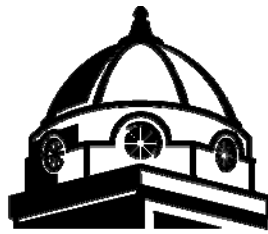

**SOUTHEAST MISSOURI STATE
UNIVERSITY SYSTEM FACILITIES**
FINANCIAL STATEMENTS
JUNE 30, 2021



**SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873**

Contents

	Page
Independent Auditors' Report	1 - 2
Management's Discussion And Analysis	3 - 8
Financial Statements	
Statement Of Net Position.....	9
Statement Of Revenues, Expenses And Changes In Net Position	10
Statement Of Cash Flows	11 - 12
Notes To Financial Statements	13 - 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

Independent Auditors' Report

Board of Governors
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, 2021, and the related notes to the financial statements, which collectively comprise the System Facilities 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.

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, 2021, 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, 2021, 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 3 through 8 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 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 12, 2021

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, 2021. 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:

	<u>2021</u>	<u>2020</u>
Current Assets	\$ 10,390,957	\$ 10,249,681
Noncurrent Assets		
Capital assets, net of depreciation	163,731,728	167,250,507
Total assets	<u>174,122,685</u>	<u>177,500,188</u>
Deferred Outflows of Resources	<u>4,674,536</u>	<u>5,378,705</u>
Current Liabilities	4,566,897	8,958,471
Noncurrent Liabilities	111,021,736	111,281,416
Total liabilities	<u>115,588,633</u>	<u>120,239,887</u>
Net Position		
Net investment in capital assets	54,913,653	54,680,283
Unrestricted	8,294,935	7,958,723
Total net position	<u>\$ 63,208,588</u>	<u>\$ 62,639,006</u>

Current assets consist primarily of cash and cash equivalents and inventories. Current assets totaled \$10.39 and \$10.25 million for June 30, 2021 and 2020, 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 \$4.57 and \$8.96 million for June 30, 2021 and 2020, respectively.

Noncurrent liabilities consist of long-term debt, which totaled \$111.02 and \$111.28 million at June 30, 2021 and 2020, respectively.

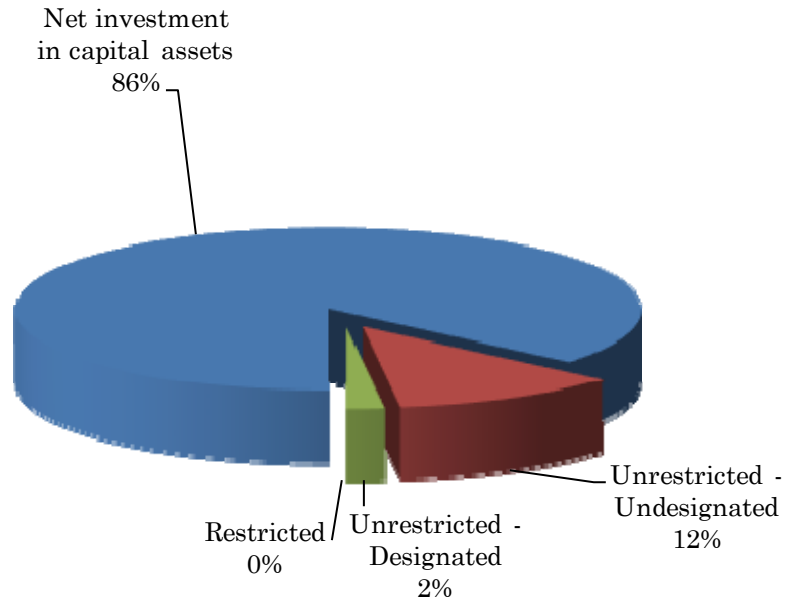
Net position represents the residual interest in the System Facilities' assets and deferred outflows after liabilities are deducted.

	<u>2021</u>	<u>2020</u>
Net Position		
Net investment in capital assets	\$ 54,913,653	\$ 54,680,283
Unrestricted:		
Designated	797,014	930,416
Undesignated	7,497,921	7,028,307
Total Unrestricted	<u>8,294,935</u>	<u>7,958,723</u>
Total net position	<u>\$ 63,208,588</u>	<u>\$ 62,639,006</u>

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Management's Discussion And Analysis (*Continued*)

Following is a breakdown of net position at June 30, 2021:



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 \$.23 million from \$54.68 million at June 30, 2020 to \$54.91 million at June 30, 2021. The increase is primarily due to the change in the System's bond liability.

Although unrestricted net position is not subject to externally imposed stipulations, approximately \$0.80 and \$0.93 million was internally designated for investment in inventories as of June 30, 2021 and 2020, respectively. Unrestricted-undesignated net position of the System Facilities was approximately \$7.50 million at June 30, 2021, which was an increase from \$7.03 million at June 30, 2020.

The following schedule reflects the condensed revenues and expenses of the System Facilities for fiscal years 2021 and 2020:

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Management's Discussion And Analysis (*Continued*)

**Condensed Statements Of Revenues
Expenses And Changes In Net Position
Years Ended June 30, 2021 And 2020**

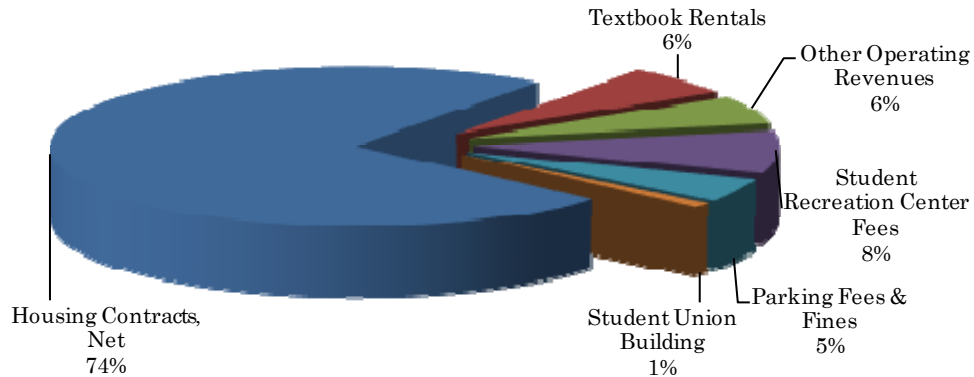
	<u>2021</u>	<u>2020</u>
Operating Revenue		
Housing contracts, net of scholarship allowance	\$ 18,742,075	\$ 16,148,170
Textbook sales and rentals	1,512,083	1,537,120
Student recreation center fees	2,157,041	2,259,531
Parking fees and fines	1,168,971	1,066,480
Student union building fees	245,001	257,537
Other operating revenues	1,770,038	1,876,240
Total operating revenue	25,595,209	23,145,078
Operating Expenses		
Personnel service	4,400,240	4,639,443
Contract food service	6,692,330	5,755,178
Utilities and maintenance	2,530,664	3,066,181
Book purchases	751,131	966,517
Depreciation	4,812,110	4,761,449
Other operating expenses	3,659,694	2,710,182
Total operating expenses	22,846,169	21,898,950
Operating income	2,749,040	1,246,128
Nonoperating Revenue (Expenses)		
Investment income	33,836	172,644
Interest on capital asset related debt	(2,891,147)	(4,216,458)
Emergency COVID-19 governmental assistance	677,853	4,445,949
Net nonoperating expenses	(2,179,458)	402,135
Change in net position	569,582	1,648,263
Net position beginning of year	62,639,006	60,990,743
Net position end of year	\$ 63,208,588	\$ 62,639,006

Total revenues for fiscal years 2021 and 2020 were \$26.31 and \$27.76 million. The most significant sources of revenue for the System Facilities are housing contracts, student and parking fees, and textbook rentals. Other operating revenue decreased to \$1.77 million in fiscal year 2021 from \$1.88 in fiscal year 2020, and includes revenue from rental income, camps, and conferences.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

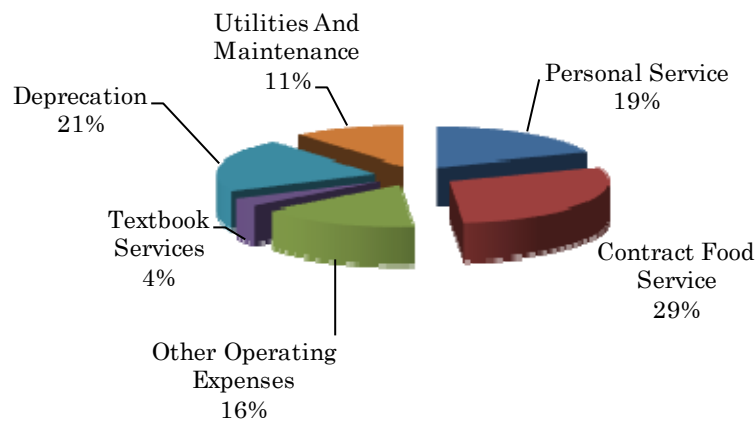
Management’s Discussion And Analysis (*Continued*)

Following is a graphic illustration of revenue by source for fiscal year 2021:



Operating expenses of the System Facilities totaled \$22.85 million for the fiscal year ending June 30, 2021 and \$21.90 million for the fiscal year ending June 30, 2020. Personal service costs and contract food service costs accounted for 48% and 47% of the total operating expenses for fiscal years 2021 and 2020.

Following is a graphic illustration of operating expenses by source for the period ended June 30, 2021:



SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Management's Discussion And Analysis (*Continued*)

Capital Assets

At June 30, 2021 and 2020, the System Facilities' investment in capital assets totaled \$163.73 and \$167.25 million, respectively, as follows:

	<u>2021</u>	<u>2020</u>
Buildings and improvements	\$ 213,015,370	\$ 211,383,586
Land	476,467	476,467
Infrastructure	13,390,768	13,390,768
Construction in progress	2,104,668	2,443,121
Less: Accumulated depreciation	(65,255,545)	(60,443,435)
	<u>\$ 163,731,728</u>	<u>\$ 167,250,507</u>

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 \$103.10 and \$114.11 million at June 30, 2021 and 2020, respectively.

The System Facilities also has a note payable to the University's contract food service provider of approximately \$188,000 and \$205,000 at June 30, 2021 and 2020, 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, 2021**

Assets

Current Assets

Cash and cash equivalents	\$ 8,837,595
Restricted cash and cash equivalents	596,622
Accounts receivable	159,726
Inventories	797,014
Total Current Assets	<u>10,390,957</u>

Noncurrent Assets

Capital assets - non-depreciable	2,581,135
Capital assets, net - depreciable	161,150,593
Total Noncurrent Assets	<u>163,731,728</u>

Total Assets	<u>174,122,685</u>
---------------------	--------------------

Deferred Outflows Of Resources

Deferred amounts on refunding of bonds payable	<u>4,674,536</u>
--	------------------

Liabilities

Current Liabilities

Accounts payable	196,054
Accrued interest payable	1,015,409
Accrued compensation	294,799
Unearned income	672,944
Notes payable	17,691
Bonds payable	2,370,000
Total Current Liabilities	<u>4,566,897</u>

Noncurrent Liabilities

Notes payable	169,976
Due to related organizations	14,098
Bonds payable	110,837,662
Total Noncurrent Liabilities	<u>111,021,736</u>

Total Liabilities	<u>115,588,633</u>
--------------------------	--------------------

Net Position

Net investment in capital assets	54,913,653
Unrestricted	8,294,935
Total Net Position	<u>\$ 63,208,588</u>

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For The Year Ended June 30, 2021

Operating Revenues	
Housing contracts (net of scholarship allowance of \$2,126,473)	\$ 18,742,075
Student recreation center fees	2,157,041
Student union building fees	245,001
Student parking fees	825,042
Other fees	624,299
Textbook rental	1,174,185
Textbook sales	337,898
Fines/parking tickets	343,929
Rental income	591,022
Other operating revenues	554,717
Total Operating Revenues	<u>25,595,209</u>
Operating Expenses	
Personnel service	4,400,240
Contract food service	6,692,330
Utilities and maintenance	2,530,664
Book purchases	751,131
Depreciation	4,812,110
Other operating expenses	3,659,694
Total Operating Expenses	<u>22,846,169</u>
Operating Income	<u>2,749,040</u>
Nonoperating Revenues (Expenses)	
Investment income	33,836
Interest on capital asset-related debt	(2,891,147)
Emergency COVID-19 governmental assistance	677,853
Total Nonoperating Expenses, Net	<u>(2,179,458)</u>
Change In Net Position	569,582
Net Position - Beginning Of Year	<u>62,639,006</u>
Net Position - End Of Year	<u><u>\$ 63,208,588</u></u>

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2021

Cash Flows From Operating Activities	
Student and housing fees	\$ 22,031,408
Other receipts	3,466,324
Payments to vendors and suppliers	(14,520,817)
Payments to employees	(4,399,135)
Net Cash Provided By Operating Activities	<u>6,577,780</u>
 Cash Flows From Capital And Related Financing Activities	
Proceeds from capital debt	57,480,000
Premium from issuance of capital debt	7,991,445
Purchases of capital assets and payments to contractors	(1,196,050)
Principal paid on capital debt	(68,507,429)
Interest paid on capital debt	(2,942,483)
Emergency COVID-19 governmental assistance	677,853
Net Cash Used In Capital And Related Financing Activities	<u>(6,496,664)</u>
 Cash Flows Provided By Investing Activities	
Interest on investments	<u>33,836</u>
 Net Increase In Cash And Cash Equivalents	114,952
 Cash And Cash Equivalents - Beginning Of Year	<u>9,319,265</u>
 Cash And Cash Equivalents - End Of Year	<u><u>\$ 9,434,217</u></u>
 Supplemental Disclosure Of Cash Flow Information	
Noncash transactions:	
Capital asset purchases included in accounts payable	<u>\$ 97,281</u>

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**STATEMENT OF CASH FLOWS (Continued)
For The Year Ended June 30, 2021**

**Reconciliation Of Operating Income To
Net Cash From Operating Activities**

Operating income	\$ 2,749,040
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation expense	4,812,110
Changes in assets and liabilities:	
Receivables, net	(159,726)
Inventories	133,402
Accounts payable and accrued liabilities	(945,899)
Due to related organizations	(74,501)
Unearned revenue	62,249
Accrued compensated absences	1,105
	<hr/>
Net Cash Provided By Operating Activities	<u><u>\$ 6,577,780</u></u>

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

NOTES TO FINANCIAL STATEMENTS June 30, 2021

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, the System Facilities Revenue Bonds 2016C dated August 10, 2016, and the System Facilities Refunding Revenue Bonds 2020 dated April 1, 2020. 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, Series 2016A, 2016B, 2016C and 2020 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 and housing 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, 2021, 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, 2021, amortization related to bond premiums and bond discounts was \$814,227 and \$5,294, 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, 2021, 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, 2021.

Foreign Currency Risk. The risk related to adverse effects on the fair value of a deposit from changes in exchange rates. At June 30, 2021, 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, 2021, System Facilities owes the University \$14,098. This balance is the result of the University's Master Plan funding a project for the University Center renovations. Due to reduced project costs, the advance will be fully repaid in fiscal year 2022.

5. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance - June 30, 2020	Additions	Retirements and Transfers	Balance - June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 476,467	\$ —	\$ —	\$ 476,467
Construction in progress	2,443,121	1,293,331	(1,631,784)	2,104,668
Total capital assets not being depreciated	2,919,588	1,293,331	(1,631,784)	2,581,135
Capital assets, being depreciated:				
Buildings and improvements	211,383,586	1,631,784	—	213,015,370
Infrastructure	13,390,768	—	—	13,390,768
Total capital assets being depreciated	224,774,354	1,631,784	—	226,406,138
Less accumulated depreciation for:				
Buildings and improvements	(57,602,704)	(4,544,068)	—	(62,146,772)
Infrastructure	(2,840,731)	(268,042)	—	(3,108,773)
Total accumulated depreciation	(60,443,435)	(4,812,110)	—	(65,255,545)
Total capital assets being depreciated, net	164,330,919	(3,180,326)	—	161,150,593
Capital assets, net	\$ 167,250,507	\$ (1,886,995)	\$ (1,631,784)	\$ 163,731,728

The estimated cost to complete construction in progress at June 30, 2021 is \$1.375 million, which consists primarily of upgrades of existing student housing. These projects are being funded by Auxiliary and COVID-19 funds.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

6. Accounts Payable

The composition of accounts payable at June 30, 2021 is summarized as follows:

Capital projects	\$ 68,289
Retainage - capital projects	28,992
Other auxiliary operations	<u>98,773</u>
	<u><u>\$ 196,054</u></u>

7. Bonds Payable

	Amount			Amount
	Outstanding	Principal	Principal	Outstanding
	June 30, 2020	Additions	Payments	June 30, 2021
System Facilities Revenues Bonds Series 2011B	\$ 730,000	\$ —	\$ 730,000	\$ —
System Facilities Revenues Bonds Series 2013A	65,420,000	—	65,420,000	—
System Facilities Revenues Bonds Series 2016A	14,650,000	—	2,125,000	12,525,000
System Facilities Revenues Bonds Series 2016B	8,285,000	—	215,000	8,070,000
System Facilities Revenues Bonds Series 2016C	25,025,000	—	—	25,025,000
System Facilities Revenues Bonds Series 2020	—	57,480,000	—	57,480,000
	<u>114,110,000</u>	<u>57,480,000</u>	<u>68,490,000</u>	<u>103,100,000</u>
Less: Current maturities (due within one year)				2,370,000
Add: Premium on bond payable				10,118,504
Less: Discount on bond payable				<u>10,842</u>
				<u><u>\$ 110,837,662</u></u>

Series 2020 Bonds

On July 22, 2020, the Board of Regents issued \$57,480,000 of System Facilities Refunding Revenue Bonds Series 2020 for the purpose of refunding Series 2013A System Facilities Revenue Bonds. The refunding decreased the University's total debt service payments by \$5,025,667 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$4,916,683.

During 2020, the refunding of the Series 2013A bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,326,179. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through 2043 using the bonds outstanding method.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

The Series 2020 bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2020 bonds maturing April 1, 2031 and thereafter may be called to redemption and payment prior to maturity on or after April 1, 2030 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 2020 bonds maturing April 1, 2040 and 2043 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 2020 Bonds Maturing April 1, 2040	
Years	Amount
2038-2040	\$5,330,000

Series 2020 Bonds Maturing April 1, 2043	
Years	Amount
2041-2043	\$2,691,000

The Series 2020 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 5.00% and mature serially through fiscal year 2043.

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 Series 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
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% 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. The qualifying bonds were redeemed with the 2020 bond issue refinancing.

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.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
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. As of June 30, 2021 the 2011B bonds were fully repaid.

Interest expense was \$2,888,205 for 2021. Scheduled fiscal year maturities of System Facilities bonds payable and related interest expense are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,370,000	\$ 4,061,633
2023	4,300,000	3,949,458
2024	5,110,000	3,761,665
2025	5,345,000	3,521,527
2026	5,585,000	3,279,877
2027-2031	31,130,000	12,631,293
2032-2036	23,985,000	7,315,504
2037-2041	19,105,000	3,080,532
2042-2045	6,170,000	421,315
	<u>\$ 103,100,000</u>	<u>\$ 42,022,804</u>

The Series 2011B, Series 2013A and 2013B, Series 2016A, 2016B, 2016C, and 2020 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.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

The bond resolution for the Series 2011B, Series 2013A, 2013B, 2016A, 2016B, 2016C, and 2020 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.

8. Notes Payable

Notes payable at June 30, 2021 are summarized as follows:

	Balance - June 30, 2020	Principal Additions	Principal Payments	Balance - June 30, 2021
Chart well's-Olive's and Skylight Terrace Expansion	\$ 205,096	\$ —	\$ (17,429)	\$ 187,667
Less: Current maturities (due within one year)				17,691
				<u>\$ 169,976</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 2031. The note is noninterest bearing. Interest has been imputed using a rate of 3.625%.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

Interest expense was \$2,942 for 2021. Scheduled fiscal year maturities on notes payable and related interest are as follows:

Year	Principal	Interest
2022	\$ 17,691	\$ 2,679
2023	17,957	2,414
2024	18,227	2,144
2025	18,500	1,870
2026	18,778	1,592
2027-2031	96,514	3,644
	<u>\$ 187,667</u>	<u>\$ 14,343</u>

9. Retirement Plan

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

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.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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, 2021, was 22.88% 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, 2020 was 20.77%, which is the year of measurement for the net pension liability. The contributions to the pension plan from the University were \$9,051,938 for the year ended June 30, 2021.

Pension Liabilities. At June 30, 2021, the University reported a liability of \$132,137,222 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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, 2020. At June 30, 2020, the University's proportion was 2.0812%, a decrease from its proportion measured using 2.1216% as of the June 30, 2019 measurement date. For the year ended June 30, 2021, the University recognized pension expense of \$14,705,491.

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, 2021.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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, 2021, the University paid benefits of \$270,172. No trust fund has been created for the payment of the University's portion of the medical insurance premiums; therefore, as of June 30, 2021 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, 2021.

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.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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 2020-2021 were \$911,227.

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, 2021, the System Facilities is not aware of any environmental liability.

Effective January 1, 2020, the University established a self-insured medical program covering substantially all System Facilities employees. The University's liability has been limited by the purchase of specific (\$250,000 individual deductible limit in calendar year 2021) and aggregate (\$1,000,000 deductible in calendar year 2021) reinsurance. The University has recorded a liability for expenses incurred but not reported of \$1,044,410 as of June 30, 2021.

The liability reported for claims incurred but not reported are based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information obtained prior to the issuance of the financial statements indicates it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Changes in the balance of the insurance reserve liability during the year ended June 30, 2021 were as follows:

Liability, June 30, 2020	<u>\$ 1,718,842</u>
Current year claims and changes in estimates	\$ 8,509,706
Claim payments	<u>9,000,909</u>
Liability, June 30, 2021	<u>\$ 1,227,639</u>

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

The System Facilities does not report accrued claims liability as this is a liability of the University as a whole, not of the System Facilities entity. For more information, see the separately issued financial statements of Southeast Missouri State University as of June 30, 2021.

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. There was no restricted net position - expendable for debt service at June 30, 2021.

Unrestricted - Unrestricted net position, as defined in GASB Statement No. 34, is not subject to externally imposed stipulations; however, it is 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 \$797,014 at June 30, 2021. Undesignated unrestricted net position was \$7,497,921 at June 30, 2021.

13. COVID-19

The outbreak of 2019 coronavirus (COVID-19), which was recognized as a global pandemic by the World Health Organization, has prompted the University to implement various preventative and protective measures. These measures include alteration of how business activities are conducted, adapting to new modalities of instruction, the purchase and implementation of PPE, establishing procedures that allow for social distancing, etc. Since the initial classification of the pandemic, the University has received multiple sources of financial assistance to help offset the costs associated with the above mentioned measures as well as to provide financial assistance to students. The pandemic has resulted in a widespread economic downturn and created significant uncertainty, volatility and disruption in financial and business activities.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

The Higher Education Emergency Relief Fund (HEERF), found in Section 18004 of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), has provided substantial funding to institutions of higher education. A portion of the funds are required to be distributed directly to students as an Emergency Financial Aid Grant. Institutions are given latitude on how to distribute the funding and this means that each institution may develop its own system and process for determining how to allocate these funds. Secretary of Education Betsy DeVos encouraged the leadership of each institution to prioritize students with the greatest need. Another portion of the funds have been allocated for institutional needs related to mitigation of the COVID-19 virus on campus.

The University signed and returned its first Certification and Agreement to the U.S. Department of Education for the HEERF Funds for Emergency Financial Aid Grants in Fiscal Year 2020 for an initial distribution of \$6.83 million. The University was required to use no less than 50% of the funds received (\$3.415 million), as stated under 18004(a)(1) of the CARES Act, to provide Emergency Financial Aid Grants directly to students. At June 30, 2020, approximately \$2.025 million had been disbursed to students. In July of 2020, the remaining \$1.39 million was disbursed. The University's portion of funding (\$3.415 million) was disbursed in Fiscal Year 2020 in accordance with statutory requirements as refunds for spring semester student housing and dining costs due to the immediate closure of the residence halls in response to the pandemic. This allowed the University to offset the lost revenues from housing contracts incurred by Residence Life in the Spring of 2020.

In fiscal year 2021, the University received a second allocation of HEERF Funds. The University was provided another \$3.415 million, which was required to be provided directly to students as an Emergency Financial Aid Grant. The full amount was disbursed by June 30, 2021. An additional \$8.095 million was awarded to the University to cover expenses related to the mitigation of COVID or to replace lost revenues due to the pandemic. During fiscal year 2021, the University expended \$2.34 million of those funds.

Supplementary Information

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**SCHEDULE OF INSURANCE COVERAGE
(UNAUDITED)
June 30, 2021**

Coverage And Insurer	Policy Expiration Date	Amount Of Coverage
Fire and extended coverage (building, contents and loss of income) Marsh USA	6/30/2021	\$ 974,351,522

Subsequent to June 30, 2021, the University contracted with Marsh USA to provide insurance through June 30, 2022 with \$982,902,314 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, 2021**

	Fall Semester 2020	Spring Semester 2021	Summer Semester 2021
Enrollment - Full-Time Equivalent (FTE) Students on campus and off campus	7,969	7,239	2,575
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 2020/Spring Semester 2021

Vandiver Hall	\$ 8,976 - \$10,120	
Towers Complex - West/North	\$ 8,976 - \$10,120	
Towers Complex - West/North doubles with Private Bath	\$9,976 - \$11,120	
Towers Complex - East/South doubles	\$7,496 - \$8,640	
Towers South singles	\$9,496 - \$10,640	*
Group Housing	\$8,076 - \$9,220	
Myers Hall	\$ 8,976 - \$10,120	
Cheney Hall	n/a	**
Dearmont Quadrangle	n/a	**
Merick Hall	\$9,144 - \$10,288	
Henderson Hall	n/a	**
LaFerla Hall	\$9,144 - \$10,288	
Dobbins River Campus Center	\$9,396 - \$10,540	

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

* Private rooms

** Offline for Academic Year 20-21

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**SCHEDULE OF ROOM AND BOARD COSTS - FIVE-YEAR TREND
(UNAUDITED)
June 30, 2021**

	2017	2018	2019	2020	2021
Vandiver Hall	\$8,150 - \$9,210	\$8,370 - \$9,460	\$8,654 - \$9,766	\$8,918 - \$10,036	\$ 8,976 - \$10,120
Towers Complex - West/North	\$8,150 - \$9,210	\$8,370 - \$9,460	\$8,654 - \$9,766	\$8,918 - \$10,036	\$ 8,976 - \$10,120
Towers Complex - West/North doubles with Private Bath	n/a	n/a	n/a	n/a	\$9,976 - \$11,120
Towers Complex - East/South doubles	\$6,650 - \$7,710	\$6,850 - \$7,940	\$7,134 - \$8,246	\$7,338 - \$8,456	\$7,496 - \$8,640
Towers South singles	n/a	n/a	n/a	n/a	\$9,496 - \$10,640
Group Housing	\$7,150 - \$8,210	\$7,340 - \$8,430	\$7,624 - \$8,736	\$7,848 - \$8,966	\$8,076 - \$9,220
Myers Hall	\$8,150 - \$9,210	\$8,370 - \$9,460	\$8,654 - \$9,766	\$8,918 - \$10,036	\$ 8,976 - \$10,120
Cheney Hall	n/a	n/a	n/a	n/a	n/a ⁽²⁾
Dearmont Quadrangle	\$7,650 - \$8,710	\$7,850 - \$8,940	\$8,134 - \$9,246	n/a	n/a ⁽¹⁾
Merick Hall	\$8,400 - \$9,460	\$8,530 - \$9,620	\$8,814 - \$9,926	\$9,086 - \$10,204	\$9,144 - \$10,288
Henderson Hall	\$8,150 - \$9,210	\$8,370 - \$9,460	n/a	n/a	n/a ⁽³⁾
LaFerla Hall	\$8,400 - \$9,460	\$8,530 - \$9,620	\$8,814 - \$9,926	\$9,086 - \$10,204	\$9,144 - \$10,288
Dobbins River Campus Center	\$8,400 - \$9,460	\$8,530 - \$9,620	\$8,814 - \$9,926	\$8,814 - \$9,926	\$9,396 - \$10,540

(1) Converted to private rooms in Fall 2014, quarantine space for Academic year 2019-2020

(2) Offline for 2016 - 2021 except for overflow students in Fall 2018.

(3) Closed for Academic year 2020-2021

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**SCHEDULE OF STUDENT COMPOSITION - UNIVERSITY HOUSING SYSTEM
(UNAUDITED)**

June 30, 2021

Fiscal Year	Freshmen	Sophomores	Juniors	Seniors	Other	Total
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
2020	1,294	605	372	214	5	2,490
2021	1,097	588	229	202	6	2,122

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**SCHEDULE OF HOUSING OCCUPANCY
(UNAUDITED)
June 30, 2021**

Housing System Facility	(1) Housing Capacity	(2) Average Occupancy (#)	(3) Simple Average Occupancy (%)	(4) Effective Average Occupancy (%)
Vandiver Hall	293	214	73.0%	84.8%
Towers Complex	1,087	895	82.3%	83.5%
Group Housing	337	269	79.7%	84.0%
Myers Hall	193	132	68.4%	73.1%
Cheney Hall*	—	—	n/a	n/a
Dearmont Quadrangle	—	—	n/a	n/a
Merick Hall	297	248	83.5%	86.4%
Henderson Hall**	—	—	n/a	n/a
LaFerla Hall	254	181	71.1%	74.4%
Dobbins River Campus Center	178	163	91.3%	93.3%
	2,639	2,102	79.7%	83.1%

(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 2020-2021

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, 2021**

Housing System Facility	Housing Capacity	Dining Facilities	Year Constructed
Vandiver Hall	293	No	2002
Towers Complex	1,087	Yes	1967
Group/Greek Housing	337	No	1963
Myers Hall	193	No	1948
Cheney Hall	n/a	No	1939 (1)
Dearmont Quadrangle	n/a	No	1958 (2)
Merick Hall	297	Yes	2009
Henderson Hall	n/a	No	Not Available (3)
LaFerla Hall	254	No	2013
Dobbins River Campus Center	178	Yes	2014
	2,639		

(1) Offline since 2016, except for overflow students in Fall 2018. Demolition may be considered in the future due to high maintenance costs.

(2) Converted to private rooms in Fall 2014, offline Academic Year 2020-2021, used as quarantine space in Academic Year 2019-2020.

(3) The University acquired and renovated Henderson Hall in 2007 but it has been offline since Academic Year 2018-19. Demolition may be considered in the future due to high maintenance costs.