed through Missouri Department of Conservation	MDC Asian Carp Taylor 17	MCC-01-07-00 897	15.608	\$ 15,019	\$ —
Passed through Tennessee Wildlife Resources Foundation Inc.	Alligator Snapping Turtles	16-01	15.634	14,664	—
Direct	Song Birds 2016	F16AC00266	15.658	18,634	—
Direct	Landscape Conservation 18	F17AC01005	15.678	27,146	—
Total United States Fish and Wildlife Services				\$ 75,463	\$ —
Federal Transit Administration					
Passed through Cape Girardeau County Transit Authority	Shuttle Service 2019	MO-2018-013-00	20.507	\$ 167,183	\$ —
Passed through University of Arkansas	MacTREC 18	TAA1801113	20.701	13,471	—
Total Federal Transit Administration				\$ 180,654	\$ —

See the notes to schedule of expenditures of federal awards.

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures	Expenditures To Sub- Recipients
National Endowment for the Humanities Passed through the Missouri Humanities Council	Promotion of the Humanities Programs Faulkner and Marquez 2019	2167	45.129	\$ 969	\$ —
	Total National Endowment for the Humanities			\$ 969	\$ —
Small Business Administration					
Passed through University of Missouri - Columbia	Small Business Development Center: SBTDC 2018	C0059972-7	59.037	\$ 25,181	\$ —
Passed through University of Missouri - Columbia	SBTDC 2019	C00063862-3	59.037	98,233	—
				123,414	—
Passed through University of Missouri - Columbia	Portable Assistance 2018	C00058906-1	59.050	48,668	—
	Portable Assistance 2019	C00063534-1	59.050	50,960	—
				99,628	—
Total Small Business Administration				\$ 223,042	\$ —
United States Department of Education					
Passed through University of Central Missouri	Mideast Meets Midwest 17	POL001-SEMO	84.016	\$ 18,411	\$ —
Direct	Student Financial Aid Cluster:				
	Federal Supplemental Educational Opportunity Grant Program	P007A162382	84.007	330,974	—
	Federal Work Study Program	P033A162382	84.033	261,123	—
	Federal Pell Grant Program	P063P161752	84.063	14,144,527	—
	Federal Direct Loan Program	P268K171752	84.268	38,634,794	—
	Federal Perkins Loan Program	—	84.038	5,839,969	—
	Teacher Education Assistance for College and Higher Education Grants	P379T171752	84.379	86,493	—
	Total Student Financial Aid Cluster			59,297,880	—

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For The Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures	Expenditures To Sub- Recipients
Direct	Trio Cluster:				
	Student Support Services 2018	P042A100954	84.042	\$ 121,939	\$ —
	Student Support Services 2019	P042A151250-18	84.042	215,395	—
	Student Support Services Supplement 2018	P042A100954	84.042	10,600	—
	Student Support Services Supplement 2019	P042A151250-18	84.042	20,325	—
	McNair Post-Baccalaureate Achievement 2018	P1217A170269	84.217	72,982	—
	McNair Post-Baccalaureate Achievement 2019	P1217A170269-18	84.217	140,977	—
	Total Trio Cluster			582,218	—
Passed through Missouri Department of Elementary and Secondary Education	Pathways 2019	N/A	84.048A	7,250	—
Passed through Jacksonville State University	Core Academy 2018	U411B130037	84.411B	1,109	—
Total United States Department of Education				\$ 59,906,868	\$ —
United States Department of Health and Human Services					
Direct	Alzheimer's Evaluation Survey	18HBI-AA	93.051	\$ 3,600	\$ —
Passed through Southeast Missouri Area Agency on Aging	AAA Eldercare 19	N/A	93.052	18,053	—
Passed through Missouri Department of Health and Senior Services	Addressing Asthma 2018	DH100020001	93.070	26,715	—
	Addressing Asthma 2019	AOC18380069	93.070	26,298	—
				53,013	—
Passed through Missouri Department of Health and Senior Services	Community Health Worker 19	AOC19380216	93.426	25,197	—

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For The Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures	Expenditures To Sub- Recipients
Passed through Missouri Department of Health and Senior Services	Bootheel MCH Focus Group 19	N/A	93.870	\$ 2,080	\$ —
Passed through Missouri Department of Health and Senior Services	Fed Community Health Worker 18	AOC17380026	93.945	12,445	—
Passed through Missouri Department of Mental Health	Block Grants for Prevention and Treatment of Substance Abuse:				
	Southeast Regional Support Center 2017	SDA420P1209	93.959	14,209	—
	Southeast Regional Support Center 2018	SDA420P1209	93.959	9,712	—
	Southeast Regional Support Center 2019	SDA420P1209	93.959	130,726	—
	Southeast Regional Support Center 17 Tobacco	SDA420P1209	93.959	1,831	—
	Southeast Regional Support Center 19 Tobacco	SDA420P1209	93.959	4,635	—
	Partnership for Success 2018	SDA420P1209	93.959	41,897	—
	Partnership for Success 2019	SDA420P1209	93.959	99,802	—
	MHFA Training 19	SDA420P1209	93.959	3,169	—
				305,981	—
Total United States Department of Health and Human Services				\$ 420,369	\$ —
Total Expenditures of Federal Awards				\$ 61,034,965	\$ —

See the notes to schedule of expenditures of federal awards.

SOUTHEAST MISSOURI STATE UNIVERSITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2019

1. Basis Of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards programs of Southeast Missouri State University (the University) for the year ended June 30, 2019. The information in this Schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. Basis Of Accounting And Relationship To The Financial Statements

Federal financial assistance revenues from the Federal Work Study, the Federal Pell Grant Program and the Federal Supplemental Educational Opportunity Grant programs are reported in the University's financial statements as federal grant revenues. The activity of the Federal Direct Loan Program is not included in the University's financial statements, as the benefits of this program are awarded directly to students and not to the University.

Amounts reported in the accompanying Schedule are presented using the accrual basis of accounting, which is described in Note 2 to the University's financial statements. Related federal financial reports are prepared on the cash basis of accounting.

3. Loan Programs

The following schedule represents loans advanced by the University for Federal Direct Loans and loans advanced plus loans outstanding as of the beginning of the year for Federal Perkins Loans, for the year ended June 30, 2019:

	CFDA #	Amount Reported on SEFA
Student Financial Aid:		
Department of Education:		
Federal Direct Loans	84.268	\$ 38,634,794
Federal Perkins Loans	84.038	5,839,969

The above amounts are included as federal expenditures in the Schedule.



SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Schedule Of Expenditures Of Federal Awards (*Continued*)

4. Indirect Costs

The Department of Health and Human Services has approved a maximum provisional indirect cost rate of 49%. The University recovers indirect costs at the maximum rate of 49% of salaries and wages including fringe benefits under federal programs that allow full indirect cost reimbursement, and recovers indirect costs at varying rates below 49% on other federal programs that do not follow full indirect cost recovery. Total indirect costs recovered under all federal programs were \$229,626 for the year ended June 30, 2019.

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019

Section I - Summary Of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were presented in accordance with generally accepted accounting principles:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(s) identified? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(s) identified? _____ yes X none reported

Type of auditors' report issued on compliance for major programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

_____ yes X no

Identification Of Major Programs:

Student Financial Aid Cluster:

CFDA #84.007 - U.S. Department of Education - Federal Supplemental Educational Opportunity Grant Program

CFDA #84.033 - U.S. Department of Education - Federal Work Study Program

CFDA #84.063 - U.S. Department of Education - Federal Pell Grant Program

CFDA #84.268 - U.S. Department of Education - Federal Direct Loan Program

CFDA #84.038 - U.S. Department of Education - Federal Perkins Loan Program

CFDA #84.379 - U.S. Department of Education - Teacher Assistance for College and Higher Education Grants

TRIO Cluster:

CFDA #84.042 - U.S. Department of Education - Student Support Services

CFDA #84.217 - U.S. Department of Education - McNair Post-Baccalaureate Achievement

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)
For The Year Ended June 30, 2019

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings And Questioned Costs

None Noted



**SOUTHEAST MISSOURI
STATE UNIVERSITY - 1873**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Year Ended June 30, 2019**

**Finding No: 2018-001 - Special Tests And Provisions - Return Of Title IV Funds
- Compliance And Control Finding**

**Program/Type: CFDA 84.007, 84.033, 84.063 And 84.268 - Student Financial Aid
Cluster**

Condition/Cause: Based on a review of a sample of students, one instance was noted in which the reduction in funding was not communicated to the COD system within the 45 day requirement as required by 34 CFR 668.22(j)(1). The University's process allowed for 30 days to identify the student's last day of attendance and an additional 45 days to process and return the funds. The Department of Education's time frame is 45 days total. The University's internal control procedures did not prevent the refund from occurring outside of the Department of Education's time frame.

Status: This finding was remediated during 2019 and is not repeated as a finding in 2019. Controls were implemented to ensure refunds were remitted within the required timeframe.

**Finding No: 2018-002 - Special Tests And Provisions - Disbursements To Or On
Behalf Of Students - Compliance And Control Finding**

Program/Type: CFDA 84.268, 84.038 and 84.379 - Student Financial Aid Cluster

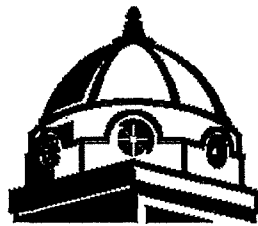
Condition/Cause: Based on a review of a sample of students, one instance was noted in which the student was notified ten days after the funds were credited to the student's ledger account. During the Summer session, the Perkins loan was a passive acceptance because there was no Summer Perkins Loan fund code. Therefore, the University did not obtain affirmative confirmation during the summer for Perkins Loan funds. The University's control was not properly designed to ensure notifications were sent within the Department of Education's seven day time frame.

Status: This finding was remediated during 2019 and is not repeated as a finding in 2019. Controls were implemented to ensure students were notified within the required timeframe.

**SOUTHEAST MISSOURI STATE
UNIVERSITY SYSTEM FACILITIES**

FINANCIAL STATEMENTS

JUNE 30, 2019



**SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873**

Contents

	Page
Independent Auditors' Report	1 - 3
Management's Discussion And Analysis	4 - 10
 Financial Statements	
Statement Of Net Position.....	11
Statement Of Revenues, Expenses And Changes In Net Position.....	12
Statement Of Cash Flows	13 - 14
Notes To Financial Statements	15 - 31
 Supplementary Information (Unaudited)	
Schedule Of Insurance Coverage.....	32
Schedule Of Enrollment And Fees	33
Schedule Of Room And Board Costs - 5-Year Trend	34
Schedule Of Student Composition - University Housing System.....	35
Schedule Of Housing Occupancy.....	36
Schedule Of University Residence Hall Capacities.....	37



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Independent Auditors' Report

Board of Regents
Southeast Missouri State University
System Facilities
Cape Girardeau, Missouri

Report On The Financial Statements

We have audited the accompanying financial statements of the business-type activities of Southeast Missouri State University System Facilities (the System Facilities) of Southeast Missouri State University (the University), a component unit of the State of Missouri, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Regents
Southeast Missouri State University
System Facilities

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the System Facilities as of June 30, 2019, and its changes in financial position and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Financial Reporting Entity

As discussed in Note 1, the basic financial statements of the System Facilities are intended to present the financial position, changes in financial position, and cash flows of only that portion of the University that is attributable to the System Facilities. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2019, and its changes in financial position and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Regents
Southeast Missouri State University
System Facilities

Other Information

Our audit was conducted for the purpose of forming an opinion on the System Facilities' basic financial statements. The schedules of insurance coverage, enrollment and fees, room and board costs - five-year trend, student composition - university housing system, housing occupancy and university residence hall capacities 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 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

RubinBrown LLP

November 22, 2019

SOUTHEAST MISSOURI STATE UNIVERSITY

SYSTEM FACILITIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Southeast Missouri State University System Facilities' (the System Facilities) basic financial statements provides an overview of the System Facilities' financial performance during the year ended June 30, 2019. The Management's Discussion and Analysis is designed to focus on current activities and resulting changes, and should be read in conjunction with the System Facilities' basic financial statements and footnotes.

Using This Report

This report consists of a series of basic financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis - for Public Colleges and Universities*. The Statement of Net Position includes the assets, liabilities, deferred inflows and outflows of resources and net position of the System Facilities as of the end of the fiscal year. The Statement of Net Position is a point of time financial statement. It is prepared under the accrual basis of accounting, whereby assets are recognized when the service is provided and the liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The Statement of Revenue, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating, nonoperating or other. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the basic financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The Statement of Cash Flows presents the System Facilities' inflows and outflows of cash. The primary purpose of the Statement of Cash Flows is to provide information about the System Facilities' cash receipts and payments summarized by operating, capital and related financing, noncapital financing and investing activities.

SOUTHEAST MISSOURI STATE UNIVERSITY **SYSTEM FACILITIES**

Management's Discussion And Analysis *(Continued)*

Financial Analysis of The System Facilities

The following table reflects the Net Position for the System Facilities as of June 30:

	2019	2018
Current Assets	\$ 11,358,720	\$ 12,722,236
Noncurrent Assets		
Capital assets, net of depreciation	170,060,216	172,811,190
Total assets	181,418,936	185,533,426
Deferred Outflows of Resources	5,964,573	6,588,010
Current Liabilities	8,472,843	8,131,479
Noncurrent Liabilities	117,919,923	125,060,402
Total liabilities	126,392,766	133,191,881
Net Position		
Net investment in capital assets	51,907,604	49,883,288
Restricted	6,995	489,040
Unrestricted	9,076,144	8,557,227
Total net position	\$ 60,990,743	\$ 58,929,555

Current assets consist primarily of cash and cash equivalents and inventories. Current assets totaled \$11.36 and \$12.72 million for June 30, 2019 and 2018, respectively.

Current liabilities consist primarily of accounts payable, accrued compensation, accrued interest payable and unearned income. Current liabilities also include the current portion of bonds and notes payable. Current liabilities totaled \$8.47 and \$8.13 million for June 30, 2019 and 2018, respectively.

Noncurrent liabilities consist of long-term debt, which totaled \$117.92 and \$125.06 million at June 30, 2019 and 2018, respectively.

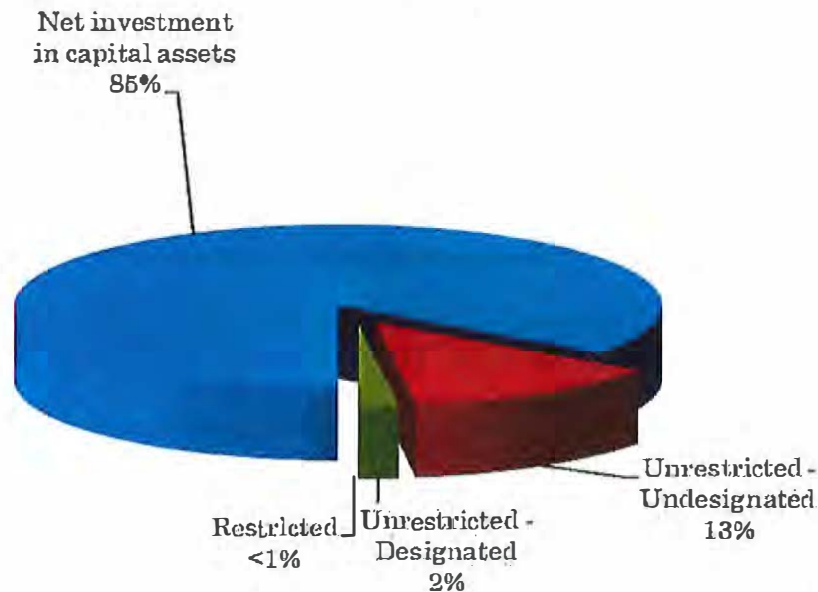
SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Management's Discussion And Analysis (*Continued*)

Net position represents the residual interest in the System Facilities' assets and deferred outflows after liabilities are deducted.

	2019	2018
Net Position		
Net investment in capital assets	\$ 51,907,604	\$ 49,883,288
Restricted - Expendable for debt service	6,995	489,040
Unrestricted:		
Designated	897,340	1,072,214
Undesignated	8,178,804	7,485,013
Total Unrestricted	9,076,144	8,557,227
Total net position	\$ 60,990,743	\$ 58,929,555

Following is a breakdown of net position at June 30, 2019:



Net investment in capital assets represents the System Facilities' capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Net investment in capital assets increased approximately \$2.03 million from \$49.88 million at June 30, 2018 to \$51.91 million at June 30, 2019. The increase is primarily due to the change in the System's bond liability.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Management's Discussion And Analysis *(Continued)*

Although unrestricted net position is not subject to externally imposed stipulations, approximately \$.90 and \$1.07 million was internally designated for investment in inventories as of June 30, 2019 and 2018, respectively. Unrestricted-undesignated net position of the System Facilities was approximately \$8.18 million at June 30, 2019, which was an increase from \$7.49 million at June 30, 2018.

The following schedule reflects the condensed revenues and expenses of the System Facilities for fiscal years 2019 and 2018:

Condensed Statements Of Revenues Expenses And Changes In Net Position Years Ended June 30, 2019 And 2018

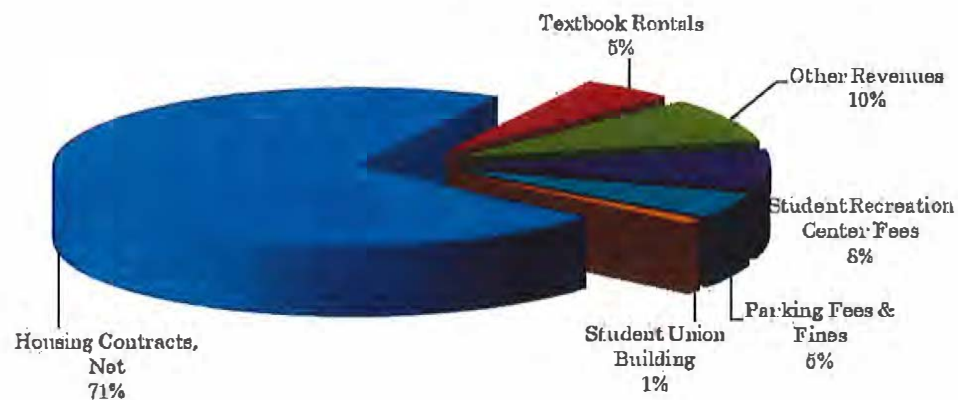
	2019	2018
Operating Revenue		
Housing contracts, net of scholarship allowance	\$ 21,336,020	\$ 23,555,550
Textbook sales and rentals	1,565,283	1,860,590
Student recreation center fees	2,333,358	2,438,238
Parking fees and fines	1,505,457	1,330,016
Student union building fees	267,000	267,000
Other operating revenues	2,974,775	2,394,681
Total operating revenue	29,981,893	31,846,075
Operating Expenses		
Personnel service	4,909,238	4,765,762
Contract food service	6,910,564	7,240,303
Utilities and maintenance	3,095,659	2,981,549
Book purchases	1,065,938	1,240,211
Depreciation	4,724,901	4,551,518
Other operating expenses	3,001,243	3,077,822
Total operating expenses	23,707,543	23,857,165
Operating income	6,274,350	7,988,910
Nonoperating Revenue (Expenses)		
Investment income	256,475	196,788
Interest on capital asset related debt	(4,469,637)	(4,663,017)
Disposal of plant facilities	—	(54,936)
Net nonoperating expenses	(4,213,162)	(4,521,165)
Change in net position	2,061,188	3,467,745
Net position beginning of year	58,929,555	55,461,810
Net position end of year	\$ 60,990,743	\$ 58,929,555

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Management's Discussion And Analysis (*Continued*)

Total revenues for fiscal years 2019 and 2018 were \$30.24 and \$32.04 million. The most significant sources of revenue for the System Facilities are housing contracts, student and parking fees, and textbook rentals. Other operating revenue increased to \$2.97 million in fiscal year 2019 from \$2.39 in fiscal year 2018, and includes revenue from camps, conferences and coin operating campus sales.

Following is a graphic illustration of revenue by source for fiscal year 2019:

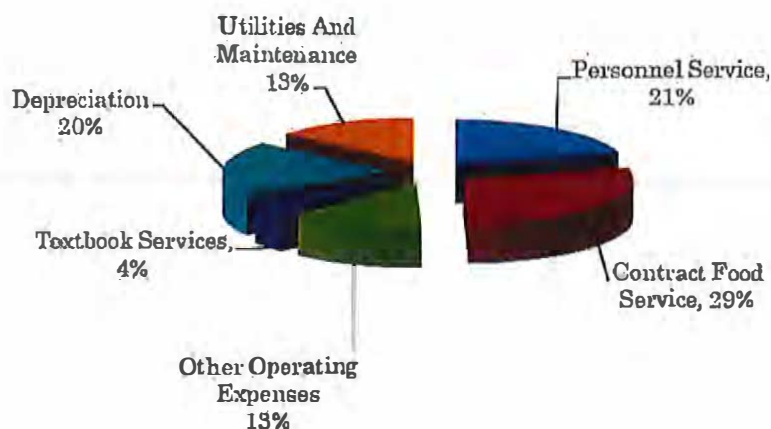


Operating expenses of the System Facilities totaled \$23.70 million for the fiscal year ending June 30, 2019 and \$23.86 million for the fiscal year ending June 30, 2018. Personal service costs and contract food service costs accounted for 50% of the total operating expenses for both fiscal years 2019 and 2018.

SOUTHEAST MISSOURI STATE UNIVERSITY **SYSTEM FACILITIES**

Management's Discussion And Analysis (*Continued*)

Following is a graphic illustration of operating expenses by source for the period ended June 30, 2019:



Capital Assets

At June 30, 2019 and 2018, the System Facilities' investment in capital assets totaled \$170.06 and \$172.81 million, respectively, as follows:

	2019	2018
Buildings and improvements	\$ 210,514,921	\$ 209,116,121
Land	476,467	476,467
Infrastructure	13,399,493	13,357,610
Construction in progress	1,351,321	818,077
Less: Accumulated depreciation	(55,681,986)	(50,957,085)
	<u>\$ 170,060,216</u>	<u>\$ 172,811,190</u>

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Management's Discussion And Analysis (*Continued*)

Additional information on Capital Assets can be found in Note 5 of the financial statements.

Bonds And Notes Payable

The System Facilities had outstanding bonds of approximately \$123.24 and \$129.22 million at June 30, 2019 and 2018, respectively.

The System Facilities also has a note payable to the University's contract food service provider of approximately \$239,000 and \$279,000 at June 30, 2019 and 2018, respectively.

Additional information on Bonds and Notes Payable can be found in Notes 7 and 8 of the financial statements.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

STATEMENT OF NET POSITION

June 30, 2019

Assets

Current Assets

Cash and cash equivalents	\$ 7,602,220
Restricted cash and cash equivalents	2,728,349
Accounts receivable	130,811
Inventories	897,340
Total Current Assets	11,358,720

Noncurrent Assets

Capital assets - non-depreciable	1,827,788
Capital assets, net - depreciable	168,232,428
Total Noncurrent Assets	170,060,216

Total Assets	181,418,936
---------------------	--------------------

Deferred Outflows Of Resources

Deferred amounts on refunding of bonds payable	5,964,573
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Liabilities

Current Liabilities

Accounts payable	669,884
Accrued interest payable	1,028,283
Accrued compensation	280,128
Unearned income	672,507
Notes payable	42,041
Bonds payable	5,780,000
Total Current Liabilities	<u>8,472,843</u>

Noncurrent Liabilities

Notes payable	196,665
Due to related organizations	265,500
Bonds payable	117,457,758
Total Noncurrent Liabilities	<u>117,919,923</u>

Total Liabilities	<u>126,392,766</u>
--------------------------	---------------------------

Net Position

Net investment in capital assets	51,907,604
Restricted for:	
Expendable for debt service	6,995
Unrestricted	9,076,144
Total Net Position	<u><u>\$ 60,990,743</u></u>

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For The Year Ended June 30, 2019

Operating Revenues	
Housing contracts (net of scholarship allowance of \$1,668,525)	\$ 21,336,020
Student recreation center fees	2,333,358
Student union building fees	267,000
Student parking fees	824,062
Other fees	775,311
Textbook rental	1,295,341
Textbook sales	269,942
Coin operating sales	88,220
Fines/parking tickets	681,395
Rental income	735,727
Other operating revenues	1,375,517
Total Operating Revenues	29,981,893
Operating Expenses	
Personnel service	4,909,238
Contract food service	6,910,564
Utilities and maintenance	3,095,659
Book purchases	1,065,938
Coin operating expenses	124,848
Depreciation	4,724,901
Other operating expenses	2,876,395
Total Operating Expenses	23,707,543
Operating Income	6,274,350
Nonoperating Revenues (Expenses)	
Investment income	256,475
Interest on capital asset-related debt	(4,469,637)
Total Nonoperating Expenses, Net	(4,213,162)
Change In Net Position	2,061,188
Net Position - Beginning Of Year	58,929,555
Net Position - End Of Year	<u>\$ 60,990,743</u>

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2019**

Cash Flows From Operating Activities

Student and housing fees	\$ 24,731,163
Other receipts	5,208,265
Payments to vendors and suppliers	(15,222,953)
Payments to employees	(4,913,373)
Net Cash Provided By Operating Activities	9,803,102

Cash Flows From Capital And Related Financing Activities

Purchases of capital assets and payments to contractors	(1,333,206)
Principal paid on capital debt	(5,555,547)
Interest paid on capital debt	(4,372,654)
Net Cash Used In Capital And Related Financing Activities	(11,261,407)

Cash Flows Provided By Investing Activities

Interest on investments	256,475
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Net Decrease In Cash And Cash Equivalents	(1,201,830)
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Cash And Cash Equivalents - Beginning Of Year	11,532,399
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Cash And Cash Equivalents - End Of Year	<u>\$ 10,330,569</u>
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Supplemental Disclosure Of Cash Flow Information

Noncash transactions:

Capital asset purchases included in accounts payable	\$ 640,721
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**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**STATEMENT OF CASH FLOWS (*Continued*)
For The Year Ended June 30, 2019**

Reconciliation Of Operating Income To Net Cash Provided By Operating Activities	
Operating income	\$ 6,274,350
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation expense	4,724,901
Changes in assets and liabilities:	
Receivables, net	(13,188)
Inventories	174,874
Accounts payable and accrued liabilities	(469,923)
Due to related organizations	(854,500)
Unearned revenue	(29,277)
Accrued compensated absences and post-employment benefits	(4,135)
Net Cash Provided By Operating Activities	<u>\$ 9,803,102</u>

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

1. Organization

The basic financial statements include the accounts of Southeast Missouri State University (the University) established by the terms of the bond resolutions for the System Facilities Revenue Bond Series 2011B dated December 22, 2011, the System Facilities Revenue Bond Series 2013A dated February 28, 2013, the System Facilities Revenue Bonds and Taxable System Facilities Revenue Bonds 2016A and 2016B dated February 26, 2016, and the System Facilities Revenue Bonds 2016C dated August 10, 2016. The basic financial statements reflect only the assets, liabilities, deferred inflows and outflows of resources, net position, and revenues and expenses of the System Facilities.

The System Facilities is composed of the Housing System, the Student Union facility (University Center), the Student Recreation Center, the Outdoor Recreation Fields and the Parking and Transit System. The Housing System is composed of all residence halls and related dining facilities, including Dearmont Quadrangle, Myers Hall, Cheney Hall, Group Housing, the Towers High Rise Housing, Vandiver Hall, Merick Hall, Henderson Hall, LaFerla Hall, Dobbins River Campus Center and Greek Housing. The University Center, for purposes of the System Facilities, includes the operations of textbook rental. Revenue derived from the operation of these facilities is pledged for the retirement of the outstanding Series 2011B, Series 2013A, and Series 2016A, 2016B, and 2016C bonds and payment of interest thereon semi-annually on April 1 and October 1.

2. Basis Of Accounting And Presentation And Summary Of Significant Accounting Policies:

Basis Of Accounting And Presentation

The basic financial statements of the System Facilities have been prepared using the economic resource measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for publicly owned colleges and universities and is presented in accordance with the reporting model as prescribed in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements - Management's Discussion and Analysis for Public Colleges and Universities*. The System Facilities follows the "business-type" activities requirements of GASB Statement No. 34.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements *(Continued)*

Summary Of Significant Accounting Policies

Cash And Cash Equivalents

These assets represent all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents and restricted cash and cash equivalents are combined on the statement of cash flows and represent cash and repurchase agreements.

Inventories

Inventories consist of textbooks available for student rental. Textbook inventories are recorded at the lower of cost (using the first-in, first-out method) or market (net realizable value).

Capital Assets

Physical properties are recorded at cost or, when donated, at acquisition value at date of gift. All financially significant building and infrastructure additions and improvements are capitalized if the life of the capital asset is extended. Depreciation is computed using the straight-line method, with a full-year expense in the year after acquisition and partial depreciation through the month of disposition. Capital assets are depreciated over the estimated useful lives as follows:

Capital Assets	Years
Building and improvements	10 to 50
Infrastructure	10 to 50

When capital assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts.

Compensated Absences

System Facilities employees earn vacation benefits based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation pay based upon the nature of separation (death, retirement or termination). Certain limitations have been placed on the hours of vacation that employees may accumulate and carry over for payment at termination, retirement or death. Unused hours exceeding these limitations are forfeited.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

Net Position

Resources are required to be classified for accounting and reporting purposes into the following three net position categories:

- *Net investment in capital assets:* Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

- *Restricted:*

Nonexpendable - Net position subject to externally imposed stipulations that the System Facilities maintain them permanently.

Expendable - Net position whose use by the System Facilities is subject to externally imposed stipulations that will be fulfilled by actions of the System Facilities pursuant to those stipulations or that expire by the passage of time.

- *Unrestricted:* Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Regents or may otherwise be limited by contractual agreements with outside parties. A portion of unrestricted net position is designated for investment in inventories.

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.

Eliminations, Discounts And Allowances

In preparing the basic financial statements, the System Facilities eliminates inter-fund assets and liabilities that would otherwise be reflected twice in the statement of net position. Similarly, revenues and expenses related to internal service activities are also eliminated from the statement of revenues, expenses, and changes in net position. Student tuition and fee revenues are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

Operating And Nonoperating Revenues

The System Facilities' policy for defining operating activities as reported on the statement of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Operating revenues include various auxiliary services, such as housing and various general fees. Nearly all of the System Facilities' expenses are from exchange transactions. Certain revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement No. 34. Nonoperating revenues include revenues from activities that have the characteristics of nonexchange transactions such as investment income.

Unearned Income

Unearned income consists primarily of summer school general fees and housing deposits not earned during the current year.

Deferred Outflows And Inflows Of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until that time. At June 30, 2019, the University's deferred outflows of resources related to System Facilities consist of deferred amounts on refunding of bonds payable, which results from the difference between the reacquisition price of refunded debt and its carrying value. This amount is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources consist of the acquisition of net position that is applicable to a future reporting period or periods and so will not be recognized as an inflow of resources until then.

Bond Premiums And Discounts

Premiums and discounts on bonds payable are amortized over the life of the bond based on a method that approximates the effective interest rate method. For the year ended June 30, 2019, amortization related to bond premiums and bond discounts was \$485,486 and \$13,285, respectively.

SOUTHEAST MISSOURI STATE UNIVERSITY

SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

Amortization

The deferred amount on refunding is amortized as interest on capital related debt using the bonds outstanding method.

Estimates And Assumptions

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

3. Deposits

Custodial credit risk. 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 requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. Agencies or instrumentalities of the state of Missouri; bonds of any city, county, school district or special road district of the state of Missouri; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

At June 30, 2019, none of the System Facilities' bank balances held by the current depository, a United States financial institution having a branch in the state of Missouri, was exposed to custodial credit risk. All of these deposits were fully collateralized as of June 30, 2019.

Foreign Currency Risk. The risk related to adverse effects on the fair value of a deposit from changes in exchange rates. At June 30, 2019, the System Facilities had no exposure to foreign currency risk as the University had no deposits held by international banks.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements *(Continued)*

4. Due To Related Organization

As of June 30, 2019, System Facilities owes the University \$265,500. This balance is the result of the University's Master Plan funding a project for the University Center renovations. This advance will be repaid in equal installments through 2033.

5. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance - June 30, 2018	Additions	Retirements	Balance - June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 476,467	\$ —	\$ —	\$ 476,467
Construction in progress	818,077	1,993,890	(1,460,646)	1,351,321
Total capital assets not being depreciated	1,294,544	1,993,890	(1,460,646)	1,827,788
Capital assets, being depreciated:				
Buildings and improvements	209,116,121	1,398,800	—	210,514,921
Infrastructure	13,357,610	41,883	—	13,399,493
Total capital assets being depreciated	222,473,731	1,440,683	—	223,914,414
Less accumulated depreciation for:				
Buildings and improvements	(48,644,387)	(4,457,988)	—	(53,102,375)
Infrastructure	(2,312,698)	(266,913)	—	(2,579,611)
Total accumulated depreciation	(50,957,085)	(4,724,901)	—	(55,681,986)
Total capital assets being depreciated, net	171,516,646	(3,284,218)	—	168,232,428
Capital assets, net	\$ 172,811,190	\$ (1,290,328)	\$ (1,460,646)	\$ 170,060,216

The estimated cost to complete construction in progress at June 30, 2019 is \$1.59 million which consists primarily of upgrades of existing student housing. These projects are being funded by University funds.

SOUTHEAST MISSOURI STATE UNIVERSITY **SYSTEM FACILITIES**

Notes To Financial Statements *(Continued)*

6. Accounts Payable

The composition of accounts payable at June 30, 2019 is summarized as follows:

Capital projects	\$ 605,039
Retainage - capital projects	35,682
Other auxiliary operations	29,163
	<u>\$ 669,884</u>

7. Bonds Payable

	Amount Outstanding June 30, 2018	Principal Additions	Principal Payments	Amount Outstanding June 30, 2019
System Facilities Revenues Bonds Series 2011B	\$ 2,140,000	\$ —	\$ 695,000	\$ 1,445,000
System Facilities Revenues Bonds Series 2013A	70,930,000	—	2,685,000	68,245,000
System Facilities Revenues Bonds Series 2016A	18,600,000	—	1,925,000	16,675,000
System Facilities Revenues Bonds Series 2016B	8,710,000	—	210,000	8,500,000
System Facilities Revenues Bonds Series 2016C	25,025,000	—	—	25,025,000
	<u>125,405,000</u>	<u>—</u>	<u>5,515,000</u>	<u>119,890,000</u>
Less: Current maturities (due within one year)				5,780,000
Add: Premium on bond payable				3,373,438
Less: Discount on bond payable				25,680
				<u>\$ 117,457,758</u>

Series 2016 Bonds

On August 10, 2016 the Board of Regents issued \$25,025,000 of System Facilities Revenue Bonds Series 2016C for the purpose of partially refunding Series 2011B System Facilities Revenue bonds. The partial refunding decreased the University's total debt service payments by \$3,068,337 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$2,723,714.

During 2016, the advance refunding of the Series 2011B bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,767,433. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through 2042 using the bonds outstanding method.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements (*Continued*)

The Series 2016C bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2016C bonds maturing April 1, 2025 and thereafter may be called to redemption and payment prior to maturity on or after April 1, 2024 in lots of \$5,000 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2016C bonds maturing April 1, 2037, April 1, 2039 and April 1, 2042 are subject to mandatory redemption and payment prior to maturity at the principal amount thereof plus accrued interest thereon the date of redemption, without premium, in accordance with the following schedule:

Series 2016C Bonds Maturing April 1, 2037

Years	Amount
2036-2037	\$2,840,000

Series 2016C Bonds Maturing April 1, 2039

Years	Amount
2038-2039	\$3,005,000

Series 2016C Bonds Maturing April 1, 2042

Years	Amount
2040-2042	\$4,850,000

The 2016C bonds, collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the Systems Facilities bear interest at rates varying from 2.00% to 4.00% and mature serially through fiscal year 2042.

On February 26, 2016, the Board of Regents issued \$21,710,000 of System Facilities Revenue Bonds Series 2016A and \$8,920,000 of Taxable System Facilities Revenue Bonds Series 2016B for the purpose of refunding of \$23,555,000 System Facilities Revenue bonds Series 2011 and constructing, furnishing, and equipping a facility for Greek student housing and certain other expansions, renovations and improvements to System Facilities. The advanced refunding decreased the University's total debt service payments by \$2,830,120 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$2,808,956.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements (*Continued*)

During 2016, the advance refunding of the Series 2011 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$609,621. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through 2032 using the bonds outstanding method.

The Series 2016A and 2016B bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2016A bonds maturing April 1, 2026 and thereafter may be called to redemption prior to maturity on or after April 1, 2025 in lots of \$5,000 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2016B bonds maturing April 1, 2027 and thereafter, at the option of the University may be called to redemption prior to maturity on or after April 1, 2026 in lots of \$5,000 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2016B bonds maturing April 1, 2031, April 1, 2036 and April 1, 2045 are subject to mandatory redemption prior to maturity at the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, in accordance with the following schedule:

Series 2016B Bonds Maturing April 1, 2031	
Years	Amount

2027-2031	\$1,350,000
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Series 2016B Bonds Maturing April 1, 2036	
Years	Amount

2032-2036	\$1,625,000
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Series 2016B Bonds Maturing April 1, 2045	
Years	Amount

2037-2045	\$3,935,000
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The Series 2016A bonds, collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at rates varying from 3.00% to 5.00% and mature serially through fiscal year 2032. The Series 2016B bonds also collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at rates varying from 1.375% to 4.37% and mature serially through 2045.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements *(Continued)*

Series 2013 Bonds

On February 28, 2013, the Board of Regents issued \$82,555,000 of System Facilities Revenue Bonds Series 2013A and \$2,050,000 of Taxable System Facilities Revenue Bonds Series 2013B for the purpose of constructing and furnishing a facility for student housing and related education and performance activities in the River Campus area of the University campus; and for the purpose of advance refunding of \$7,805,000 System Facilities Revenue bonds Series 2006A and \$51,615,000 System Facilities Revenue Bonds Series 2008. The advance refunding decreased the University's total debt service payments by \$9,712,950 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$3,188,038.

During 2013, the advance refunding of the Series 2006A and Series 2008 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$380,948 and \$7,162,605, respectively. These differences, reported in the accompanying basic financial statements as a deferred outflow of resources, are being charged to operations through 2021 using the bonds outstanding method.

The Series 2013A and 2013B bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2013A bonds maturing April 1, 2021 and thereafter shall be subject to redemption on or after April 1, 2020 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2013A bonds are collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities, bear interest at rates varying from 2.60% to 5.00% and mature serially through fiscal year 2043. The Series 2013B bonds also collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at 1.9%, and matured in 2018. Extraordinary Option Redemption at 100% for the Series 2013A may take place upon the occurrence of certain special conditions or events.

SOUTHEAST MISSOURI STATE UNIVERSITY **SYSTEM FACILITIES**

Notes To Financial Statements (*Continued*)

Series 2011B Bonds

On December 22, 2011, the Board of Regents issued \$28,980,000 of System Facilities Revenue Bonds Series 2011B for the purpose of constructing, furnishing and equipping a five-story, 262-bed residence hall with 180 parking spaces, constructing a chiller and boiler plant and funding capitalized interest on the Series 2011B bonds. The Series 2011B bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2011B bonds maturing April 1, 2018 and thereafter shall be subject to redemption on or after April 1, 2017 as follows:

Redemption Dates	Redemption Prices
April 1, 2019-April 1, 2042	100%

Extraordinary Option Redemption at 100% may occur upon the occurrence of certain special conditions or events. The Series 2011B bonds bear interest at rates varying from 2.4% to 2.8% and mature serially through fiscal year 2021.

On August 10, 2016, the University issued \$25,025,000 Series 2016C System Facilities Revenue Bonds to partially refund the Series 2011B bonds. The University will pay principal and interest through 2021 on the Series 2011B bonds.

Interest expense was \$4,460,183 for 2019. Scheduled fiscal year maturities of System Facilities bonds payable and related interest expense are as follows:

Year	Principal	Interest
2020	\$ 5,780,000	\$ 4,113,131
2021	6,030,000	3,847,921
2022	4,285,000	3,598,531
2023	4,790,000	3,464,406
2024	5,555,000	3,321,742
2025-2029	30,640,000	13,705,580
2030-2034	27,380,000	8,735,234
2035-2039	22,805,000	4,510,324
2040-2044	12,110,000	1,189,095
2045	515,000	22,506
	<u>\$ 119,890,000</u>	<u>\$ 46,508,470</u>

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

The Series 2011B, Series 2013A and 2013B, Series 2016A, 2016B and 2016C Bonds are collateralized by the net income and revenues derived from the operation and/or ownership of the System Facilities. Under the provisions of the bond resolutions, the University covenants to operate and maintain the System Facilities and to establish and collect rates, fees and charges for the use and services furnished by or through the System Facilities to fund operations, pay principal and interest and establish the required reserves.

The bond resolution for the Series 2011B, Series 2013A, 2013B, 2016A, 2016B and 2016C requires that all System Facilities revenues will be deposited as received into the System Facilities. Amounts are then to be transferred to and expended as follows:

First, accumulated in an amount sufficient to pay the current expenses, as defined in the bond resolution, of the System Facilities.

Second, transferred to the Bond Account, on or before each March 25 and September 25, in an amount sufficient to meet the principal and interest due on the next interest payment date.

Third, transferred to the Debt Service Reserve Account in amounts as may be necessary to maintain a debt service reserve in the amount of the Debt Service Reserve Requirement.

Fourth, to maintain a separate System Repair and Replacement Account to deposit sums as may be required to maintain a balance at the Repair and Replacement requirement.

Fifth, after the foregoing deposits, the System Facilities may use the balance of excess funds in the System Revenue Account for specific purposes defined in the bond resolution including transfer to unrestricted University funds.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements (*Continued*)

8. Notes Payable

Notes payable at June 30, 2019 are summarized as follows:

	Balance - June 30, 2018	Principal Additions	Principal Payments	Balance - June 30, 2019
Chart well's-Olive's and Skylight Terrace Expansion	\$ 279,253	\$ —	\$ (40,547)	\$ 238,706
Less: Current maturities (due within one year)				42,041
				<u>\$ 196,665</u>

On July 1, 2009, the University entered into an agreement with Chartwells, the University's contracted food service provider, for the construction of dining facilities in the new residence hall and expansion of the University Center to provide additional dining space. The University will make monthly principal payments totaling \$577,870 through fiscal year 2025. The note is noninterest bearing. Interest has been imputed using a rate of 3.625%.

Interest expense was \$9,454 for 2019. Scheduled fiscal year maturities on notes payable and related interest are as follows:

Year	Principal	Interest
2020	\$ 42,041	\$ 7,959
2021	43,590	6,410
2022	45,197	4,803
2023	46,863	3,137
2024	48,590	1,410
2025	12,425	75
	<u>\$ 238,706</u>	<u>\$ 23,794</u>

9. Retirement Plan

Substantially all full-time System Facilities employees are participants in the statewide Missouri State Employees' Retirement System (MOSERS).

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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

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 plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR.

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 MSEP2011 Plan are required to contribute 4% of their annual pay. The University's required contribution rate for the year ended June 30, 2019, was 20.215% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The contribution rate for the MOSERS plan year ended June 30, 2018 was 19.45%, which is the year of measurement for the net pension liability. The contributions to the pension plan from the University were \$8,328,691 for the year ended June 30, 2019.

Pension Liabilities. At June 30, 2019, the University reported a liability of \$128,922,744 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

The University's proportion of the net pension liability was based on the University's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2018. At June 30, 2018, the University's proportion was 2.3112%, a decrease from its proportion measured using 2.4578% as of the June 30, 2017 measurement date. For the year ended June 30, 2019, the University recognized pension expense of \$21,849,296.

The System Facilities does not report a net pension liability as this is a liability of the University as a whole, not of the System Facilities entity, as established by the terms of the bond resolution. For more information, see the separately issued financial statements of Southeast Missouri State University as of June 30, 2019.

10. Postemployment Healthcare

The University provides a one-time opportunity for retirees to continue medical insurance coverage. Retirees after October 22, 2010 who elect to continue medical insurance are required to pay monthly premiums determined by plan type elected and Medicare eligibility. Pre-65 retirees who retired prior to October 22, 2010 who elect to continue medical insurance are required to pay monthly premiums on the basis of an implicit rate subsidy calculation. Monthly premiums for pre October 22, 2010 participating retirees under 65 years of age are subsidized by the University at the rate of 1% for every year of active service to the University. Pre October 22, 2010 retiree's adjusted monthly premium cost will not go below 80% of the premium amount. Financial statements for the plan are not available.

The University pays for their portion of the medical insurance premiums on a pay-as-you-go basis. For the year ended June 30, 2019, the University paid benefits of \$312,318. No trust fund has been created for the payment of the University's portion of the medical insurance premiums; therefore, as of June 30, 2019 the University's obligations are unfunded.

The Systems Facilities does not report a net postemployment benefit liability as this is a liability of the University as a whole, not of the System Facilities entity, as established by the terms of the bond resolution. For more information, see the separately issued financial statements of Southeast Missouri State University as of June 30, 2019.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements (*Continued*)

11. Contingencies And Risk Management

The System Facilities is subject to various legal proceedings and claims which arise in the ordinary course of its operations. In the opinion of the University management, the amount of ultimate liability with respect to these actions will not materially affect the overall financial position of the System Facilities.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the System Facilities' financial position.

System Facilities employees are covered under Worker's Compensation by the State of Missouri. Claims are submitted to the State and paid by the State on behalf of the University. Total claims paid for the University employees for fiscal year 2018-2019 were \$428,246.

The majority of System Facilities employees are also covered by unemployment insurance administered by the State of Missouri Division of Employment Security.

The System Facilities is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health and accident benefits. The University purchases commercial insurance and also receives coverage through the State of Missouri for these risks of loss. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The System Facilities has purchased property on occasion that requires monitoring for environmental issues that could result in liability. As of June 30, 2019, the System Facilities is not aware of any environmental liability.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

12. Net Position

Restricted - In accordance with GASB Statement No. 34, net position is restricted when constraints placed are either externally imposed, or are imposed by law or legislation. Restricted net position - expendable for debt service was \$6,995 at June 30, 2019.

Unrestricted - Unrestricted net position, as defined in GASB Statement No. 34, are not subject to externally imposed stipulations; however, they are subject to internal designations. For example, unrestricted net position may be designated for specific purposes by action of the Board of Regents or may otherwise be limited by contractual agreements with outside parties. A portion of unrestricted net position is internally designated for investment in inventories. Designated unrestricted net position was \$897,340 at June 30, 2019. Undesignated unrestricted net position was \$8,178,804 at June 30, 2019.

Supplementary Information

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES
SCHEDULE OF INSURANCE COVERAGE (UNAUDITED)
June 30, 2019**

Coverage And Insurer	Policy Expiration Date	Amount Of Coverage
Fire and extended coverage (building, contents and loss of income) Marsh USA	6/30/2019	\$ 956,904,348

Subsequent to June 30, 2019, the University contracted with Marsh USA to provide insurance through June 30, 2020 with \$972,392,334 in coverage provided. The University also has statutory liability protection through the State of Missouri's Legal Expense Fund.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES
SCHEDULE OF ENROLLMENT AND FEES (UNAUDITED)
June 30, 2019

	Fall Semester 2018	Spring Semester 2019	Summer Semester 2019
Enrollment - Full-Time Equivalent (FTE)			
Students on campus and off campus	8,518	7,941	2,609
Student Union Fee (per FTE student)	\$ 15.00	\$ 15.00	\$ 7.50
Parking and Transportation Fee (per FTE student)	\$ 5.00	\$ 5.00	\$ 2.50
Student Recreation Center Fee/Aquatic Center Fee			
Per credit hour	\$ 9.80	\$ 9.80	\$ 9.80
Per FTE student*	\$ 147.00	\$ 147.00	\$ 58.80

* Average fee based on 15 credit hours of enrollment during the Fall and Spring semesters and 6 credit hours during the summer session.

Room And Board Rates (Annual):**

Fall Semester 2018/Spring Semester 2019

Vandiver Hall	\$ 8,654 - \$9,766
Towers Complex - West/North	\$ 8,654 - \$9,766
Towers Complex - East/South	\$ 7,134 - \$8,246
Group Housing	\$ 7,624 - \$8,736
Myers Hall	\$ 8,654 - \$9,766
Cheney Hall	\$ 7,134 - \$8,246 **
Dearmont Quadrangle	\$ 8,134 - \$9,246 *
Merick Hall	\$ 8,814 - \$9,926
Henderson Hall	\$ 8,654 - \$9,766 **
LaFerla Hall	\$ 8,814 - \$9,926
Dobbins River Campus Center	\$ 8,814 - \$9,926

Based primarily on double-occupancy. Ranges attributable primarily to meal plan options available to students

* Converted to private rooms

** Offline for Academic Year 18-19

Additional Charges Associated With Residential Living (Annual):

Starting in 2018-19 these charges are included in the rate listed above. In prior years they were billed as a separate charge. The amount shown below is approximate as the actual charge is calculated using a percentage which yields a result near but not exact to these amounts.

	<u>Service Fee</u>
ResNet - Technology Fee	\$ 60
RHA Fee	30
Cable TV	60

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES
SCHEDULE OF ROOM AND BOARD COSTS - FIVE-YEAR TREND
(UNAUDITED)
June 30, 2019

	2015	2016	2017	2018	2019
Vandiver Hall	\$ 8,050 - \$8,890	\$ 8,050 - \$9,080	\$8,150 - \$9,210	\$8,370 - \$9,460	\$8,654 - \$9,766
Towers Complex - West/North	\$ 8,050 - \$8,890	\$ 8,050 - \$9,080	\$8,150 - \$9,210	\$8,370 - \$9,460	\$8,654 - \$9,766
Towers Complex - East/South	\$ 6,300 - \$7,140	\$ 6,350 - \$7,380	\$6,650 - \$7,710	\$6,850 - \$7,940	\$7,134 - \$8,246
Group Housing	\$ 7,050 - \$7,890	\$ 7,050 - \$8,080	\$7,150 - \$8,210	\$7,340 - \$8,430	\$7,624 - \$8,736
Myers Hall	\$ 8,050 - \$8,890	\$ 8,050 - \$9,080	\$8,150 - \$9,210	\$8,370 - \$9,460	\$8,654 - \$9,766
Cheney Hall	\$ 6,300 - \$7,140	\$ 6,350 - \$7,380	n/a	n/a	n/a ⁽²⁾
Dearmont Quadrangle	\$ 7,300 - \$8,140	\$ 7,500 - \$8,530	\$7,650 - \$8,710	\$7,850 - \$8,940	\$8,134 - \$9,246 ⁽¹⁾
Merick Hall	\$ 8,300 - \$9,140	\$ 8,300 - \$9,330	\$8,400 - \$9,460	\$8,530 - \$9,620	\$8,814 - \$9,926
Henderson Hall	\$ 8,050 - \$8,890	\$ 8,050 - \$9,080	\$8,150 - \$9,210	\$8,370 - \$9,460	n/a ⁽³⁾
LaFerla Hall	\$ 8,300 - \$9,140	\$ 8,300 - \$9,330	\$8,400 - \$9,460	\$8,530 - \$9,620	\$8,814 - \$9,926
Dobbins River Campus Center	\$ 8,300 - \$9,140	\$ 8,300 - \$9,330	\$8,400 - \$9,460	\$8,530 - \$9,620	\$8,814 - \$9,926

(1) Converted to private rooms in Fall 2014

(2) Offline for 2016 - 2019 except for overflow students in Fall 2018.

(3) Closed for Academic year 2018-2019

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES
SCHEDULE OF STUDENT COMPOSITION - UNIVERSITY HOUSING SYSTEM
(UNAUDITED)
June 30, 2019**

Fiscal Year	Freshmen	Sophomores	Juniors	Seniors	Other	Total
2015	1,582	764	371	234	20	2,971
2016	1,499	769	358	252	11	2,889
2017	1,591	725	371	236	12	2,935
2018	1,602	762	357	257	16	2,994
2019	1,301	782	304	205	10	2,602

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES
SCHEDULE OF HOUSING OCCUPANCY (UNAUDITED)
June 30, 2019

	(1)	(2)	(3)	(4)
Housing System Facility	Housing Capacity	Average Occupancy (#)	Simple Average Occupancy (%)	Effective Average Occupancy (%)
Vandiver Hall	293	209	71.3%	76.7%
Towers Complex	1,294	1,023	79.1%	81.8%
Group Housing	333	334	100.3%	100.2%
Myers Hall	191	142	74.3%	79.7%
Cheney Hall*	—	—	n/a	n/a
Dearmont Quadrangle	199	184	92.5%	92.6%
Merick Hall	297	241	81.1%	83.6%
Henderson Hall**	—	—	n/a	n/a
LaFerla Hall	254	209	82.3%	85.6%
Dobbins River Campus Center	175	167	95.4%	96.4%
	3,036	2,509	82.6%	85.3%

(1) The average number of available beds.

(2) The average number of occupied beds.

(3) Column (2) divided by column (1)

(4) Column (3) adjusted for private-room contracts purchased, i.e., double-occupancy rooms converted to single-occupancy.

* Cheney was closed for repairs for Academic year 2015-2016. After repairs were completed it has remained offline.

** Henderson was closed for Academic year 2018-2019

Greek Housing located on Show Me Drive is not included in the occupancy numbers because the University has contracted and receives lease payments from the Greek organizations. The University is not responsible for occupancy or collection of housing fees from students in these respective houses. There are a total of 106 available beds.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**SCHEDULE OF UNIVERSITY RESIDENCE HALL CAPACITIES (UNAUDITED)
June 30, 2019**

Housing System Facility	Housing Capacity	Dining Facilities	Year Constructed
Vandiver Hall	293	No	2002
Towers Complex	1,294	Yes	1967
Group/Greek Housing	333	No	1963
Myers Hall	191	No	1948
Cheney Hall	n/a	No	1939
Dearmont Quadrangle	199	No	1958 (1)
Merick Hall	297	Yes	2009
Henderson Hall	n/a	No	Not Available (2)
LaFerla Hall	254	No	2013
Dobbins River Campus Center	175	Yes	2014
	<u>3,036</u>		

(1) Converted to private rooms in Fall 2014

(2) The University acquired and renovated Henderson Hall in 2007



SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873

BOARD OF REGENTS

REPORT ITEM

December 13, 2019

Open Session

INTERCOLLEGIATE ATHLETICS DEPARTMENT PROCEDURES FOR YEAR ENDING JUNE 30, 2019

The attached Independent Accountants' Report on Agreed-Upon Procedures for the University Intercollegiate Athletics Department was compiled by RubinBrown, LLP at the request of the University solely to assist the University in complying with NCAA Constitution 3.2.4.15.

The Statement of Revenues and Expenses for Intercollegiate Athletics has been prepared using the reporting definitions required by the NCAA and includes the operations of the Intercollegiate Athletics department, revenues and expenses related to various sports camps, and athletic expenses paid directly by the Foundation. The review did not disclose any material findings which require action by the University.

Constitution 3.2.4.15 *Division I Requirement.* The report shall be subject to approved annual agreed-on verification procedures (in addition to any regular financial reporting policies and procedures of the institution) and conducted by a qualified independent accountant who is not a staff member of the institution and who is selected by the institution's president or by an institutional administrator from outside the athletics department designated by the president. The independent accountant shall verify the accuracy and completeness of the data prior to submission to the institution's president and the NCAA. The institution's president shall certify the financial report prior to submission to the NCAA.

SOUTHEAST MISSOURI STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS
DEPARTMENT
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLICATION OF
AGREED-UPON PROCEDURES
JUNE 30, 2019



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Independent Accountants' Report On Applying Of Agreed-Upon Procedures

Management and the Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

We have performed the procedures enumerated below, which were agreed to by Southeast Missouri State University (the University), solely to assist the University in evaluating whether the accompanying Statement of Revenues and Expenses (the Statement) of the University is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the year ended June 30, 2019. The University's management is responsible for the aforementioned financial statement elements, accounts and items and the internal control over financial reporting and compliance. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Procedures Related To Revenues

1. Agreement To General Ledger

- a. We obtained the University's Intercollegiate Athletics Department Statement of Revenues and Expenses from management. We checked the mathematical accuracy of the amounts on the statement, compared amounts on the statement to management's worksheets and compared and agreed each category of revenues per the Statement of Revenues and Expenses to the University's general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

Management and the Board of Regents
Southeast Missouri State University

- b. We inquired of University management and obtained a representation that there are no outside booster organizations that contribute directly to the University.

Conclusion:

Management explained that there are no outside booster organizations that contribute directly to the University.

2. Internal Control Policies And Procedures

- a. We obtained from the University's management a description of aspects of the University's internal control structure unique to the Intercollegiate Athletics Department, such as ticket sales and receipts and athletic department expenses. We were engaged to report whether there were any significant changes in the policies that occurred during the year.

Conclusion:

Per discussion with management, there have been no significant changes from the prior year.

- b. We compared and agreed a sample of five revenue receipts obtained from the revenue supporting schedules to supporting documentation (copy of check, account deposit form for athletics, or miscellaneous receipt documentation).

Conclusion:

No exceptions were found as a result of applying these procedures.

- c. We compared and agreed a sample of five expenses obtained from the expense supporting schedules to supporting documentation (purchase order, vendor invoice and copy of check).

Conclusion:

No exceptions were found as a result of applying these procedures.

3. *Ticket Sales*

The Ticket Sales category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

4. *Student Athletic Fees*

- a. We compared student athletic fees revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We compared total student athletic fees revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- c. We obtained and inspected the supporting transaction detail of student athletic fees revenue. We recalculated the total student athletic fees revenue recorded in the detail listing and agreed it to the amounts recorded in the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- d. We obtained and documented an understanding of the University's policies for allocating student athletic fees to the intercollegiate athletic program.

Conclusion:

No exceptions were found as a result of applying these procedures.

- e. We compared and agreed student athletic fees reported by the University to enrollments during the current period. We recalculated student athletic fees revenue and obtained and documented management's explanation of any variation exceeding 10% of amounts recorded in the general ledger.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

5. *Direct State And Other Government Support*

The University had no Direct State and Other Government Support revenue, therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

6. *Direct Institutional Support*

- a. We compared total direct institutional support revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We compared total direct institutional support revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

Management and the Board of Regents
Southeast Missouri State University

- c. We obtained and inspected supporting transaction detail of direct institutional support revenue. We recalculated the total direct institutional support revenue recorded in the detail listing and compared and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- d. We obtained supporting documentation, including University authorizations and supporting transaction detail, for three direct institutional support revenues. We recalculated the supporting documentation and compared and agreed amounts to the general ledger.

Conclusion:

For purposes of allocating direct institutional support to each sport, the University uses the budgeted expenses for each sport and then allocates the men's scholarships and women's scholarships budgeted expenses over each sport based on the actual sport-specific scholarships paid during the year to arrive at the budgeted expenses amount per the direct institutional support schedule. The total revenues are then allocated based on the percentage of total expenses for each sport and for non-program specific expenses.

The allocated budgeted revenues are subtracted from the total expenses budgeted to arrive at the required direct institutional support for each sport/non-program specific and in total. Any non-budgeted transfers in/out are recorded during the year for each specific sport and additional non-budgeted amounts paid by the university (baseball field rental and medical insurance/expenses) are recorded to direct institutional support during the year.

Based on understanding noted above, there is no population of individual transactions from which to choose. Therefore, RubinBrown did not select a sample.

7. *Transfers Back To Institution*

The Transfers Back to Institution category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

8. *Indirect Institutional Support*

The Indirect Institutional Support category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

9. *Guarantees*

- a. We compared total guarantees revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We compared total guarantees revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- c. We obtained and inspected supporting transaction detail of guarantees revenue. We recalculated the total guarantees revenue recorded in the detail listing and agreed it to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- d. We obtained supporting documentation, including guarantee away game settlement reports and contractual agreements, for five guarantees revenue. We recalculated the supporting documentation and compared and agreed amounts to the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

10. Contributions

- a. We compared total contributions revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We compared total contributions revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

Total contribution revenues were approximately \$78,000 and 14% higher than budget. Management explained that expenses paid by the Southeast Missouri University Foundation (the Foundation), which totaled approximately \$183,000 in the current year, are not budgeted. Management explained that Foundation transfers and expenses to be paid by the Foundation are difficult to anticipate when preparing the budget.

- c. We obtained and inspected supporting transaction detail of contributions revenue. We recalculated the total contributions revenue recorded in the detail listing and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- d. We obtained supporting documentation, including the check copy or *Transfer of Funds Form*, for two transfers from the Southeast Missouri University Foundation consisting of multiple contributions that constituted 10% or more of the combined total of contributions received. We recalculated the supporting documentation and compared and agreed the amounts to the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

11. *In-Kind*

The In-Kind category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

12. *Compensation And Benefits Provided By A Third Party*

The Compensation and Benefits Provided By A Third Party category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

13. *Media Rights*

The Media Rights category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

14. *NCAA Distributions*

- a. We compared total NCAA distributions revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We compared total NCAA distributions revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

Management and the Board of Regents
Southeast Missouri State University

- c. We obtained and inspected supporting transaction detail of NCAA distributions revenue. We recalculated the total NCAA distributions revenue recorded in the detail listing and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- d. We obtained and inspected supporting documentation, including related agreements, for five NCAA distributions. We recalculated the supporting documentation, and compared and agreed the amount to the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

15. Conference Distributions

The Conference Distributions category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

16. Program Sales, Concessions, Novelty Sales And Parking

The Program Sales, Concessions, Novelty Sales and Parking category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

17. Royalties, Licensing, Advertisements And Sponsorships

The Royalties, Licensing, Advertisements And Sponsorships category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

18. Sports Camps Revenue

The Sports Camps Revenue category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

19. Athletics Restricted Endowment And Investment Income

The Athletics Restricted Endowment And Investment Income category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

20. Other Operating Revenues

The Other Operating Revenues category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

21. Bowl Revenues

The University had no Bowl Revenues, therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

Procedures Related To Expenses

1. Agreement To General Ledger

We obtained the University's Intercollegiate Athletics Department Statement of Revenues and Expenses from management. We compared and agreed each category of expenses per the Statement of Revenues and Expenses to the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

2. Athletic Student Aid

- a. We compared total athletic student aid expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Management and the Board of Regents
Southeast Missouri State University

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We obtained and inspected supporting transaction detail of athletic student aid expenses. We recalculated the total athletic student aid expenses recorded in the detail listing and agreed to amounts recorded on the general ledger.

Conclusion:

Recalculated totals per the supporting detail agreed within a 1% range of variance to the Statement.

- c. We obtained and inspected a listing of athletic student aid recipients. We obtained and inspected supporting documentation, including the award letter and student record, for twenty-eight student athletes, accounting for 10% of the population of student athletes receiving aid. We recalculated the supporting documentation and compared and agreed the amounts to the general ledger.

Conclusion:

Recalculated totals per the supporting detail agreed within a 1% range of variance to the Statement.

- d. We performed a check and ensured that each student selected for testing was also properly reported in the NCAA's Compliance Assistant Software and examined in accordance with the criteria set forth in the NCAA 2019 Agreed-Upon Procedures Guidelines - Step 32.

Conclusion:

No exceptions were found as a result of applying these procedures.

3. Guarantees

The Guarantees category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

4. *Coaching Salaries, Benefits And Bonuses Paid By The University And Related Entities*

- a. We compared coaching salaries, benefits and bonuses expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We obtained and inspected supporting transaction detail of coaching salaries, benefits and bonuses expenses. We selected a sample of support transaction detail reports (football, men's basketball, women's basketball, baseball and women's soccer) and recalculated the total coaching salaries, benefits and bonuses expenses recorded in the detail listing and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- c. We compared and agreed a sample of five coaching salaries, benefits and bonuses expenses selected from the supporting transaction detail to supporting documentation (including the employment contract and/or personnel action form, Additional Payments form and W-2).

Conclusion:

No exceptions were noted as a result of applying these procedures.

5. *Coaching Salaries, Benefits, And Bonuses Paid By A Third Party*

The Coaching Salaries, Benefits, And Bonuses Paid By A Third Party category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

6. *Support Staff And Administrative Salaries, Benefits And Bonuses Paid By The University And Related Entities*

- a. We compared support staff and administrative salaries, benefits and bonuses expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We obtained and inspected supporting transaction detail of support staff and administrative salaries, benefits and bonuses expenses. We selected a sample of support transaction detail reports and recalculated the total support staff expenses recorded in the detail listing and compared and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- c. We compared and agreed a sample of five support staff and administrative salaries, benefits and bonuses expenses selected from the supporting transaction detail to supporting documentation (including the employment contract and/or personnel action form, Additional Payments form and W-2).

Conclusion:

No exceptions were found as a result of applying these procedures.

7. *Support/Administrative Salaries, Benefits, And Bonuses Paid By A Third Party*

The University had no Support/Administrative Salaries, Benefits, And Bonuses Paid By A Third Party, therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

8. *Severance Payments*

The University had no Severance Payments, therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

9. *Recruiting*

The Recruiting category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

10. *Team Travel*

- a. We compared team travel expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

Total Team Travel expenses decreased approximately \$108,000 and 11% from the prior year. Management explained that Football and Baseball travel expenses decreased as a result of less away games that required travel during the current year.

- b. We compared and agreed the University's team travel expense policies to the NCAA-related policies.

Conclusion:

No exceptions were found as a result of applying these procedures.

- c. We obtained and inspected supporting transaction detail of team travel expenses. We recalculated the total team travel expenses recorded in the detail listing and compared and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- d. We compared and agreed a sample of five team travel expenses selected from the supporting transaction detail to supporting documentation (including the vendor invoice/expense report/travel cash advance form and cash disbursement documentation such as cancelled check).

Conclusion:

No exceptions were found as a result of applying these procedures.

11. Equipment, Uniforms And Supplies

The Equipment, Uniforms and Supplies category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

12. Game Expenses

The Game Expenses category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

13. Fundraising, Marketing And Promotion

The Fundraising, Marketing and Promotion category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

14. Sports Camps Expenses

The Sports Camps Expenses category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

15. Spirit Groups

The Spirit Groups category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

16. Athletic Facility Debt Service, Leases And Rental Fees

The Athletic Facility Debt Service, Leases and Rental Fees category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

17. Direct Overhead And Administrative Expenses

The Direct Overhead And Administrative Expenses category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

18. Indirect Institutional Support

The Indirect Institutional Support category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

19. Medical Expense And Medical Insurance

The Medical Expense and Medical Insurance category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

20. Membership And Dues

The Membership and Dues category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

21. Other Operating Expenses

- a. We compared other operating expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

Total Other Operating expenses increased approximately \$340,000 and 78% from the prior year. Management explained that Athletics entered into an agreement with an apparel company during the current year. As part of the agreement, the Athletic Department was offered retail credit of approximately \$185,000 as rebates for athletic department purchases. In addition, management noted increased post season awards of approximately \$30,000, general administration expenses of approximately \$53,000, replacement of computers for Academic Services of approximately \$22,000 and increased endowment awards of approximately \$40,000 during the current year contributed to the increase in total other operating expenses.

- b. We obtained and inspected supporting transaction detail of other operating expenses. We recalculated the total other operating expenses recorded in the detail listing and compared and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- c. We compared and agreed a sample of five other operating expenses selected from the supporting transaction detail to supporting documentation (including the vendor invoice/expense report/travel cash advance form and cash disbursement documentation such as cancelled check).

Conclusion:

No exceptions were found as a result of applying these procedures.

22. Student-Athlete Meals (Non-Travel)

The Student-Athlete Meals (non-travel) category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

23. Bowl Expenses

The University had no Bowl Expenses, therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

24. Other Procedures

- a. We compared total budget to total expenditure by account index number. We obtained and documented management's explanation of any variation exceeding 10%.

Conclusion:

We noted the following variations in excess of 10% as a result of applying these procedures:

Recreational supplies expense in General Athletics was greater than budget by approximately \$9,000 and 11%. Management explained that this was primarily due to letter jackets and new flooring for the west end zone.

Post-season awards expense was less than budget by approximately \$30,000 and 48%. Management explained that this was primarily due to football post-season bonus payments being included in post-season football expenses instead of post season awards.

Guarantees men's expense are not part of the budget and were approximately \$7,500. Management explained that the category contains items such as complimentary tickets for which no amount was budgeted.

Guarantees women's expense are not part of the budget and were approximately \$15,000. Management explained that the category contains items such as complimentary tickets for which no amount was budgeted.

Officials expense was greater than budget by approximately \$38,000 and 20%. Management explained that this was primarily due to an increased number of officials that are required for each football game due to instant replay, an increase in the number of home baseball games and an Ohio Valley Conference mandated fee increase for officials across the majority of sports.

Management and the Board of Regents
Southeast Missouri State University

Marketing promotions expense was less than budget by approximately \$27,000 and 21%. Management explained a year end transfer from the Foundation occurred to cover the estimated deficit created by exceeding budget and reduced revenues. Actual expenses at year end were less than estimated when the transfer was made.

Sundancers expenses was greater than budget by approximately \$11,000 and 56%. Management explained this was due to a Foundation transfer to cover the bulk of this deficit was processed in 2020.

Cheerleaders expense was greater than budget by approximately \$6,000 and 17%. Management explained this was primarily due to the purchase of uniforms.

Athletic sponsorships expense was less than budget by approximately \$22,000 and 16%. Management explained a year end transfer from the Foundation occurred to cover the estimated deficit created by exceeding budget and reduced revenues. Actual expenses at year end were less than estimated when the transfer was made.

Bridge expenses was less than budget by approximately \$10,000 and 52%. Management explained this was primarily due to the amount budgeted not being fully spent because of a change in personnel handling this program.

Men's Basketball Post-Season expense was greater than budget by approximately \$10,000. Management explained that no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Tennis Post-Season expense was greater than budget by approximately \$8,000. Management explained that no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Soccer Post-Season was greater than budget by approximately \$17,000. Management explained that no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Softball expense was greater than budget by approximately \$26,000 and 10%. Management explained that the financial manager did not stay within the budget and overspent for softball travel.

Management and the Board of Regents
Southeast Missouri State University

Softball Post-Season was greater than budget by approximately \$33,000. Management explained that no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Gymnastics Post-Season was greater than budget by approximately \$18,000. Management explained that no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Volleyball Post-Season was greater than budget by approximately \$5,000. Management explained that no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Track Post-Season (women's and men's) was greater than budget by approximately \$70,000. Management explained that no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Women's Basketball Post-Season was greater than budget by approximately \$22,000. Management explained that no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Football Programs, Women's Programs, Men's Programs, Athletic Ticket Office, and Operating Expenditures had fluctuations over 10%, however, the amount of the fluctuation was less than \$1,000 and thus deemed by management to be insignificant.

There were approximately \$296,000 of actual expenses (such as complimentary basketball and football tickets, workers compensation, and vacation accrual expenses) for which no amount was budgeted. Management explained that these expenses are paid for by other areas of the University or the Foundation or are in-kind expenses.

- b. We did not compare line item expenses in the Statement of Revenues and Expenses to the budgeted amounts. University management has explained that the University's budgeting process does not specifically identify expenses on the same level of detail as presented in the Statement of Revenues and Expenses as they budget in a different manner.
- c. We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the University.

Management and the Board of Regents
Southeast Missouri State University

Conclusion:

No exceptions were found as a result of applying these procedures.

- d. We obtained the University's Sports Sponsorship and Demographics Form Report for the reporting year. We validated that the countable sports reported by the institution meet the minimum requirements for the number of contests and the number of participants in each contest set forth in Bylaw 20.9.6.3 that is counted towards meeting the minimum-contest requirement. We confirmed that these countable sports have been properly reported as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System.

Conclusion:

No exceptions were found as a result of applying these procedures.

- e. We agreed the total number of Division I student-athletes who, during the academic year, received a Pell Grant Award and the total value of the Pell Grants reported in the NCAA Membership Financial Reporting System to a report generated out of the institution's financial aid records, of all student athlete Pell Grants.

Conclusion:

No exceptions were found as a result of applying these procedures.

Procedures Related To Other Reporting Items

1. Excess Transfers To Institution And Conference Realignment Expenses

The University had no expenses for excess transfers to institution and conference realignment expenses therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

2. Total Athletics Related Debt

The University has no athletics related debt therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

3. *Total Institutional Debt*

- a. We agreed the total outstanding institutional debt to supporting documentation and the institution's audited financial statements.

Conclusion:

No exceptions were found as a result of applying these procedures.

4. *Value Of Athletics Dedicated Endowments*

- a. We obtained a schedule of all athletics dedicated endowments maintained by athletics, the institution, and affiliated organizations. We agreed the fair market value in the schedule to the audited financial statements.

Conclusion:

No exceptions were found as a result of applying these procedures.

5. *Value Of Institutional Endowments*

- a. We agreed the total fair market value of institutional endowments to the audited financial statements.

Conclusion:

No exceptions were found as a result of applying these procedures.

6. *Total Athletics Related Capital Expenditures*

- a. We obtained a schedule of athletics related capital expenditures made by athletics, the institution, and affiliated organizations during the reporting period.

Conclusion:

No exceptions were found as a result of applying these procedures.

Management and the Board of Regents
Southeast Missouri State University

- b. We obtained general ledger detail and compared to the total expenses reported. We agreed two transactions to supporting documentation to validate existence of the transaction and accuracy of recording and we will recalculate totals.

Conclusion:

No exceptions were found as a result of applying these procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying University Intercollegiate Athletics Department Statement of Revenues and Expenses for the year ended June 30, 2019, or the specified elements, accounts and items or internal control over financial reporting and compliance described above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Board of Regents of Southeast Missouri State University and is not intended to be and should not be used by anyone other than these specified parties.

RubinBrown LLP

November 22, 2019

SOUTHEAST MISSOURI STATE UNIVERSITY INTERCOLLEGIATE ATHLETICS DEPARTMENT

STATEMENT OF REVENUES AND EXPENSES

Page 1 Of 2
For The Year Ended June 30, 2019

	Football	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Revenues						
Ticket sales	\$ 259,767	\$ 174,998	\$ 36,798	\$ 8,760	\$ —	\$ 480,323
Student fees	—	—	—	—	1,221,503	1,221,503
Direct institutional support	1,565,795	657,484	548,624	2,131,229	3,570,763	8,473,895
Less - transfers to institution	—	—	—	(1,878)	(215,787)	(217,665)
Indirect institutional support	16,338	3,074	3,074	38,098	280,753	341,337
Guarantees	303,500	286,000	32,150	37,000	—	658,650
Contributions	85,317	801	3,645	34,859	518,478	643,100
In-kind	6,604	—	—	21,456	8,358	36,418
Compensation and benefits provided by a third party	9,200	6,600	8,950	19,400	—	44,150
Media rights	—	—	—	—	6,800	6,800
NCAA distributions	9,750	—	—	—	622,938	632,688
Conference distributions	30,000	—	—	—	283,429	313,429
Program sales, concessions, novelty sales and parking	862	—	—	—	2,005	2,867
Royalties, licensing, advertisements and sponsorships	6,880	—	—	—	291,448	298,328
Sports camps	28,313	4,953	3,818	87,475	—	124,559
Athletics restricted endowment and investment income	—	—	—	—	63,828	63,828
Other operating revenues	24,644	5,792	14,179	58,112	110,061	212,788
Total Revenues	2,346,970	1,139,702	651,238	2,434,511	6,764,577	13,336,998

**SOUTHEAST MISSOURI STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS DEPARTMENT**

STATEMENT OF REVENUES AND EXPENSES

Page 2 Of 2

For The Year Ended June 30, 2019

	Football	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Expenses						
Athletic student aid	\$ 1,108,106	\$ 283,818	\$ 284,845	\$ 1,527,998	\$ 437,767	\$ 3,642,534
Guarantees	19,808	7,682	7,244	14,076	—	48,810
Coaching salaries, benefits and bonuses paid by the University and related entities	1,075,494	521,418	360,038	1,199,138	—	3,156,088
Coaching salaries, benefits and bonuses paid by a third party	9,200	6,600	8,950	19,400	—	44,150
Support staff and administrative salaries, benefits and bonuses paid by the University and related entities	49,689	55,942	2,341	19,693	1,714,360	1,842,025
Recruiting	90,131	78,618	65,441	68,385	—	302,575
Team travel	185,141	106,129	105,735	512,677	513	910,195
Equipment, uniforms and supplies	166,263	47,341	44,047	213,053	3,898	474,602
Game expenses	124,547	49,650	36,671	82,651	51,774	345,293
Fundraising, marketing and promotion	4,904	3,568	—	4,167	87,881	100,520
Sports camps	17,017	3,700	5,466	29,258	—	55,441
Spirit groups	—	—	—	—	67,427	67,427
Athletic facilities debt service, leases and rental fees	—	—	—	29,591	—	29,591
Direct overhead and administrative expenses	18,621	4,289	3,540	17,238	76,594	120,282
Indirect institutional support	16,338	3,074	3,074	38,098	280,753	341,337
Medical expenses and medical insurance	1,137	349	166	1,687	486,461	489,800
Membership and dues	576	8,427	8,719	3,454	60,357	81,533
Other operating expenses	155,216	117,816	29,840	128,871	341,018	772,761
Student athlete meals	9,517	5,723	2,602	22,728	41,884	82,454
Total Expenses	3,051,705	1,304,144	968,719	3,932,163	3,650,687	12,907,418
Excess (Deficiency) Of Revenues Over Expenses	\$ (704,735)	\$ (164,442)	\$ (317,481)	\$ (1,497,652)	\$ 3,113,890	\$ 429,580

See the notes to statement of revenues and expenses.

Page 26

**SOUTHEAST MISSOURI STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS DEPARTMENT
NOTES TO STATEMENT OF REVENUES AND EXPENSES
For The Year Ended June 30, 2019**

1. Notes To Statement Of Revenues And Expenses (Unaudited)

Basis Of Presentation

The Statement of Revenues and Expenses of the Intercollegiate Athletics Department of Southeast Missouri State University (the University) is prepared in conformity with accounting principles generally accepted in the United States of America.

Contributions

There were two individual contributions of monies, goods or services from an affiliated or outside organization, agency, or individuals that constituted 10% or more of all contributions received for intercollegiate athletics during the year ended June 30, 2019. The two individual contributions were received from Southeast Missouri University Foundation.

Indirect Institutional Support

General ground support, custodial support and maintenance for Houck, Rosengarten, and the University's track is allocated to individual sports and as nonprogram specific indirect institutional support within the Statement of Revenues and Expenses.

Debt

As of June 30, 2019, the University did not have any outstanding debt related to the University's Intercollegiate Athletics. Total University debt outstanding at June 30, 2019 was \$171,927,554.

Endowment Funds

As of June 30, 2019, the University's value of institutional endowment funds totaled approximately \$84,691,977 of which \$1,896,351 consisted of endowment funds dedicated for Athletics.

Capital Expenditures

The University expended approximately \$422,586 in capital improvements which were capitalized by the University related to Athletics Facilities during the year ended June 30, 2019.



BOARD OF REGENTS

MOTION CONSIDERATION FORM

December 13, 2019

Open Session

I. Motion to be Considered:

Approve the attached Course Fee effective with the Summer 2020 semester.

II. Background:

The University has a limited number of fees assessed at the course level, in addition to tuition. These fees have been assessed to cover the cost of consumable supplies or other expenses that are unique to a course (e.g. student insurance, chemicals). Formalizing the “up-front” billing of these expenses avoids surprise costs to students after they enroll. This process also makes course fees eligible for the Hope Scholarship and Lifetime Learning tax credits that the student or parent may claim.

Special course fees to cover the cost of consumable supplies or other unique expenses related to a course are recommended by academic departments and reviewed and endorsed by a Budget Review Committee (BRC) subcommittee. This subcommittee includes representation from Deans’ Council, Chairpersons’ Forum, Faculty Senate and Student Government. These requests are reviewed twice a year, in the spring for fee recommendations to be effective with the Fall semester and in the fall for those recommendations to be effective with the Spring or Summer semester.

This request is to add a \$16 special course fee to NS629 Advanced Health Assessment Practicum, effective Summer 2020. Nursing students are required to maintain liability insurance throughout their nursing program once clinical coursework begins. Currently our undergraduate nursing program has a \$16 course fee to cover the cost of the department paid liability insurance, but master’s level students in Nursing do not pay this fee. Graduate students currently purchase their

Recommended By:

Student Government _____	Chairperson _____
Faculty Senate _____	Dean _____
Administrative Council _____	Academic Council _____
VP, Enroll. Man. & Stu. Suc. _____	Provost _____
VP, Finance & Admin. <i>Melby M. Mangelo</i>	<i>[Signature]</i>
VP, University Advancement <i>[Signature]</i>	President <i>[Signature]</i>

Board Action on: _____	Postpone: _____
Motion By: _____	Amend: _____
Second By: _____	Disapprove: _____
Vote: Yeas: _____ Nays: _____	Approve: _____
Abstentions: _____	Secretary: _____

own insurance at a much higher cost. The Advanced Health Assessment Practicum course is offered in the summer semester after a graduate student's first academic year of coursework. By attaching the course fee to this course, the Master's of Science in Nursing - Family Nurse Practitioner students will have a full year of insurance coverage purchased on their behalf by the department, which will cover all their student practicum.

COURSE FEE PROPOSAL**Course Fees Effective Summer 2020**

College	Department	Courses	Current Fee	Proposed Fee
Education, Health & Human Studies	Nursing	NS629 Advanced Health Assessment Practicum	\$0	\$16

William Harris

233 Red Hawk Ridge
Cape Girardeau, Mo. 63701

573-837-6325
murse2011@hotmail.com

Education

Southeast Missouri State University	Cape Girardeau, Mo	May 2011
<ul style="list-style-type: none"> • Bachelor of Science in Nursing; GPA 3.5 on 4.0 grading scale 		
Southeast Missouri State University	Cape Girardeau, Mo	May 2011
<ul style="list-style-type: none"> • Bachelor of Arts in Spanish; GPA 3.5 on 4.0 grading scale 		
ITESM Tecnológico de Monterrey	Querétaro, México	August 2008
<ul style="list-style-type: none"> • Study Abroad Program for Spanish Majors 		

Experience

Southeast Hospital	Cape Girardeau, Mo	2007-Present
<ul style="list-style-type: none"> • Unit Technician/Nurse Extern/RN, BSN • Deliver skilled nursing care to emergency room patients • Perform assessments, diagnostic tests, and medication administration in a collaborative setting • Advocate for patient necessities • Proctor for new hires, nurse externs, and student nurses • Ensure patient safety and satisfaction of health care 		

Skills

- Proficient in electronic medical record documentation
- Trained in phlebotomy and EKG tracing
- Certified in BLS, TNCC, ENPC, and ACLS
- More than eight years of emergency room nursing experience
- Excellent multitasking and critical thinking abilities
- Performs role as staff nurse, triage, and charge nurse
- Fluent in the Spanish language

Honors, Achievements, & Organizations

- Recipient of the President's Spirit of Southeast Award, 2011
- Spanish language translator for Southeast Hospital, 2010-Present
- President of Student Nurses' Association, 2009-2011
- President of Missouri Nursing Students' Association, 2009-2011
- Phi Eta Sigma member, 2005- Present
- Alpha Mu Gamma member, 2007-Present



SOUTHEAST MISSOURI
STATE UNIVERSITY • 1873

BOARD OF REGENTS

MOTION CONSIDERATION FORM

December 13, 2019

Open Session

PROGRESS REPORT – Contracts and Facilities Management Projects

Part I – Contracts in Excess of \$100,000

The following contract(s) and/or purchase order(s) in excess of \$100,000 for which provisions have been made in the annual operations or capital budgets or designated fund balances of the University or subsequent projects approved by the Board of Regents were executed:

PROJECT	ANTICIPATED COMPLETION	VENDOR	AWARD AMOUNT
General Services 2 (GS2) Chiller Overhauls	December 2019	Johnson Controls, Inc.	\$145,035
Towers West and North Elevator Upgrades	August 2020	Brockmiller Construction, Inc.	\$1,362,250
Tunnel 51-52-53-54-55 Repair	August 2020	Kiefner Brothers	\$1,290,800

Part II – Facilities Management Capital Projects Update Report

A. STATE FUNDED CAPITAL IMPROVEMENT PROJECTS

PROJECT	ANTICIPATED COMPLETION	STATUS
Tunnel 51-52-53-54-55 Repair	August 2020	Contract and Notice to Proceed issued to Kiefner Brothers, Inc. Construction to begin January 2020.

B. UNIVERSITY FUNDED AND MAINTENANCE & REPAIR CAPITAL IMPROVEMENTS OVER \$50,000

PROJECT	ANTICIPATED COMPLETION	STATUS
Dempster Hall Experiential Lab	January 2020	Project under construction.
Division of Youth Services (DYS) Building Improvements	April 2020	Bid opening held November 7, 2019. Bids are under review.
Facilities Management Service Center (FMSC) Chiller/Boiler Replacement	May 2020	Project to replace the chiller and boiler will be bid in December 2019.

PROJECT	ANTICIPATED COMPLETION	STATUS
Football / Soccer Stadium Renovations Conceptual Design	Complete	Project is complete.
General Construction Contract 2019	Multiple projects 2019 / 2020	Group H Sewer line repair complete; Rust House / Johnson Faculty Center Sewer line exploration in progress. Kennett flooring / drywall replacement to be completed by January 8, 2020.
General Electric Contract 2019	Multiple projects 2019 / 2020	Scully Data Cabling - Complete. Other projects will be ongoing until end of contract period.
General Services 2 (GS2) Chiller Overhaul	January 2020	Contract and Notice to Proceed issued to Johnson Controls, Inc. Chiller maintenance and repair in progress.
5KVA Feeder Line Replacement	Summer 2020	Design development / construction documents are under review by Facilities Management.
Integrated Energy Master Plan	December 2019	Analysis complete and finalizing recommendations.
International House Demolition	January 2020	Project to be bid in December 2019.
Scoreboard Replacements at Houck Stadium and OVC Softball Fields	Spring/Summer 2020	Design development/construction documents are being generated.
Student Rec. Center Locker Room/Shower Room Flooring Replacement	August 2020	Design development/construction documents are being generated.
Towers West and North Elevator Upgrades	August 2020	Contract and Notice to Proceed issued to Brockmiller Construction, Inc.

Note: Shading indicates completed projects.

FY20 UNIVERSITY OPERATING BUDGET TO ACTUAL YTD
Budget and Expenses through October 31, 2019 ¹

Attachment H

Operating Budget - All Funds

	FY20 Budget	FY20 YTD	FY19 YTD
ESTIMATED INCOME:			
STATE APPROPRIATIONS: ²	14,511,028	14,834,364	14,511,028
STUDENT FEES:			
Net Tuition (Gross Tuition less Scholarships & Fee waivers)	23,258,945	23,166,344	22,969,290
General Student Fees	4,395,250	4,698,380	4,671,849
Miscellaneous Fees	1,222,195	1,589,874	1,395,665
TOTAL TUITION AND STUDENT FEES: ³	28,876,390	29,454,597	29,036,805
OTHER SOURCES:			
Investment Income	252,667	231,194	101,250
State Grants and Contracts	203,979	176,136	173,226
Sales and Services of Academic Departments	761,216	1,092,067	1,086,497
Sales and Services of Non-Academic Departments	14,418,192	15,289,622	14,783,346
Foundation Support	-	212,119	134,464
Athletics Revenues	125,000	362,371	146,239
Miscellaneous Income	1,808,704	2,504,073	2,247,357
TOTAL OTHER SOURCES: ⁴	17,569,759	19,867,581	18,672,379
TRANSFERS IN (Auxiliary Support, Rent, Etc.) ⁵	11,507,573	12,619,909	12,576,898
TOTAL ESTIMATED INCOME:	\$ 72,464,750	\$ 76,776,451	\$ 74,797,110
ESTIMATED EXPENDITURES:	FY20 Budget	FY20 YTD	FY19 YTD
PERSONNEL:			
Faculty/Staff	21,413,164	16,751,180	17,933,462
Benefits	7,952,432	6,347,316	6,163,831
Student Labor	862,215	953,600	977,273
TOTAL PERSONNEL: ⁶	30,227,812	24,052,096	25,074,567
EQUIPMENT AND OPERATIONS: ⁷	13,986,337	13,300,828	13,335,998
TRANSFERS OUT (Auxiliary Support, Bond Payments, Etc.) ⁸	10,452,546	15,644,129	17,295,161
TOTAL ESTIMATED EXPENDITURES:	\$ 54,666,694	\$ 52,997,054	\$ 55,705,725
BUDGETED SURPLUS/(DEFICIT):	\$ 17,798,055	\$ 23,779,397	\$ 19,091,385

NOTES:

1. The annual revenue and expense budgets have been adjusted to reflect the amounts anticipated for the months of July through October based on the known university calendar and accounting practices.
2. State appropriations are received monthly and the October budget reflects 4/12 of the annual budget.
3. Tuition and student fees are adjusted daily based on enrollment activity. Tuition and student fee revenue receivable is posted at the time of billing, the majority of which occurs with the initial billing for the semester. Therefore, the annual budget has been adjusted to reflect budgeted summer and fall fees. The Cape College Center is reflected in the revenues received but was not budgeted for when the budget was approved.
4. Other revenue sources are receipted at different times based on the university's calendar and accounting practices. The annual budget is adjusted to reflect amounts scheduled for July through October. The university supports various summer workshops, camps, and study abroad programs which are not budgeted for due to the variable nature of offerings. However, revenue and expenses have been recorded for these endeavors.
5. Transfers In represent planned transfers for Auxiliary support, rent, etc.
6. Personnel and benefit expenses are budgeted for faculty, staff, and temporary employment. As many faculty are considered 10 pay (paid from August through May), the faculty budget has been divided by 10 while the staff budget has been divided by 12. The majority of student labor expenses are incurred during the school year and the budget is divided in tenths from August through May.
7. Total equipment and operations budgets have been divided evenly by month, although this may vary by department.
8. Transfers out represent planned transfers of support, bond payments, etc. Transfers for bond payments were recorded in October in FY19 and November in FY20.