

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**

Independent Auditor's Report and Financial Statements

June 30, 2020 and 2019

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**June 30, 2020 and 2019**

**Contents**

**Independent Auditor's Report ..... 1**

**Financial Statements**

Statements of Financial Position ..... 3  
Statements of Activities..... 4  
Statements of Functional Expenses ..... 5  
Statements of Cash Flows ..... 7  
Notes to Financial Statements ..... 8

## Independent Auditor's Report

Board of Directors  
University of Central Missouri Foundation  
Warrensburg, Missouri

We have audited the accompanying financial statements of University of Central Missouri Foundation, a component unit of the University of Central Missouri, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's 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 University of Central Missouri Foundation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As described in *Note 2* to the financial statements, in 2020, University of Central Missouri Foundation adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

**BKD, LLP**

Springfield, Missouri  
September 9, 2020

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Statements of Financial Position**  
**June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash	\$ 505,503	\$ 191,642
Investments	61,558,093	57,897,891
Accrued investment income	233,416	256,688
Contributions receivable, net	1,193,500	1,676,730
Notes receivable	2,154,000	2,370,169
Cash surrender value of life insurance	512,456	482,729
Beneficial interests in trusts	885,088	991,943
Prepaid expenses	21,078	5,690
	<u>\$ 67,063,134</u>	<u>\$ 63,873,482</u>
Total assets	<u>\$ 67,063,134</u>	<u>\$ 63,873,482</u>
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accrued expenses and due to University	\$ 393,972	\$ 495,247
Annuities payable	1,392,061	1,335,268
	<u>1,786,033</u>	<u>1,830,515</u>
Total liabilities	<u>1,786,033</u>	<u>1,830,515</u>
 <b>Net Assets</b>		
Without donor restrictions	8,040,388	7,901,151
With donor restrictions	57,236,713	54,141,816
	<u>65,277,101</u>	<u>62,042,967</u>
Total net assets	<u>65,277,101</u>	<u>62,042,967</u>
Total liabilities and net assets	<u>\$ 67,063,134</u>	<u>\$ 63,873,482</u>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Statements of Activities**  
**Years Ended June 30, 2020 and 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, Gains and Other Support</b>						
Gifts	\$ 401,568	\$ 5,049,555	\$ 5,451,123	\$ 421,904	\$ 4,341,692	\$ 4,763,596
In-kind gifts	1,133,522	370,909	1,504,431	1,153,079	393,760	1,546,839
Other income	10,000	138,992	148,992	11,882	138,792	150,674
Net investment income	337,956	1,044,825	1,382,781	283,342	998,292	1,281,634
Net realized and unrealized gain (loss) on investments and beneficial interests in trusts	774,943	(217,883)	557,060	1,183,767	1,465,176	2,648,943
Change in donor restrictions	(6,583)	6,583	-	18,838	(18,838)	-
Net assets released from restrictions	2,955,847	(2,955,847)	-	3,033,860	(3,033,860)	-
Total revenues, gains and other support	<u>5,607,253</u>	<u>3,437,134</u>	<u>9,044,387</u>	<u>6,106,672</u>	<u>4,285,014</u>	<u>10,391,686</u>
<b>Expenses and Losses</b>						
Foundation expenses						
General administrative	1,139,383	-	1,139,383	924,608	-	924,608
Fundraising	1,592,557	-	1,592,557	1,544,839	-	1,544,839
Total Foundation expenses	<u>2,731,940</u>	<u>-</u>	<u>2,731,940</u>	<u>2,469,447</u>	<u>-</u>	<u>2,469,447</u>
Expenses for University advancement						
Program expenses						
Scholarships	1,145,927	-	1,145,927	1,369,584	-	1,369,584
Academic support – TV	334,258	-	334,258	327,351	-	327,351
Student services – athletics	631,034	-	631,034	656,215	-	656,215
Instruction and other departmental	519,607	-	519,607	481,787	-	481,787
Support services						
Institutional support – facilities	105,250	-	105,250	92,229	-	92,229
Total expenses for University advancement	<u>2,736,076</u>	<u>-</u>	<u>2,736,076</u>	<u>2,927,166</u>	<u>-</u>	<u>2,927,166</u>
Actuarial loss on annuity obligations	-	342,237	342,237	-	58,480	58,480
Total expenses and losses	<u>5,468,016</u>	<u>342,237</u>	<u>5,810,253</u>	<u>5,396,613</u>	<u>58,480</u>	<u>5,455,093</u>
<b>Change in Net Assets</b>	139,237	3,094,897	3,234,134	710,059	4,226,534	4,936,593
<b>Net Assets, Beginning of Year</b>	7,901,151	54,141,816	62,042,967	7,191,092	49,915,282	57,106,374
<b>Net Assets, End of Year</b>	<u>\$ 8,040,388</u>	<u>\$ 57,236,713</u>	<u>\$ 65,277,101</u>	<u>\$ 7,901,151</u>	<u>\$ 54,141,816</u>	<u>\$ 62,042,967</u>

See Notes to Financial Statements

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2020**

	Expenses for University Advancement					Foundation Expenses				Total
	Scholarships	Academic Support – TV	Student Services – Athletics	Instruction and Other Departmental	Institutional Support – Facilities	University Advancement Total	General Administrative	Fundraising	Foundation Total	
Contributed services from University	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630,720	\$ 502,761	\$ 1,133,481	\$ 1,133,481
Salaries and benefits	6,825	175,626	16,720	151,262	-	350,433	233,794	622,493	856,287	1,206,720
Travel	104	906	60,290	44,453	-	105,753	1,823	4,422	6,245	111,998
Professional services	-	22,900	177,625	19,840	6,939	227,304	150,621	132,974	283,595	510,899
Advertising and underwriting	-	3,061	27,570	1,358	-	31,989	-	(260)	(260)	31,729
Allowance for bad debt	-	-	-	-	-	-	11,852	-	11,852	11,852
Bank fees	-	-	-	-	-	-	37,360	7,695	45,055	45,055
Food and beverage	4,491	1,300	18,559	6,718	-	31,068	4,764	92,646	97,410	128,478
Fundraising events	-	-	(8,800)	-	-	(8,800)	-	14,626	14,626	5,826
In-kind gifts	-	82,577	93,369	46,568	15,877	238,391	41	132,518	132,559	370,950
Promotions and recruiting	-	115	25,935	1,065	-	27,115	13,958	27,963	41,921	69,036
University equipment	-	2,939	170,479	132,683	74,189	380,290	7,121	1,163	8,284	388,574
University capital projects	-	-	-	50,725	4,000	54,725	-	-	-	54,725
Office supplies, postage, memberships and other	3,744	44,834	49,287	44,617	4,245	146,727	47,329	53,556	100,885	247,612
Scholarships and awards	1,130,763	-	-	20,318	-	1,151,081	-	-	-	1,151,081
	<u>\$ 1,145,927</u>	<u>\$ 334,258</u>	<u>\$ 631,034</u>	<u>\$ 519,607</u>	<u>\$ 105,250</u>	<u>\$ 2,736,076</u>	<u>\$ 1,139,383</u>	<u>\$ 1,592,557</u>	<u>\$ 2,731,940</u>	<u>\$ 5,468,016</u>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2019**

	Expenses for University Advancement					Foundation Expenses				Total
	Scholarships	Academic Support – TV	Student Services – Athletics	Instruction and Other Departmental	Institutional Support – Facilities	University Advancement Total	General Administrative	Fundraising	Foundation Total	
Contributed services from University	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 511,406	\$ 640,368	\$ 1,151,774	\$ 1,151,774
Salaries and benefits	15,650	141,131	18,647	105,278	-	280,706	230,802	480,421	711,223	991,929
Travel	18,720	3,155	25,112	71,259	-	118,246	5,472	3,733	9,205	127,451
Professional services	1,500	29,837	26,669	56,329	-	114,335	64,981	39,746	104,727	219,062
Advertising and underwriting	-	(1,613)	58,954	3,130	-	60,471	1,050	787	1,837	62,308
Bank fees	-	-	-	-	-	-	12,390	6,804	19,194	19,194
Food and beverage	4,624	2,860	13,789	3,282	-	24,555	8,162	36,479	44,641	69,196
Fundraising events	-	-	14,777	(667)	-	14,110	-	56,412	56,412	70,522
In-kind gifts	-	96,374	92,529	45,811	16,275	250,989	1,280	142,795	144,075	395,064
Promotions and recruiting	-	259	73,959	767	-	74,985	37,968	29,599	67,567	142,552
University equipment	-	(2,902)	264,663	62,120	-	323,881	-	3,326	3,326	327,207
University capital projects	-	-	-	12,515	73,328	85,843	-	-	-	85,843
Office supplies, postage, memberships and other	3,020	58,250	67,116	61,128	2,626	192,140	51,097	104,369	155,466	347,606
Scholarships and awards	1,326,070	-	-	60,835	-	1,386,905	-	-	-	1,386,905
	<u>\$ 1,369,584</u>	<u>\$ 327,351</u>	<u>\$ 656,215</u>	<u>\$ 481,787</u>	<u>\$ 92,229</u>	<u>\$ 2,927,166</u>	<u>\$ 924,608</u>	<u>\$ 1,544,839</u>	<u>\$ 2,469,447</u>	<u>\$ 5,396,613</u>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Statements of Cash Flows**  
**Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Operating Activities</b>		
Change in net assets	\$ 3,234,134	\$ 4,936,593
Items not requiring (providing) operating activities cash flows		
Net realized and unrealized gain on investments	(557,060)	(2,648,943)
Actuarial loss on annuity and beneficial interests in trusts obligations	342,237	58,480
Investment income restricted for long-term investment	(58,546)	(51,776)
Contributions restricted for long-term investment	(622,215)	(648,641)
Change in cash surrender value of life insurance	(29,727)	(40,651)
Issuance of annuity obligations	27,141	54,004
Changes in		
Contributions receivable, net	483,230	(520,551)
Accrued investment income	23,272	(30,133)
Prepaid expenses	(15,388)	8,132
Accrued expenses and due to University	(101,275)	209,933
Deferred revenue	-	(11,882)
Net cash provided by operating activities	<u>2,725,803</u>	<u>1,314,565</u>
<b>Investing Activities</b>		
Purchase of investments	(12,913,688)	(9,679,999)
Proceeds from sale or maturity of investments	11,070,425	8,308,284
Principal payments received on note receivable from University	216,169	207,106
Net cash used in investing activities	<u>(1,627,094)</u>	<u>(1,164,609)</u>
<b>Financing Activities</b>		
Payments on annuities payable	(194,361)	(212,662)
Proceeds from contributions restricted for long-term investment	541,176	451,543
Net cash provided by financing activities	<u>346,815</u>	<u>238,881</u>
<b>Increase in Cash and Restricted Cash Equivalents</b>	1,445,524	388,837
<b>Cash and Restricted Cash Equivalents, Beginning of Year</b>	<u>970,969</u>	<u>582,132</u>
<b>Cash and Restricted Cash Equivalents, End of Year</b>	<u>\$ 2,416,493</u>	<u>\$ 970,969</u>
<b>Reconciliation of Cash and Restricted Cash Equivalents to the Statement of Financial Position</b>		
Cash	\$ 505,503	\$ 191,642
Restricted cash equivalents included in investments	<u>1,910,990</u>	<u>779,327</u>
Total cash and restricted cash equivalents	<u>\$ 2,416,493</u>	<u>\$ 970,969</u>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies**

***Nature of Operations***

The University of Central Missouri Foundation (the “Foundation”) is a not-for-profit corporation formed in 1979 to promote the educational, benevolent and research purposes of the University of Central Missouri (the “University”). The Foundation is a component unit of the University. The primary purpose of the Foundation is to solicit gifts from individuals and businesses for the benefit of the University. These gifts are utilized to provide scholarships to students and financial support to various University programs in order to continue to offer a high-quality education to the students of the University.

***Use of Estimates***

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

***Investments and Net Investment Income***

The Foundation measures securities, other than investments that qualify for the equity method of accounting, at fair value. Investments in private equity funds and hedge funds are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments.

Net investment income includes dividend and interest income and investment expenses of \$98,590 and \$116,249 for the years ended June 30, 2020 and 2019, respectively. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method. Net investment income and net realized and unrealized gains and losses are reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

***Management of Pooled Investments***

The Foundation manages three separate investment pools designated as Pool A, Pool B and Pool C. Pooled investments and allocation of pooled investment income are accounted for using the unit market value method. For Pool A, the annual earnings are accumulated and an annual payout is calculated based on a Board approved spending rate that is applied to the average market value of Pool A funds.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

Earnings in excess of the annual payout are accumulated to be used as payouts for future years. The approved spending rate to fund programs, projects and scholarships was 3.66 percent with a 1.5 percent administration fee and no reserve funding fee for the year ended June 30, 2020. The approved spending rate to fund programs, projects and scholarships was 3.75 percent with a 1 percent administration fee and a 0.07 percent reserve funding fee for the year ended June 30, 2019.

Pool A consists of endowment funds, as well as other funds functioning as endowments, funds with donor restrictions and funds without donor restrictions. These funds are invested for capital appreciation in anticipation of greater long-term returns recognizing that current yields from interest and dividends may be lower than the total payout. Using the total rate of return methodology, when ordinary income generated by Pool A is insufficient to provide the full amount of the total payout, the remainder may be appropriated from Pool A's accumulated undistributed realized gains. In no event will the payout cause the endowment funds to decrease below the original corpus of the endowment.

Pool B consists of funds from charitable remainder annuity trusts that are invested with a goal of meeting the specified distribution amounts as provided in the trust agreements.

Pool C consists of funds from charitable gift annuities that are invested with a goal of meeting the specified distribution amounts as provided in the gift annuity agreements.

The following is a summary of the Foundation's investment and spending policies for funds functioning as endowments:

The primary objectives of the investment policy are to: (A) maintain intergenerational equity as measured by achieving a real long-term return after total spending that at least equals inflation; (B) create investment returns to meet the current and future program or expenditure needs designated by donors; (C) create a flow of investment returns to assist the Board of Directors in funding operating expenses of the Foundation, including sufficiently building operating reserves for future use; and (D) maximize risk-adjusted returns. The objectives of the spending policy are to: (A) provide consistent funding for programs, projects or scholarships as designated by the donor(s); (B) provide for annual assessments for operating reserves and expenses; and (C) provide for long-term growth of the corpus of the investments.

The portfolio should be diversified both as to fixed income and equity holdings; the purpose of such diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the total portfolio.

The equity component of the portfolio shall range from 30 percent to 70 percent, the fixed income component shall range from 20 percent to 50 percent, alternative investments shall range from 10 percent to 20 percent and cash and cash equivalents shall range from 0 percent to 5 percent.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

The Foundation's spending policy allows for an annual distribution to scholarship and continuing project funds based upon a calculated 12-quarter rolling average market value of the portfolio times the payout rate approved by the Board. The Committee to the Board reviews the performance of the Funds Functioning as Endowments portfolio each year and establishes a payout rate in January for the next fiscal year. The total distribution for spending may include appropriations for operating reserves and expenses.

The following is a summary of the Foundation's investment and spending policies for split-interest agreements intended to apply to the charitable gift annuity and trust investment assets:

The primary objectives of the investment policy are to: (A) invest the entire gift in order to make the required annuity payments; (B) maximize return within a reasonable and prudent level of risk; and (C) maintain an appropriate asset allocation that is compatible with the required annuity payments, while still having the potential to retain at least 50 percent of the initial gift if the donor(s) live to their life expectancy.

The equity component of the portfolio shall range from 35 percent to 75 percent, the fixed income component shall range from 20 percent to 50 percent, alternative investments shall range from 0 percent to 15 percent and the cash component shall range from 0 percent to 10 percent.

All spending will be based on the contractual requirements of each charitable gift annuity and trust agreement.

The following is a summary of the investment policy for expendable funds:

The primary objectives of the investment policy are: (A) the preservation of capital while attempting to keep up with inflation; (B) the maximization of returns with minimal levels of risk; and (C) the management of liquidity requirements.

The equity component of the portfolio shall range from 0 percent to 18 percent, the fixed income component shall range from 75 percent to 100 percent, alternative investments shall range from 0 percent to 7 percent and the cash component shall range from 0 percent to 5 percent.

Spending of expendable funds will be governed by the intent of donors.

### **Net Assets**

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for Board-designated endowment funds.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

***Gifts***

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

Gifts of land, buildings, equipment and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets are reported when the long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

***In-Kind Gifts***

In-kind gifts are recorded as revenue and expense in the accompanying financial statements. These contributions consist of equipment, services and materials and supplies, all of which are recorded at the estimated fair value.

Compensation and benefits for some University employees who provide services for the Foundation are paid by the University and are not reimbursed by the Foundation. The unreimbursed compensation and benefits for these employees is included in in-kind gifts in the accompanying statement of activities. In-kind gifts of compensation and benefits for the year ended June 30, 2020, totaled \$1,133,481, of which \$630,719 was recognized in general administrative expenses and \$502,762 was recognized in fundraising expenses. In-kind gifts of compensation and benefits for the year ended June 30, 2019, totaled \$1,151,774, of which \$511,406 was recognized in general administrative expenses and \$640,368 was recognized in fundraising expenses.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

***Income Taxes***

The Internal Revenue Service has issued a determination letter that the Foundation is a nonprofit organization, as defined under Section 501(c)(3) of the Internal Revenue Code. As such, the Foundation is generally exempt from income taxes. It is, however, required to file the information return, federal Form 990, *Return of Organization Exempt from Income Tax*, and federal Form 990-T to report unrelated business income.

***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated between expenses for University advancement and Foundation expenses based on various methods.

***Subsequent Events***

The Foundation has evaluated subsequent events through September 9, 2020, the date the financial statements were available to be issued.

**Note 2: Changes in Accounting Principles**

***ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made***

On July 1, 2019, the Foundation adopted the Financial Standards Board Accounting Standards Update 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* using the modified prospective basis to all agreements not completed as of July 1, 2019, or entered into after July 1, 2019.

ASU 2018-08 provides guidance that unless the donor is directly receiving value in the same amount as the services provided (an exchange transaction), the gift should be considered a contribution. In addition, if the donor incorporates barriers into the contract and has a right of return, the transaction is considered to be a conditional contribution. Under the accounting guidance, conditional contributions are not recorded as revenue until the condition has been met.

Adoption of ASU 2018-08 resulted in changes in disclosures in the notes to the financial statements. The Foundation's adoption of the ASU had no impact on the 2020 financial statements or on the previously issued 2019 financial statements but may cause a change in the timing of revenue recognition in future years.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

**ASU 2016-01, Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities**

On July 1, 2019, the Foundation adopted the provisions of ASU 2016-01, *Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The Foundation adopted the ASU prospectively to equity investments that were held as of the date of adoption. Adoption of ASU 2016-01 had no impact on the 2020 financial statements or on the previously issued 2019 financial statements.

**Note 3: Investments**

Investments at June 30, 2020 and 2019, consisted of the following:

	2020		2019	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Money market				
mutual funds	\$ 1,910,990	\$ 1,910,990	\$ 779,328	\$ 779,328
Domestic equity	19,314,989	25,693,232	18,755,893	25,302,916
International equity	4,397,372	4,514,184	5,715,682	6,125,920
Fixed income	23,702,782	25,057,223	21,144,743	21,524,385
Alternative	4,508,478	4,382,464	4,264,123	4,165,342
	<u>\$ 53,834,611</u>	<u>\$ 61,558,093</u>	<u>\$ 50,659,769</u>	<u>\$ 57,897,891</u>

**Note 4: Contributions Receivable**

Contributions receivable consist of unconditional gifts to be received in future periods and are discounted to their present value based on anticipated payment streams. Unconditional contributions receivable with donor restrictions at June 30, 2020 and 2019, consisted of the following:

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
Due within one year	\$ 1,057,000	\$ 618,338
Due in one to five years	174,500	1,076,817
Due in more than five years	11,845	11,845
	<u>1,243,345</u>	<u>1,707,000</u>
Less		
Allowance for uncollectible contributions	11,853	-
Unamortized discount	37,992	30,270
	<u>\$ 1,193,500</u>	<u>\$ 1,676,730</u>

Discount rates ranged from 1.8 percent to 3.4 percent and from 1 percent to 3.6 percent for 2020 and 2019, respectively.

**Note 5: Conditional Gift**

The Foundation has received a conditional promise to give supporting construction of the Aviation Education Terminal in the amount of \$400,000 conditional on satisfaction of the Foundation raising at least \$400,000 in incremental funds to complete fundraising for the Aviation Education Terminal Project. The conditional promise to give at June 30, 2020 and 2019, that was not recognized in the financial statements was \$400,000 and \$0, respectively.

**Note 6: Planned Contributions (UNAUDITED)**

The Foundation has been named in a number of wills as a beneficiary and has also been informed of other intentions to give. Such intentions to give, which cannot be recorded as contributions receivable until they become unconditional, aggregated approximately \$8,002,201 and \$8,457,201 at June 30, 2020 and 2019, respectively.

**Note 7: Notes Receivable**

	<b>2020</b>	<b>2019</b>
Note receivable from the University, unsecured, dated July 31, 2015, bearing interest at 4%, with fifteen annual payments of \$214,919, due July 31, 2030	\$ 1,882,793	\$ 2,017,030
Note receivable from the University, unsecured, dated December 31, 2017, bearing interest at 5%, with five annual payments of \$99,589, due December 31, 2022	271,207	353,139
	<u>\$ 2,154,000</u>	<u>\$ 2,370,169</u>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

**Note 8: Beneficial Interests in Trusts**

The Foundation is named as the beneficiary of a charitable trust and a unitrust held by third-party trustees totaling \$285,034 and \$398,070 at June 30, 2020 and 2019, respectively.

The Foundation is named as the beneficiary of a perpetual trust held by a third-party trustee. Under the terms of the trust, the Foundation is designated to receive the net income derived from trust assets on a quarterly basis, which is to be used for the purpose of scholarships and is recorded as temporarily restricted net assets. The Foundation is the beneficiary of the trust with the condition that the University continues to operate or maintain an accredited four-year college for a term in excess of 24 successive calendar months. The Foundation records its beneficial interest in the trust at fair value. Changes in the fair value of the Foundation's interest in the trust are reflected as unrealized gains or losses in the statement of activities in the year in which they take place. The unrealized gain on this trust was \$19,771 and \$7,544 for the years ended June 30, 2020 and 2019, respectively. The Foundation's share in the trust had a value of \$600,055 and \$593,873 at June 30, 2020 and 2019, respectively.

**Note 9: Annuities Payable**

The Foundation has entered into split-interest agreements, including a charitable remainder trust plan and a charitable gift annuity program. The Foundation has established a charitable remainder trust plan whereby donors may contribute assets to the Foundation in exchange for the right of a named beneficiary or beneficiaries to receive a fixed-dollar or a fixed-percentage annual return during their lifetimes. The Foundation has also established a charitable gift annuity program whereby, in exchange for a donor's contribution, the Foundation promises to make fixed payments for life to one or more annuitants. The amount paid is based on the age(s) of the annuitant(s), in accordance with the Foundation's rate schedule, which is based on actuarially determined life expectancy tables, trust asset growth assumptions and discount rates ranging from 2.4 percent to 7.99 percent. The difference between the amount of the gift and the present value of the liability for future payments, determined on an actuarial basis, is recognized as a contribution at the date of the gift. The gifts are classified as either with or without donor restrictions based on how the remainder will be used at the termination of the annuity period per the individual agreements. The liability is revalued annually based upon actuarially computed present values, and any resulting actuarial gain or loss is recorded in the statements of activities and changes in net assets. The investments are held in separate accounts and follow the Investment and Spending Policies for Split-Interest Agreements as approved by the Board of Directors.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

A summary of assets held and obligations related to split-interest agreements is as follows as of June 30:

	<b>2020</b>	<b>2019</b>
Assets		
Charitable remainder trusts/unitrusts (Pool B)	\$ 1,466,914	\$ 1,529,719
Charitable gift annuities (Pool C)	1,003,886	1,071,641
	<u>\$ 2,470,800</u>	<u>\$ 2,601,360</u>
Liabilities		
Split-interest agreement obligations	<u>\$ 1,018,831</u>	<u>\$ 951,974</u>

In addition to the obligations for the split-interest agreements, annuities payable also include the future obligation relating to the settlement of an estate gift. The present value of this liability was \$373,230 and \$383,294 at June 30, 2020 and 2019, respectively.

**Note 10: Net Assets Without Donor Restrictions**

Net assets without donor restrictions at June 30, 2020 and 2019, are designated for the following purposes:

	<b>2020</b>	<b>2019</b>
Undesignated	\$ 1,342,647	\$ 1,320,181
Board-designated operating reserve fund	2,620,233	2,620,233
Board-designated endowment funds	3,870,843	3,759,087
University President directed fund	206,665	201,650
	<u>\$ 8,040,388</u>	<u>\$ 7,901,151</u>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

**Note 11: Net Assets With Donor Restrictions**

Net assets with donor restrictions at June 30, 2020 and 2019, are restricted for the following purposes:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose		
Scholarships	\$ 7,846,769	\$ 6,875,327
Instruction and other departmental	8,933,249	8,516,831
Student services – athletics	603,856	411,781
Academic support – TV	338,451	308,134
Institutional support – facilities	4,312,119	2,696,926
Net accumulated earnings in excess of approved payout	<u>7,051,974</u>	<u>7,655,721</u>
	<u>29,086,418</u>	<u>26,464,720</u>
Perpetually restricted with the earnings subject to Foundation endowment spending policy		
Scholarships	24,378,662	23,795,468
Instruction and other departmental	3,597,770	3,715,935
Student services – athletics	120,528	112,358
Academic support – TV	13,090	13,090
Institutional support – facilities	<u>40,245</u>	<u>40,245</u>
	<u>28,150,295</u>	<u>27,677,096</u>
	<u>\$ 57,236,713</u>	<u>\$ 54,141,816</u>

**Net Assets Released from Restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, by occurrence of other events specified by donors or Board-approved administrative allocations.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

**Note 12: Endowment**

The Foundation's endowment consists of approximately 587 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments (Board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including Board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's governing body has interpreted the State of Missouri Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

The composition of net assets by type of endowment fund at June 30, 2020 and 2019, was:

	<b>Without Donor Restrictions</b>	<b>2020 With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 47,114,417	\$ 47,114,417
Board-designated endowment funds	3,870,843	-	3,870,843
<b>Total endowment funds</b>	<b>\$ 3,870,843</b>	<b>\$ 47,114,417</b>	<b>\$ 50,985,260</b>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

	<b>Without Donor Restrictions</b>	<b>2019 With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 45,816,483	\$ 45,816,483
Board-designated endowment funds	<u>3,759,087</u>	<u>-</u>	<u>3,759,087</u>
Total endowment funds	<u>\$ 3,759,087</u>	<u>\$ 45,816,483</u>	<u>\$ 49,575,570</u>

Changes in endowment net assets for the years ended June 30, 2020 and 2019, were:

	<b>Without Donor Restrictions</b>	<b>2020 With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	<u>\$ 3,759,087</u>	<u>\$ 45,816,483</u>	<u>\$ 49,575,570</u>
Net investment return			
Net investment income	-	984,769	984,769
Net realized and unrealized gain (loss) on investments	<u>65,209</u>	<u>(181,560)</u>	<u>(116,351)</u>
Total net investment return	65,209	803,209	868,418
Gifts	113,054	1,548,412	1,661,466
Appropriation of assets for expenditure	(120,040)	(1,231,819)	(1,351,859)
Change in donor restrictions	53,533	198,255	251,788
Actuarial loss on annuity obligations	<u>-</u>	<u>(20,123)</u>	<u>(20,123)</u>
Endowment net assets, end of year	<u>\$ 3,870,843</u>	<u>\$ 47,114,417</u>	<u>\$ 50,985,260</u>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

	<b>Without Donor Restrictions</b>	<b>2019 With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	<u>\$ 3,480,142</u>	<u>\$ 41,920,742</u>	<u>\$ 45,400,884</u>
Net investment return			
Net investment income	-	945,504	945,504
Net realized and unrealized gain on investments	<u>247,613</u>	<u>1,198,566</u>	<u>1,446,179</u>
Total net investment return	247,613	2,144,070	2,391,683
Gifts	49,212	2,783,320	2,832,532
Appropriation of assets for expenditure	(139,246)	(1,205,856)	(1,345,102)
Change in donor restrictions	121,366	190,527	311,893
Actuarial loss on annuity obligations	<u>-</u>	<u>(16,320)</u>	<u>(16,320)</u>
Endowment net assets, end of year	<u><u>\$ 3,759,087</u></u>	<u><u>\$ 45,816,483</u></u>	<u><u>\$ 49,575,570</u></u>

An immaterial revision was made to the 2019 net realized and unrealized gain (loss) on investments with donor restrictions. This revision did not have an impact on the amount of net assets with donor restrictions on the 2019 statement of financial position or on the net realized and unrealized gain (loss) on investments and beneficial interest in trust with donor restrictions on the 2019 statement of activities.

The Foundation has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. At June 30, 2020, funds with original gift values of \$2,220,675, fair values of \$2,161,300 and deficiencies of \$59,375 were reported in net assets with donor restrictions. At June 30, 2019, there were no funds with deficiencies of fair value below original gift value. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after investment of new restricted contributions and continued appropriation for certain purposes that was deemed prudent by the Board of Directors.

The Foundation's investment and spending policies are disclosed in the Management of Pooled Investments section of *Note 1*.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

**Note 13: Transactions with the University**

The Foundation incurs certain expenses for the direct advancement of University programs. Total expenses incurred by the Foundation for the advancement of the University were \$2,736,076 and \$2,927,166 for the years ended June 30, 2020 and 2019, respectively, and presented by purpose in the statements of activities. The amount due to the University for expenses not yet reimbursed by the Foundation was \$176,730 and \$378,807 at June 30, 2020 and 2019, respectively, and is included in accrued expenses and due to University on the accompanying statements of financial position.

Compensation and benefits for some University employees who provide services for the Foundation are reimbursed by the Foundation and are shown on the accompanying statements of activities as general administrative and fundraising expenses. Total compensation and benefits paid by the University and reimbursed by the Foundation were \$856,287 and \$711,223 for the years ended June 30, 2020 and 2019, respectively. The amount due to the University for compensation and benefits not yet reimbursed by the Foundation was \$97,868 and \$86,022 at June 30, 2020 and 2019, respectively, and is included in accrued expenses and due to University on the accompanying statements of financial position.

Compensation and benefits for some University employees who provide services for the Foundation are paid by the University and are not reimbursed by the Foundation. Compensation and benefits paid by the University were \$1,133,481 and \$1,151,774, based on the percentage of time related to the Foundation, for the years ended June 30, 2020 and 2019, respectively. The compensation and benefits for these employees is included in the accompanying statement of activities as in-kind gifts and general administrative and fundraising expenses.

During the year ended June 30, 2019, the University rented certain real estate held as an investment from the Foundation. Rental income recognized by the Foundation during 2019 was \$11,882. The Foundation sold the real estate during the year ended June 30, 2019.

**Note 14: Disclosures About Fair Value of Assets**

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

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

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

**Recurring Measurements**

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2020 and 2019:

	<b>2020</b>			
	<b>Total Fair Value</b>	<b>Fair Value Measurements Using</b>		
		<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Investments				
Mutual funds				
Money market	\$ 1,910,990	\$ 1,910,990	\$ -	\$ -
Domestic equity	11,139,617	11,139,617	-	-
International equity	4,495,200	4,495,200	-	-
Common stock				
Domestic	8,127,046	8,127,046	-	-
International	18,984	18,984	-	-
Exchange traded funds				
Domestic	6,426,569	6,426,569	-	-
Fixed income investments				
Mortgage	2,191,446	-	2,191,446	-
Credit	12,612,978	47,920	12,565,058	-
U.S. Treasuries	4,823,303	4,823,303	-	-
Agencies	858,972	-	858,972	-
Asset backed securities	282,312	-	282,312	-
Taxable municipal bonds	3,137,813	-	3,137,813	-
Diversified taxable funds	601,332	601,332	-	-
Domestic preferred stock	349,978	349,978	-	-
Taxable high yield funds	102,138	102,138	-	-
Emerging markets	96,951	96,951	-	-
Alternative investments				
Hedge funds	4,382,464	4,382,464	-	-
Infrastructure	-	-	-	-
Total investments	<u>61,558,093</u>	<u>42,522,492</u>	<u>19,035,601</u>	<u>-</u>
Beneficial interests in trusts	<u>885,088</u>	<u>-</u>	<u>-</u>	<u>885,088</u>
Total assets	<u>\$ 62,443,181</u>	<u>\$ 42,522,492</u>	<u>\$ 19,035,601</u>	<u>\$ 885,088</u>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

	2019			
	Total Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Mutual funds				
Money market	\$ 779,328	\$ 779,328	\$ -	\$ -
Domestic equity	11,016,290	11,016,290	-	-
International equity	6,063,838	6,063,838	-	-
Common stock				
Domestic	7,959,515	7,959,515	-	-
International	62,082	62,082	-	-
Exchange traded funds				
Domestic	6,327,111	6,327,111	-	-
Fixed income investments				
Mortgage	1,782,585	-	1,782,585	-
Credit	11,492,527	40,542	11,451,985	-
U.S. Treasuries	2,453,066	2,453,066	-	-
Agencies	1,411,542	-	1,411,542	-
Asset backed securities	569,595	-	569,595	-
Taxable municipal bonds	2,157,134	-	2,157,134	-
Diversified taxable funds	599,952	599,952	-	-
Domestic preferred stock	212,080	212,080	-	-
Taxable high yield funds	636,785	636,785	-	-
Emerging markets	209,119	209,119	-	-
Alternative investments				
Hedge funds	4,149,216	4,149,216	-	-
Infrastructure	16,126	16,126	-	-
Total investments	57,897,891	40,525,050	17,372,841	-
Beneficial interests in trusts	991,943	-	-	991,943
Total assets	<u>\$ 58,889,834</u>	<u>\$ 40,525,050</u>	<u>\$ 17,372,841</u>	<u>\$ 991,943</u>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2020 and 2019. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

***Investments***

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

***Beneficial Interest in Trusts***

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

**Note 15: Significant Estimates and Concentrations**

***Concentrations of Credit and Market Risk***

The Foundation invests in various investment securities. Investment securities are subject to various risks, such as interest rate risk, credit risk and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements. The Foundation has established guidelines to mitigate these risks. These guidelines are periodically reviewed and modified when necessary.

***Contributions***

Approximately 39 percent of all contributions were received from two donors during the year ended June 30, 2020.

Approximately 21 percent of all contributions were received from one donor during the year ended June 30, 2019.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

**Note 16: Liquidity and Availability**

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions; such support has historically represented approximately 7 to 11 percent of annual program funding needs, with the remainder funded by investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and Board-designated (quasi) endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and scholarship, academic enrichment and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets
- Maintaining sufficient reserves to provide reasonable assurance that long-term commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation

The Foundation's Finance Committee (the "Committee") meets annually to review and approve the annual operating budget and annual payout. Due to this timing, the Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100 percent of annual expenses for administrative, general and fundraising expenses plus an amount that represents the next expected payment for the annual payout approved by the Committee, which typically represents approximately 51 percent of the expected annual cash needs.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

As of June 30, 2020 and 2019, the following table shows the total financial assets held by the University and the amounts of those financial assets that could readily be made available within one year to meet general expenditures:

	<b>2020</b>	<b>2019</b>
Financial assets at year end		
Cash	\$ 505,503	\$ 191,642
Investments	61,558,093	57,897,891
Accrued investment income	233,416	256,688
Contributions receivable	1,193,500	1,676,730
Notes receivable	2,154,000	2,370,169
	<hr/>	<hr/>
Total financial assets at year end	65,644,512	62,393,120
Less amounts restricted or not available to be used within one year		
Donor-imposed restrictions on financial assets	55,839,169	52,667,144
Board-designated operating reserve fund	2,620,233	2,620,233
Board-designated endowment funds	3,870,843	3,759,087
University President directed fund	206,665	201,650
Notes receivable – due after one year	1,928,364	2,153,999
	<hr/>	<hr/>
Financial assets not available to meet general expenditures within one year	64,465,274	61,402,113
Financial assets available to meet general expenditures within one year	<u>\$ 1,179,238</u>	<u>\$ 991,007</u>

**Note 17: Current Economic Conditions**

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operating and cash flows of the Foundation. These uncertainties include market value fluctuations of investments, and uncertain levels of donor giving. The duration of these uncertainties and the ultimate financial efforts cannot be reasonably estimated at this time.