

The image shows the cover of a financial report. The background is a night scene of the Missouri State Capitol building, illuminated with warm yellow lights. The building's dome and classical architectural details are visible. In the sky, numerous colorful fireworks are exploding, with streaks of red, green, white, and purple. The text 'MISSOURI' is written in a large, white, serif font at the top left. Below it, '2019' is written in a similar font. At the bottom, the title 'Comprehensive Annual Financial Report' and the subtitle 'For the Fiscal Year Ended June 30, 2019' are written in a smaller, white, serif font.

MISSOURI

2019

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

STATE OF MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Fiscal Year Ended June 30, 2019



Michael L. Parson
Governor

SARAH H. STEELMAN
Commissioner
Office of Administration

STACY NEAL
Director
Division of Accounting

Prepared by
Office of Administration, Division of Accounting

On the Cover:

Missouri State Capitol, Mayor Carrie Tergin, Photographer

This report can be viewed on the Internet at <http://oa.mo.gov/accounting/reports>

STATE OF MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2019

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*The **Introductory Section** includes material to familiarize the reader with the organizational structure of the State, the nature and scope of services the State provides, and a summary of the financial activities of the State and the factors that influence these activities.*

Michael L. Parson
Governor



Sarah Steelman
Commissioner

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Stacy Neal
Director

January 9, 2020

The Honorable Michael L. Parson
The Honorable Members of the Legislature
Citizens of the State of Missouri

In accordance with generally accepted accounting principles, I submit to you the Comprehensive Annual Financial Report (CAFR) of the State of Missouri for the fiscal year ended June 30, 2019. This report was prepared by the Office of Administration, Division of Accounting, whose management is responsible for its contents.

The report is prepared to show the financial position and operating results of the State. The State's internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefit. We believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial activities have been included.

An annual audit of the basic financial statements is completed each year by the State Auditor's Office. The State Auditor conducts the audit in accordance with generally accepted government auditing standards, and her opinion has been included in this report. The State Auditor conducts a "Single Audit" of all federal funds in accordance with the Federal Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform guidance).

A narrative introduction, overview, and analysis of the basic financial statements is presented in the *Management's Discussion and Analysis (MD&A)* section of this report. This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE GOVERNMENT

Missouri was organized as a territory in 1812 and was the second state (after Louisiana) of the Louisiana Purchase to be admitted to the Union. Statehood was granted on August 10, 1821, making Missouri the 24th state. The State encompasses 68,945 square miles.

The State operates under three branches of government: executive, legislative, and judicial. The executive branch consists of the Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, and Attorney General. The legislative branch consists of 34 members of the Senate and 163 members of the House of Representatives. The judicial branch is a three-tier court system: the Supreme Court, the State's highest court, has statewide jurisdiction; a court of appeals that consists of districts established by the General Assembly; and a system of circuit courts that has original jurisdiction over all cases and matters, civil and criminal.

The State provides a range of services in the areas of agriculture, education, health and social services, transportation systems, public safety, judicial systems, economic development, conservation and natural resources, labor relations, and general administration.

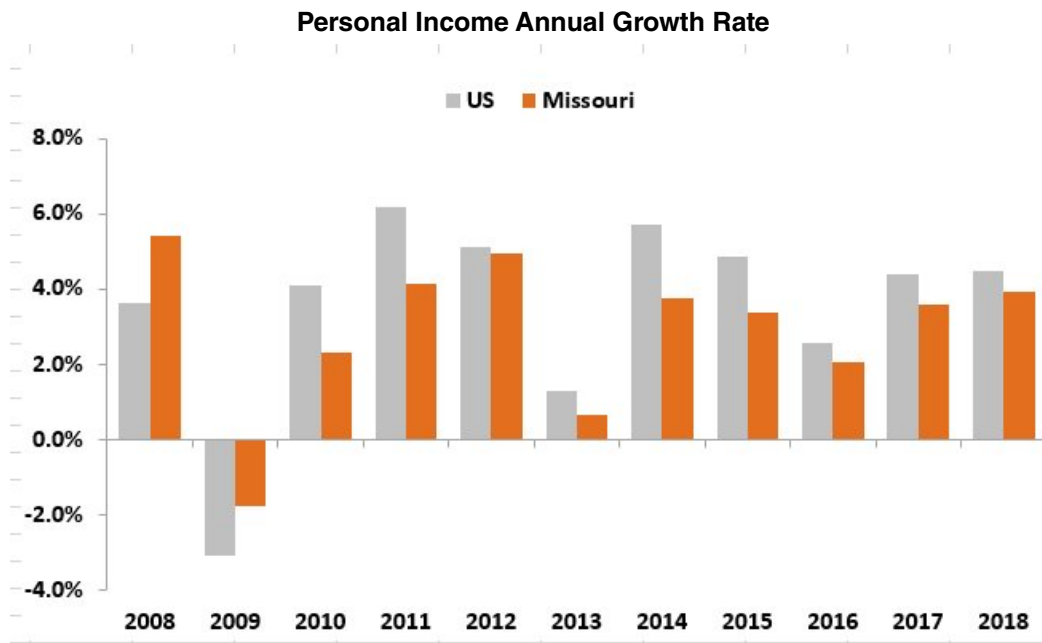
The State operates on a legally adopted budget in order to ensure compliance with legal provisions embodied in the annual appropriated budget passed by the General Assembly and approved by the Governor prior to the beginning of the fiscal year. If appropriations are not sufficient for a fiscal year, supplemental amounts are requested during the next legislative session by the same process that original appropriations are requested. Budgets are established at the program level. Expenditures cannot exceed the individual appropriation amount. The Governor has the authority to reduce the allotments of appropriations in any fund if it appears that the revenue estimate will not be met. Article IV, Section 27 of the Missouri Constitution, amended in 2014, requires the Governor to notify the General Assembly if the Governor reduces allotments when it appears revenues will be less than estimated. This Section then gives the General Assembly the authority to overturn any of the Governor’s restrictions with a two-thirds vote, similar to the procedure to overturn a veto. Unexpended appropriations lapse at the end of each fiscal year, unless reappropriated to the following budget fiscal year.

The financial reporting entity of the State includes all of the funds of the primary government as well as component units for which the State is financially accountable. The transmittal letter, MD&A, and the financial statements focus on the primary government and its activities. Although information pertaining to the component units is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position.

ECONOMIC CONDITION AND OUTLOOK

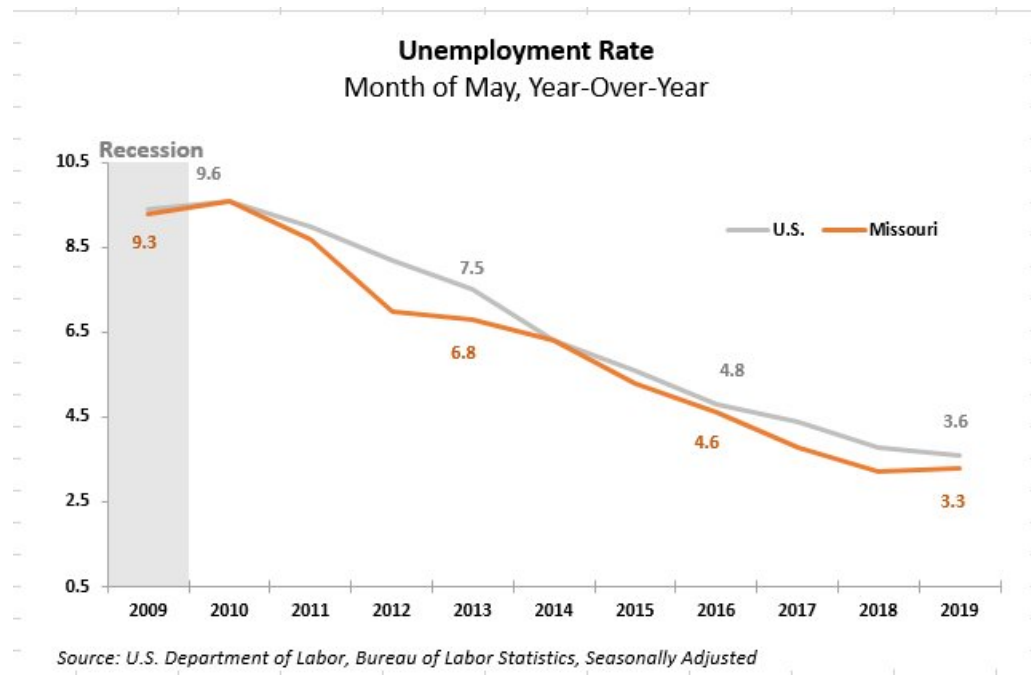
State Economy

Missouri’s economy saw its seventh consecutive year of Annual Real GDP growth in 2018. Missouri’s GDP was \$282.2 billion in inflation-adjusted dollars; this is a 2.3% increase over 2017. Missouri’s per capita personal income was \$46,635 in 2018, an increase of 3.6% from 2017. The national per capita income is \$53,712. While the State’s per capita income is lower than the national average, so is the cost of living. In 2018, Missouri ranked 4th lowest in cost of living for states.



Source: MERIC 2019 Missouri Economic Report

In May 2019, Missouri's unemployment rate was 3.3%, while the nation's unemployment rate was 3.6%. May 2019 makes 27 consecutive months of unemployment rates below 4%. Between May 2018 and May 2019 Missouri added 31,000 jobs.



Source: MERIC 2019 Missouri Economic Report

Long-Term Financial Planning

During the 2014 legislative session, the legislature passed Senate Bill 509 and Senate Bill 496, relating to changes to the State's income tax structure. The legislation reduced the maximum tax rate on personal income and created an income tax deduction for business income. The implementation of the tax cut is gradual with a 0.10% decline each calendar year and will go into effect following fiscal years where net general revenue collections grow at least \$150 million. Estimates indicate that the bills will cost at least \$620 million annually once fully in effect, which will occur in fiscal year 2024 at the earliest, due to a phased implementation. General revenue growth for fiscal year 2017 and 2018 triggered the first two income tax reductions in tax year 2018 and 2019. The estimated income tax revenue reduction for fiscal year 2019 is \$240 million. Net General revenue growth did not trigger the third income tax reduction for tax year 2020.

The General Assembly passed several tax-related bills during the 2019 legislative session. The combined impact to general revenue during fiscal year 2020 is estimated as a loss of \$9.4 million to \$59.6 million. Once fully implemented, the legislation could impact general revenue by an estimated loss of \$57.3 million to an estimated gain of \$4.3 million.

There were no new bond issuances during fiscal year 2019. In fiscal year 2020, the Third Lien State Road Bonds, Series B 2019 in the amount of \$178,370,000 were issued by the Missouri Highways and Transportation Commission. Senate Concurrent Resolution 14 authorized \$301 million Missouri Highways and Transportation Commission bonds to renovate bridges and other important transportation infrastructure. The Department of Transportation leveraged this spending authority to qualify for the U.S. Infrastructure for Rebuilding America grant to provide \$81.2 million in federal funding for Missouri transportation projects. This is the first time that general revenue funds are being used to pay a Missouri Highways and Transportation Commission bond.

Relevant Financial Policies

Article X, Sections 16-24 of the Constitution of Missouri (the “Tax Limitation Amendment”), imposes a limit on the amount of taxes that may be imposed by the General Assembly in any fiscal year. This limit is tied to total state revenues for fiscal year 1981, as defined in the Tax Limitation Amendment and adjusted annually based on a formula, which is tied to increases in the personal income of Missouri for certain designated periods. If the revenue limit is exceeded by one percent or more in any fiscal year, the excess revenue will be refunded based on the liability reported on state income tax returns. If the excess revenue collected is less than one percent of the revenue limit, the excess revenue shall be transferred to the General Revenue Fund.

The revenue limit can be exceeded by a constitutional amendment duly adopted by the people or, if the General Assembly approves by a two-thirds vote, an emergency declaration by the Governor. Strong economic growth resulted in revenues above the total state revenue limit in fiscal years 1995-1999. The State has refunded to income taxpayers \$979 million in excess revenue for these fiscal years. The revenue limit was not exceeded in fiscal years 2000 through 2019, inclusive. The State is currently \$3.79 billion below the limit and does not expect the limit to be exceeded in fiscal year 2020.

Major Initiatives

Missouri will continue to focus on streamlining government functions and investing in its citizens. Major initiatives include a focus on tax reform, economic growth, government reorganization, and the well-being of Missouri citizens.

2019 Tax Legislation

- **Individual Income Tax** - The General Assembly passed Senate Bill (SB) 87 which contained individual income tax-related components. SB 87 would disallow interest for one month and penalties through December 2019 for individuals who paid their income tax liabilities (due in April 2019) late. In addition, the bill created the Taxpayer Protection Act which requires paid tax preparers to provide their tax identification number and signature on tax returns. SB 87 is estimated to reduce fiscal year 2020 general revenues by \$9.3 million. Once fully implemented, SB 87 could increase general revenue by an estimated \$1.4 million.
- **Sales Tax** - The General Assembly passed three sales tax related bills - House Bill (HB) 220, SB 87, and SB 368. HB 220 would allow telecommunications businesses to separate product bundles into taxable and non-taxable components. Currently the full telecommunications bundle is taxable, even if it contains non-taxable items and services. This may have an unknown negative impact on general revenue. SB 87 would extend sales tax refunds from three years to ten years from the date of overpayment. SB 368 would grant a tax exemption to leases from port authorities to private entities.
- **Corporate Income Tax** - The General Assembly passed two corporate income tax-related bills - SB 87 and SB 174. SB 87 would decouple business interest expensing from the federal Tax Cuts and Jobs Act. This provision is estimated to have cash flow impacts to general revenue as businesses accelerate interest expensing into the year the interest expenses occurred, and adding back the federally allowed deduction in later years. SB 174 exempts Federal Reserve interest received by financial institutions from corporate income taxes. SB 174 is expected to reduce corporate income tax collections by \$30,000 to \$70,000 once fully implemented.
- **Tax Credits** - The General Assembly passed three tax credit-related bills - SB 68, SB 174, and SB 180. SB 68 expands both the business facility tax credit and the Missouri Works tax credit programs. These expansions are estimated to reduce general revenue by \$54.4 million, once fully implemented. SB 174 eliminates one of the bank franchise tax credits, now that the bank franchise tax has been phased out. This provision is estimated to increase general revenue by \$2.7 to \$4.3 million annually. SB 180 would expand the Missouri Works tax credit program to include military projects. This provision is estimated to decrease general revenue by an estimated \$5.5 million annually.

Fast-Track Grant Program and Qualified Manufacturing Incentives - The General Assembly passed a comprehensive economic development strategy for growth across Missouri (SB 68). SB 68 provides state government with new tools to promote economic success. The Fast-Track Workforce Incentive Grant program offers qualified individuals, at least 25 years of age, forgivable loans to pay for education in fields with current occupational shortages. Additionally, the bill creates a new incentive program for automotive manufacturing plants that invest at least \$500 million in retooling manufacturing facilities.

Missouri One Start Workforce Development Initiatives - The General Assembly passed a comprehensive economic development strategy for growth across Missouri - SB 68 and SB 180. SB 68 creates a new Closing Fund to help the state encourage businesses to locate in Missouri while also modifying the Missouri One Start new and retained jobs initiatives to encourage current Missouri businesses to remain in Missouri. Senate Bill 180 modifies the One Start program to assist in funding the retention or expansion of U.S. Department of Defense installations within Missouri

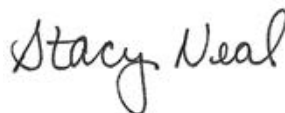
Executive Department Reorganization - Executive Orders 19-01, 19-02, and 19-03 reorganized the Departments of Higher Education; Economic Development; Natural Resources; and Insurance, Financial Institutions and Professional Registration to promote efficiency across state government by allowing each agency to focus on its primary mission. These structural changes promote state government economic and workforce development initiatives. Additionally, HB 612 transferred the State Arts Council to the Lieutenant Governor's Office to allow the Department of Economic Development to focus on business retention, expansion, and recruitment while supporting the Arts Council's mission of promoting fine and performing arts across the state.

ACKNOWLEDGEMENTS

While the Office of Administration, Division of Accounting, is responsible for the contents of this report, no one division could do it alone. Many people were involved in the compilation of materials necessary to complete the report.

We want to issue a special thanks to all the personnel at the State agencies who provided us with information quickly and accurately so that we could issue the CAFR in a timely manner. We also owe thanks to the professionalism and dedication demonstrated by technical and management personnel within the State Auditor's Office, the State Treasurer's Office, Office of Administration, Information Technology Services Division, and the State Printing Center. We appreciate all their efforts.

Sincerely,

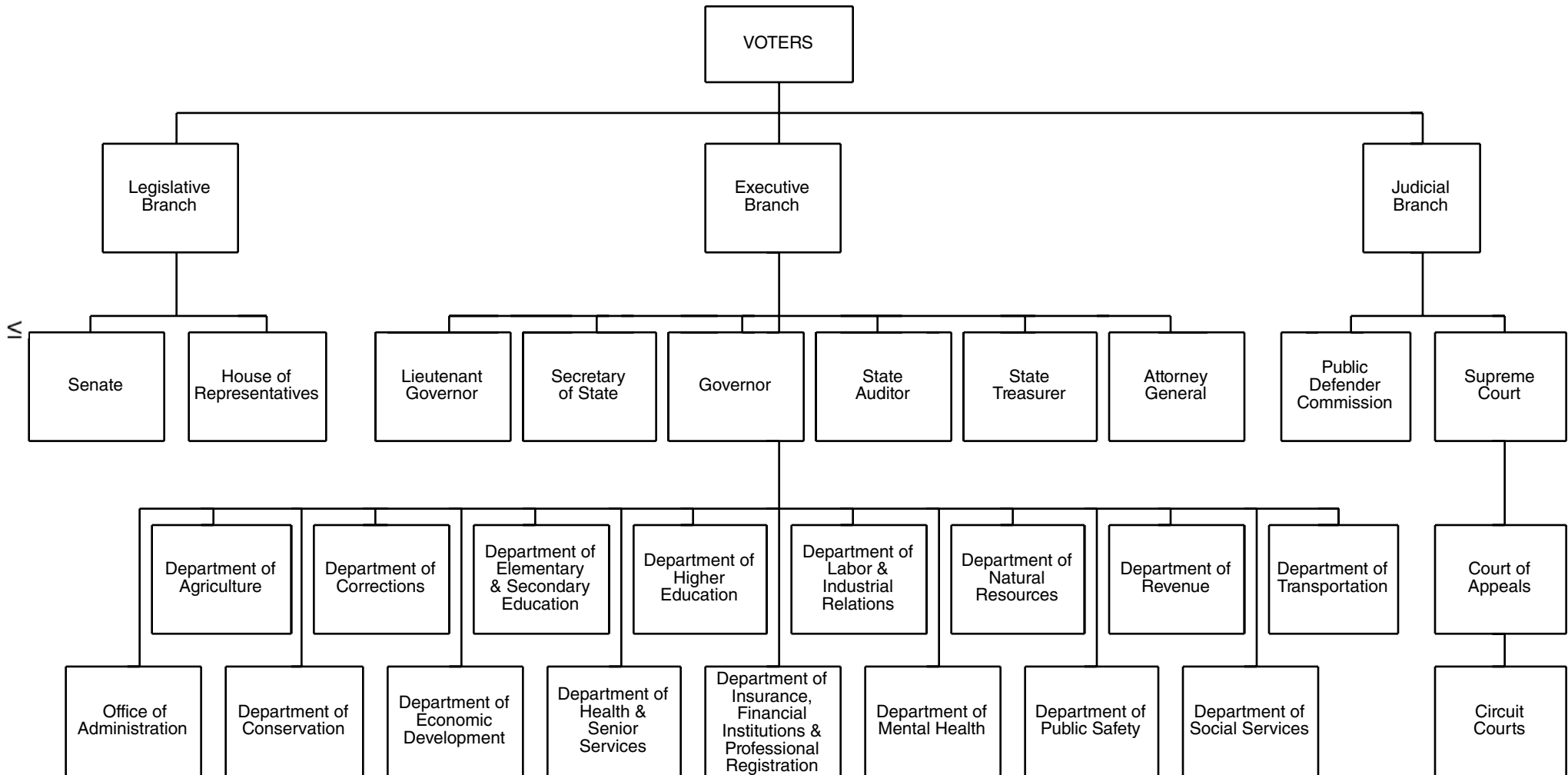
A handwritten signature in cursive script that reads "Stacy Neal".

Stacy Neal, CPA
Director

STATE OF MISSOURI

ORGANIZATIONAL CHART

June 30, 2019



**STATE OF MISSOURI
PRINCIPAL STATE OFFICIALS
as of June 30, 2019**

EXECUTIVE

Michael L. Parson
Governor

Mike Kehoe
Lieutenant Governor

John R. Ashcroft
Secretary of State

Nicole Galloway, CPA
State Auditor

Scott Fitzpatrick
State Treasurer

Eric Schmitt
Attorney General

LEGISLATIVE

Dave Schatz
President Pro Tem of the Senate

Elijah Haahr
Speaker of the House of Representatives

JUDICIAL

George W. Draper III
Chief Justice of the Supreme Court



*The **Financial Section** includes the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, and Supplementary Information.*



NICOLE GALLOWAY, CPA

Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT

Honorable Michael L. Parson, Governor
and
Members of the General Assembly

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain entities. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors. Those entities were:

1. The Missouri Road Fund, a major fund; the Missouri Road Bond Fund; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan which represent 76 percent of the assets and 11 percent of the revenues of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund which are both major funds and represent 11 percent of the assets and 74 percent of the revenues of the business-type activities.

3. The aggregate discretely presented component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation agency funds which represent 93 percent of the assets and 97 percent of the additions of the fiduciary funds.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Missouri State Employees' Insurance Plan and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board, the Missouri Agricultural and Small Business Development Authority, and the State Environmental Improvement Energy Resources Authority, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

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 qualified audit opinions on the governmental activities and the General Fund opinion units and our unmodified opinions on all remaining opinion units.

Basis for Qualified Opinions on the Governmental Activities and the General Fund

We were not allowed access to tax returns and related source documents for income taxes. Access was denied based on the Department of Revenue's interpretation of the decision rendered by the Missouri Supreme Court in the case of *Director of Revenue v. State Auditor* 511 S.W.2d 779 (Mo. 1974). Approximately 29 percent of governmental activity revenues and 34 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded.

Qualified Opinions

In our opinion, based on our audit and the reports of other auditors, and except for the possible effects of the matter described in the "Basis for Qualified Opinions on the Governmental Activities and the General Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the state of Missouri, as of June 30, 2019, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund excluding the General Fund, and the aggregate remaining fund information of the state of Missouri, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the 2018 financial statements have been restated to correct misstatements. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Budgetary Comparison Schedule-General Fund, Major Special Revenue Funds; the Schedule of Changes in Net Pension Liability and Related Ratios; the Schedule of Proportionate Share of the Net Pension Liability; the Schedule of State Contributions; the Schedule of Changes in Total OPEB Liability and Related Ratios, the Schedule of Changes in Net OPEB Liability and Related Ratios; and the Schedule of Proportionate Share of the Collective Net OPEB Liability, as listed in the table of contents, 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The supplementary information, as listed in the table of contents, and the other information, which consists of the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

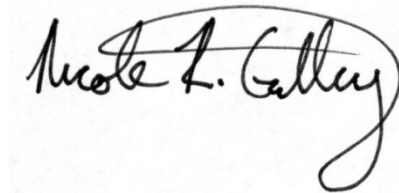
The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States

of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, and except for the possible effects on the supplementary information of the matter discussed in the "Basis for Qualified Opinions on the Governmental Activities and the General Fund" paragraph, the supplementary information, as listed in the table of contents, is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The information in the introductory and statistical sections has not been subjected to the audit procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, our report dated January 9, 2020, on our consideration of the state of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters will be issued under separate cover in the Report on Internal Control, Compliance, and Other Matters. The purpose of our report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the state of Missouri's internal control over financial reporting or on compliance. Our report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the state of Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style and is enclosed within a faint, light-colored rectangular border.

Nicole R. Galloway, CPA
State Auditor

January 9, 2020



The Management's Discussion and Analysis provides a narrative overview and analysis of the financial activities of the State.

Management's Discussion and Analysis

The following is a discussion and analysis of the State of Missouri's financial activities for the fiscal year ended June 30, 2019. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-Wide:

- *Net Position.* Assets and deferred outflows of the State of Missouri exceeded liabilities and deferred inflows at the close of fiscal year 2019 by \$28.1 billion. Of the \$28.1 billion, “unrestricted net position” is reported as a negative \$7.3 billion, offset by \$4.4 billion in “restricted net position,” and \$31.0 billion net investment in capital assets.
- *Changes in Net Position.* The State's total net position increased by \$502.4 million in fiscal year 2019. Net position for governmental-type activities increased by \$404.6 million.
- *Excess of Revenues over (under) Expenses.* During fiscal year 2019, the State's total revenues of \$28.2 billion were \$502.3 million greater than total expenses of \$27.7 billion (excluding capital contributions, transfers, and extraordinary items). Of these expenses, \$15.5 billion were covered by program revenues. General revenues, generated primarily from various taxes, totaled \$12.7 billion.

Fund-Level:

- *Governmental Funds – Fund Balance.* At the close of fiscal year 2019, the State's governmental fund assets exceeded liabilities by \$5.8 billion, an increase of \$310.4 million or 5.7% from the prior year. The increase was due to the net effect of several factors. Revenues increased \$245.0 million, primarily from an increase in taxes of \$314.6 million. Additionally, revenues from Contributions and Intergovernmental decreased \$125.3 million and related expenditures in Human Services increased \$53.9 million due to an increase for Medicaid and Other Assistance Programs.
- *General Fund – Fund Balance.* At the end of the current fiscal year, the State's General Fund reported a balance of \$2.1 billion.

Additional information regarding individual funds begins on Page 8.

Debt Issued and Outstanding:

- The primary government's total long-term obligations related to bonds payable decreased \$321.9 million, or 11.1%, over the prior year. The outstanding bonds payable represents 25.3% of financial assets (cash, receivables, and investments) and 5.9% of total assets. The Missouri Department of Transportation issued refunding bond Series A 2019 in the amount of \$102,705,000, which refunded \$68,605,000 of bond Series A 2008 and \$42,695,000 of bond Series A 2009. Additionally, bond payments of \$313,265,000 were made during the fiscal year. The State has financed purchases through direct borrowing with banks in the amount of \$31.5 million. Additional detail is available in *Note 12*.

Revenue Limit:

- The State Constitution limits the State's ability to retain revenue collected over an amount set by a constitutional amendment known as Article X. Excess revenue of 1.0% or more must be refunded to the taxpayers each year. During fiscal year 2019, the State did not exceed the revenue limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

The State's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements:

The government-wide financial statements are designed to provide readers with a broad overview of the State's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the State's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as *net position*. Increases or decreases in net position may serve as a useful indicator of the State's financial position.

The *Statement of Activities* presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of when the cash is received. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report three activities:

Governmental Activities are primarily supported by taxes and intergovernmental revenues. They include general government, education, natural and economic resources, transportation and law enforcement, and human services.

Business-Type Activities are intended to recover all or a significant portion of their costs through user fees and charges. They include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, publishing maps and documents, and insurance coverage. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds.

Discretely Presented Component Units are operations for which the State has financial accountability, but are legally separate. They include the college and universities, Missouri Development Finance Board, Missouri Agricultural and Small Business Development Authority, Missouri Transportation Finance Corporation, Missouri Wine and Grape Board, and the State Environmental Improvement Energy Resources Authority.

Fund Financial Statements:

The fund financial statements present more detailed information about the government's operations than the government-wide statements. The State uses fund accounting to ensure and demonstrate compliance with statutory requirements. The funds of the State can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for most of the basic services provided by the State. Unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of current financial resources and utilize the modified accrual basis of accounting. This presentation focuses on when cash will be received and disbursed making the statements useful in evaluating a government's financing requirements in the near future.

Governmental funds include the general, special revenue, capital projects, debt service, and permanent funds. Major funds include general, public education, conservation and environmental protection, and the Missouri Road Fund which are presented in separate columns. Data from other governmental funds are combined into a single column for aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in supplementary information.

A user can compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. A reconciliation to facilitate this comparison is provided on the page immediately following each governmental fund financial statement.

Proprietary funds. Proprietary funds are used to account for activities similar to private businesses in which goods and services are sold for specified fees. Generally, the State uses enterprise funds to account for activities that provide goods and services to the general public. These include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, and publishing maps and documents. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds. Internal service funds report activities that provide supplies and services for the State's other programs and activities. The State uses internal service funds to account for insurance and health care plans, as well as administrative services for other state agencies, such as fleet management, data processing, and telecommunication services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds focus on economic resources and utilize the full accrual basis of accounting. The proprietary fund financial statements provide separate information for the State Lottery, Unemployment Compensation, and Petroleum Storage Tank Insurance, which are considered major enterprise funds. Non-major enterprise funds are also combined into a single column for aggregated presentation. All internal service funds are combined into a single column in the proprietary fund financial statements. Individual fund data for the non-major enterprise and internal service funds is provided in the form of combining statements in supplementary information.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside State government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the State's own programs. The fiduciary funds are presented using the full accrual basis of accounting.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) including a budgetary comparison schedule for the General Fund and major special revenue funds and schedules for pension and other postemployment benefits. Other supplementary information includes the combining statements for the general, non-major governmental, non-major enterprise, internal service, fiduciary, and non-major component unit funds. It also includes the statistical section as well as budgetary comparison schedules and statements for the Missouri Road Fund, non-major special revenue, debt service, capital projects, and permanent funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position:

The State's total net position increased \$502.4 million or 1.8% during fiscal year 2019. Cash and cash equivalents and investments increased \$326.3 million due to an increase in revenues. Accounts receivable increased \$188.3 million due to the conversion to a new tax system and the timing of grants receivables. Capital assets increased \$228.1 million mainly due to an increase in the State's infrastructure in progress. Bonds payable and the related unamortized bond premium liability decreased by \$351.0 million, due to bond payments of \$313.3 million and the refunding of the Missouri Highways and Transportation Commission Series A 2008 and Series A 2009 Bonds.

Net investment in capital assets, which includes capital assets, bonds payable, and capital lease/financed purchase obligations, is the largest component of the State's net position at \$31.0 billion or 110.1%. These assets include construction in progress, software in progress, infrastructure in progress, land, easements, land improvements, buildings, equipment, software, and trademarks which are not easily converted to cash or readily available to pay state debts as they come due. Net investment in capital assets and restricted net position, which do not represent resources available to pay day-to-day operating expenses, increased by \$631.9 million or 1.8%. The increase was primarily due to the increase in capital assets of \$228.1 million and a decrease in related outstanding bond, capital lease, and financed purchase obligation of \$254.7 million.

Restricted net position of the primary government totaled \$4.4 billion or 15.6% of total net position vs. 15.4% from the prior year. Net position is restricted for several reasons including constitutional, legal, enabling legislation, or external requirements. Examples of restricted net position include lottery proceeds restricted for public education, funds restricted for debt service, and certain sales taxes restricted for the maintenance of highways or state parks and conservation areas. Also, many federal funds are restricted to funding certain programs.

The following table displays the current and prior year government-wide condensed Statement of Net Position.

STATEMENT OF NET POSITION (In Thousands of Dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
ASSETS:						
Current and Other Assets	\$ 8,939,981	\$ 8,554,606	\$ 1,362,290	\$ 1,233,092	\$ 10,302,271	\$ 9,787,698
Capital Assets, Net	33,272,121	33,042,482	125,355	126,899	33,397,476	33,169,381
<i>Total Assets</i>	<u>42,212,102</u>	<u>41,597,088</u>	<u>1,487,645</u>	<u>1,359,991</u>	<u>43,699,747</u>	<u>42,957,079</u>
DEFERRED OUTFLOWS:						
	<u>1,803,126</u>	<u>1,917,257</u>	<u>50,848</u>	<u>55,443</u>	<u>1,853,974</u>	<u>1,972,700</u>
LIABILITIES:						
Other Liabilities	1,751,216	1,795,865	37,112	32,247	1,788,328	1,828,112
Long-Term Liabilities	14,819,597	14,706,191	405,994	389,192	15,225,591	15,095,383
<i>Total Liabilities</i>	<u>16,570,813</u>	<u>16,502,056</u>	<u>443,106</u>	<u>421,439</u>	<u>17,013,919</u>	<u>16,923,495</u>
DEFERRED INFLOWS:						
	<u>411,690</u>	<u>384,165</u>	<u>6,693</u>	<u>3,124</u>	<u>418,383</u>	<u>387,289</u>
NET POSITION:						
Net Investment in Capital Assets	30,849,210	30,364,850	125,355	126,899	30,974,565	30,491,749
Restricted	4,387,607	4,239,726	6,798	5,616	4,394,405	4,245,342
Unrestricted	(8,204,092)	(7,976,452)	956,541	858,356	(7,247,551)	(7,118,096)
<i>Total Net Position</i>	<u>\$ 27,032,725</u>	<u>\$ 26,628,124</u>	<u>\$ 1,088,694</u>	<u>\$ 990,871</u>	<u>\$ 28,121,419</u>	<u>\$ 27,618,995</u>

*Fiscal year 2018 amounts have been restated.

Changes in Net Position:

The schedule below reflects how the State's net position changed during the year. The State collected program revenues of \$15.5 billion and general revenues of \$12.7 billion for total revenues of \$28.2 billion during fiscal year 2019. Expenses for the State during fiscal year 2019 were \$27.7 billion. Total net position, net of contributions and transfers, increased by \$502.4 million.

The following table displays the current and prior year government-wide condensed Statement of Activities.

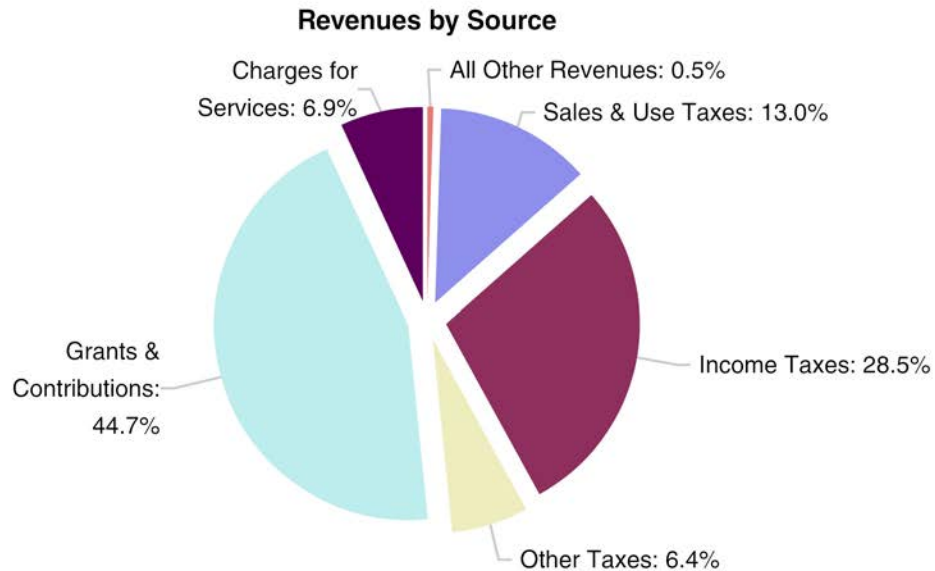
STATEMENT OF ACTIVITIES (In Thousands of Dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
REVENUES:						
Program Revenues:						
Charges for Services	\$ 1,803,260	\$ 1,700,766	\$ 1,571,219	\$ 1,522,729	\$ 3,374,479	\$ 3,223,495
Operating Grants and Contributions	10,757,841	10,811,591	431,609	466,750	11,189,450	11,278,341
Capital Grants and Contributions	949,652	1,020,653	—	—	949,652	1,020,653
General Revenues:						
Sales and Use Taxes	3,405,745	3,235,110	—	—	3,405,745	3,235,110
Income Taxes	7,470,829	7,200,130	—	—	7,470,829	7,200,130
Other Taxes	1,666,821	1,632,412	—	—	1,666,821	1,632,412
Other Revenues	138,138	85,541	26,449	18,338	164,587	103,879
<i>Total Revenues</i>	<u>26,192,286</u>	<u>25,686,203</u>	<u>2,029,277</u>	<u>2,007,817</u>	<u>28,221,563</u>	<u>27,694,020</u>
EXPENSES:						
General Government	1,336,971	1,265,947	—	—	1,336,971	1,265,947
Education	7,142,264	7,053,444	—	—	7,142,264	7,053,444
Natural and Economic Resources	1,056,172	1,079,318	—	—	1,056,172	1,079,318
Transportation and Law Enforcement	1,997,540	1,974,321	—	—	1,997,540	1,974,321
Human Services	14,449,527	14,339,926	—	—	14,449,527	14,339,926
State Lottery	—	—	1,168,030	1,086,927	1,168,030	1,086,927
Unemployment Compensation	—	—	264,370	294,271	264,370	294,271
Petroleum Storage Tank Insurance	—	—	20,346	21,298	20,346	21,298
State Fair Fees	—	—	4,531	4,880	4,531	4,880
State Parks and DNR	—	—	12,950	9,829	12,950	9,829
Historic Preservation	—	—	532	725	532	725
Missouri Veterans' Homes	—	—	125,213	123,095	125,213	123,095
Surplus Property	—	—	2,591	2,416	2,591	2,416
Revenue Information	—	—	9	12	9	12
Inmate Canteen Fund	—	—	28,526	46,474	28,526	46,474
All Other Expenses	109,740	120,206	—	—	109,740	120,206
<i>Total Expenses</i>	<u>26,092,214</u>	<u>25,833,162</u>	<u>1,627,098</u>	<u>1,589,927</u>	<u>27,719,312</u>	<u>27,423,089</u>
Increase (Decrease) in Net Position before Capital Contributions, Transfers, and Extraordinary Items	100,072	(146,959)	402,179	417,890	502,251	270,931
Capital Contributions	—	—	173	11,463	173	11,463
Transfers and Extraordinary Items	304,529	331,631	(304,529)	(331,631)	—	—
Change in Net Position	404,601	184,672	97,823	97,722	502,424	282,394
Net Position – July 1	26,628,124	26,443,452	990,871	893,149	27,618,995	27,336,601
Net Position – June 30	<u>\$ 27,032,725</u>	<u>\$ 26,628,124</u>	<u>\$ 1,088,694</u>	<u>\$ 990,871</u>	<u>\$ 28,121,419</u>	<u>\$ 27,618,995</u>

*Fiscal year 2018 amounts have been restated.

Governmental Activities

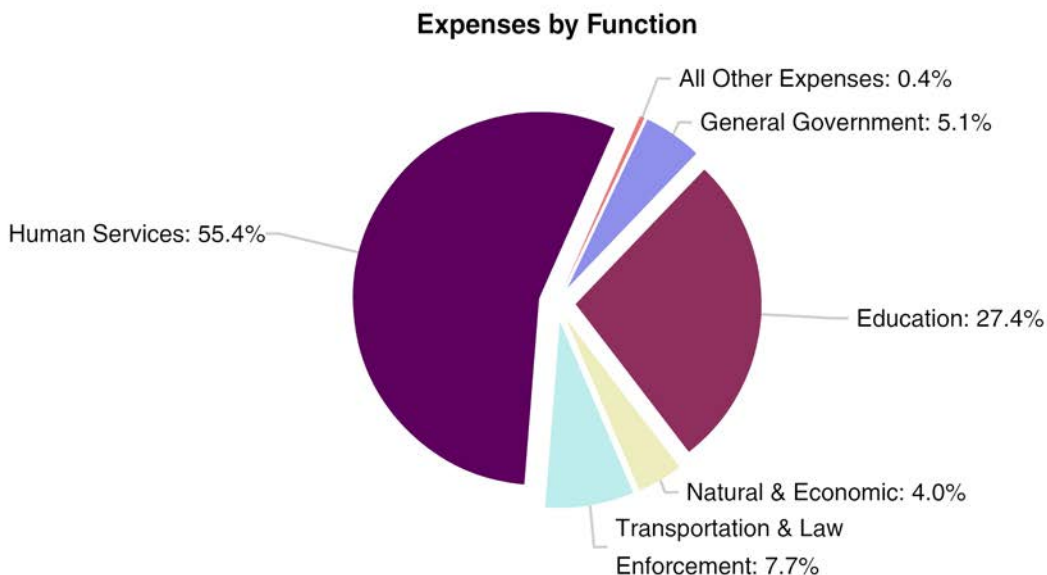
The net position of governmental activities increased \$404.6 million in fiscal year 2019. General and program revenues of governmental activities were \$506.1 million more in fiscal year 2019 than in fiscal year 2018, due mainly to an increase in charges for services, sales and use taxes, and income taxes.

As shown in the Revenues by Source chart below, approximately 47.9% of revenues from all sources earned came from taxes. Grants and contributions, which represents amounts received from other governments/entities, primarily the federal government, provided 44.7% of total revenue. Charges for services contributed 6.9% and various other revenues provided 0.5% of the remaining governmental activity revenue sources.



The State's governmental activities program expenses for fiscal year 2019 were \$259.1 million more than fiscal year 2018. The most notable increase is \$109.6 million in Human Services. This is mainly due to an increase for Medicaid and Other Assistance Programs.

As shown in the Expenses by Function chart below, expenses for Human Services comprised the largest portion of total governmental activities expenses at 55.4%, followed by Education at 27.4%.

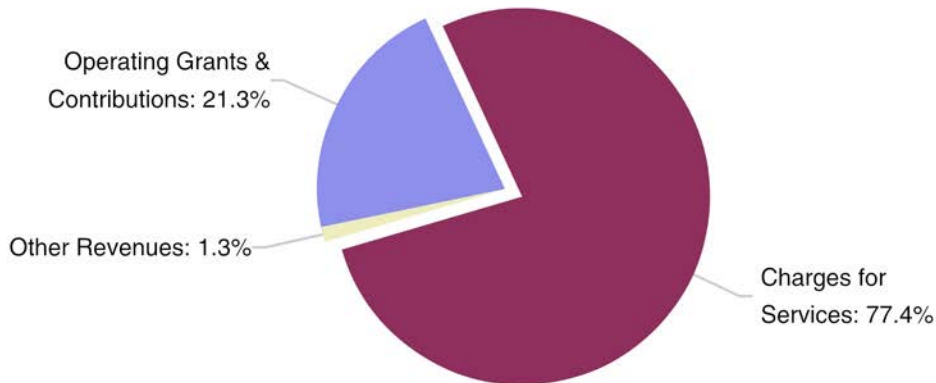


Business-Type Activities

Net position of the State's business-type activities increased \$97.8 million in fiscal year 2019, mainly due to an increase in cash in Unemployment Compensation. The increase was due to an improved economy and a low unemployment rate which is allowing excess cash to remain in the fund.

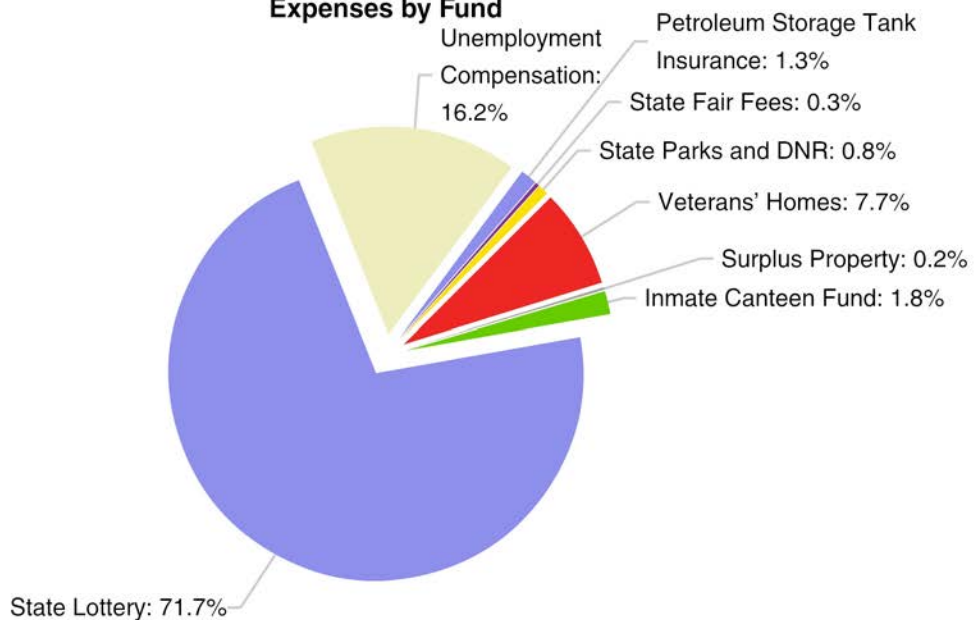
Revenues of business-type activities totaled \$2.0 billion. As shown in the Revenues by Source chart below, 77.4% of the revenues came from charges for services. Operating grants and contributions provided 21.3% of the total revenues and all other revenues provided 1.3%.

Revenues by Source



Expenses of business-type activities totaled \$1.6 billion. As shown in the Expenses by Fund chart below, State Lottery makes up the largest portion with 71.7% of total business-type expenses. Unemployment Compensation comes in second at 16.2%, followed by Veterans' Homes at 7.7%, Inmate Canteen at 1.8%, Petroleum Storage Tank Insurance at 1.3%, State Parks and DNR at 0.8%, State Fair Fees at 0.3%, and Surplus Property at 0.2%.

Expenses by Fund



FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

Governmental Funds:

At the end of fiscal year 2019, the State's governmental funds reported combined ending fund balances of \$5.8 billion. Approximately 63.9% is unrestricted and available for spending at the government's discretion. The remainder of fund balance is nonspendable and restricted to indicate that it is not available for new spending because it has already been allocated for: 1) inventories, 2) to pay debt service, 3) for loans receivable, and 4) for a variety of other purposes.

Fund balances (in thousands) for governmental funds are as follows:

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Total
Nonspendable	\$ 47,543	\$ 108	\$ 331	\$ 32,865	\$ 64,925	\$ 145,772
Restricted	555,916	244,432	144,637	644,615	354,036	1,943,636
Committed	655,262	1,843	1,765,893	—	31,696	2,454,694
Assigned	98,635	20,364	109,682	—	247,202	475,883
Unassigned	769,967	—	—	—	—	769,967
Total	\$ 2,127,323	\$ 266,747	\$ 2,020,543	\$ 677,480	\$ 697,859	\$ 5,789,952

The General Fund is the chief operating fund of the State. At the end of fiscal year 2019, the State's General Fund reported a total fund balance of \$2.1 billion, an increase of \$430.8 million from fiscal year 2018. Total revenues increased \$369.5 million. The increase was due primarily to an increase in taxes and an increase in funds received from the federal government for Medicaid and Other Assistance programs. Total expenditures went from \$18.9 billion to \$19.1 billion between fiscal years 2018 and 2019, an increase of \$223.4 million. The largest component of this increase was in education of \$115.5 million relating to the increase in appropriations to state public schools.

The Public Education Fund provides general and special education services to the children of the State and other related functions, such as library services and student loans. Total fund balance decreased from \$281.3 million last year to \$266.7 million this year, a decrease of \$14.6 million or 5.2%. This is mainly due to an increase of appropriations to educational institutions and to school districts.

The Conservation and Environmental Protection Fund provides the preservation of the State's wildlife and environment. At the end of fiscal year 2019, the fund balance was \$2.0 billion, an increase of \$25.3 million from fiscal year 2018. This increase is less than last year's increase of \$52.0 million, mainly due to a decrease in new loans issued by the State Revolving Fund loan program in fiscal year 2019 and to existing loans under that program being paid off.

The Missouri Road Fund accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. Total fund balance decreased \$26.0 million from fiscal year 2018. Revenues totaled \$1.2 billion while expenditures totaled \$1.7 billion. Total revenues decreased by \$89.8 million from fiscal year 2018. The primary decrease is in capital grants and contributions, which was impacted by a reduction in contractor payments due to projects being delayed because of rain and flooding.

Proprietary Funds:

The State has three major proprietary funds: State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance Fund. The State Lottery Fund was established in 1986 to account for the sale of lottery tickets and lottery operations. Since 1992, public education has been the sole beneficiary of lottery proceeds. Unemployment Compensation accounts for contributions and payments collected from Missouri employers under the provision of the "Unemployment Compensation Law." This tax finances benefits for workers who become unemployed through no fault of their own. The Petroleum Storage Tank Insurance Fund accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks. The fund pays cleanup expenses for petroleum leaks or spills from underground storage tanks and certain above ground storage tanks as well as third party property damage or bodily injury resulting from such discharges. This fund is one of the largest insurers of storage tanks in the country.

The State Lottery Fund's net position increased by \$1.0 million in fiscal year 2019, due mainly to pension and OPEB. Those changes are the result of deferred outflows decreasing by \$0.5 million, and deferred inflows increasing by \$0.4 million, both due mainly to differences between projected and actual earnings on pension plan investments. Total operating revenues increased by 4.7%, while operating expenses increase by 7.5% in fiscal year 2019. Prize expense increased by \$75.6 million, while ticket sales increased by \$65.8 million. The sales increase was the result of an increase in Scratchers sales by \$7.7 million, or 0.9%, an increase in Draw Game sales by \$30.1 million, or 7.4%, and an increase in Pull-Tab sales by \$28.0 million, or 32.6%. The increase in Scratchers ticket sales can be attributed to increased sales of the \$20 and \$30 Scratchers games. Mega Millions sales were responsible for most of the increase in Draw Games sales.

The Unemployment Compensation Fund's net position increased by \$111.3 million during fiscal year 2019, which is mainly due to an increase in cash of \$126.1 million and a decrease in accounts receivables of \$7.5 million. The increase in cash is due to an improved economy and low unemployment rate, which allows excess cash to remain in the fund. During fiscal year 2019, the cash balance in the fund reached the statutorily established levels that trigger contribution rate reductions and decreases in the taxable wage base. The employer contribution rates decreased during fiscal year 2019, from 2.5% to 2.4%, and the taxable wage base decreased from \$12,500 to \$12,000, which were the main reasons for the accounts receivable decrease.

The Petroleum Storage Tank Insurance Fund's net position decreased by \$4.6 million in fiscal year 2019 versus \$7.8 million in fiscal year 2018, mainly due to a decrease in claims expenses of \$1 million and an increase in operating revenues of \$1.9 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget is the appropriated budget that is truly agreed to and finally passed by the legislature, and signed by the Governor at the beginning of the fiscal year. The final budget includes emergency and supplemental appropriations, reverted amounts, and increases to estimated appropriations, which occur during the fiscal year.

Budgeted charges to appropriations for fiscal year 2019 from the General Fund were \$27.7 billion original budget and \$28.1 billion final budget. Actual spending was \$25.3 billion. Reasons for the final budget variances include:

- Appropriation authority exceeded cash available for expenditures.
- Lapse of various appropriations.
- Multiple year grants are appropriated in one year, but the expenditures may occur over several years.
- Capital improvement appropriations were restricted during the budget process.

Budgeted revenues/transfers in for fiscal year 2019 for the General Fund were \$27.0 billion original budget and \$27.0 billion final budget. Actual revenue/transfers in was \$25.5 billion.

Refer to the *Notes to RSI*, Budgetary Reporting, on page 142 for more information on budgetary variances.

GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2019, was \$33.4 billion (net of accumulated depreciation/amortization). This investment in capital assets includes construction in progress, software in progress, infrastructure in progress, land, permanent easements, land improvements, temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure.

Capital Assets of the State include (in thousands):

	Governmental Activities	Business-Type Activities	Total
Construction in Progress	\$ 395,764	\$ 807	\$ 396,571
Software in Progress	82,763	22	82,785
Infrastructure in Progress	1,700,359	—	1,700,359
Land	3,087,175	32,647	3,119,822
Permanent Easements	4,420	—	4,420
Land Improvements	228,760	50,688	279,448
Temporary Easements	524	50	574
Buildings and Improvements	3,451,028	59,494	3,510,522
Equipment	1,375,450	55,023	1,430,473
Software	297,816	820	298,636
Trademarks	17	—	17
Infrastructure	51,366,457	—	51,366,457
<i>Subtotal</i>	61,990,533	199,551	62,190,084
Less Accumulated Depreciation/ Amortization	(28,718,412)	(74,196)	(28,792,608)
Total Capital Assets, Net	\$ 33,272,121	\$ 125,355	\$ 33,397,476

Additional information on capital assets can be found in *Note 5* of this report.

Debt Administration:

At the end of fiscal year 2019, the primary government had total general obligation and other bonded debt outstanding of \$2.6 billion. Of this amount, \$66.1 million comprises debt backed by the full faith and credit of the government. The State had an additional \$31.5 million of direct borrowing obligation outstanding.

Principal amounts retired or refunded in fiscal year 2019 were \$38.6 million for general obligation bonds, \$386.0 million for other bonds, and \$10.8 million for direct borrowings.

The State of Missouri is proud to have maintained a Triple-A credit rating since 1989 from all three major credit rating agencies (Moody's Investor Services, Inc., Standard and Poor's, and Fitch Ratings, Inc.) on the State's General Obligation Bonds.

Outstanding Bonds Payable Financed Purchase Obligation of the State include (in thousands):

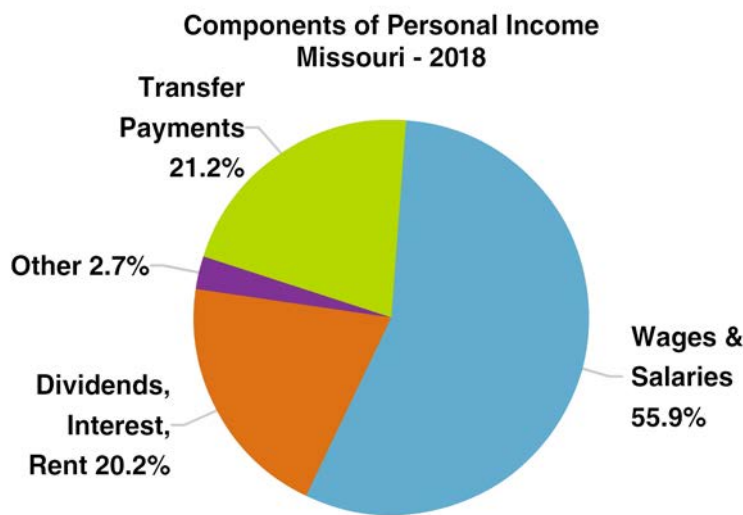
	Governmental Activities	Component Units	Total
General Obligation Bonds	\$ 66,120	\$ —	\$ 66,120
Other Bonds	2,523,955	1,937,564	4,461,519
Direct Placements	—	96,170	96,170
Financed Purchases from Direct Borrowings	31,525	74	31,599
Total	\$ 2,621,600	\$ 2,033,808	\$ 4,655,408

Additional information on long-term debt can be found in *Notes 11, 12, and 13* of this report.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

As a major manufacturing, financial, and agricultural state, Missouri's economic health is tied closely to that of the nation. The expansion after the recession that ended in the summer of 2009 has continued, despite European fiscal and geopolitical troubles, volatile stock markets, and national policy uncertainty. Missouri's personal income, which directly impacts individual income tax and sales tax, increased 3.9% in 2018. Personal income growth began to accelerate in 2017, following a slight deceleration in 2016. Missouri's employment stood at 2.9 million in June 2019, about 1.0% above June 2018. The State's seasonally adjusted unemployment rate registered 3.3% in June 2019, compared to 3.1% one year earlier. The national rate was 3.7% in June 2019.

Since 2012, personal incomes have increased, on average, 2.5% annually for the State and 3.3% for the nation. The average income of Missouri citizen was \$46,635 in 2018, which was lower than the national average of \$53,712. Missouri's per capita personal income grew 3.6% compared to national growth in per capita income of 3.8% from 2017 to 2018. While the State's per capita income is lower than the national average, so is the cost of living. Missouri is among the most affordable states as it had the fourth lowest cost of living in the United States in the first quarter of 2019. The below graph depicts the components of personal income, with transfer payments (such as social security, Medicare, etc.) comprising 21.2% of the State's total personal income, due in part to the State's aging population.



Source: U.S. Bureau of Economic Analysis 2018

The State of Missouri's net general revenue collections in Fiscal Year 2019 were \$9.6 billion, a 1.0% increase from fiscal year 2018 collections.

The State's economic outlook for fiscal year 2020 anticipates continued improvement in employment and wages, with continued growth in state revenue collections. During the fiscal year 2020 budget process, staff from the House, Senate, the University of Missouri and the Division of Budget and Planning developed a revenue estimate of 1.7% growth for fiscal year 2019 and 2.0% growth for fiscal year 2020. The actual fiscal year 2019 revenue collections increased by 1.0% when compared to the fiscal year 2018 collections, slightly below forecast. However, because fiscal year 2018 ended significantly above forecast, net general revenue collections for fiscal year 2019 could have declined by 0.5% and still reached the original budgeted amount. Because of the conditions listed above, the Governor has begun fiscal year 2020 with no restrictions placed on general revenue spending. However, if necessary, the Governor may restrict spending at some point during the fiscal year.

The outlook for general revenue for fiscal year 2020 remains uncertain. Most economic forecasts are calling for moderate economic growth; however, escalating trade tensions and a slowing global economy may dampen Missouri growth. Equity markets are near record highs, but have been very volatile during the first half of 2019. While the number of jobs is steadily improving, the rate of growth has continued to slow as the labor market reaches full employment. Growth in sales tax is expected to be moderate, but much depends on the growth in energy prices and inflation which has been muted lately.

The General Assembly passed several tax-related bills during the 2019 legislative session. The combined impact to general revenue during fiscal year 2020 is estimated as a loss of \$9.4 million to \$59.6 million. Once fully implemented, the legislation could impact general revenue by an estimated loss of \$57.3 million to an estimated gain of \$4.3 million.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the State's finances for all those with an interest in the State's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Administration, Division of Accounting, P.O. Box 809, Jefferson City, MO 65102.



*The **Basic Financial Statements** include the Government-Wide Financial Statements, the Governmental Fund Financial Statements, the Proprietary Fund Financial Statements, the Fiduciary Fund Financial Statements, the Component Unit Financial Statements, and the accompanying notes to the statements.*

STATE OF MISSOURI
STATEMENT OF NET POSITION
June 30, 2019
(In Thousands of Dollars)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and Cash Equivalents (Note 3)	\$ 1,518,879	\$ 1,112,990	\$ 2,631,869	\$ 542,706
Investments (Note 3)	2,756,135	76,776	2,832,911	3,044,952
Invested Securities Lending Collateral (Note 3)	—	—	—	3,616
Receivables, Net (Note 14)	4,547,125	162,491	4,709,616	889,120
Internal Balances	27,254	(27,254)	—	—
Inventories	70,245	4,843	75,088	54,416
Deposits and Prepaid Expenses	397	—	397	49,822
Restricted Assets:				
Cash and Cash Equivalents (Note 3)	5,964	—	5,964	253,080
Investments (Note 3)	13,982	32,444	46,426	1,604,985
Receivables, Net	—	—	—	45,514
Other Assets	—	—	—	20,167
Capital Assets (Note 5):				
Non-Depreciable	5,270,481	33,476	5,303,957	438,348
Depreciable, Net	28,001,640	91,879	28,093,519	5,083,689
Total Assets	<u>42,212,102</u>	<u>1,487,645</u>	<u>43,699,747</u>	<u>12,030,415</u>
Deferred Outflows of Resources (Note 15)	<u>1,803,126</u>	<u>50,848</u>	<u>1,853,974</u>	<u>610,978</u>
Liabilities				
Bank Overdraft (Notes 3 and 10)	2	—	2	—
Payables (Note 14)	1,530,359	35,897	1,566,256	975,807
Securities Lending Obligation (Note 3)	—	—	—	3,616
Unearned Revenue (Note 1)	103,063	1,215	104,278	165,360
Escheat/Unclaimed Property	117,792	—	117,792	—
Long-Term Liabilities (Note 11):				
Due Within One Year	657,622	106,208	763,830	659,437
Due in More Than One Year	14,161,975	299,786	14,461,761	4,247,451
Total Liabilities	<u>16,570,813</u>	<u>443,106</u>	<u>17,013,919</u>	<u>6,051,671</u>
Deferred Inflows of Resources (Note 15)	<u>411,690</u>	<u>6,693</u>	<u>418,383</u>	<u>127,255</u>
Net Position				
Net Investment in Capital Assets	30,849,210	125,355	30,974,565	3,154,813
Restricted for:				
Budget Reserve	652,096	—	652,096	—
Debt Service	432,574	—	432,574	—
Grants	552,475	—	552,475	—
Enabling Legislation (Note 1)	521,213	—	521,213	—
Loans Receivable	1,409,571	—	1,409,571	—
Permanent Trusts:				
Expendable	121	—	121	636,610
Non-Expendable	60,499	—	60,499	1,295,533
External Parties	759,058	6,798	765,856	101,816
Unrestricted	(8,204,092)	956,541	(7,247,551)	1,273,695
Total Net Position	<u>\$ 27,032,725</u>	<u>\$ 1,088,694</u>	<u>\$ 28,121,419</u>	<u>\$ 6,462,467</u>

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 1,336,971	\$ 682,173	\$ 80,481	\$ —
Education	7,142,264	45,789	1,124,547	—
Natural and Economic Resources	1,056,172	272,661	274,020	—
Transportation and Law Enforcement	1,997,540	215,099	211,971	948,717
Human Services	14,449,527	554,385	9,066,822	935
Interest on Debt (Excluding Direct Expense)	109,740	33,153	—	—
Total Governmental Activities	<u>26,092,214</u>	<u>1,803,260</u>	<u>10,757,841</u>	<u>949,652</u>
Business-Type Activities:				
State Lottery	1,168,030	1,484,529	—	—
Unemployment Compensation	264,370	—	355,758	—
Petroleum Storage Tank Insurance	20,346	14,798	—	—
State Fair Fees	4,531	5,022	176	—
State Parks and DNR	12,950	12,900	3,085	—
Historic Preservation	532	4	—	—
Missouri Veterans' Homes	125,213	22,047	72,590	—
Surplus Property	2,591	1,664	—	—
Revenue Information	9	704	—	—
Inmate Canteen Fund	28,526	29,551	—	—
Total Business-Type Activities	<u>1,627,098</u>	<u>1,571,219</u>	<u>431,609</u>	<u>—</u>
Total Primary Government	<u>\$ 27,719,312</u>	<u>\$ 3,374,479</u>	<u>\$ 11,189,450</u>	<u>\$ 949,652</u>
Component Units:				
College and Universities	\$ 4,963,524	\$ 3,306,922	\$ 1,472,965	\$ 86,049
Non-Major Component Units	10,796	8,199	—	—
Total Component Units	<u>\$ 4,974,320</u>	<u>\$ 3,315,121</u>	<u>\$ 1,472,965</u>	<u>\$ 86,049</u>

General Revenues:

Taxes:

Sales and Use

Individual Income

Corporate Income

County Foreign Insurance

Alcoholic Beverage

Corporate Franchise

Fuel

Miscellaneous Taxes

Grants and Contributions not Restricted to Specific Programs

Unrestricted Investment Earnings

Capital Contributions

Extraordinary Item

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expenses) Revenues and Changes in Net Position

Primary Government				Component Units
Governmental Activities	Business-Type Activities	Total		
\$ (574,317)	\$ —	\$ (574,317)	\$ —	
(5,971,928)	—	(5,971,928)	—	
(509,491)	—	(509,491)	—	
(621,753)	—	(621,753)	—	
(4,827,385)	—	(4,827,385)	—	
(76,587)	—	(76,587)	—	
(12,581,461)	—	(12,581,461)	—	
—	316,499	316,499	—	
—	91,388	91,388	—	
—	(5,548)	(5,548)	—	
—	667	667	—	
—	3,035	3,035	—	
—	(528)	(528)	—	
—	(30,576)	(30,576)	—	
—	(927)	(927)	—	
—	695	695	—	
—	1,025	1,025	—	
—	375,730	375,730	—	
(12,581,461)	375,730	(12,205,731)	—	
—	—	—	(97,588)	
—	—	—	(2,597)	
—	—	—	(100,185)	
3,405,745	—	3,405,745	—	
6,991,197	—	6,991,197	—	
479,632	—	479,632	—	
268,100	—	268,100	—	
34,649	—	34,649	—	
1,475	—	1,475	—	
673,625	—	673,625	—	
688,972	—	688,972	—	
58,534	—	58,534	2,239	
79,604	26,449	106,053	228,731	
—	173	173	—	
—	—	—	(1,037)	
304,529	(304,529)	—	—	
12,986,062	(277,907)	12,708,155	229,933	
404,601	97,823	502,424	129,748	
26,628,124	990,871	27,618,995	6,332,719	
\$ 27,032,725	\$ 1,088,694	\$ 28,121,419	\$ 6,462,467	

The notes to the financial statements are an integral part of this statement.



The Governmental Funds focus on current financial resources.

Governmental Fund Financial Statements

Major Funds

General Fund - Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Major Special Revenue Funds:

Public Education - Provides general and special education needs of the State and other related areas such as library services and student loans.

Conservation and Environmental Protection - Provides for the preservation of the State's wildlife and environment.

Major Capital Projects Fund:

Missouri Road Fund - Accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system.

Non-Major Funds

Non-Major Governmental Funds are presented in the Combining and Individual Fund Statements for non-major funds as part of Supplementary Information.

**STATE OF MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019
(In Thousands of Dollars)**

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Totals June 30, 2019
ASSETS						
Cash and Cash Equivalents (Note 3)	\$ 793,483	\$ 65,514	\$ 204,821	\$ 171,429	\$ 191,207	\$ 1,426,454
Investments (Note 3)	1,196,112	74,008	416,032	480,919	399,016	2,566,087
Accounts Receivable, Net	2,535,369	159,639	56,400	112,569	179,684	3,043,661
Interest Receivable	7,836	1,588	3,690	2,586	1,611	17,311
Due from Other Funds (Note 16)	—	22,733	—	—	2,051	24,784
Due from Component Units (Note 16)	—	—	257	—	—	257
Inventories	22,727	108	331	32,865	4,426	60,457
Advance to Component Units (Note 16)	—	—	118	—	—	118
Loans Receivable	24,816	810	1,380,540	—	3,405	1,409,571
Restricted Assets:						
Cash and Cash Equivalents (Note 3)	—	—	—	4,877	—	4,877
Investments (Note 3)	—	—	—	13,682	—	13,682
Total Assets	<u>\$ 4,580,343</u>	<u>\$ 324,400</u>	<u>\$ 2,062,189</u>	<u>\$ 818,927</u>	<u>\$ 781,400</u>	<u>\$ 8,567,259</u>
LIABILITIES						
Accounts Payable	\$ 1,205,524	\$ 2,434	\$ 11,952	\$ 102,798	\$ 62,732	\$ 1,385,440
Accrued Payroll	61,518	51	5,142	17,619	12,260	96,590
Due to Other Funds (Note 16)	4,109	4	277	660	933	5,983
Unearned Revenue (Note 1)	69,581	—	128	4,848	—	74,557
Escheat/Unclaimed Property	117,792	—	—	—	—	117,792
Total Liabilities	<u>1,458,524</u>	<u>2,489</u>	<u>17,499</u>	<u>125,925</u>	<u>75,925</u>	<u>1,680,362</u>
DEFERRED INFLOWS OF RESOURCES (Note 15)	<u>994,496</u>	<u>55,164</u>	<u>24,147</u>	<u>15,522</u>	<u>7,616</u>	<u>1,096,945</u>
FUND BALANCES (Note 4)						
Nonspendable	47,543	108	331	32,865	64,925	145,772
Restricted	555,916	244,432	144,637	644,615	354,036	1,943,636
Committed	655,262	1,843	1,765,893	—	31,696	2,454,694
Assigned	98,635	20,364	109,682	—	247,202	475,883
Unassigned	769,967	—	—	—	—	769,967
Total Fund Balances	<u>2,127,323</u>	<u>266,747</u>	<u>2,020,543</u>	<u>677,480</u>	<u>697,859</u>	<u>5,789,952</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,580,343</u>	<u>\$ 324,400</u>	<u>\$ 2,062,189</u>	<u>\$ 818,927</u>	<u>\$ 781,400</u>	<u>\$ 8,567,259</u>

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2019
(In Thousands of Dollars)

Total Fund Balances - Governmental Funds \$ 5,789,952

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental funds are not financial resources and are not reported in the funds. These assets consist of (Note 5):

Construction in Progress	395,538	
Software in Progress	81,175	
Infrastructure in Progress	1,700,359	
Land	3,078,841	
Permanent Easements	4,420	
Land Improvements	225,168	
Temporary Easements	524	
Buildings and Improvements	2,957,216	
Equipment	1,241,030	
Software	257,760	
Trademarks	17	
Infrastructure	51,366,457	
Accumulated Depreciation/Amortization	<u>(28,340,848)</u>	32,967,657

Deferred inflows of resources related to the State's revenues that will be collected after year-end, but are not available soon enough to pay for the current period's expenditures are deferred in the funds. 1,096,945

Deferred outflows of resources related to pensions and OPEB (Other Postemployment Benefits) are applicable to future reporting periods and therefore, not reported in the funds. 1,719,003

Deferred outflows of resources related to asset retirement obligations are applicable to future reporting periods and therefore, not reported in the funds. 857

Deferred inflows of resources related to pensions and OPEB are applicable to future reporting periods and therefore, not reported in the funds. (404,486)

Deferred outflows of resources related to deferred charges or credits on debt refundings are applicable to future reporting periods and therefore, not reported in the funds. 42,158

Deferred inflows of resources related to deferred charges or credits on debt refundings are applicable to future reporting periods and therefore, not reported in the funds. (1,761)

Some liabilities are not due and payable in the current period and therefore, not reported in the funds. Those liabilities consist of (Note 11):

Due to Other Entities	(1,403)	
General Obligation and Other Bonds Payable	(2,590,075)	
Unamortized Bond Premium	(137,782)	
Accrued Interest on Bonds	(23,132)	
Obligation under Financed Purchases	(14,971)	
Obligation under Capital Lease	(11,453)	
Pollution Remediation	(48,805)	
Asset Retirement Obligations	(1,789)	
Compensated Absences	(171,928)	
Claims Liability	(29,640)	
Contingent Liabilities	(2,102,294)	
Net Other Postemployment Benefit Obligation	(2,900,752)	
Net Pension Liability	<u>(6,446,534)</u>	(14,480,558)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities are included in governmental activities in the Statement of Net Position. 302,958

Net Position of Governmental Activities \$ 27,032,725

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Eliminations	Totals June 30, 2019
Revenues:							
Taxes	\$ 9,667,614	\$ 1,307,107	\$ 220,221	\$ 173,249	\$ 1,097,440	\$ —	\$ 12,465,631
Licenses, Fees, and Permits	95,606	2,779	83,373	105,978	423,040	—	710,776
Sales	486	—	6,792	—	1,309	—	8,587
Leases and Rentals	11	—	126	—	1	—	138
Services	120,150	—	—	—	1,099	—	121,249
Contributions and Intergovernmental	10,476,465	27,813	14,331	879,022	367,539	—	11,765,170
Investment Earnings:							
Net Increase (Decrease) in the Fair Value of Investments	7,339	534	3,756	(5,276)	3,413	—	9,766
Interest	37,913	4,011	14,636	25,653	10,916	—	93,129
Penalties and Unclaimed Properties	71,761	3,838	970	—	9,263	—	85,832
Cost Reimbursement/ Miscellaneous	283,744	93,590	—	48,876	62,313	—	488,523
Total Revenues	20,761,089	1,439,672	344,205	1,227,502	1,976,333	—	25,748,801
Expenditures:							
Current:							
General Government	686,943	441	1,646	—	275,136	—	964,166
Education	4,378,190	2,729,389	—	—	9,470	—	7,117,049
Natural and Economic Resources	256,048	4,831	311,940	—	250,035	—	822,854
Transportation and Law Enforcement	299,866	225	893	811,353	342,853	—	1,455,190
Human Services	13,378,001	11,110	1,768	—	675,193	—	14,066,072
Capital Outlay:							
General Government	—	—	—	—	1,242	—	1,242
Education	—	—	—	—	12	—	12
Natural and Economic Resources	—	—	—	—	629	—	629
Transportation and Law Enforcement	—	—	—	834,922	69	—	834,991
Human Services	—	—	—	—	32,605	—	32,605
Debt Service:							
Principal	80,395	—	—	90,816	162,927	—	334,138
Interest	30,145	—	—	9,768	94,197	—	134,110
Bond Issuance Costs	—	—	—	370	—	—	370
Total Expenditures	19,109,588	2,745,996	316,247	1,747,229	1,844,368	—	25,763,428
Excess Revenues (Expenditures)	1,651,501	(1,306,324)	27,958	(519,727)	131,965	—	(14,627)
Other Financing Sources (Uses):							
Proceeds from Notes/Capital Leases/ Financed Purchases	1,588	—	—	—	24	—	1,612
Proceeds From Bonds	—	—	—	102,705	—	—	102,705
Payments to Escrow Agent	—	—	—	(111,483)	—	—	(111,483)
Bond Premium (Note 11)	—	—	—	9,148	—	—	9,148
Proceeds from Sale of Capital Assets	932	—	14	5,307	9,047	—	15,300
Transfers In (Note 17)	54,564	1,325,758	1,924	488,052	282,816	(1,829,268)	323,846
Transfers Out (Note 17)	(1,277,478)	(34,010)	(4,592)	—	(529,729)	1,829,268	(16,541)
Total Other Financing Sources (Uses)	(1,220,394)	1,291,748	(2,654)	493,729	(237,842)	—	324,587
Net Change in Fund Balances	431,107	(14,576)	25,304	(25,998)	(105,877)	—	309,960
Fund Balances - Beginning (Note 18)	1,696,479	281,338	1,995,288	703,478	802,984	—	5,479,567
Increase (Decrease) in Reserve for Inventory	(263)	(15)	(49)	—	752	—	425
Fund Balances - Ending	\$ 2,127,323	\$ 266,747	\$ 2,020,543	\$ 677,480	\$ 697,859	\$ —	\$ 5,789,952

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES IN
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

Net Change in Fund Balances - Total Governmental Funds \$ 309,960

Amounts reported for governmental activities in the Statement of Activities are different because:

Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase in Reserve for Inventories on the fund statement has been reclassified as a functional expense on the government-wide statement. 425

Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount that capital outlays of \$952,103 exceeds depreciation/amortization of \$691,796 in the current period. 260,307

In the Statement of Activities only the gain/loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus the change in net position differs from the change in governmental fund balance by the net book value of the assets sold. (30,448)

The net effect of the donation of capital assets increased net position. 873

Deferred inflows do not provide current financial resources and are not recognized as revenues until available in governmental funds. 66,801

Pension and OPEB (Other Postemployment Benefits) contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability and OPEB liability are measured a year before the report date. Pension expense and OPEB expense, which are the change in the net pension liability and the net change in OPEB liability, adjusted for changes in deferred outflows and inflows of resources related to pensions and OPEB, is reported in the Statement of Activities.

Pension Contributions	553,466
Pension Expense	(984,150)
OPEB Contributions	103,909
OPEB Expense	(167,149)

Deferred outflows of resources related to deferred charges on asset retirement obligations are applicable to future reporting periods and therefore, not reported in the funds. (38)

Proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. In governmental funds, repayment of principal is an expenditure, but the repayment reduces long-term liabilities in the Combined Statement of Net Position (Note 11):

Bonds Issued	(102,705)	
Bond Premiums and Refunding Costs	(8,966)	
Bonds Retired	424,565	
Financed Purchases Issued	(1,612)	
Financed Purchase Payments	5,346	
Capital Lease Payments	15,527	332,155

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, not reported as expenditures in governmental funds (Note 11):

Amortization of Bond Premium and Refunding Costs	21,847	
Decrease in Accrued Interest	3,653	
Increase in Pollution Remediation	(2,562)	
Decrease in Due to Other Entities	17	
Increase in Compensated Absences	(3,871)	
Increase in Contingent Liabilities	(100,203)	
Decrease in Claims Liability	3,100	(78,019)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue and expense of internal service funds are reported with governmental activities. 36,509

Change in Net Position of Governmental Activities \$ 404,601

The notes to the financial statements are an integral part of this statement.



*The **Proprietary Funds** focus on economic resources and are operated in a manner similar to private business enterprises.*

Proprietary Fund Financial Statements

Major Funds

State Lottery - Accounts for proceeds from the sale of lottery tickets and all other moneys credited or transferred to this fund. A minimum of 45% of the moneys are used for prizes.

Unemployment Compensation - Accounts for contributions and payments collected under the provisions of the “Unemployment Compensation Law” to pay benefits.

Petroleum Storage Tank Insurance - Accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks.

Non-Major Funds

Non-major enterprise funds and all internal service funds are presented in our combining non-major fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds						Governmental Activities Internal Service Funds
	Major Funds					Totals	
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	Eliminations		
ASSETS							
Current Assets:							
Cash and Cash Equivalents (Note 3)	\$ 31,328	\$ 1,045,912	\$ 14,888	\$ 20,862	\$ —	\$ 1,112,990	\$ 92,425
Investments (Note 3)	34,001	—	23,124	19,651	—	76,776	69,465
Restricted:							
Investments (Note 3)	3,404	—	—	—	—	3,404	100
Accounts Receivable, Net	52,552	100,687	2,184	6,512	—	161,935	75,730
Interest Receivable	135	—	119	98	—	352	477
Due from Other Funds (Note 16)	—	—	—	202	(8)	194	6,122
Inventories	—	—	—	4,843	—	4,843	9,788
Prepaid Items	—	—	—	—	—	—	397
Loans Receivable	—	—	—	204	—	204	—
Total Current Assets	<u>121,420</u>	<u>1,146,599</u>	<u>40,315</u>	<u>52,372</u>	<u>(8)</u>	<u>1,360,698</u>	<u>254,504</u>
Non-Current Assets:							
Investments	—	—	—	—	—	—	120,583
Restricted:							
Cash and Cash Equivalents (Note 3)	—	—	—	—	—	—	1,087
Investments (Note 3)	29,040	—	—	—	—	29,040	200
Capital Assets (Note 5):							
Construction in Progress	—	—	—	807	—	807	226
Software in Progress	—	—	—	22	—	22	1,588
Land	353	—	—	32,294	—	32,647	8,334
Land Improvements	—	—	—	50,688	—	50,688	3,592
Temporary Easements	—	—	—	50	—	50	—
Buildings	5,270	—	—	54,224	—	59,494	493,812
Equipment	7,734	—	160	47,129	—	55,023	134,420
Software	462	—	—	358	—	820	40,056
Less Accumulated Depreciation/Amortization	(11,526)	—	(144)	(62,526)	—	(74,196)	(377,564)
Total Non-Current Assets	<u>31,333</u>	<u>—</u>	<u>16</u>	<u>123,046</u>	<u>—</u>	<u>154,395</u>	<u>426,334</u>
Total Assets	<u>152,753</u>	<u>1,146,599</u>	<u>40,331</u>	<u>175,418</u>	<u>(8)</u>	<u>1,515,093</u>	<u>680,838</u>
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	<u>5,733</u>	<u>—</u>	<u>793</u>	<u>44,322</u>	<u>—</u>	<u>50,848</u>	<u>41,108</u>
LIABILITIES							
Current Liabilities:							
Bank Overdraft (Note 3 and 10)	—	—	—	—	—	—	2
Accounts Payable	4,269	26,014	122	2,641	—	33,046	23,181
Accrued Payroll	289	—	33	2,529	—	2,851	2,016
Due to Other Funds (Note 16)	22,765	2,051	11	65	(8)	24,884	233
Unearned Revenue (Note 1)	631	—	508	76	—	1,215	28,506
Claims Liability (Note 11)	—	—	14,000	—	—	14,000	79,243
Grand Prize Winner Liability (Note 11)	87,697	—	—	—	—	87,697	—
Obligations under Financed Purchases (Note 11)	—	—	—	—	—	—	6,536
Obligations under Lease Purchase (Note 11)	—	—	—	—	—	—	1,933
Compensated Absences (Note 11)	652	—	73	3,786	—	4,511	3,795
Total Current Liabilities	<u>116,303</u>	<u>28,065</u>	<u>14,747</u>	<u>9,097</u>	<u>(8)</u>	<u>168,204</u>	<u>145,445</u>
Non-Current Liabilities:							
Claims Liability (Note 11)	—	—	68,438	—	—	68,438	51,352
Grand Prize Winner Liability (Note 11)	25,776	—	—	—	—	25,776	—
Obligations under Financed Purchases (Note 11)	—	—	—	—	—	—	10,018
Obligations under Lease Purchase (Note 11)	—	—	—	—	—	—	24,333
Compensated Absences (Note 11)	—	—	—	149	—	149	865
Asset Retirement Obligations (Note 11)	—	—	—	2	—	2	—
Net OPEB Liability (Note 11)	7,423	—	891	47,453	—	55,767	49,856
Net Pension Liability (Note 11)	19,389	—	2,514	127,751	—	149,654	134,240
Total Non-Current Liabilities	<u>52,588</u>	<u>—</u>	<u>71,843</u>	<u>175,355</u>	<u>—</u>	<u>299,786</u>	<u>270,664</u>
Total Liabilities	<u>168,891</u>	<u>28,065</u>	<u>86,590</u>	<u>184,452</u>	<u>(8)</u>	<u>467,990</u>	<u>416,109</u>
DEFERRED INFLOWS OF RESOURCES (Note 15)	<u>754</u>	<u>—</u>	<u>103</u>	<u>5,836</u>	<u>—</u>	<u>6,693</u>	<u>5,443</u>
NET POSITION							
Net Investment in Capital Assets	2,293	—	16	123,046	—	125,355	261,644
Restricted for:							
Other Purposes	3,194	3,604	—	—	—	6,798	1,359
Unrestricted	(16,646)	1,114,930	(45,585)	(93,594)	—	959,105	37,391
Total Net Position (Note 19)	<u>\$ (11,159)</u>	<u>\$ 1,118,534</u>	<u>\$ (45,569)</u>	<u>\$ 29,452</u>	<u>\$ —</u>	<u>\$ 1,091,258</u>	<u>\$ 300,394</u>
Total Net Position Reported Above						\$ 1,091,258	
Consolidation Adjustment of Internal Service Activities Related to Enterprise Funds						(2,564)	
Net Position of Business-Type Activities						<u>\$ 1,088,694</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Major Funds				Totals June 30, 2019	
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds		
Operating Revenues:						
Employer Contributions	\$ —	\$ 355,724	\$ —	\$ —	\$ 355,724	\$ 523,719
Employee Contributions	—	—	—	—	—	163,604
Federal Contracts	—	34	—	—	34	—
Medicare Part D Subsidy	—	—	—	—	—	7,184
Licenses, Fees, and Permits	—	—	14,797	10,444	25,241	19,661
Sales	1,484,388	—	—	33,515	1,517,903	29,820
Leases and Rentals	—	—	—	4,227	4,227	64,549
Charges for Services	—	—	—	21,662	21,662	139,239
Cost Reimbursement/Miscellaneous	141	—	1	98	240	46,955
Total Operating Revenues	1,484,529	355,758	14,798	69,946	1,925,031	994,731
Operating Expenses:						
Cost of Goods Sold	27,756	—	—	21,985	49,741	22,074
Personal Service	12,988	—	1,842	108,116	122,946	94,110
Operations	101,645	—	4,264	37,142	143,051	121,209
Prizes Expense	1,015,092	—	—	—	1,015,092	—
Specific Programs	—	—	14,240	1,558	15,798	10,257
Insurance Benefits	—	—	—	—	—	678,260
Unemployment Benefits	—	264,370	—	—	264,370	—
Depreciation/Amortization	1,004	—	3	5,237	6,244	22,912
Other Charges	9,618	—	—	1,108	10,726	12,008
Total Operating Expenses	1,168,103	264,370	20,349	175,146	1,627,968	960,830
Operating Income (Loss)	316,426	91,388	(5,551)	(105,200)	297,063	33,901
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	—	—	—	75,851	75,851	51
Interest Expense	—	—	—	—	—	(1,129)
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	1,362	—	177	104	1,643	3,343
Interest	933	22,536	787	550	24,806	4,983
Penalties and Unclaimed Properties	—	—	—	534	534	—
Disposal of Capital Assets	66	—	—	328	394	24
Total Non-Operating Revenues (Expenses)	2,361	22,536	964	77,367	103,228	7,272
Income (Loss) Before Transfers	318,787	113,924	(4,587)	(27,833)	400,291	41,173
Capital Contributions	—	—	—	173	173	—
Transfers In (Note 17)	33	—	—	16,565	16,598	57
Transfers Out (Note 17)	(317,783)	(2,602)	—	(742)	(321,127)	(2,833)
Change in Net Position	1,037	111,322	(4,587)	(11,837)	95,935	38,397
Total Net Position - Beginning (Note 18)	(12,196)	1,007,212	(40,982)	41,289	995,323	261,997
Total Net Position - Ending (Note 19)	\$ (11,159)	\$ 1,118,534	\$ (45,569)	\$ 29,452	\$1,091,258	\$ 300,394
					Total Net Change in Net Assets Reported Above	\$ 95,935
					Consolidation Adjustment of Internal Services Activities Related to Enterprise Funds	1,888
					Change in Net Assets of Business-Type Activities	<u>\$ 97,823</u>

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Major Funds				Totals June 30, 2019	
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds		
Cash Flows from Operating Activities:						
Receipts from Internal Customers and Users	\$ —	\$ 1,724	\$ —	\$ 701	\$ 2,425	\$ 730,591
Receipts from External Customers and Users	1,485,239	361,567	14,274	68,875	1,929,955	201,035
Payments to Suppliers	(129,348)	—	(4,227)	(59,499)	(193,074)	(150,475)
Payments to Employees	(10,770)	—	(1,580)	(90,796)	(103,146)	(78,394)
Payments Made for Program Expense	(1,008,204)	(258,509)	(15,820)	(1,558)	(1,284,091)	(701,135)
Other Receipts	141	—	1	98	240	46,955
Other Payments	(9,618)	—	—	(1,108)	(10,726)	(12,008)
Net Cash Provided (Used) by Operating Activities	<u>327,440</u>	<u>104,782</u>	<u>(7,352)</u>	<u>(83,287)</u>	<u>341,583</u>	<u>36,569</u>
Cash Flows from Non-Capital Financing Activities:						
Loans Made to Outside Entities	—	—	—	18	18	—
Due to Other Funds	(5,242)	1,421	5	(22)	(3,838)	(45)
Due from Other Funds	—	—	—	178	178	895
Due from Component Units	—	—	—	—	—	2
Contributions and Intergovernmental	—	—	—	75,835	75,835	51
Transfers to Other Funds	(317,783)	(2,602)	—	(742)	(321,127)	(2,833)
Transfers from Other Funds	33	—	—	16,565	16,598	57
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(322,992)</u>	<u>(1,181)</u>	<u>5</u>	<u>91,832</u>	<u>(232,336)</u>	<u>(1,873)</u>
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	—	—	—	—	—	(1,129)
Purchases and Construction of Capital Assets	(703)	—	—	(3,574)	(4,277)	(5,951)
Capital Lease Downpayment/Obligations	—	—	—	—	—	(1,866)
Financed Purchase Downpayment/Obligations	—	—	—	—	—	(5,454)
Disposal of Capital Assets	66	—	(11)	105	160	21
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(637)</u>	<u>—</u>	<u>(11)</u>	<u>(3,469)</u>	<u>(4,117)</u>	<u>(14,379)</u>
Cash Flows from Investing Activities:						
Proceeds from Sales and Investment Maturities	—	—	5,084	552	5,636	1,229,107
Purchase of Investments	(4,387)	—	—	(3,678)	(8,065)	(1,222,670)
Interest and Dividends Received	908	22,536	780	521	24,745	5,060
Investment Fees	—	—	—	—	—	(133)
Penalties and Other Receipts	—	—	—	534	534	—
Net Cash Provided (Used) by Investing Activities	<u>(3,479)</u>	<u>22,536</u>	<u>5,864</u>	<u>(2,071)</u>	<u>22,850</u>	<u>11,364</u>
Net Increase (Decrease) in Cash	332	126,137	(1,494)	3,005	127,980	31,681
Cash and Cash Equivalents, Beginning of Year	30,996	919,775	16,382	17,857	985,010	61,829
Cash and Cash Equivalents, End of Year	<u>\$ 31,328</u>	<u>\$ 1,045,912</u>	<u>\$ 14,888</u>	<u>\$ 20,862</u>	<u>\$ 1,112,990</u>	<u>\$ 93,510</u>
Reconciliation of Operating Income (Loss) to Net Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 316,426	\$ 91,388	\$ (5,551)	\$ (105,200)	\$ 297,063	\$ 33,901
Depreciation/Amortization Expense	1,004	—	3	5,237	6,244	22,912
Changes in Assets and Liabilities:						
Accounts Receivable	744	7,533	(506)	256	8,027	(12,526)
Inventories	—	—	—	418	418	(619)
Deferred Outflows of Resources	468	—	54	4,073	4,595	2,769
Prepaid Items	—	—	—	—	—	(201)
Accounts Payable	53	5,861	37	(790)	5,161	(6,372)
Accrued Payroll	6	—	(11)	147	142	60
Unearned Revenue	107	—	(17)	(528)	(438)	(3,624)
Grand Prize Winner Liability	6,888	—	—	—	6,888	—
Claims Liability	—	—	(1,580)	—	(1,580)	(12,618)
Compensated Absences	3	—	(19)	37	21	(12)
Net OPEB Liability	(50)	—	(7)	(388)	(445)	(339)
Net Pension Liability	1,385	—	190	10,343	11,918	10,372
Deferred Inflows of Resources	406	—	55	3,108	3,569	2,866
Net Cash Provided (Used) by Operating Activities	<u>\$ 327,440</u>	<u>\$ 104,782</u>	<u>\$ (7,352)</u>	<u>\$ (83,287)</u>	<u>\$ 341,583</u>	<u>\$ 36,569</u>
Non-Cash Financing and Investing Activities:						
Capital Lease and Financed Purchase Issuance	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15,865
Capital Asset Donations	—	—	—	189	189	—
Increase (Decrease) in Fair Value of Investments	1,362	—	177	104	1,643	3,343
Net Non-Cash Financing and Investing Activities	<u>\$ 1,362</u>	<u>\$ —</u>	<u>\$ 177</u>	<u>\$ 293</u>	<u>\$ 1,832</u>	<u>\$ 19,208</u>

The notes to the financial statements are an integral part of this statement.



*The **Fiduciary Funds** account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.*

Individual fund financial statements for pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds are presented as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents (Note 3)	\$ 268,005	\$ 14,813	\$ 105,547
Investments at Fair Value (Note 3):			
U.S. Government Securities	6,249,670	689	601,651
U.S. Agency Sponsored Securities	—	15,813	4,066
Repurchase	1,380,452	—	—
Stocks	638,006	102	16
Bonds	1,356,603	—	—
International Equities	51,909	—	—
Mutual and Index Funds	1,374,422	—	—
Limited Partnership	3,994,127	—	—
Other Investments	1,326,971	7,141	1,836
Invested Securities Lending Collateral (Note 3)	104,247	—	—
Assets Held in Escheat	—	11,882	—
Receivables:			
Accounts Receivable	253,815	39	551,864
Interest Receivable	139,864	15	1,311
Inventories	—	1	—
Prepaid Expenses	472	—	—
Capital Assets:			
Software in Progress	2,140	—	—
Land	351	—	—
Buildings	4,662	—	—
Equipment	1,521	88	—
Software	4,031	100	—
Accumulated Depreciation/Amortization	(7,242)	(161)	—
Total Capital Assets, Net	5,463	27	—
 Total Assets	 17,144,026	 50,522	 \$ 1,266,291
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	776	487	\$ —
LIABILITIES			
Accounts Payable	214,793	1,064	\$ 34
Obligations under Repurchase Agreements	3,921,700	—	—
Accrued Payroll	—	23	—
Due to Other Entities	—	—	1,240,028
Due to Individuals	—	—	26,229
Securities Lending Obligation (Note 3)	110,925	—	—
Unearned Revenue (Note 1)	3,349	—	—
Claims Liability	5,899	—	—
Compensated Absences	640	45	—
Net OPEB Liability	9,205	545	—
Net Pension Liability	—	1,397	—
 Total Liabilities	 4,266,511	 3,074	 \$ 1,266,291
DEFERRED INFLOWS OF RESOURCES (Note 15)	609	64	\$ —
Net Position Restricted for Pension Benefits, OPEB, Deferred Compensation, and Other Purposes	\$ 12,877,682	\$ 47,871	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds
Additions:		
Contributions:		
Employer	\$ 725,567	\$ —
Plan Member	148,353	—
Other	105,755	—
Total Contributions	<u>979,675</u>	<u>—</u>
Investment Earnings:		
Increase (Decrease) in Appreciation of Assets	146,483	267
Interest and Dividends	221,701	783
Securities Lending Income	942	—
Other Income	295,584	—
Total Investment Earnings	<u>664,710</u>	<u>1,050</u>
Less Investment Expenses:		
Investment Activity Expense	(84,233)	—
Securities Lending Expense	(776)	—
Total Investment Expense	<u>(85,009)</u>	<u>—</u>
Net Investment Earnings (Loss)	<u>579,701</u>	<u>1,050</u>
Unclaimed Property	—	44,192
Cost Reimbursement/Miscellaneous	3,685	11,488
Total Additions	<u>1,563,061</u>	<u>56,730</u>
Deductions:		
Benefits	1,363,203	—
Administrative Expenses	24,078	2,473
Program Distributions	97,728	54,658
Inactive-vested Buyout Payments	319	—
Service Transfer Payments	3,001	—
Depreciation/Amortization	304	36
Total Deductions	<u>1,488,633</u>	<u>57,167</u>
Change in Net Position	74,428	(437)
Net Position - Beginning of Year (Note 18)	<u>12,803,254</u>	<u>48,308</u>
Net Position - End of Year	<u>\$ 12,877,682</u>	<u>\$ 47,871</u>

The notes to the financial statements are an integral part of this statement.



*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Component Unit Financial Statements

Major

College and Universities

Non-Major

Non-Major proprietary component unit statements are found in the combining fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2019
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2019
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 513,329	\$ 29,377	\$ 542,706
Investments	128,586	42,692	171,278
Invested Securities Lending Collateral	3,616	—	3,616
Receivables, Net	741,932	6,759	748,691
Inventories	54,415	1	54,416
Restricted Assets:			
Cash and Cash Equivalents	225,193	568	225,761
Investments	47,532	11,267	58,799
Receivables, Net	21,259	3,066	24,325
Deposits and Prepaid Expenses	49,418	404	49,822
Other Assets	912	—	912
Total Current Assets	<u>1,786,192</u>	<u>94,134</u>	<u>1,880,326</u>
Non-Current Assets:			
Investments	2,822,472	51,202	2,873,674
Receivables, Net	120,037	20,392	140,429
Restricted Assets:			
Cash and Cash Equivalents	24,816	2,503	27,319
Investments	1,536,160	10,026	1,546,186
Receivables, Net	1,380	19,809	21,189
Other Assets	19,255	—	19,255
Capital Assets, Net of Accumulated Depreciation/Amortization (Note 5)	5,457,495	64,542	5,522,037
Total Non-Current Assets	<u>9,981,615</u>	<u>168,474</u>	<u>10,150,089</u>
Total Assets	<u>11,767,807</u>	<u>262,608</u>	<u>12,030,415</u>
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	<u>609,440</u>	<u>1,538</u>	<u>610,978</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	808,134	231	808,365
Due to Primary Government (Note 16)	—	257	257
Securities Lending Obligation	3,616	—	3,616
Unearned Revenue (Note 1)	147,750	—	147,750
Deposits	98,456	—	98,456
Claims Liability (Note 22)	44,211	—	44,211
Compensated Absences	75,938	84	76,022
Capital Lease Obligations (Note 6)	5,399	—	5,399
Bonds/Notes/Financed Purchases Payable (Note 12)	533,573	232	533,805
Total Current Liabilities	<u>1,717,077</u>	<u>804</u>	<u>1,717,881</u>
Non-Current Liabilities:			
Accounts Payable and Accrued Liabilities	60,174	—	60,174
Advance from Primary Government (Note 16)	—	118	118
Unearned Revenue (Note 1)	16,867	743	17,610
Deposits and Reserves	447	7,990	8,437
Claims Liability (Note 22)	43,774	—	43,774
Compensated Absences	35,669	66	35,735
Capital Lease Obligations (Note 6)	31,078	—	31,078
Asset Retirement Obligation (Note 24)	62,433	—	62,433
Bonds/Notes/Financed Purchases Payable (Note 12)	1,832,848	13,572	1,846,420
Net OPEB Liability	474,622	825	475,447
Net Pension Liability	1,748,963	3,601	1,752,564
Total Non-Current Liabilities	<u>4,306,875</u>	<u>26,915</u>	<u>4,333,790</u>
Total Liabilities	<u>6,023,952</u>	<u>27,719</u>	<u>6,051,671</u>
DEFERRED INFLOWS OF RESOURCES (Note 15)	<u>126,909</u>	<u>346</u>	<u>127,255</u>
NET POSITION			
Net Investment in Capital Assets	3,104,120	50,693	3,154,813
Restricted for:			
Expendable	636,610	—	636,610
Non-Expendable	1,295,533	—	1,295,533
Other Purposes	—	101,816	101,816
Unrestricted	1,190,123	83,572	1,273,695
Total Net Position	<u>\$ 6,226,386</u>	<u>\$ 236,081</u>	<u>\$ 6,462,467</u>

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION/STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2019	Adjustments	Statement of Activities
Revenues:					
Operating Revenues:					
Licenses, Fees, and Permits	\$ —	\$ 1,891	\$ 1,891	\$ —	\$ 1,891
Student Tuition and Fees (Net of Scholarship Allow.)	1,010,325	—	1,010,325	—	1,010,325
Sales and Services of Educational Departments	44,968	—	44,968	—	44,968
Auxiliary Enterprises	2,134,965	—	2,134,965	—	2,134,965
Leases and Rentals	—	6,092	6,092	—	6,092
Cost Reimbursement/Miscellaneous	106,223	216	106,439	10,441	116,880
Total Charges for Services					3,315,121
Federal Appropriations, Grants, and Contracts	201,562	—	201,562	203,390	404,952
State Grants and Contracts	88,936	—	88,936	740,252	829,188
Private Gifts, Grants, and Contracts	93,160	—	93,160	112,911	206,071
Additions to Endowments	1,160	—	1,160	31,594	32,754
Total Operating Grants and Contributions					1,472,965
Interest Revenue	—	1,704	1,704	(1,704)	—
Total Operating Revenues	3,681,299	9,903	3,691,202	1,096,884	—
Expenses:					
Operating Expenses:					
Personal Service	2,988,921	2,399	2,991,320	—	2,991,320
Operations	—	4,039	4,039	—	4,039
Specific Programs	—	1,448	1,448	—	1,448
Scholarships and Fellowships	147,528	—	147,528	—	147,528
Utilities	34,014	—	34,014	—	34,014
Supplies and Other Services	1,303,307	—	1,303,307	—	1,303,307
Contracted Services	33,247	—	33,247	—	33,247
Interest Expense	—	—	—	93,926	93,926
Depreciation/Amortization	325,984	2,149	328,133	—	328,133
Bad Debt Expense	—	6	6	—	6
Miscellaneous	36,456	92	36,548	804	37,352
Total Operating Expenses	4,869,457	10,133	4,879,590	94,730	4,974,320
Operating Income (Loss)	(1,188,158)	(230)	(1,188,388)	1,002,154	—
Non-Operating Revenues (Expenses):					
Federal Appropriations, Grants, and Contracts	203,390	—	203,390	(203,390)	—
State Appropriations, Grants, and Contracts	740,252	—	740,252	(740,252)	—
Private Gifts, Grants, and Contracts	112,911	—	112,911	(112,911)	—
Contributions and Intergovernmental	—	2,239	2,239	—	2,239
Total Unrestricted Grants and Contributions					2,239
Investment Earnings:					
Increase (Decrease) in the Fair Value of Investments	(40)	1,292	1,252	—	1,252
Investment and Endowment Income (Loss)	224,041	—	224,041	—	224,041
Interest	—	2,513	2,513	1,704	4,217
Interest and Bond Related Expenses	(93,336)	(590)	(93,926)	93,926	—
Gain (Loss) on Sale of Capital Assets	(731)	—	(731)	731	—
Contributions to Others	—	(779)	(779)	—	(779)
Miscellaneous Revenues (Expenses)	10,441	(73)	10,368	(10,368)	—
Total Unrestricted Investment Earnings					228,731
Total Non-Operating Revenues (Expenses)	1,196,928	4,602	1,201,530	(970,560)	—
Income Before Other Revenues (Expenses) Or Gains (Losses)	8,770	4,372	13,142	31,594	—
State Capital Appropriations	86,049	—	86,049	—	86,049
Total Capital Grants and Contributions					86,049
Additions to Endowments	31,594	—	31,594	(31,594)	—
Extraordinary Item	(1,037)	—	(1,037)	—	(1,037)
Change in Net Position	125,376	4,372	129,748	—	129,748
Net Position - Beginning of Year (Note 18)	6,101,010	231,709	6,332,719	—	6,332,719
Net Position - End of Year	\$ 6,226,386	\$ 236,081	\$ 6,462,467	\$ —	\$ 6,462,467

The notes to the financial statements are an integral part of this statement.



The Notes to the Financial Statements provide a summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies

A. Financial Statements and Reporting Entity

The accompanying financial statements of the State of Missouri (primary government) and its component units have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The financial statements include the departments, agencies, boards, commissions, and other organizational units over which the State has financial accountability. GASB set forth the following criteria in Statement No. 14, *The Financial Reporting Entity*, for determining financial accountability: appointment of a voting majority of an organization's governing body and either: 1) the ability to impose the State's will on the organization; or 2) the organization's ability to provide specific benefits to, or impose specific burdens on, the primary government. Where the State does not appoint a voting majority of the governing body, the entity would still be included if it is fiscally dependent on the State. Statement No. 39, *Determining Whether Certain Entities are Component Units*, added a requirement to include all entities whose relationship with the State would make it misleading to exclude it. Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, improves financial reporting by amending GASB Statement No. 14, *The Financial Reporting Entity*, and Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, in blending component units: 1) if there is a financial benefit or burden relationship with the primary government; 2) management of the primary government has operational responsibility for the component unit's activities; and 3) if the total outstanding debt is expected to be repaid entirely or almost entirely with the resources of the primary government. GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, requires component units to be blended if they are incorporated as not-for-profit corporations and the primary government is the sole corporate member.

In addition to the legislative, executive, and judicial branches, the following organizations are included in these financial statements:

Component Units (Blended):

Blended component units are legally separate entities from the State, but are so intertwined with the State that they are, for all practical purposes, the same as the State. They are reported as part of the primary government and blended into the appropriate funds. The following component units are blended because they provide services entirely or almost entirely to the primary government:

Governmental Funds:

Board of Fund Commissioners – The Board was created by state law and is comprised of the Governor, Lieutenant Governor, Attorney General, State Treasurer, and the Commissioner of Administration. The Board's purpose is to issue, redeem, and cancel state general obligation bonds and perform other administrative activities related to state general obligation debt as assigned by law. Separate financial statements are not required or issued for the Board.

Board of Private Investigator and Private Fire Investigator Examiners – The Board was created by state law and is charged with the licensure and regulation of the practice of private investigators and private fire investigators in Missouri. The seven member board shall consist of three private investigators, two private fire investigators, and two public members, appointed by the Governor. The Board is appointed by the primary government. It is therefore considered a blended special revenue fund and shown in the financial statements as part of the primary government.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Coordinating Board for Early Childhood – The Board was created by state law within the Missouri Children’s Services Commission. The Board’s purpose is to develop a comprehensive statewide long-range strategic plan for a cohesive early childhood system, and to work with public and private entities for the purpose of promoting and improving the development of Missouri’s children from birth through age five. The 17 member Board is composed of representatives from the Governor’s Office; the following departments: Health and Senior Services, Mental Health, Social Services, and Elementary and Secondary Education; the judiciary; the Family and Community Trust Board; the Head Start Program; and nine members appointed by the Governor. The majority of the board members are appointed by the primary government and, therefore, separate financial statements are not required for the Board.

Missouri State Penitentiary Redevelopment Commission – The Commission was established to coordinate the planning and redevelopment of the old Jefferson City Correctional Center. The ten member commission consists of three members appointed by the Jefferson City mayor, three members appointed by the Cole County Commission, and four members appointed by the Governor. The majority of the board members are appointed by the primary government. Therefore, it is considered a blended special revenue fund and is shown in the financial statements as part of the primary government.

Internal Service Funds:

Board of Public Buildings – This is reported with the State Facility Maintenance and Operation Fund. The Board was created by state law and its governing body is made up of the Governor, the Lieutenant Governor, and the Attorney General. Its purpose is to provide state buildings by issuing revenue bonds and to supervise the operations of these facilities. All construction contracts must be approved by the Division of Facilities Management, Design and Construction, and its projects must be approved by the General Assembly. The Board can require state agencies to occupy its projects. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds and pay the costs of operations.

Conservation Employees’ Insurance Plan – The Plan provides health and life insurance coverage to eligible employees and retirees of the Missouri Department of Conservation. The Plan is administered by a five member board of trustees made up of three members of the Plan appointed by the Conservation Commission which consist of two Conservation employees and Division Chief, the Chief Financial Officer, and the Human Resources Division Chief. Copies of the Plan’s financial statements may be requested from:

Missouri Department of Conservation
P.O. Box 180
Jefferson City, Missouri 65102

Transportation Self-Insurance Plan – The Plan provides fleet vehicle liability, workers’ compensation, and general liability insurance. The Plan is administered by the Missouri Department of Transportation. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Missouri State Employee's Insurance Plan – The Plan was created to provide basic life insurance to eligible members and is administered through the Missouri State Employees' Retirement System (MOSERS). Death benefits, optional life insurance, and long-term disability benefits are also provided by the Plan for certain members. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
Jefferson City, Missouri 65102-0209

Missouri Consolidated Health Care Plan (MCHCP) – The Plan was created by state law to provide medical benefits to its members and is administered by a board of trustees. The Board consists of two members of the Senate; two members of the House; three members appointed by the Governor; the Director of the Department of Health and Senior Services; the Director of the Department of Insurance, Financial Institutions and Professional Registration; the Commissioner of Administration; two members of the system who are current employees; and one member of the system who is a retiree. The management of MCHCP is the responsibility of the Executive Director who is appointed by the Board. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

MoDOT/MSHP Medical and Life Insurance Plan – The Plan provides health and life insurance coverage to eligible employees, retirees, and their dependents of the Missouri Department of Transportation (MoDOT) and the Missouri State Highway Patrol (MSHP). The Plan is administered by a board of trustees consisting of four active MoDOT employees, one retired MoDOT employee appointed by the Director of MoDOT, two active MSHP employees, and one retired MSHP employee appointed by the Superintendent of MSHP. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

Pension (and other employee benefit) trust funds:

Missouri State Employees' Retirement System (MOSERS) – The System was created by state law and provides retirement, survivor, and disability benefits to its members and is administered by a board of trustees. The Board consists of two members of the Senate, two members of the House, two members appointed by the Governor, three members elected by the System's members, the State Treasurer, and the Commissioner of Administration. The management of MOSERS is the responsibility of the Executive Director who is appointed by the Board. The MOSERS Board of Trustees also oversees the State's Deferred Compensation Plan which is administered by a third party. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
Jefferson City, Missouri 65102-0209

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) – The System provides retirement, survivor, and disability benefits to qualified employees of the Missouri Department of Transportation, uniformed and non-uniformed members of the Missouri State Highway Patrol, and MPERS staff. The System is administered by a board of trustees consisting of three members of the Missouri Highways and Transportation Commission, the Director of the Missouri Department of Transportation, the Superintendent of the Missouri State Highway Patrol, one member of the Senate, one member of the House, one member elected by MoDOT employees, one member elected by the Missouri State Highway Patrol employees, one retired member elected by retired MoDOT employees, and one retired member elected by retired Missouri State Highway Patrol employees. Copies of the System's financial statements may be requested from:

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930

Missouri Consolidated Health Care Plan (MCHCP) State Retiree Welfare Benefit Trust – The Trust was established on June 27, 2008, to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements, except those covered by other State sponsored post-employment benefit plans. The Trust is administered by the MCHCP board of trustees, which also administers the benefits for the active participants of the Plan. The net position and activity related to active participants are reported in an internal service fund. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

Missouri State Public Employees' Deferred Compensation Plan – The Missouri State Public Employees' Deferred Compensation Plan is administered by ICMA-RC and oversight of the Plan is provided by the MOSERS board of trustees. Under this Plan, employees are permitted to defer a portion of their current salary until future years. In addition, eligible employees have the opportunity to participate in the Missouri State Employees' Deferred Compensation Incentive Plan. Under this Plan, the State contributes \$25, \$30, or \$35 per month on behalf of any employee who contributes at least that amount to the Missouri State Public Employees' Deferred Compensation Plan and who has been an employee of the State for at least one year. However, due to budget constraints, the State's contribution amount was suspended in March 2010. Copies of financial statements for both Plans may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
Jefferson City, Missouri 65102-0209

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Component Units (Discretely Presented):

Discretely presented component units are legally separate entities for which the State is financially accountable. The financial data for these entities is reported separately from the financial data of the primary government.

Major

College and Universities - The Coordinating Board for Higher Education has certain responsibilities for these institutions and they receive State support. Following are the public college and universities included in the financial statements:

Harris-Stowe State University
3026 Laclede Avenue
St. Louis, Missouri 63103

Lincoln University
820 Chestnut Street
Jefferson City, Missouri 65102

Missouri Southern State University
3950 East Newman Road
Joplin, Missouri 64801-1595

Missouri State University
901 South National Avenue, Room 119
Springfield, Missouri 65897

Missouri Western State University
4525 Downs Drive
St. Joseph, Missouri 64507

Northwest Missouri State University
107 Administration Building
800 University Drive
Maryville, Missouri 64468-6001

Southeast Missouri State University
One University Plaza, Mail Stop 3200
Cape Girardeau, Missouri 63701

State Technical College of Missouri
One Technology Drive
Linn, Missouri 65051

Truman State University
Business Office
100 East Normal
Kirksville, Missouri 63501

University of Central Missouri
316 Administration Building
Warrensburg, Missouri 64093

University of Missouri System
118 University Hall
Columbia, Missouri 65211

Non-Major

Missouri Development Finance Board - The Board was created by state law as an independent, self-supporting, body corporate and politic to promote economic development of the State and was created within the Department of Economic Development. The Board is empowered to issue taxable, tax-exempt, and public purpose infrastructure industrial revenue bonds or notes; provide loans or loan guarantees to eligible businesses; provide loans and grants to political subdivisions to fund public infrastructure improvements; and issue tax credits against certain state income taxes in exchange for contributions made to the Board. The twelve member board is made up of the Lieutenant Governor and the Directors of the Department of Economic Development, the Department of Natural Resources, and the Department of Agriculture, who serve as ex-officio voting members, and eight members appointed by the Governor and confirmed by the Senate. Copies of the Board's financial statements may be requested from:

Missouri Development Finance Board
Governor Office Building
200 Madison Street, Suite 1000
Jefferson City, Missouri 65102

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Missouri Agricultural and Small Business Development Authority - The Authority was created by state law and is authorized to issue bonds to finance agricultural and small business development loans for property acquisitions/renovations and pollution control facilities throughout the State. If for any reason, the Authority ceases to exist, all rights and properties of the Authority will pass to the State. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's financial statements may be requested from:

Missouri Agricultural and Small
Business Development Authority
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

Missouri Transportation Finance Corporation - The Corporation is a not-for-profit corporation organized under the Missouri Nonprofit Corporation Law. The Corporation is financed by federal highway and transit dollars, plus state and local matching funds. It is authorized to issue revenue bonds. The Corporation provides loans to assist public and private entities to fund highway and transportation projects throughout the State. Missouri Transportation Finance Corporation's board determines which applicants are extended loans. Copies of the Corporation's financial statements may be requested from:

Missouri Transportation Finance
Corporation
P.O. Box 270
105 West Capitol Avenue
Jefferson City, Missouri 65102

Missouri Wine and Grape Board – The Board was created by state law to further growth and development of the grape growing industry in Missouri and foster the expansion of the grape market for Missouri grapes. The eleven member board consists of seven members representing the grape and wine industry, food service industry, or media marketing industry. The four other members include the director of the Department of Agriculture and the presidents of the Missouri Grape Growers Association, the Missouri Vintners Association, and the Missouri Wine Marketing and Research Council. Copies of the Board's annual report may be requested from:

Missouri Wine and Grape Board
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

State Environmental Improvement and Energy Resources Authority – The Authority was created by state law and is authorized to finance, acquire, construct, and equip projects to reduce, prevent, and control pollution and develop the energy resources of the State. The Authority is governed by a five-member board appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's annual report may be requested from:

State Environmental Improvement and
Energy Resources Authority
425 Madison Street
Jefferson City, Missouri 65101

Related Organizations

Related organizations are excluded from the financial reporting entity because the State's accountability does not extend beyond appointing a voting majority of the organization's board members. Related organizations of the State of Missouri include:

Missouri Health and Educational Facilities Authority – finances health and educational facilities.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Missouri Higher Education Loan Authority – provides a secondary market for loans made under the Federal Family Education Loan Program.

Missouri Housing Development Commission – finances the purchase, development or rehabilitation of affordable housing and funds housing assistance.

Missouri Technology Corporation – promotes the modernization of businesses through the development of science and technology applications.

Missouri Public Entity Risk Management Fund – provides liability protection to participating public entities, their officials, and employees.

Jackson County Sports Complex Authority – responsible for construction, operation, and financing of the Jackson County Sports Complex.

Kansas City Regional Sports Complex Authority – responsible for the study and review of all current major sports leagues, clubs, or franchises in Kansas City.

St. Charles County Convention and Sports Facility Authority – responsible for planning, constructing, and managing convention and sports facilities in the St. Charles area.

Missouri Cotton Growers' Organization – organized for boll weevil eradication.

Universal Service Board – organized to ensure just, reasonable, and affordable rates for comparable essential local telecommunication services throughout the State.

Interstate Commission for Adult Offender Supervision – responsible for promoting public safety and protecting the rights of victims through the control and regulation of the interstate movement of adults placed under community supervision.

Board of Trustees of the Missouri Mesothelioma Risk Management Fund – provides coverage of liabilities for participating employers relating to mesothelioma awards.

P-20 Council – organized to create a more efficient and effective education system that more adequately prepares students for the challenges of entering the workforce.

Missouri Propane Safety Commission – responsible for developing comprehensive plans and programs for the prevention, control, and abatement of propane-related accidents in Missouri.

Missouri Family Trust Board of Trustees – provides trust services for persons with disabilities.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements:

The government-wide financial statements focus on the government as a whole. The Statement of Net Position and Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Governmental activities include governmental type funds and internal service funds. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services and consist of enterprise funds.

The Statement of Net Position presents the reporting entity's non-fiduciary assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Indirect costs, such as depreciation/amortization expense, are included in the direct expenses reported for individual functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred. Fiduciary funds have been excluded from the government-wide financial statements because, by definition, the resources of these funds cannot be used to support government operations. Generally, interfund transactions have also been eliminated. Some interfund transactions, such as the exchange of services, were not eliminated because doing so would mistakenly understate both expenses of the buyer and revenues of the seller.

Fund Financial Statements:

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. For governmental and proprietary fund financial statements, the emphasis is on major individual governmental and enterprise funds, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Internal service funds are also aggregated and reported in a separate column on the proprietary fund financial statements.

The governmental fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. With the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. Operating statements of governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. Material revenues susceptible to accrual include federal grants and sales and income taxes. Expenditures are recognized when the related fund liability is incurred except for the following:

- Principal and interest on general long-term debt is recorded as an expenditure when due.
- Compensated absences (accumulated vacation and compensatory time) and sick pay are recorded as expenditures when paid.
- Inventories are reported as expenditures when purchased, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method.

The proprietary, pension (and other employee benefit) trust, and private-purpose trust fund financial statements are presented using the economic resources measurement focus and accrual basis of accounting. With the economic resources measurement focus, assets, deferred outflows, liabilities, and deferred inflows associated with the operation of these funds are included on the Statement of Net Position. Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary fund-type operating statements present revenues and expenses in total net position. Operating revenues and expenses in proprietary funds are classified as those activities that make up the primary ongoing operations associated with those funds. Non-operating revenues and expenses in proprietary funds are classified as those activities that are deemed incidental or unusual for those funds.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The agency fund financial statements are presented on the accrual basis of accounting.

The discretely presented component unit financial statements are presented using the economic resources measurement focus and accrual basis of accounting with the following exception in regard to the college and universities. Revenues and related expenditures in connection with the summer sessions in progress at June 30 are deferred at that date.

The State reports the following major funds categories:

General Fund – accounts for all current financial resources not required by law or administrative action to be accounted for in another fund. Major revenues include contributions and taxes.

Public Education – provides general and special education needs of the State and other related areas such as library services and student loans. Major revenues include contributions and taxes.

Conservation and Environmental Protection – provides for the preservation of the State's wildlife and environment. Major revenues include contributions, taxes and licenses, fees, and permits.

Missouri Road Fund – accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. Major revenues are from contributions.

State Lottery – accounts for proceeds from the sale of lottery tickets and all other moneys credited to this fund. A minimum of 45% of the moneys are used for prizes. Major revenues are from sales of lottery tickets.

Unemployment Compensation – accounts for contributions, payments, and federal loans collected under the provisions of the Unemployment Compensation Law to pay benefits. Major revenues include federal and employer contributions.

Petroleum Storage Tank Insurance – accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks. Major revenues are from fees.

C. Basis of Presentation

The State's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accompanying financial statements are structured into three categories of funds and discretely presented component units:

Primary Government:

Governmental Funds include the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. These funds account for the revenues and expenditures, capital outlay, and certain debt service of the State.

Proprietary Funds include enterprise funds and internal service funds. These funds account for the cost of certain services provided by the State.

Fiduciary Funds include pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds. These funds account for assets held by the State in a trustee capacity or as an agent for individuals, other governments, and other entities.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Discretely Presented Component Units:

Major

College and Universities account for moneys from student tuition and fees, federal and state grants, debt proceeds, gifts and contributions, state appropriations, investments, and endowments. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are accounted for on the Statement of Net Position. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities.

Non-Major

Non-Major Component Units account for moneys from bond proceeds, loans, contributions, gifts, grants, and other revenue sources. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are accounted for on the Statement of Net Position. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities.

D. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include bank accounts, petty cash, and all investments with an original maturity of 92 days or less, such as certificates of deposit, money market certificates, and repurchase agreements. Cash and cash equivalents on the Proprietary Funds Statement of Cash Flows are also reported under this definition. This definition excludes Fiduciary funds. Cash balances of most state funds are pooled and invested by the State Treasurer (see *Note 3*).

E. Investments

These are long-term investments with an original maturity greater than 92 days which are expected to be held to maturity and redeemed at face value. The majority of investments are reported in pension (and other employee benefit) trust funds, however, investments are held in all fund types. Repurchase agreements held by the State Treasurer's Office are reported at amortized cost. The Missouri State Public Employees' Deferred Compensation Plan and the Missouri State Public Employees' Deferred Compensation Incentive Plan report their Stable Value Funds at contract value. The Missouri State Employees' Retirement System reports their cash equivalents at cost plus accrued interest. All other investments of the State are reported at fair value.

There are multiple funds that have income from investments which are directed to the General Fund. These funds consist of special revenue, enterprise, internal service, private-purpose, and agency funds.

F. Interfund Receivables/Payables

The State makes various transactions between funds or between the primary government and component units to distribute interest earnings, finance operations, provide services, and acquire capital assets. These receivables at June 30 are classified as "due from other funds" or "due from primary government/component units" on the Balance Sheet and Statement of Net Position. Payables are classified as "due to other funds" or "due to primary government/component units" on the Balance Sheet and Statement of Net Position (see *Note 16*). These receivables/payables are due within one year. Any receivables/payables that are due to and due from an enterprise fund are eliminated on the face of the Proprietary Funds Statement of Net Position. If any receivables/payables that remain after this elimination are both in the same activity (Governmental), they are eliminated at the Government-Wide Statement of Net Position. Interfund receivables/payables between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Position.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

G. Advances to/from Other Funds

Long-term interfund receivables are classified as “advances to other funds” or “advances to primary government/component units” on the Balance Sheet and Statement of Net Position. Long-term interfund payables are classified as “advances from other funds” or “advances from primary government/component units” on the Balance Sheet and Statement of Net Position (see *Note 16*). These receivables/payables are eliminated if both the receivable and payable are in the same activity (Governmental). Advances to/from that are between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining long-term interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Position.

H. Inventories

Inventories in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method. Inventory balances for governmental funds are shown in the nonspendable fund balance classification. Inventories in the proprietary funds consist of both expendable supplies held for consumption and the cost of goods held for resale, the cost of which is recorded as an expense as they are used. Inventories are valued at cost using various methods such as moving average; weighted average; and first-in, first-out.

I. Capital Assets

Capital assets, which include construction in progress, software in progress, infrastructure in progress, land, land improvements, permanent and temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure assets, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated acquisition value at the time received. Capital assets acquired through lease agreements and financed purchases are capitalized at the inception of the agreement (see *Notes 5, 6 and 12*).

Infrastructure assets (including highways, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items) are capitalized. Interest costs incurred during construction of capital assets are not capitalized.

The capitalization threshold for all capital assets is as follows: land improvements – \$15,000, buildings and improvements – \$15,000, software and trademarks – \$5,000, and equipment – \$1,000. No dollar threshold is set for land, easements, or infrastructure.

Capital assets are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings – 40 to 50 years, land improvements and building improvements – 15 to 20 years, temporary easements – term of easement, equipment – 2 to 5 years, software – 3 to 5 years, trademarks – 10 years, and infrastructure – 12 to 50 years. Construction in progress, software in progress, infrastructure in progress, land, and permanent easements are not depreciated/amortized.

Most works of art and historical treasures are not capitalized or depreciated/amortized. The State's non-capitalized collections include the historical artifacts at the various state museums and historical sites, monuments, and other art throughout the capitol grounds. Assets that were previously capitalized continue to be reported in the government-wide financial statements.

Component unit capital assets are stated at cost and are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings – 40 years, land improvements and building improvements – 20 years, equipment – 5 to 15 years, and software – 3 to 5 years.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

J. Deferred Outflow of Resources and Deferred Inflow of Resources

In addition to assets, the Statement of Net Position/Balance Sheet may report a separate line item for deferred outflows of resources. Deferred outflows of resources consist of the decrease of net position by the State that is applicable to a future reporting period and will not be recognized as outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position/Balance Sheet may report a separate line item for deferred inflows of resources. Deferred inflows of resources consist of the increase of net position by the State that is applicable to a future reporting period and will not be recognized as inflow of resources (revenue) until then.

K. Unearned Revenues

Unearned revenues are amounts collected in advance of the year in which earned.

L. Long-Term Debt

Long-term liabilities that will be financed from governmental funds are not reported on the fund financial statements. However, the long-term liabilities are reported on the government-wide financial statements. The reconciliation between fund financial statements and government-wide financial statements includes a line item for the long-term liabilities of governmental funds. These long-term liabilities include the following:

1. Due to Other Entities includes outstanding principal on advances from other governments and contractual obligations to other governments. The expenditures are recorded in the appropriate governmental funds when the liability is paid (see *Note 11*).
2. Outstanding principal for general obligation debt. The expenditure for payment of principal and interest for general obligation debt is recorded in the debt service funds when paid (see *Note 12*).
3. Outstanding principal for bonds issued by the Board of Public Buildings, bonds issued by the Health and Educational Facilities Authority, the Regional Convention and Sports Complex Authority, the Missouri Development Finance Board, and the State Road Bonds issued by the Missouri Highways and Transportation Commission. The expenditure for payment of principal and interest for these bonds is recorded in the appropriate governmental funds when paid (see *Note 12*).
4. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums during the current period. Premiums on debt issuances are reported as other financing sources (see *Note 11*).

5. Obligations under leases and financed purchases reported include the present value of net minimum future lease payments, which will be paid from the General Fund, various special revenue funds, proprietary funds, and the Missouri Road Fund (see *Notes 6, 11, and 12*).
6. Pollution remediation liabilities are measured based on the pollution remediation outlays expected to be incurred to settle those liabilities. These liabilities include all remediation work that the State expects to perform, including work expected to be performed for other responsible parties or potentially responsible parties, whether or not the State is required to do that work. For goods or services used for pollution remediation activities, amounts that are normally expected to be liquidated with expendable available financial resources are recognized as liabilities upon receipt of those goods and services (see *Note 11 and 23*).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

7. Asset Retirement Obligations are measured based on the best estimate of the current value of outlays expected to be incurred. These liabilities include all legally enforceable amounts associated with the future retirement of a tangible capital asset. Liabilities and expenditures are recognized for goods and services used for asset retirement activities upon receipt of those goods and services (see *Note 24*).
8. Compensated absences include accumulated unpaid vacation and compensatory time accruals and related employer payroll taxes. These amounts are not accrued in the governmental funds, but are recorded as expenditures when paid (see *Note 11*).

Vacation leave is accumulated at a rate of 10 to 14 hours per month depending on the number of years of employment. Accumulated vacation leave cannot exceed twice the number of vacation hours earned annually. Compensatory time is accumulated as earned by an individual employee.

Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the State. However, unused sick leave may be converted to additional credited service upon retirement (usable only for benefit computation, not eligibility).

9. Claims and contingent liabilities include estimates of the risk of loss related to tort liability, general liability, motor vehicle liability, contractor liability, and injuries to employees. These liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred, but not reported. Expenditures are recorded in the fund from which the liability is paid (see *Notes 11, 22, and 25*).
10. The State provides postemployment health care (OPEB) and life insurance benefits to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the MoDOT/MSHP Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). MCHCP is a cost-sharing multiple-employer defined benefit plan, while MHPML and CEIP are single-employer defined benefit plans. Health care benefits and MOSERS life insurance benefits are funded through both employer and employee contributions. The University of Missouri's OPEB plan is a single-employer defined benefit plan for all qualified employees.

For the purposes of measuring the total/net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from have been recognized on the same basis as they are reported by the plans. Employer contributions are recognized as revenue and reported when due and payable. Benefits are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value (see *Note 8*).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

11. The State has two major retirement systems which cover substantially all State employees and a retirement plan for University of Missouri employees. These systems are the Missouri State Employees' Retirement System (MOSERS) and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). The Missouri State Employees' Plan (MSEP) is a cost-sharing multiple employer defined benefit public employee retirement plan administered by MOSERS. MOSERS also administers the Judicial Plan, a single-employer defined benefit public employee retirement plan. MPERS is a single-employer defined benefit public employee retirement plan. The University of Missouri Retirement, Disability, and Death Benefit Plan is a single-employer defined benefit plan for all qualified employees.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see *Note 7*).

Long-term liabilities of all proprietary, pension (and other employee benefit) trust, and private-purpose trust funds are accounted for in the respective funds.

M. Net Position and Fund Balance

The difference between fund assets, deferred outflows, liabilities, and deferred inflows is reported as "Net Position" on the government-wide, proprietary, fiduciary, and component unit fund statements and "Fund Balance" on the governmental fund financial statements.

Net Position is reported in three categories:

Net Investment in Capital Assets – An account used to segregate the portion of net position attributable to capital assets and related debt. It consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributed to acquisition, construction, or improvement of those assets.

Restricted Net Position – An account used to segregate the portion of net position that have constraints on their use, which are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation.

Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. At June 30, 2019, net position restricted by enabling legislation equaled \$521,213,000 for governmental activities.

Unrestricted Net Position – An account used to segregate the portion of net position that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, generally the State uses restricted resources first, then unrestricted resources as they are needed. However, there may be instances in which restricted funds may only be spent in proportion to unrestricted funds spent.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Governmental Fund Balance Classifications

The State's fund balances are classified as:

Nonspendable – Amounts that are not expected to be converted to cash or amounts that are legally or contractually required to be maintained intact.

Restricted – Amounts that are restricted for specific purpose due to constraints that are externally imposed by creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the legislature. Committed amounts cannot be used for other purposes unless the General Assembly passes legislation to remove the restraints.

Assigned – Amounts that are constrained by the legislature's intent to be used for a specific purpose, but do not meet the criteria for restricted or committed. The constraint for assigned fund balance is established by the Revised Statutes of the State of Missouri.

Unassigned – Amounts that do not meet the criteria of any of the classifications listed above.

Negative Fund Balance

A negative fund balance is prohibited in all fund balance classifications except Unassigned. When a negative fund balance exists, the shortfall would be covered by the next fund balance classification for that specific purpose.

N. Interfund Transactions

During the fiscal year, the State incurs various transactions between funds, including expenditures and transfers of resources to distribute interest earnings, finance operations, provide services, service debt, and acquire capital assets. Interfund transactions consist of these three types:

1. Transactions that would be treated as revenues or expenditures/expenses, if they involved organizations external to the State, are similarly treated when involving other funds of the State. Major transactions that fall into this category include payments to internal service funds from other funds for services rendered and to agency funds for contributions for employee benefits.
2. Transactions that reimburse another fund for an expense reduce the expenses of the fund that is being reimbursed and increase the expenses for the fund doing the reimbursement. Therefore, they are not shown on the face of the statements.
3. Operating subsidies and transfers from funds receiving revenues to funds through which the resources are to be expended are classified as transfers (see *Note 17*). These transactions are eliminated on the face of the financial statements if the transfer in and transfer out are either both in governmental funds or both in enterprise funds. Of the remaining transfers, any transfers in and transfers out that are within the governmental activities are eliminated at the Government-Wide Statement of Activities.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

O. Property Taxes

Presently there is a state property tax of three cents on each hundred dollars assessed valuation on all real estate and personal property. The tax collected is deposited into the Blind Pension Fund, which is a component of social assistance.

Property taxes in Missouri are levied by October 31 of each year on assessed valuation as of January 1 of that year. Property taxes are due and payable by December 31 and penalties on unpaid taxes are imposed after that date. Assessed values are established by each county assessor's office and are calculated as a percent of market value except for agricultural land which is calculated on productive capability. The percentage for real property varies according to use: residential at 19%, commercial at 32%, and agricultural at 12%. Personal property is assessed according to type with the majority at 33 1/3% of market value.

Note 2 - Reporting Changes and Classifications

The State of Missouri implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) for the fiscal year ending June 30, 2019:

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, which addresses accounting and financial reporting for any legally enforceable obligations required to retire tangible capital assets. It also requires disclosure of information about the nature of a government's asset retirement obligations, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The implementation of this statement is reflected in *Note 24 - Asset Retirement Obligations*.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*, which requires additional information related to debt to be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The implementation of this statement is reflected in *Note 6 - Leases and Note 12 - Debt*.

The State of Missouri reclassified one fund for the fiscal year ending June 30, 2019. The Inmate Canteen Fund was reclassified from an agency fund to an enterprise fund per House Bill No. 2009, 99th General Assembly, Second Regular Session, with its inclusion into the State Treasury.

The State Environmental Improvement and Energy Resources Authority was reclassified from a related organization to a discreetly presented component unit upon re-evaluation as this is a legally separate entity, body corporate and politic, with the board members appointed by the Governor and able to be removed by the Senate at will. The State does not have operational responsibility for the Authority and there is no financial benefit/burden relationship with the State. Debt obligations for the Authority are not an indebtedness of the State.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments

The State Treasurer's Office maintains a cash and short-term investment pool that is used by substantially all state funds of the primary government. These funds do not include accrued interest. Certain organizational units are authorized to administer assets designated to their organization in a manner similar to the deposit and investment activities of the State as a whole. Summarized on the following page is the portfolio that represents the "Cash and Cash Equivalents," "Investments," "Restricted Assets – Cash and Cash Equivalents," and "Restricted Assets – Investments" as reported at June 30, 2019.

A. Deposits

The State minimizes custodial credit risk by restrictions set forth in state law and stipulations in the State Treasurer's Office Investment Policy. Custodial credit risk is risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateralized securities that are in the possession of an outside party. Statutes restrict the State Treasurer's Office to deposit funds in financial institutions that are physically located in Missouri, which are selected based on financial stability and community involvement. The financial institution's loan to deposit ratio must exceed 50% at the time of deposit and deposits must be collateralized at least 100% in excess of FDIC coverage with approved securities. Deposits must have a maturity of five years or less and earn interest at varying rates based on State law.

Primary Government

At June 30, 2019, the bank balance of the primary government's deposits was \$1,690,830,000. Of the bank amount, \$15,641,000 was exposed to custodial credit risk by being uninsured and collateralized with securities held by the pledging financial institutions, \$1,044,757,000 was held by the U.S. Treasury, and the remainder was not exposed to custodial risk.

Fiduciary

At June 30, 2019, the bank balance of the deposits of the fiduciary funds was \$112,316,000.

Component Units

Information on the component units' deposits is available within their individual financial statements.

B. Investments

Statutes authorize the State Treasurer's Office to invest in U.S. Treasury or Agency securities maturing within five years, commercial paper and banker's acceptances maturing within 180 days, or in repurchase agreements maturing within 90 days secured by U.S. Treasury, or Agency securities of any maturity. There have been no violations of these investment restrictions during fiscal year 2019.

The State Treasurer's Office minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, by establishing a pre-approved list of financial institutions and companies that will be used to purchase commercial paper. The State Treasurer's Office also conducts regular credit monitoring, pre-qualifies the financial institutions and brokers/dealers with which the State Treasurer's Office will do business for broker services and repurchase agreements, and diversifies the portfolio to reduce potential losses on individual securities.

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the State will not be able to recover the value of their investment or collateral securities that are in the possession of an outside party. The State Treasurer's Office minimizes custodial credit risk by requiring that all securities be held in the State's name at the State's custodial bank, Wells Fargo Bank, National Association, or at one of the State Treasurer's Office approved collateral custodians.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Primary Government

At June 30, 2019, the reported amount of the primary government's investments was \$3,916,181,000. Of this amount, \$178,057,000 was exposed to custodial credit risk because it was uninsured and unregistered with securities held by the State's counterparty.

Fiduciary

At June 30, 2019, the reported amount of the fiduciary funds investments was \$17,016,216,000.

Component Units

Information on the component units investments is available within their individual financial statements.

The following table (in thousands of dollars) provides information about the interest rate risks associated with the State's investments. Statutes also authorize investment of funds not held by the State Treasurer's Office. The externally-held internal service funds, the agency and pension (and other employee benefit) trust funds, and the component units, in accordance with statutory authority, invest primarily in U.S. government securities, repurchase agreements, preferred and common stocks, bonds, real estate, fixed income securities, mutual funds, and investments in limited partnerships. The investments include certain short-term cash equivalents, various long-term items, and restricted assets by maturity, or in certain instances, a weighted average maturity in years. The State Treasurer's Office minimizes the risk of the market value of securities falling due to changes in interest rates by maintaining an effective duration of less than 2.5 years, and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less.

	Maturity in Years					Total Fair Value *
	Less than 1	1-5	6-10	More than 10	No Maturity	
All Fund Types except Fiduciary Funds and Component Units:						
U.S. Treasury Securities	\$ 111,340	\$ 33,472	\$ 10,864	\$ 5,981	\$ —	\$ 161,657
U.S. Agency Securities	541,351	1,771,552	—	—	—	2,312,903
U.S. Government Guaranteed Mortgages	9	2,299	—	—	—	2,308
Collateralized Mortgage Obligations	128	3,016	—	—	—	3,144
U.S. Agency-Sponsored Securities	26,705	120,564	—	—	—	147,269
Repurchase Agreements	1,276,455	—	—	—	—	1,276,455
Stocks	—	—	—	—	7,150	7,150
Bonds	407	100	285	594	—	1,386
Certificates of Deposit	774	—	—	—	—	774
Mutual Funds	—	—	—	—	3,135	3,135
Subtotal	<u>1,957,169</u>	<u>1,931,003</u>	<u>11,149</u>	<u>6,575</u>	<u>10,285</u>	<u>3,916,181</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

	Maturity in Years					Total Fair Value *
	Less than 1	1-5	6-10	More Than 10	No Maturity	
Fiduciary Funds:						
U.S. Government Securities	—	16,483	8,203	62,687	—	87,373
U.S. Treasury Securities	753,250	3,023,162	—	2,484,968	—	6,261,380
U.S. Agency Securities	306,755	53,753	25,585	95,639	—	481,732
U.S. Government Mortgage-Backed Securities	181	18,872	1,490	25,196	—	45,739
Repurchase Agreements	1,397,836	—	—	—	—	1,397,836
Stocks	—	—	—	—	638,124	638,124
Bonds	1	1,171,533	43,562	141,070	437	1,356,603
International Equities	—	—	51,909	—	—	51,909
Mortgages/ Real Estate	15,502	8,570	—	23,700	105,505	153,277
Asset-Backed Securities	32	11,884	40,537	167,361	—	219,814
Short-Term Securities	794,126	—	—	—	—	794,126
Mutual Funds	—	—	—	—	1,374,422	1,374,422
Alternatives/ Limited Partnership	—	—	—	—	3,994,127	3,994,127
Absolute Return	—	—	—	—	126,821	126,821
Other	—	—	—	—	32,933	32,933
Subtotal	<u>3,267,683</u>	<u>4,304,257</u>	<u>171,286</u>	<u>3,000,621</u>	<u>6,272,369</u>	<u>17,016,216</u>
Total Investments	<u>\$ 5,224,852</u>	<u>\$ 6,235,260</u>	<u>\$ 182,435</u>	<u>\$ 3,007,196</u>	<u>\$ 6,282,654</u>	<u>\$ 20,932,397</u>

*The State Treasurer's Office reports their repurchase agreements in the amount of \$1,258,000 at amortized costs. The Missouri State Public Employees Deferred Compensation Plan and the Missouri State Public Employees Deferred Compensation Incentive Plan reports their Stable Value Funds in the amounts of \$473,000 and \$363,000 respectively, at contract value. The Missouri State Employees' Retirement System reports their cash equivalents in the amount of \$687,000, at cost plus accrued interest.

The State minimizes concentration of credit risk, the risk attributed to the magnitude of an investment in a single issuer. State statute prohibits the State Treasurer's Office from investing more than 10% of the total time deposits with any single financial institution. State investment policy limits investment in commercial paper to 5% of the total portfolio per issuer and no more than 15% of the total portfolio may be invested in repurchase agreements with a single counterparty. Addendum A to the investment policy limits the total amount of linked deposits a financial institution may receive to 20% of the statutory cap set forth in Section 30.753.1 RSMo. There are no restrictions in the amount that can be invested in U.S. securities. During fiscal year 2019, the State did not have any instances of noncompliance with these requirements and policies.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Fair Value Measurement

The State of Missouri categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurements and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are unobservable.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lower level input that is significant to the valuation. The State's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The State Treasurer's Office uses the market approach for the determination of the fair value of investments, except for repurchase agreements, which are measured at amortized costs.

Debt, equities, and investment derivatives classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Debt securities and liabilities classified in level 2 have non-proprietary information that was readily available to market participants from multiple independent sources, which are known to be actively involved in the market. Pricing inputs may include market quotations, yields, maturities, call features, and ratings. A portion of the derivative securities classified in level 2 are securities whose values are derived daily from associated traded securities. Other investments listed as level 2 include debt securities where an independent pricing evaluator had direct observable information, including: trading volume, multiple sources of market data and benchmark spreads. FX forwards are included due to the valuation coming from observable forward rates on the underlying currencies. The equity index swap is included because valuation inputs include an observable interest rate and the underlying index.

Private equity securities classified at level 2 are valued at the price observed in subsequent market activity.

Investments listed as level 3 include debt securities where an independent pricing evaluator did not have direct observable information for comparable securities. Significant inputs used in the valuation are not available aside from the evaluator providing the price. Direct investments in private equity, real estate, credit, and real assets are included because the valuation techniques utilize discounted cash flows or other non-observable market information.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Investments Measured at Fair Value as of June 30, 2019 for the Primary Government (in thousands):

	Total	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)
Equity Securities				
Repurchase Agreements	\$ 28,200	\$ 6,647	\$ 21,553	\$ —
Stocks	7,150	7,150	—	—
Mutual Funds	3,135	3,135	—	—
Total Equity Securities	38,485	16,932	21,553	—
Debt Securities				
U.S. Treasury Securities	161,657	35,271	126,386	—
U.S. Agency Securities	2,312,903	—	2,312,903	—
U.S. Government Guaranteed Mortgages	2,308	—	2,308	—
Collateralized Mortgage Obligations	3,144	—	3,144	—
U.S. Agency- Sponsored Securities	147,269	—	147,269	—
Bonds	1,386	1,386	—	—
Certificates of Deposit	774	774	—	—
Total Debt Securities	2,629,441	37,431	2,592,010	—
Total Primary Government Investments	\$ 2,667,926	\$ 54,363	\$ 2,613,563	\$ —

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Investments Measured at Fair Value as of June 30, 2019 for the Fiduciary funds (in thousands):

	Total	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)
Short Term Securities	\$ 107,721	\$ 107,721	\$ —	\$ —
Equity Securities				
Stocks	330,689	329,010	1,679	—
Mutual Funds	436,689	436,689	—	—
Real Estate	105,505	105,505	—	—
Other Investments	45,933	45,933	—	—
Total Equity Securities	918,816	917,137	1,679	—
Debt Securities				
U.S. Treasury Securities	6,320,072	6,260,539	59,533	—
U.S. Agency Securities	486,328	—	486,328	—
Collateralized Debt Obligations	218,651	—	64,685	153,966
Repurchase Agreements	1,380,000	—	1,380,000	—
Bonds and Asset Backed Securities	514,236	—	415,445	98,791
Non U.S Sovereign	51,948	—	51,948	—
Mortgage Backed Securities	102,860	—	85,802	17,058
Total Debt Securities	9,074,095	6,260,539	2,543,741	269,815
Private Markets*				
Private Equity	371,305	—	—	371,305
Real Estate	137,091	19,448	—	117,643
Real Assets	320,540	—	—	320,540
Opportunistic Debt	208,668	—	—	208,668
Total Private Markets	1,037,604	19,448	—	1,018,156

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Investments Measured at Fair Value as of June 30, 2019 for the Fiduciary funds (in thousands) (cont.):

	Total	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)
Investment Derivative Instruments				
Future Contracts	\$ 24,687	\$ 24,687	\$ —	\$ —
Interest Rate Swap	44	—	44	—
Equity Swaps	3,157	—	3,157	—
FX Forwards	2,300	2,300	—	—
Total Investment Derivative Instruments	30,188	26,987	3,201	—
Total Investments by Fair Value Level	\$ 11,168,424	\$ 7,331,832	\$ 2,548,621	\$ 1,287,971

Investments Measured at the Net Asset Value (NAV):

	Total
Active Hedge Funds	\$ 1,630,421
Commingled international equity funds	1,119,333
MOSERS investment portfolio fund	3,470
Missouri target date funds	943,742
Private equity funds	549,054
Private real estate and timber funds	56,476
Total investments Measured at NAV	<u>\$ 4,302,496</u>
Total Investments Measured at Fair Value	<u>\$ 15,470,920</u>
Other Obligations	
Reverse Repurchase Agreements	\$ 3,921,701
Total Other Obligations	<u>\$ 3,921,701</u>
Other Investments	
Reported at Contract Value	\$ 835,881
Total Other Investments	<u>\$ 835,881</u>

*As of June 30, 2019, Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) has unfunded commitments in private markets investments consisting of \$134,194,000 in private equity, \$96,306,000 in real estate, \$141,505,000 in real assets, and \$131,469,000 in opportunistic debt.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Investments Measured at the Net Asset Value as of June 30, 2019, (in thousands):

Investments	Fair Value	Unfunded Commitments (U.S. Dollars)	Redemption Frequency (If currently eligible)	Redemption Notice Period (Days)
Active hedge funds				
Activist equity ¹	\$ 29,990	\$ —	Yearly, Every 3 Years	90
Equity long/short ²	123,427	—	Quarterly, Annually for MOSERS; Quarterly for MPERS	30-45
Equity market neutral ³	87,891	—	Quarterly	90
Event driven ⁴	254,843	—	Semi-Annually for MOSERS; Monthly for MPERS	60-90
Fund-of-funds ⁵	216,254	—	Monthly	95
Global asset allocation ⁶	32,486	—	Monthly	5-60
In liquidation ⁷	37,472	—	N/A	N/A
Macro ⁸	183,388	—	Monthly, Quarterly	30
Merger arbitrage ⁹	129,416	—	Monthly	45
Multi-strategies ¹⁰	21,270	—	Monthly	60-90
Risk parity ¹¹	213,627	—	Monthly	15
Risk premia ¹²	287,918	—	Monthly	30
Structured credit - relative value ¹³	12,439	—	Quarterly	60
Total active hedge funds	<u>1,630,421</u>	<u>—</u>		
Commingled international equity funds ¹⁴	1,119,333	—	Daily, Monthly	0-90
MOSERS investment portfolio fund ¹⁵	3,470	—	Monthly	None
Missouri target date funds ¹⁶	943,742	—	Daily	None
Private equity funds ¹⁷	549,054	229,224	N/A	N/A
Private real estate and timber funds ¹⁷	56,476	9,797	N/A	N/A
Total investments measured at NAV	<u>\$ 4,302,496</u>	<u>\$ 239,021</u>		

The following is a description of valuation methodologies used for assets recorded at fair value.

¹Activist equity – This value is 100% from MPERS. Consisting of two funds, this strategy focuses on obtaining publicly traded shares of companies and effecting changes within the companies that it owns whether that be value creation through operational, financial or corporate governance changes. One fund's focus is on North American companies and the other fund's focus is on European and Nordic companies. Due to contractual lock-up restrictions and the necessity for activist managers to retain capital in order to realize desired company changes, 50% of this strategy's investments are eligible for redemption on a rolling three-year basis. The remaining 50% are eligible for redemption on a rolling one-year basis.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

- ²Long/short equity hedge funds – This value is 90.0% from MOSERS and 10.0% from MPERS. Consisting of two funds for MOSERS and one fund for MPERS, this strategy invests both long and short in U.S. and global equity securities, with a goal of adding growth and minimizing market exposure. Due to contractual lock-up restrictions, these investments remain restricted ranging anywhere from 4 to 12 months for MOSERS and within 6 months for MPERS.
- ³Equity market neutral hedge fund – This value is 100% from MOSERS. This consists of one fund whereby the strategy invests both long and short in U.S. and global equity securities, with the goal of having little to no net market exposure. This investment is redeemable quarterly and is not subject to lockup restrictions.
- ⁴Event driven hedge funds – This value is 94.2% from MOSERS (with a redemption period of 60 days) and 5.8% from MPERS (with a redemption period of 90 days). Consisting of one fund for MOSERS and one fund for MPERS, this strategy seeks to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event. Due to contractual lock-up restrictions, (a) approximately 50% of the value of these investments is eligible for redemption semi-annually, the remaining 50% of the value of these investments remains restricted for 12 months for MOSERS and (b) the value of these investments is eligible for redemption in the next 4 months for MPERS.
- ⁵Fund-of-funds – This value is 100% from MOSERS. Consisting of one fund, this fund seeks to provide diversification by holding a number of funds within a single fund structure. This investment is redeemable monthly, and is not subject to lock-up restrictions.
- ⁶Global asset allocation – This value is 100% from MPERS. Consisting of one fund, this strategy is highly diversified and uses fundamental research to develop systematic rules for trading positions. Due to contractual lock-up restrictions, the value of these investments is eligible for redemption in the next 35 days.
- ⁷Pending liquidated hedge funds – This value is 98.5% from MOSERS and 1.5% from MPERS. MOSERS has 12 hedge funds that have been fully redeemed as of June 30, 2019, which are awaiting final distribution of the proceeds. MPERS has a small investment in two hedge funds that are in liquidation and have been closed, and MPERS is awaiting the sale of the final assets.
- ⁸Macro hedge funds – This value is 100% from MOSERS. Consisting of two funds, this strategy seeks to take advantage of macroeconomic dislocations between countries by trading a number of different markets and financial instruments. These investments are redeemable monthly and quarterly, and are not subject to lock-up restrictions.
- ⁹Merger arbitrage hedge fund – This value is 100% from MOSERS. Consisting of one fund, this strategy invests in the common stock of companies that are involved in publicly announced mergers and seeks to generate attractive returns while dampening volatility. This investment is redeemable monthly, and is not subject to lock-up restrictions.
- ¹⁰Multi-strategy hedge fund – This value is 100% from MPERS. Consisting of two funds, these investments aim to pursue varying strategies in order to diversify risks and reduce volatility. Due to contractual lock-up restrictions, the value of these investments are eligible for redemption in the next 6 months.
- ¹¹Risk parity funds – This value is 100% from MOSERS. Consisting of one fund, this strategy attempts to build a more efficient portfolio through an equal risk methodology. The fund takes long only positions across equity indices, developed nominal bonds, TIPS, commodities and credit. Diversification benefits decrease both the expected return and volatility, thus requiring leverage to maintain a similar return to a more conventional portfolio. This investment is redeemable monthly, and not subject to lock-up restrictions.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

¹²Risk premia hedge funds – This value is 100% from MOSERS. Consisting of one fund, this strategy seeks to capture hedge fund betas through the use of systematic, bottoms up security selection across major hedge fund strategies. Style premia such as value, momentum and carry help build the long/short portfolios. This investment is redeemable at least monthly, and is not subject to lock-up restrictions.

¹³Structured credit – relative value – This value is 100% from MPERS. Consisting of one fund, this strategy's main focus is to benefit from valuation discrepancies that may be present in related financial instruments by simultaneously purchasing or selling these instruments. Due to contractual lock-up restrictions, all funds are eligible for redemption within the next 6 months.

¹⁴Commingled international equity funds – This value is 69.5% from MOSERS (with a redemption period of 1-10 days) and 30.5% from MPERS (with a redemption period of 0-30 days and 90 days). These international equity funds (2 for MOSERS and 3 for MPERS) are considered to be commingled in nature. For MPERS, due to contractual lock-up restrictions, 70% of this capital is eligible for redemption in one month; the remaining 30% has daily liquidity.

¹⁵MOSERS Investment Portfolio (MIP) fund – This value is 85.9% from the Deferred Compensation Plan and 14.1% from the Deferred Compensation Incentive Plan. Participant transactions (purchases and sales) may occur monthly. The significant investment strategies are designed to achieve long-term total returns, comprised of capital appreciation and income. There are no unfunded commitments. There are generally no restrictions as to the redemption of these investments nor do the Plans have any contractual obligations to further invest in any of these funds.

¹⁶Missouri target date funds – This value is 66.9% from Deferred Compensation Plan and 33.1% from the Deferred Compensation Incentive Plan. Participant transactions (purchases and sales) may occur daily. The significant investment strategies of the funds are to seek the highest total return over time, consistent with the fund's asset mix. The asset allocations within these target date funds adjust automatically over time. Each fund invests more aggressively in its early years and becomes more conservative as it reaches its time horizon. There are no unfunded commitments. There are generally no restrictions as to the redemption of these investments nor are there any contractual obligations to further invest in any of these funds.

¹⁷Private equity, real estate and timber funds – This value is 100% from MOSERS. MOSERS' private equity portfolio consists of 44 funds with exposure to buyout funds, distressed funds, infrastructure, energy, royalty funds, and special situations. The real estate portfolio, comprised of four funds, invests mainly in U.S. commercial real estate. The timber portfolio consists of one fund which invests in global timberland. The fair values of the majority of these funds has been determined using net assets valued one quarter in arrears plus current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which, on average, can occur over the span of 5 to 10 years.

The State Treasurer's Office requires investments in commercial paper and bankers' acceptances to have the highest letter and numerical ranking (such as A1/P1) as rated by at least two Nationally Recognized Statistical Rating Organizations (NRSROs). The Treasurer does not have any additional policies regarding credit ratings of investments.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

The following table (in thousands of dollars) provides information on the credit ratings associated with the State's investments in debt securities.

	<u>Moody's</u>	<u>S & P</u>	<u>Fair Value</u>
Primary Government/Fiduciary:			
U.S. Government Securities	NR	NR	\$ 87,346
U.S. Treasury	Aaa	AA+	127,472
	Aaa	NR	404,573
	NR	NR	32,444
U.S. Agencies	Aaa	NR	36,117
	NR	AA	111,163
	NR	NR	11,326
U.S. Government Mortgage- Backed Securities	NR	NR	27,468
Bonds	Aaa	NR	306
	Aa1	NR	391
	A	NR	13,271
	A3	NR	135
	NR	AAA	59,994
	NR	AA+	835,811
	NR	AA	119,014
	NR	A	129,130
	NR	BBB	166,919
	NR	BB	8,891
	NR	NR	34,092
Repurchase Agreements	Aaa	AA+	20,757
	Aaa	NR	6,647
	NR	NR	2,639,140
U.S. Agency-Sponsored Securities	Aaa	AA+	2,436,820
	Aaa	NR	1,511
	NR	NR	43,404

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

	<u>Moody's</u>	<u>S & P</u>	<u>Fair Value</u>
Asset-Backed Securities	NR	AAA	\$ 44,532
	NR	AA	44,153
	NR	A	12,142
	NR	BBB	3,120
	NR	BB	2,678
	NR	B	4,285
	NR	NR	108,905
Mutual Funds	3-STAR	NR	22,846
Certificates of Deposit	NR	NR	775
Pooled Investments	NR	AAA	30,033
Implicit U.S. Agencies	NR	AA	298,915
U.S. Agency Securities	Aaa	AA+	4,660
U.S Government			
Guaranteed Mortgages	Aaa	AA+	2,308
	Aaa	NR	18,271
Collateralized Mortgage			
Obligations	Aaa	AA+	3,144
	Aaa	NR	8,570
Equities	A	NR	18,170
Equity Funds	NR	NR	2,871
Fixed Income	NR	NR	264
Stocks	NR	NR	7,165
Other	NR	AAA	152
	NR	AA	16,787
	NR	A	12,453
	NR	BBB	25,596
	NR	BB	12,616
	NR	B	831
	NR	CCC	212
	NR	CC	161
	NR	D	804
	NR	NR	21,497
Total Rated Investments			<u>\$ 8,083,058</u>

NR = Not Rated.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Treasurer's Office does not have any deposits or investments in foreign currency and therefore does not have a policy regarding foreign currency risk. The Missouri State Employees' Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System do have foreign currency deposits and investments which may be used for hedging purposes. The following table (in thousands of dollars) provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars.

Currency	Investment Type					Total
	Cash	Equities	Fixed Income	Alternatives	Real Estate	
Australian Dollar	\$ 5,329	\$ 1,384	\$ 544	\$ —	\$ —	\$ 7,257
Brazilian Real	—	7,018	5,142	—	—	12,160
British Pound Sterling	(1,553)	97,067	363	—	8,970	104,847
Canadian Dollar	3,450	10,873	400	—	—	14,723
Chilean Peso	—	710	2,309	—	—	3,019
Chinese Yuan Renminbi	—	547	—	—	—	547
Colombian Peso	—	255	4,139	—	—	4,394
Czech Koruna	2	143	1,166	—	—	1,311
Danish Krone	—	3,257	—	—	—	3,257
Egyptian Pound	—	106	—	—	—	106
Euro	926	105,589	2,155	634	20,972	130,276
Hong Kong Dollar	(4,347)	82,767	—	—	—	78,420
Hungarian Forint	—	260	—	—	—	260
Indian Rupee	—	8,245	—	—	—	8,245
Indonesian Rupiah	—	1,941	6,327	—	—	8,268
Japanese Yen	(1,647)	211,077	—	—	—	209,430
Kazakhstan Tenge	—	—	128	—	—	128
Malaysian Ringgit	—	1,981	1,644	—	—	3,625
Mexican Peso	—	3,795	6,770	—	—	10,565
Norwegian Krone	—	103	—	—	—	103
Pakistani Rupee	—	16	—	—	—	16
Peruvian Nuevo Sol	—	—	1,389	—	—	1,389
Philippine Peso	—	1,020	—	—	—	1,020
Polish Zloty	—	1,052	6,112	—	—	7,164
Qatari Riyal	—	907	—	—	—	907
Romanian New Leu	—	—	1,036	—	—	1,036
Russian Ruble	—	1,566	5,194	—	—	6,760
Saudi Riyal	—	1,247	—	—	—	1,247
Singapore Dollar	—	22,070	—	—	—	22,070
South African Rand	(994)	9,303	5,948	—	—	14,257
South Korean Won	(1,081)	28,028	569	—	—	27,516
Swedish Krona	—	525	—	—	—	525
Swiss Franc	—	63,964	—	—	—	63,964
Taiwan New Dollar	—	41,073	—	—	—	41,073
Thai Baht	10	13,831	3,193	—	—	17,034
Turkish Lira	—	6,702	1,877	—	—	8,579
United Arab Emirates Dirham	—	602	—	—	—	602
Uruguayan Peso	—	—	105	—	—	105
Total	\$ 95	\$ 729,024	\$ 56,510	\$ 634	\$ 29,942	\$ 816,205

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

C. Securities Lending Program

Missouri State Employees' Retirement System:

The Missouri State Employees' Retirement System's (MOSERS) board of trustees' investment policies permit the pension trust funds to participate in a securities lending program. Fixed income, international equity and domestic equity securities of the pension trust funds are loaned to participating brokers who provide collateral in the form of cash, U.S. Treasury or government agency securities, or letters of credit issued by approved banks. Collateral must be provided in the amount of 102% of market value for domestic loans and 105% of market value for international loans. MOSERS does not have the authority to pledge or sell collateral securities without borrower default.

MOSERS had no securities lending activity in fiscal year 2019.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System:

In accordance with the investment policies set by the board of trustees, the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS), lends its securities to broker-dealers and banks pursuant to a form of loan agreement. MPERS custodial bank, Northern Trust, is authorized to lend available securities to approved broker-dealers and banks subject to the receipt of acceptable collateral.

MPERS may lend securities and receive cash, securities insured or guaranteed by the U.S. government or its agencies, and irrevocable bank letters of credit as collateral. MPERS cannot pledge or sell non-cash collateral unless a borrower defaults. Borrowers are required to deliver collateral for each loan equal to: 1) 102% of the fair value of the loaned securities plus any accrued interest in the case of loaned securities denominated in United States dollars or whose primary trading market is located in the United States, and 2) 105% of the fair value of the loaned securities plus any accrued interest in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States.

MPERS did not impose any restrictions during the fiscal year on the amount of the loans that the custodial bank made on its behalf. There were no known failures by any borrowers to return loaned securities or pay distributions thereon during the year.

MPERS and borrowers maintained the right to terminate all securities lending transactions on demand. At June 30, 2019, the cash collateral fund had a fair value of \$104,247,000.

At June 30, 2019 and June 30, 2018, MPERS had earned \$166,000 and \$193,000, respectively, on the securities lending program.

Component Units:

Information on the component units securities lending program is available within their individual financial statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

D. Derivatives

Missouri State Employees' Retirement System:

While the Board has no formal policy specific to derivatives, Missouri State Employees' Retirement System (MOSERS), through its external investment managers, holds investments in futures contracts, swap contracts and forward foreign currency exchange. MOSERS does not anticipate additional significant market risk from the derivative arrangements. The forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign equities. For the year ended June 30, 2019, the change in fair value of the foreign exchange contracts resulted in \$700,000 of investment loss. MOSERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. MOSERS anticipates that the counterparties will be able to satisfy their obligation as credit evaluations and credit limits are monitored by the investment managers. At June 30, 2019, MOSERS Foreign Currency Forward Contracts had a pending receivable of \$18,770,000 and a pending payable of \$18,694,000 resulting in a final asset of \$76,000.

The following table (in thousands of dollars) summarizes the various contracts in MOSERS portfolio as of June 30, 2019. The investments are reported at fair value and are included on the Statement of Fiduciary Net Position of the pension (and other employee benefit) trust funds.

Futures Contracts:

<u>Notional Amount</u>	<u>Exposure</u>
\$428,722	\$24,687

Swap Contracts:

<u>Notional Amount</u>	<u>Counterparty Exposure</u>
\$2,727,586	\$66,167

Foreign Currency
Forward Contracts:

<u>Notional Amount</u>	<u>Exposure</u>
\$76	\$76

Missouri Department of Transportation and Highway Patrol Employees' Retirement System:

MPERS has an investment policy which holds investments in future contracts, swap contracts, options contracts, and forward foreign currency exchange contracts. Derivative financial instruments involve credit risk and market risk. The notional value related to these derivative instruments are generally not recorded on the financial statements; however, the change in fair value of these instruments is incorporated in performance.

The following table (in thousands of dollars) summarizes the various contracts in MPERS portfolio as of June 30, 2019. The investments are reported at fair value and are included on the Statement of Fiduciary Net Position of the pension (and other employee benefit) trust funds.

<u>Type</u>	<u>Notional/Fair Value</u>		<u>Unrealized Gain (Loss)</u>	
Futures Contracts	\$	287,227	\$	35,430
Swap Contracts		89,635		10,407
Total	\$	376,862	\$	45,837

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Through the use of derivatives, MPERS is exposed to risk that the counterparties involved in the contracts are unable to meet the term of their obligation. MPERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. MPERS anticipates the counterparties will be able to satisfy their obligations under the contracts. The associated counterparty's credit rating is an A+.

Component Units:

Information on the component units derivatives is available within their individual financial statements.

E. Assets Held in Escheat

The Unclaimed Property Division of the Missouri State Treasurer's Office holds unclaimed stocks, bonds, mutual fund positions, and other securities that have been turned over by their holders on behalf of the securities' owners. The State takes custody of these securities until the owner claims them or if unclaimed, liquidates them after 18 to 24 months. The State holds the securities in order to return them to their owners. The State does not report these securities as investments because they do not meet the Governmental Accounting Standards Board's definition of "investments." This is because the State does not hold the securities for income or profit, nor do the securities have a present service capacity for the State. A total of \$11,882,000 of these unclaimed securities is shown as "Assets Held in Escheat" on the private-purpose trust funds combining statement of fiduciary net position in Unclaimed Property.

Note 4 - Governmental Fund Balance

Fund Balance Classifications by Purpose – In the basic financial statements, the fund balance classifications are presented in the aggregate. The following displays the fund balances by major purpose (in thousands of dollars):

	Nonspendable	Restricted	Committed	Assigned
General Fund				
Inventories	\$ 22,727	\$ —	\$ —	\$ —
Loans Receivable	24,816	—	—	—
Consumer Protection	—	—	—	28,030
Budget Reserve	—	—	652,096	—
Education	—	2,689	2,867	20,829
Energy Programs	—	—	—	31,088
Forfeited Financial Instruments	—	—	—	1,450
Federal Government	—	552,475	—	—
Taxes	—	—	—	3,939
Other	—	752	299	13,299
Total	<u>\$ 47,543</u>	<u>\$ 555,916</u>	<u>\$ 655,262</u>	<u>\$ 98,635</u>
Public Education				
Inventories	\$ 108	\$ —	\$ —	\$ —
Loans Receivable	—	—	—	810
Education	—	244,432	1,843	19,554
Total	<u>\$ 108</u>	<u>\$ 244,432</u>	<u>\$ 1,843</u>	<u>\$ 20,364</u>
Conservation and Environmental Protection				
Inventories	\$ 331	\$ —	\$ —	\$ —
Loans Receivable	—	1,421	1,370,018	9,101
Conservation Commission	—	92,233	—	—
Environmental Conservation	—	31,202	395,875	99,529
State Parks	—	19,781	—	—
Forfeited Financial Instruments	—	—	—	1,052
Total	<u>\$ 331</u>	<u>\$ 144,637</u>	<u>\$ 1,765,893</u>	<u>\$ 109,682</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 4 - Governmental Fund Balance (cont.)

	Nonspendable	Restricted	Committed	Assigned
Missouri Road Fund				
Inventories	\$ 32,865	\$ —	\$ —	\$ —
Highways and Transportation	—	644,615	—	—
Total	<u>\$ 32,865</u>	<u>\$ 644,615</u>	<u>\$ —</u>	<u>\$ —</u>
Non-Major Special Revenue Funds				
Inventories	\$ 4,426	\$ —	\$ —	\$ —
Loans Receivable	—	—	—	3,405
Professional Boards and Licensure	—	—	16,035	34,936
Legal Assistance	—	25,042	1,000	7,176
Agriculture	—	4,030	564	6,899
Medical and Other Assistance	—	20,499	4,851	3,844
Transportation	—	25,582	—	154,500
Highway Patrol and Water Patrol	—	5,600	862	13,658
Workers' Compensation and Unemployment Compensation	—	66,646	—	—
Veterans' Homes	—	39,947	—	—
Other	—	13,034	8,384	22,663
Total	<u>\$ 4,426</u>	<u>\$ 200,380</u>	<u>\$ 31,696</u>	<u>\$ 247,081</u>
Non-Major Debt Service Funds				
General Obligation Bonds	\$ —	\$ 24,704	\$ —	\$ —
Fulton State Hospital	—	12,617	—	—
Missouri Road Bond	—	55,905	—	—
Total	<u>\$ —</u>	<u>\$ 93,226</u>	<u>\$ —</u>	<u>\$ —</u>
Non-Major Capital Projects Funds				
Board of Public Buildings-Education	\$ —	\$ 3,693	\$ —	\$ —
Board of Public Buildings-State Capitol	—	37,051	—	—
Board of Public Buildings-State Facility	—	6,273	—	—
Fulton State Hospital	—	6,315	—	—
State Historical Society	—	7,098	—	—
Total	<u>\$ —</u>	<u>\$ 60,430</u>	<u>\$ —</u>	<u>\$ —</u>
Non-Major Permanent Funds				
Arrow Rock State Historic Site Endowment	\$ 30	\$ —	\$ —	\$ —
Confederate Memorial Park	75	—	—	109
State Public School	60,029	—	—	—
Smith Memorial Endowment Trust	365	—	—	12
Total	<u>\$ 60,499</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 121</u>

A. Budget Reserve Fund

The Budget Reserve Fund is established in Article IV, Section 27(a) of the Missouri Constitution. The Commissioner of Administration may transfer amounts from the Budget Reserve Fund to any other fund when necessary to meet the cash requirements of the State. However, the Budget Reserve Fund must be paid back with interest prior to May 16th of the fiscal year in which the transfer was made.

Budget stabilization expenditures may occur in a fiscal year in which the Governor reduces the expenditures of the State or any of its agencies below their appropriation or in which there is a budget need due to a natural disaster as proclaimed by the Governor to be an emergency. An appropriation from the Budget Reserve Fund may be granted by a two-thirds vote of the members elected to each House. The maximum amount which may be appropriated at any one time for budget stabilization purposes is one-half the sum of the balance of the Budget Reserve Fund and any amounts appropriated or otherwise owed to the fund, less all amounts owed to the fund for budget stabilization purposes but not yet appropriated for repayment to the fund. One-third of the amount expended or transferred from the Budget Reserve Fund for budget stabilization purposes plus interest shall stand appropriated to the Budget Reserve Fund during each of the next three fiscal years from the fund which received the budget stabilization appropriation. The balance of the Budget Reserve Fund at June 30, 2019, was \$652,096,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows (in thousands of dollars):

	*Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Governmental Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress	\$ 413,325	\$ 124,252	\$ (141,813)	\$ 395,764
Software in Progress	96,383	19,518	(33,138)	82,763
Infrastructure in Progress	1,550,464	783,730	(633,835)	1,700,359
Land	3,093,739	4,516	(11,080)	3,087,175
Permanent Easements	4,091	329	—	4,420
Total Capital Assets not being Depreciated/Amortized ..	<u>5,158,002</u>	<u>932,345</u>	<u>(819,866)</u>	<u>5,270,481</u>
Capital Assets being Depreciated/Amortized:				
Land Improvements	221,320	8,197	(757)	228,760
Temporary Easements	1,496	—	(972)	524
Buildings and Improvements	3,414,794	64,771	(28,537)	3,451,028
Equipment	1,351,713	95,111	(71,374)	1,375,450
Software	247,909	54,275	(4,368)	297,816
Trademarks	17	—	—	17
Infrastructure	50,808,507	633,835	(75,885)	51,366,457
Total Capital Assets being Depreciated/Amortized	<u>56,045,756</u>	<u>856,189</u>	<u>(181,893)</u>	<u>56,720,052</u>
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(123,775)	(4,819)	548	(128,046)
Temporary Easements	(726)	(497)	972	(251)
Buildings and Improvements	(1,912,985)	(102,148)	23,271	(1,991,862)
Equipment	(984,006)	(86,473)	64,640	(1,005,839)
Software	(178,357)	(18,911)	492	(196,776)
Trademarks	(14)	(2)	—	(16)
Infrastructure	(24,961,413)	(501,858)	67,649	(25,395,622)
Total Accumulated Depreciation/Amortization	<u>(28,161,276)</u>	<u>(714,708)</u>	<u>157,572</u>	<u>(28,718,412)</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>27,884,480</u>	<u>141,481</u>	<u>(24,321)</u>	<u>28,001,640</u>
Governmental Activities Capital Assets, Net	<u>\$ 33,042,482</u>	<u>\$ 1,073,826</u>	<u>\$ (844,187)</u>	<u>\$ 33,272,121</u>
Business-Type Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress	\$ 15,449	\$ 159	\$ (14,801)	\$ 807
Software in Progress	189	22	(189)	22
Land	32,602	45	—	32,647
Total Capital Assets not being Depreciated/Amortized ..	<u>48,240</u>	<u>226</u>	<u>(14,990)</u>	<u>33,476</u>
Capital Assets being Depreciated/Amortized:				
Land Improvements	38,541	12,147	—	50,688
Temporary Easements	50	—	—	50
Buildings and Improvements	56,779	2,721	(6)	59,494
Equipment	52,668	4,509	(2,154)	55,023
Software	631	189	—	820
Total Capital Assets being Depreciated/Amortized	<u>148,669</u>	<u>19,566</u>	<u>(2,160)</u>	<u>166,075</u>
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(9,164)	(797)	—	(9,961)
Temporary Easements	(26)	(2)	—	(28)
Buildings and Improvements	(24,427)	(1,325)	—	(25,752)
Equipment	(35,868)	(4,072)	2,058	(37,882)
Software	(525)	(48)	—	(573)
Total Accumulated Depreciation/Amortization	<u>(70,010)</u>	<u>(6,244)</u>	<u>2,058</u>	<u>(74,196)</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>78,659</u>	<u>13,322</u>	<u>(102)</u>	<u>91,879</u>
Business-Type Activities Capital Assets, Net	<u>\$ 126,899</u>	<u>\$ 13,548</u>	<u>\$ (15,092)</u>	<u>\$ 125,355</u>

*Beginning balances as of July 1, 2018 have been restated (see Note 18).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 5 - Capital Assets (cont.)

Depreciation/amortization expense of governmental activities was charged to functions as follows (in thousands of dollars):

General Government	\$ 43,524
Education	2,597
Natural and Economic Resources	23,204
Transportation and Law Enforcement	584,722
Human Services	60,661
Total	<u>\$ 714,708</u>

Discretely Presented Component Units

The following table summarizes net capital assets reported by the discretely presented component units (in thousands of dollars):

	College and Universities	Non-Major Component Units	Total
Capital Assets not being Depreciated/Amortized:			
Construction in Progress	\$ 221,416	\$ 357	\$ 221,773
Land	185,256	7,220	192,476
Other Non-Depreciable/Amortizable Assets	24,099	—	24,099
Total Capital Assets not being Depreciated/Amortized	<u>430,771</u>	<u>7,577</u>	<u>438,348</u>
Capital Assets being Depreciated/Amortized:			
Land Improvements	37,398	—	37,398
Buildings and Improvements	7,349,482	79,706	7,429,188
Equipment, Fixtures, and Books	1,603,218	836	1,604,054
Software	78,528	26	78,554
Infrastructure	820,686	—	820,686
Total Capital Assets being Depreciated/Amortized	<u>9,889,312</u>	<u>80,568</u>	<u>9,969,880</u>
Less Total Accumulated Depreciation/Amortization	<u>(4,862,588)</u>	<u>(23,603)</u>	<u>(4,886,191)</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>5,026,724</u>	<u>56,965</u>	<u>5,083,689</u>
Discretely Presented Component Units – Capital Assets, Net ...	<u>\$ 5,457,495</u>	<u>\$ 64,542</u>	<u>\$ 5,522,037</u>

Capital Asset Impairment

In fiscal year 2018, there was significant damage to the Oak Place Apartment buildings, owned by the University of Missouri, which resulted in an impairment amount of \$17,908,000 which was reported as an extraordinary item in the Component Units Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities that fiscal year. Insurance proceeds of \$11,757,000 were received in fiscal year 2019.

An impairment loss of \$1,037,000 was recognized in fiscal year 2019 due to damage to the residence of the President of Lincoln University. This was caused by a tornado in May 2019 and is reported as an extraordinary item on the statements of revenues, expenses and changes in net position. The loss was determined based on the deflated depreciation replacement cost approach.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 6 - Leases

Capital

The State has entered into various agreements to lease land, buildings, and equipment. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, requires a lease that transfers substantially all of the benefits and risks of ownership to the lessee to be accounted for as the acquisition of a capital asset and the incurrence of an obligation by the lessee (a capital lease liability).

Capital leases for the internal service funds, enterprise funds, and college and universities are reported as a long-term obligation in those funds along with the related assets. Capital leases and the related assets are not reported on the fund financial statements of governmental type funds. However, the capital leases and related assets of governmental funds are included on the government-wide financial statements and they are shown on the reconciliation between fund financial statements and government-wide statements.

Following is a summary of the future minimum lease payments for capital leases (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds	Internal Service Funds	College and Universities
2020	\$ 1,821	\$ 320	\$ 6,483
2021	1,820	320	6,098
2022	1,820	319	5,857
2023	1,401	319	5,834
2024	1,401	319	5,797
2025-2029	3,745	604	9,879
2030-2031	749	121	535
Total Minimum Lease Payments	12,757	2,322	40,483
Less Amount Representing Interest	(1,304)	(226)	(4,006)
Present Value of Net Minimum Lease Payments	\$ 11,453	\$ 2,096	\$ 36,477

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 6 - Leases (cont.)

The State has entered into a lease with the Missouri Development Finance Board. The State's obligation under this lease does not constitute a general obligation or other indebtedness of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the Leasehold Revenue Bonds issued by the Board. In November 2005, the Board issued \$28,995,000 of Leasehold Revenue Bonds Series 2005 for the purpose of purchasing buildings in Florissant, St. Louis, and Jennings. In May 2006, the Board issued \$9,865,000 of Leasehold Revenue Bonds Series 2006 for the purpose of purchasing one building in St. Louis. In June 2013, the Board issued \$21,820,000 of Leasehold Revenue Refunding Bonds Series A 2013 and \$7,450,000 of Leasehold Revenue Refunding Bonds Series B 2013 for the purpose of refunding \$20,805,000 of Leasehold Revenue Bonds Series 2005 and \$7,100,000 of Leasehold Revenue Bonds Series 2006, respectively. The payments on these leases are subject to annual appropriation by the State legislature.

Following is a summary of the future minimum lease payments to pay interest and principal of the Leasehold Revenue Bonds (in thousands of dollars):

Fiscal Year Ending June 30	Internal Service Funds
2020	\$ 2,412
2021	2,414
2022	2,413
2023	2,409
2024	2,407
2025-2029	12,037
2030-2031	4,810
Total Minimum Lease Payments	28,902
Less Amount Representing Interest	(4,732)
Present Value of Net Minimum Lease Payments	<u>\$ 24,170</u>

Assets acquired through these capital lease agreements are recorded as capital assets at the lower of the present value of the minimum lease payments or the fair value at the time of acquisition. The following is the value of the property under capital lease by asset category as of June 30, 2019 (in thousands of dollars):

	Governmental Funds	Internal Service Funds	College and Universities
Land	\$ —	\$ —	\$ 519
Buildings	21,964	39,135	64,685
Equipment	42	—	17,998
	<u>\$ 22,006</u>	<u>\$ 39,135</u>	<u>\$ 83,202</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 6 - Leases (cont.)

Operating

The State has entered into various operating leases for land, buildings, and equipment. Most of these leases are classified as operating because the lease period is one year with multiple renewal options. The Department of Natural Resources (DNR) has a yearly obligation of \$10,000 for leased property for the Katy Trail easement which is paid out of governmental funds. The obligation will continue in perpetuity. The contract conditions and amount for the easement can change with the sale of the property requiring the easement. If the property requiring the easement is sold, a new contract would be negotiated with the new property owners. Future minimum commitments due under operating leases as of June 30, 2019, were as follows (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds	Enterprise Funds	Component Units
2020	\$ 24,119	\$ 1,467	\$ 19,709
2021	1,999	755	10,763
2022	2,041	388	8,616
2023	1,740	388	7,672
2024	2,759	388	12,464
2025-2029	3	262	11,277
2030-2034	2	—	4,788
Total Minimum Commitments	<u>\$ 32,663</u>	<u>\$ 3,648</u>	<u>\$ 75,289</u>

Expenditures for rent under operating leases for the years ended June 30, 2019 and June 30, 2018, were \$24,434,000 and \$23,048,000, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 6 - Leases (cont.)

Rental Revenue

The State leases certain state owned facilities to entities outside the State. These lessor arrangements are generally long-term commitments which either generate revenue from otherwise idle property or better serve Missouri's citizens by providing convenient access to products and services. The total asset value of the leased facilities and land is \$121.5 million less accumulated depreciation of \$34.3 million for component units. The Department of Natural Resources (DNR) has \$75,000 in income from easements on DNR property. This income will be received in perpetuity. The contract conditions and amount for each individual easement can change with the sale of the property requiring the easement. If the property requiring the easement is sold, new contracts will be negotiated with the new property owners. Future minimum receivables, payable from lessor arrangements as of June 30, 2019, were as follows (in thousands of dollars):

Fiscal Year Ending June 30	Component Units
2020	\$ 6,853
2021	4,789
2022	4,447
2023	4,068
2024	3,818
2025-2029	17,929
2030-2034	17,454
2035-2039	17,403
2040-2044	11,987
2045-2049	6,250
2050-2054	2,132
2055-2059	2,132
2060-2064	1,403
2065-2069	500
2070-2074	500
2075-2079	500
2080-2084	500
2085-2089	500
2090-2094	350
Total Minimum Receivables	<u>\$ 103,515</u>

Note 7 - Retirement Systems

The State has two major retirement systems which cover substantially all State employees. These systems are the Missouri State Employees' Retirement System (MOSERS) and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). MOSERS is comprised of the Missouri State Employees' Plan (MSEP), a cost-sharing multiple-employer, defined benefit public employee retirement plan and the Judicial Plan, a single-employer defined benefit public employee retirement plan. MPERS is a single-employer defined benefit public employees' retirement plan.

Plan Descriptions

The Missouri State Employees' Plan (MSEP) is a cost-sharing multiple-employer, defined benefit public employee retirement plan administered by MOSERS. The Plan is administered in accordance with Sections 104.010 and 104.312-104.1215, RSMo.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

The MSEP has three benefit structures known as MSEP (closed plan), MSEP 2000, and MSEP 2011. The MSEP covers all full-time employees hired before July 1, 2000, who are not covered under another state-sponsored retirement plan. MSEP 2000 covers all full-time employees hired on or after July 1, 2000 and before January 1, 2011. MSEP 2011 covers all full-time employees first hired on or after January 1, 2011. Members of the closed plan have the option at retirement to choose between the benefit structure of the MSEP or MSEP 2000.

The Judicial Plan is a single-employer, defined benefit public employee retirement plan administered by MOSERS. The Plan is administered in accordance with Sections 476.445 - 476.690, RSMo. The Judicial Plan covers eligible members appointed/elected before January 1, 2011. The Judicial Plan 2011 covers eligible members appointed/elected for the first time on or after January 1, 2011.

MOSERS provides retirement, survivor, and disability benefits to its members. General employees are fully vested after 5 years of creditable service if covered by the MSEP, MSEP 2000, and MSEP 2011 plans. Elected officials are fully vested after 4 years of creditable service and Members of the General Assembly are fully vested after 6 years of creditable service. 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 retirement eligibility requirements are as follows for general employees:

MSEP

Age 65 and active with 4 years of service
Age 65 with 5 years of service
Age 60 with 15 years of service
Age 48 with age and service equaling 80 or more (Rule of 80)
Employees may retire early at age 55 with at least 10 years of service with reduced benefits.
The base benefit in the general employee plan is equal to 1.6% multiplied by the final average pay multiplied by years of credited service.

MSEP 2000

Age 62 with 5 years of service
Age 48 with age and service equaling 80 or more (Rule of 80)
Employees may retire early at age 57 with at least 5 years of service with reduced benefits.
The base benefit in the general employee plan is equal to 1.7% multiplied by the final average pay multiplied by years of credited service.

MSEP 2011

Age 67 with 5 years of service
Age 55 with age and service equaling 90 or more (Rule of 90)
Employees may retire early at age 62 with at least 5 years of service with reduced benefits.
The base benefit in the general employee plan is equal to 1.7% multiplied by the final average pay multiplied by years of credited service.

Judicial Plan

Age 62 with 12 years of service
Age 60 with 15 years of service
Age 55 with 20 years of service
Employees may retire early at age 62 with less than 12 years of service or age 60 with less than 15 years of service with a reduced benefit that is based upon years of service relative to 12 or 15 years.
The base benefit for members with 12 or more years of service is equivalent to 50% of compensation on the highest court served.

Judicial Plan 2011

Age 67 with 12 years of service
Age 62 with 20 years of service
Employees may retire early at age 67 with less than 12 years of service with reduced benefits or age 62 with less than 20 years of service with a reduced benefit based on years of service.
The base benefit for members with 12 or more years of service is equivalent to 50% of compensation on the highest court served.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

For members hired prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the percentage increase in the average Consumer Price Index (CPI) from one year to the next, with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit, thereafter the 4% minimum rate is eliminated. For members hired on or after August 28, 1997, COLAs are provided annually based on 80% of the percentage increase in the average CPI from one year to the next, up to a maximum rate of 5%. Qualified, terminated-vested members of MSEP and the Judicial Plan may make a one-time election to receive the present value of their future benefit in a lump sum payment. To qualify, a member must have left state employment on or after October 1, 1984 and prior to September 1, 2002, have less than 10 years of service, not be within 5 years of retirement eligibility, meet age requirements, and have a benefit present value of less than \$10,000.

The Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) is a single-employer, defined benefit public employee retirement plan administered in accordance with Sections 104.010-104.1093, RSMo.

MPERS is considered a single-employer plan because its membership is composed of qualified employees of the Missouri Department of Transportation, uniformed and non-uniformed members of the Missouri State Highway Patrol, and MPERS staff.

MPERS provides retirement, survivor, and disability benefits to its members. The MPERS has three benefit structures known as the Closed Plan, the Year 2000 Plan, and the Year 2000 Plan-2011 Tier. Generally, the Closed Plan covers employees hired before July 1, 2000. The Year 2000 Plan generally covers employees hired on or after July 1, 2000 and before January 1, 2011. The Year 2000 Plan-2011 Tier covers employees hired on or after January 1, 2011. Employees covered by the Closed Plan and the Year 2000 Plan are fully vested after 5 years of creditable service. Employees covered by the 2011 Tier are fully vested after 5 years of creditable service if they were active on or after January 1, 2018.

The retirement eligibility requirements are as follows:

Closed Plan

MoDOT and non-uniformed patrol members:

Age 65 and active with 4 or more years of service

Age 65 with 5 or more years of service

Age 60 with 15 or more years of service

Age 48 with sum of age and service equaling 80 or more (Rule of 80)

Uniformed patrol members:

Age 55 and active with 4 or more years of service

Age 55 with 5 or more years of service

Age 48 with sum of age and service equaling 80 or more (Rule of 80)

Mandatory retirement at age 60

All non-uniformed members may retire early, with reduced benefits, at age 55 with at least 10 years of service.

The base benefit in the Closed Plan is equal to 1.6% multiplied by the final average pay multiplied by years of creditable service. For members of the uniformed patrol, the base benefit is calculated by applying the same formula, then multiplying the product by 1.33%.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

For members employed prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the increase in the Consumer Price Index for all urban consumers for the United States (CPI-U). The minimum rate is 4% and the maximum rate is 5%, until the cumulative amount of COLAs equals 65% of the original benefit. Thereafter, the 4% minimum rate is eliminated and the annual COLA rate will be equal to 80% of the increase in the CPI-U (annual maximum of 5%). For members employed on or after August 28, 1997, COLAs are provided annually based on 80% of the increase in the CPI-U, up to a maximum rate of 5%.

Year 2000 Plan

MoDOT and non-uniformed patrol members:

Age 62 with 5 or more years of service

Age 48 with sum of age and service
equaling 80 or more (Rule of 80)

Uniformed patrol members:

Age 48 with sum of age and service
equaling 80 or more (Rule of 80)

Mandatory retirement at age 60 with
5 or more years of service

All members may retire early with reduced benefits at age 57 with at least 5 years of service.

The base benefit in the Year 2000 Plan is equal to 1.7% multiplied by the final average pay multiplied by years of creditable service. Members retiring under the Rule of 80, and uniform patrol members retiring at the mandatory retirement age (currently 60), receive an additional temporary benefit until age 62. The temporary benefit is equivalent to 0.8% multiplied by final average pay multiplied by years of creditable service. COLAs are provided annually based on 80% of the change in the CPI-U, up to a maximum rate of 5%.

Year 2000 Plan-2011 Tier

MoDOT and non-uniformed patrol members:

Age 67 with 5 or more years of service

Age 55 and active with sum of age and service
equaling 90 or more (Rule of 90)

Uniformed patrol members:

Age 55 and active with 5 or more years
of service

Mandatory retirement at age 60 with no
minimum service amount, active only.

Active MoDOT and non-uniformed patrol members may retire early with reduced benefits at age 62 with at least 5 years of service. Terminated and vested uniformed patrol members may retire at age 67 with 5 or more years of service.

The base benefit in the 2011 Tier is equal to 1.7% multiplied by the final average pay multiplied by years of creditable service. Members retiring under the Rule of 90, and uniform patrol members retiring at the mandatory retirement age (currently 60) or at age 55 with 5 years of creditable service, receive an additional temporary benefit until age 62. The temporary benefit is equivalent to 0.8% multiplied by final average pay multiplied by years of creditable service. COLAs are provided annually based on 80% of the change in the CPI-U, up to a maximum rate of 5%.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Single-Employer Plans:

Employees Covered by Benefit Terms – Single-Employers Only

As of June 30, 2018 valuation, membership consisted of the following:

	<u>Judicial Plan</u>	<u>MPERS</u>
Retirees, beneficiaries, and the disabled currently receiving benefits	569	8,916
Terminated employees entitled to, but not yet receiving benefits	26	1,980
Active		
Vested	415	5,233
Nonvested	—	2,158
Total Membership	<u>1,010</u>	<u>18,287</u>

Contributions

Per Chapter 104.436, RSMo, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.00% of their annual pay. The State's required contribution rates for the MSEP and the Judicial Plan for the year ended June 30, 2018, were 19.45% and 62.09% of annual payroll, respectively. The contribution rates as a percentage of covered payroll for the MSEP and the Judicial Plan for the year ended June 30, 2018, were 19.45% and 62.11%, respectively. Contributions to the pension plan from the MSEP Plan and the Judicial Plan were \$313,167,000 and \$36,895,000 respectively, for the year ended June 30, 2018.

Per Chapter 104.070, RSMo, contribution requirements of the active employees and the participating employers are established and may be amended by the MPERS Board of Trustees. Beginning January 1, 2011, employee contributions of 4.00% of gross pay are required for those covered by the Year 2000 Plan-2011 Tier. Employer contributions are determined through annual actuarial valuations. Administrative expenses are financed through contributions from participating employers and investment earnings. The state's required contribution rate, as adopted by the MPERS Board of Trustees, for the year ended June 30, 2018, was to be at least 58.00%. The contribution rate as a percentage of covered payroll for the MPERS plan year ended June 30, 2018, was 58.00%. Contributions to the pension plan from the MPERS plan were \$204,955,000.

For the portion of the MSEP Plan relating to the State's component units, the required contribution rate for the year ended June 30, 2018, was 19.45%. The contribution rates as a percentage of covered payroll for the year ended June 30, 2018, was 19.45%. Contributions to the pension plan were \$63,594,000 for the year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

Cost-Sharing Multiple Employer Plan:

At June 30, 2019, a liability was reported for the State's proportionate share of the net pension liability for the MSEP and the MSEP-CU plans based on an actuarial valuation as of June 30, 2018. The State's proportionate share of the net pension liability was based on the State's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for plan year ended June 30, 2018.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

The State reported the following proportionate share of the net pension liability and the pension expense for the fiscal year ended June 30, 2019 (in thousands of dollars):

	<u>MSEP</u>	<u>MSEP-CU</u>
Pension Expense	\$ 829,386	\$ 162,166
Proportionate share:		
2019	82.84%	16.82%
Net Pension Liability	\$4,620,928	\$ 938,355

Single-Employer Plans:

The State's net pension liability and related information for the Judicial and MPERS plans for the fiscal year ended June 30, 2019 (in thousands of dollars):

	<u>Judicial Plan</u> Increase (Decrease)			<u>MPERS</u> Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2018	\$ 564,418	\$ 137,635	\$ 426,783	\$3,802,444	\$ 2,169,775	\$ 1,632,669
Changes for the year:						
Service Cost	12,997	—	12,997	46,621	—	46,621
Interest	41,019	—	41,019	286,457	—	286,457
Changes of Benefit Terms	—	—	—	(7)	—	(7)
Differences between expected and actual experience	(1,320)	—	(1,320)	(37,173)	—	(37,173)
Changes of Assumptions	12,332	—	12,332	142,556	—	142,556
Contributions – Employer	—	36,892	(36,892)	—	204,955	(204,955)
Contributions – Employee	—	902	(902)	—	5,001	(5,001)
Net Income Investment	—	10,678	(10,678)	—	197,620	(197,620)
Benefit payments, including refunds of employee contributions	(35,657)	(35,657)	—	(254,634)	(254,634)	—
Disability Premiums	—	—	—	(1,602)	(1,602)	—
Administrative Expense	—	(181)	181	—	(4,693)	4,693
Net Transfers to Other Retirement Systems	—	—	—	(2,823)	(956)	(1,867)
Other	—	(69)	69	—	(936)	936
Net Changes	<u>29,371</u>	<u>12,565</u>	<u>16,806</u>	<u>179,395</u>	<u>144,755</u>	<u>34,640</u>
Balances at June 30, 2019	<u>\$ 593,789</u>	<u>\$ 150,200</u>	<u>\$ 443,589</u>	<u>\$3,981,839</u>	<u>\$ 2,314,530</u>	<u>\$ 1,667,309</u>

For the year ended June 30, 2019, the Judicial Plan and MPERS recognized pension expense of \$62,264,000 and \$147,661,000, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources				Deferred Inflows of Resources			
	MSEP	Judicial	MPERS	MSEP-CU	MSEP	Judicial	MPERS	MSEP-CU
Difference between expected and actual experience	\$ 10,516	\$ —	\$ —	\$ 2,136	\$ 109,401	\$ 7,155	\$ 62,156	\$ 22,216
Changes of assumptions	398,247	24,519	109,950	80,871	—	—	—	—
Net difference between projected and actual earnings on pension plan investments	543,479	9,980	—	110,362	—	—	1,136	—
Changes in proportion and differences between pension plan contributions and proportionate share of contributions	18,557	—	—	3,660	795	—	—	20,998
Contributions subsequent to the measurement date	326,951	38,555	210,167	64,224	—	—	—	—
Total	\$ 1,297,750	\$ 73,054	\$ 320,117	\$ 261,253	\$ 110,196	\$ 7,155	\$ 63,292	\$ 43,214

Amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement period of the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands of dollars):

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources			
	MSEP	Judicial	MPERS	MSEP-CU
2020	\$ 529,891	\$ 18,542	\$ 23,743	\$ 99,677
2021	241,150	5,315	19,036	40,653
2022	89,267	3,544	1,214	13,425
2023	295	(57)	2,665	60
Totals	\$ 860,603	\$ 27,344	\$ 46,658	\$ 153,815

Actuarial Assumptions

The total pension liability at June 30, 2019, is based upon the June 30, 2018 actuarial valuation for MOSERS and MPERS using the entry age normal actuarial cost method. Significant actuarial assumptions used in the June 30, 2018, actuarial valuations are the following:

	MSEP and MSEP-CU	Judicial	MPERS
Price Inflation	2.5%	2.5%	3.0%
Salary Increases	3.0-8.5%	2.75-4.95%	3.0-12.45%
Investment Rate of Return	7.25%	7.25%	7.00%

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015, for MOSERS. In addition, the investment return assumption was reduced from 7.50% to 7.25% for the June 30, 2018 valuation. Other assumption changes were decreases in the payroll and wage growth assumptions. MOSERS mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table, projected to 2026 with scale MP-2015 and scaled by 120%. The pre-retirement mortality table used is the RP-2014 Employee Mortality Table, projected to 2026 with scale MP-2015 and scaled by 95% for males and 90% for females.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Amounts reported in the June 30, 2018, actuarial report are assumptions reflecting adjustments to expected rates of withdrawal, disability, normal and early retirement, mortality, and merit and seniority pay for MPERS. The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2012, through June 30, 2017. Mortality rates, for post-retirement mortality, used in evaluating allowances to be paid to non-disabled pensioners were the RP-2014 Healthy Mortality Tables projected to 2022 using projection scale MP-2017. Pre-retirement mortality used were the RP-2014 Employee Mortality Table projected to 2022 using projection scale MP-2017 and multiplied by a factor of 65%. Disabled pension mortality was based on RP-2014 Disabled Retiree Annuitant Mortality Tables projected to 2022 using projection scale MP-2017.

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

Asset Class	MSEP and MSEP-CU		Judicial		MPERS	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	38.0%	5.5%	38.0%	5.5%	30.0%	4.75%
Private Equity					15.0%	6.50%
Fixed Income					20.0%	0.25%
Real Assets					7.5%	4.75%
Real Estate					10.0%	2.75%
Hedge Funds					10.0%	2.75%
Opportunistic Debt					7.5%	4.00%
Nominal Bonds	44.0%	1.0%	44.0%	1.0%		
Commodities	20.0%	4.5%	20.0%	4.5%		
Inflation-linked Bonds	39.0%	0.8%	39.0%	0.8%		
Alternative Beta	31.0%	4.5%	31.0%	4.5%		
	<u>172.0%</u>		<u>172.0%</u>		<u>100.0%</u>	

Discount Rate

A single discount rate based on the expected rate of return on pension investments of 7.25%, 7.25%, and 7.00% was used to measure the total pension liability for MSEP, Judicial Plan, and MPERS, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate for MPERS. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined for MOSERS. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate, as well as, what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
MSEP Net Pension Liability	6.25% \$5,902,862	7.25% \$4,620,928	8.25% \$3,542,967
Judicial Plan Net Pension Liability	6.25% \$504,646	7.25% \$443,589	8.25% \$391,378
MPERS Net Pension Liability	6.00% \$2,140,629	7.00% \$1,667,309	8.00% \$1,272,455
MSEP-CU Net Pension Liability	6.25% \$1,198,672	7.25% \$938,355	8.25% \$719,457

Payables to the Pension Plan

As of June 30, 2019, the State had payables of \$16,004,000 to MOSERS for the outstanding amount of contributions to the pension plan, relating to a two week lag in payroll.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separate financial reports issued by MOSERS and MPERS:

Missouri State Employees' Retirement System
P.O. Box 209
Jefferson City, Missouri 65102-0209
www.mosers.org

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930
www.mpers.org

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

University of Missouri Retirement System

Plan Description

The University of Missouri Retirement, Disability, and Death Benefit Plan is a single-employer defined benefit plan for all qualified employees. As authorized by Section 172.300, RSMo, the University's Board of Curators administers the Retirement Plan and establishes its terms.

Full-time employees vest in the Retirement Plan after five years of credited service and become eligible for benefits based on age and years of service. A vested employee who retires at age 65 or older is eligible for a lifetime annuity calculated at a certain rate times the credited service years times the compensation base (average consumption for the five highest consecutive salary years). The rate is 2.2% if the employee was hired before October 1, 2012, or 1.0% if the employee was hired after September 30, 2012. Academic members who provide summer teaching and research service receive additional summer service credit. The Board of Curators may periodically approve increases to the benefits paid to existing pensioners. However, vested members who leave the University prior to eligibility for retirement are not eligible for these pension increases. Vested employees who are at least age 55 and have ten years or more of credited service, or age 60 with at least five years of credited service may choose early retirement with a reduced benefit. However, if the employee retires at age 62 and has at least 25 years of credited service, the benefit is not reduced. Up to 30% of the retirement annuity can be taken in a lump sum payment. In addition the standard annuity can be exchanged for an actuarially-equivalent annuity selected from an array of options with joint and survivor, period certain, and guaranteed annual increase features.

As of June 30, 2019, membership consisted of the following:

Vested members	18,102
Inactive vested members	4,817
Pensioners and beneficiaries	10,316
Total Membership	<u>33,235</u>

In April 2019, the University's Board of Curators approved a new retirement plan for newly hired or rehired employees starting October 1, 2019. Employees starting on or after that date, will be enrolled in a defined contribution plan and the defined benefit plan of the University will be closed to new entrants. Rehires on or after October 1, 2019 will also be enrolled into the new defined contribution plan regardless of their vested status in the defined benefit plan. Vested defined benefit employees that are rehired on or after October 1, 2019 will no longer receive creditable service credit within the defined benefit plan.

Contributions

The University's contributions to the Retirement Plan are equal to the actuarially determined contribution requirement (ADC). The ADC for those employees hired before October 1, 2012 averaged 11.2% of covered payroll for the year ending June 30, 2019. The ADC for those employees hired after September 30, 2012, averaged 7.5% of covered payroll for the year ended June 30, 2019. Employees are required to contribute 1% of their salary up to \$50,000 in a calendar year and 2% of their salary in excess of \$50,000. An actuarial valuation of the Plan is performed annually and the University's contribution rate is updated on July 1, to reflect the actuarially determined funding requirement from the most recent valuation, as of the preceding October 1. This actuarial valuation reflects the adoption of any Retirement Plan amendments during the previous fiscal year. The University contributed \$115,980,000 during the fiscal year ended June 30, 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Employees hired after September 30, 2012, participate in a single employer, defined contribution plan. Each year the University contributes 2% of each employee's eligible salary to a 401(a) plan. Employees are able to contribute to a 457(b) and 403(b) plan. The University will match up to 3% of the employee's contribution to the 457(b) plan with the University's match funds going into the 401(a) plan. Employees are immediately 100% vested in their contributions. The University's base contributions and matching contributions vest following three years of consecutive or nonconsecutive service. The defined contribution plan recognized \$19,212,000 of pension expense net of \$3,994,000 of forfeitures for the year ended June 30, 2019.

Employees hired or rehired beginning October 1, 2019, will participate in a single employer, defined contribution plan. Employees will be automatically enrolled in the plan to contribute 8% of eligible salary into a 457(b) plan. Each year the University will match up to 8% of each employee's eligible salary to a 401(a) plan. Employees are immediately 100% vested in their contributions. The University's matching contributions vest following three years of consecutive or nonconsecutive service.

Net Pension Liability

The Retirement Plan's net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018. Roll-forward procedures were used to measure the Retirement Plan's net pension liability as of June 30, 2019. For the year ended June 30, 2019, fiduciary net position as a percentage of the total pension liability amounted to 82.19%.

Changes in net pension liability (in thousands of dollars):

	Total Pension Liability (TPL)	Fiduciary Net Pension (FNP)	Net Pension Liability (NPL)
Balances at June 30, 2018	\$ 4,413,831	\$ 3,682,638	\$ 731,193
Changes for the year:			
Service Cost	62,845	—	62,845
Interest	312,921	—	312,921
Differences between expected and actual experience	23,046	—	23,046
Contributions – Employer	—	115,980	(115,980)
Contributions – Employee	—	15,989	(15,989)
Net Income Investment	—	183,826	(183,826)
Benefit payments, including refunds of employee contributions	(241,020)	(241,020)	—
Net Changes	157,792	74,775	83,017
Balances at June 30, 2019	<u>\$ 4,571,623</u>	<u>\$ 3,757,413</u>	<u>\$ 814,210</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Pension Expense

Annual pension expense consists of service cost and interest on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources and recognized in pension expense over a five year period.

For the year ended June 30, 2019, the Retirement Plan recognized pension expense of \$217,961,000. At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 28,810	\$ 24,985
Changes in assumptions	163,698	—
Net difference between projected and actual earnings on pension plan investments	27,965	—
Total	<u>\$ 220,473</u>	<u>\$ 24,985</u>

The University recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the University's employees. The following table summarizes the future recognition of these items:

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources
	Recognition
2020	\$ 74,495
2021	23,789
2022	52,202
2023	43,287
2024	1,715
Totals	<u>\$ 195,488</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Actuarial Assumptions

The October 1, 2018 actuarial valuation utilized the entry age actuarial cost method. During fiscal year 2018, the Board of Curators approved a change in the discount rate from 7.75% to 7.20%. The change resulted in an increase in the Net Pension Liability of \$257,616,000 and will be recognized in pension expense over the average expected remaining service lives of employees or 5.5 years. The total deferred outflow of resources resulting from the change in the discount rate will be fully recognized through pension expense by fiscal year 2023. Actuarial assumptions included:

Inflation	2.20%
Salary Increases	3.6% - 4.5%
Investment Rate of Return	7.20%

For purposes of determining actuarially required contributions, the actuarial value of assets was determined using techniques that spread effects of short-term volatility in the market value of investments over a five-year period. The underfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over 25 from the October 1, 2018 valuation date. Mortality rates were based on the RP-2014 Combined Health Mortality Table projected using Scale MP-2017 and RP-2000 Combined Health Mortality Table projected to 2023 using Scale BB for the October 1, 2018 valuation date.

The actuarial assumptions used in the October 1, 2018 valuation were based on the results the most recent quinquennial study of the University's own experience covering 2012 to 2016.

The annual money-weighted rate of return is calculated as the internal rate of return on pension investments, net of pension plan investment expense. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on pension plan investments for the year ended June 30, 2019 was 5.2%. The following table provides long-term expected rates of real return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	32.0%	5.2%
Private equity	10.0%	5.7%
Sovereign bonds	15.0%	1.0%
Inflation linked bonds	17.0%	0.8%
Private debt	3.0%	4.4%
Risk balanced	10.0%	7.6%
Commodities	5.0%	2.2%
Real estate	8.0%	4.5%
	100.0%	

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Discount Rate

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the University contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate, as well as, what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
MU Net Pension Liability	6.20% \$1,387,128	7.20% \$814,210	8.20% \$330,738

Separate financial statements are not prepared for the Plan.

Detailed information concerning the Plan is presented in the University's 2019 financial report, which is publicly available. Copies of this report may be requested from:

University of Missouri System
118 University Hall
Columbia, Missouri 65211
www.umsystem.edu

Note 8 - Other Postemployment Benefits

In addition to the retirement benefits described in Note 7, the State provides postemployment health care and life insurance benefits, in accordance with State statutes, to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the Missouri Department of Transportation and Highway Patrol Employees' Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). MCHCP is a cost-sharing multiple-employer, defined benefit other postemployment benefits plan, MOSERS is an insured, defined benefit insurance plan, and MHPML and CEIP are single-employer defined benefit public employees' other postemployment benefits plans.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

Plan Descriptions

Missouri Consolidated Health Care Plan (MCHCP) operates a cost-sharing multiple-employer, defined benefit Other Postemployment Benefits Plan (OPEB), the State Retiree Welfare Benefit Trust (SRWBT). Employees may participate at retirement, if eligible to receive a monthly retirement benefit from either Missouri Employees' Retirement System (MOSERS) or another retirement system whose members grandfathered for coverage under the MCHCP by law. The terms and conditions governing postemployment benefits, are vested with the MCHCP Board of Trustees within the authority granted under sections 103.003 - 103.178, RSMo. MCHCP provides medical, dental, and vision benefits, and the Strive Employee Life & Family program for the exclusive benefit of current and future retired employees of the state and their dependents who meet eligibility requirements, except those retired members covered by other OPEB plans of the state. Covered categories include active employees, participants and spouses in payment status, participants with a deferred benefit, and disabled participants.

The Missouri Department of Transportation and Highway Patrol Employees' Medical and Life Insurance Plan (MHPML) is a single-employer, defined benefit OPEB plan administered in accordance with Section 104.270, RSMo. MHPML is not a separate legal entity and is self insured. The plan does not maintain assets in a trust and pays expenses on a pay-as-you-go basis. The plan assets are neither legally protected from creditors nor are they dedicated to providing OPEB benefits. The State has no legal obligation to pay the benefits. MHPML provides healthcare insurance benefits to employees who retired from the Department who participated in the Medical and Life Insurance Plan when they were an active employee and had a minimum of five years creditable service. Coverage categories include retirees, certain disabled employees, spouses, certain dependents and survivors of deceased employees and retirees. At June 30, 2017, the number of participants covered by the plan included 6,211 retirees or beneficiaries currently receiving benefits, 90 retirees entitled to but not yet receiving benefits, and 7,558 active employees.

The Conservation Employees' Benefits Plan (CEIP) is a single-employer defined benefit OPEB plan administered by the Conservation Employees' Benefits Plan Board of Trustees in accordance with Article IV, Section 42 of the Missouri Constitution. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The benefit plan for the Department of Conservation is not irrevocable.

CEIP provides for the continuation of medical insurance benefits for retirees and their dependents. Coverage categories include active employees, retirees and surviving spouses, and spouses of current retirees. At June 30, 2017, 1,301 active employees, 714 retirees and surviving spouses, and 404 spouses of current employees were participating in the plan.

Contributions

Contributions are established and may be amended by the MCHCP Board of Trustees with the authority granted under sections 103.003 - 103.178, RSMo. Contributions to MCHCP by the State are not legally or contractually required. For the fiscal year end June 30, 2018, employers contributed 4.29% for the period July 1, 2017 through December 31, 2017, and 4.24% for the period January 1, 2018, through June 30, 2018, of covered payroll. Retiree contribution rates are established based on projected claims experience and funding provided by employer contributions. Contributions to the OPEB plan for MCHCP and MCHCP-CU was \$68,619,000 and \$32,000, respectively for the year ended June 30, 2019.

The contribution requirements for MHPML are recommended by the Medical and Life Insurance Plan's Board of Trustees and are approved by the Missouri Highways and Transportation Commission. The Commission contributes a percentage of medical premiums for retirees. For those who retired prior to January 1, 2015, an amount ranging from 40.0% to 57.0% of the premium is contributed, dependent on the level of coverage. Medical premiums, for employees who retire on or after January 1, 2015, are based on total years of service, with the Commission contributing 2.0% per year of service, not to exceed 50.0% of the total premium, with the retiree responsible for the remaining balance of the premiums. Benefit projections for financial reporting purposes are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and the historical pattern of cost sharing between employer and the plan members to that point. Contributions to the Plan for the year ended June 30, 2019 was \$23,024,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

The contribution requirements for CEIP are established by a trust agreement between the Conservation Commission and the Conservation Employees' Benefits Plan Board of Trustees, which grants the authority to establish and amend benefit terms and financing requirements to the Board of Trustees. The Commission contribution toward retiree medical premium is based on tenure or years of service with the State. At the time of retirement, employees who have 25+ years of service receive a 35% contribution, 20-24 years of service receive a 30% contribution, 15-19 years of service receive a 25% contribution, vested status up to 14 years of service receive a 20% contribution, and employees who retired prior to January 1, 2013 continue to receive a 35% contribution towards their premium. Benefit projections for financial reporting purposes are based on an established policy of the retiree's paying the premium amount less any direct subsidy paid by the Commission based on years of service and date of retirement. Contributions to the Plan for the year ended June 30, 2018 was \$3,375,000.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

Cost-Sharing Multiple Employer Plan:

At June 30, 2019, a liability was reported for the State's proportionate share of the collective net OPEB liability for the MCHCP and the MCHCP-CU plans based on an actuarial valuation as of June 30, 2018. The State's proportionate share of the collective net OPEB liability was calculated by dividing the State's contribution to the SRWBT by the total contributions from all applicable employers during the measurement period. From the previous valuation, the discount rate changed from 5.71% to 5.90%.

The State reported the following proportionate share of the collective net OPEB liability and the OPEB expense for the fiscal year ended June 30, 2019 (in thousands of dollars):

	<u>MCHCP</u>	<u>MCHCP-CU</u>
OPEB Expense	\$ 123,105	\$ 51
Proportionate share: 2019	99.59%	0.05%
Net OPEB Liability	\$ 1,745,034	\$ 825

Single-Employer Plans:

The State's total OPEB liability and related information for the MHPML and CEIP plans for the fiscal year ended June 30, 2019 (in thousands of dollars):

	<u>MHPML</u>	<u>CEIP</u>
	Total OPEB Liability	Total OPEB Liability
Balances at June 30, 2018	\$ 1,121,399	\$ 134,757
Changes for the year:		
Service Cost	40,070	2,926
Interest	39,737	5,264
Differences between expected and actual experience	(1,907)	—
Changes of assumptions or other inputs	(54,900)	10,144
Benefit payments	(23,024)	(3,375)
Net Changes	(24)	14,959
Balances at June 30, 2019	<u>\$ 1,121,375</u>	<u>\$ 149,716</u>

For the year ended June 30, 2019, the MHPML and CEIP recognized OPEB expense of \$43,590,000 and \$8,692,000, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to OPEBs were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources				Deferred Inflows of Resources			
	MCHCP	MHPML	CEIP	MCHCP-CU	MCHCP	MHPML	CEIP	MCHCP-CU
Difference between expected and actual experience	\$ —	\$ —	\$ —	\$ —	\$ (26,887)	\$ (1,597)	\$ —	\$ (12)
Changes of assumptions	—	—	8,401	—	(45,872)	(157,061)	(5,184)	(22)
Net difference between projected and actual earnings on plan investments	2,635	—	—	1	—	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	577	—	—	28	(51)	—	—	(85)
Contributions subsequent to the measurement date	82,173	23,684	3,831	35	—	—	—	—
Total	\$ 85,385	\$ 23,684	\$ 12,232	\$ 64	\$ (72,810)	\$ (158,658)	\$ (5,184)	\$ (119)

Amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the measurement period of the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands of dollars):

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources			
	MCHCP	MHPML	CEIP	MCHCP-CU
2020	\$ (8,014)	\$ (36,219)	\$ 503	\$ (11)
2021	(8,014)	(36,219)	503	(11)
2022	(8,014)	(36,219)	503	(11)
2023	(7,972)	(36,218)	502	(11)
2024	(8,662)	(12,488)	1,206	(11)
Thereafter	(28,922)	(1,295)	—	(35)
Totals	\$ (69,598)	\$ (158,658)	\$ 3,217	\$ (90)

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

Actuarial Assumptions

The total OPEB liability at June 30, 2019, is based upon the June 30, 2018, actuarial valuation date for MCHCP and CEIP, and July 1, 2017 for MHPML, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the actuarial valuations are the following:

	MCHCP and MCHCP-CU
Price Inflation	3.0%
Salary Increases	4.0%
Investment Rate of Return	5.90%
Healthcare Cost Trend Rate	Non-Medicare is 6.25% for fiscal year 2018; the rate decreases by 0.25% per year to an ultimate rate of 5.0% in fiscal year 2023 and later. Medicare is 7.25% for fiscal year 2018; the rate decreases by 0.25% per year to an ultimate of 5.0% in fiscal year 2027 and after.
	MHPML
Price Inflation	2.0%
Salary Increases	2.5%
Investment Rate of Return	3.87%
Healthcare Cost Trend Rate	7.7% for 2018, decreasing to 4.6% for 2025 and later years.
	CEIP
Price Inflation	2.3%
Salary Increases	4.0%
Investment Rate of Return	3.50%
Healthcare Cost Trend Rate	Pre-65 rate of 5.9% for 2018, gradually decreasing to an ultimate rate of 4.1% for 2084 and beyond. Post-65 trend rate of 5.9% for 2018, gradually decreasing to an ultimate rate of 4.3% for 2090 and beyond.

MCHCP's actuarial assumptions used in the June 30, 2018 valuation for SRWBT involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation to determine the SRWBT's total OPEB liability is required to be performed at least every two years, but is performed annually. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. The collective total OPEB liability for June 30, 2018 measurement date was determined by an actuarial valuation as of January 1, 2018, with updated procedures used to roll forward the total OPEB liability to June 30, 2018. The cost method utilized for the valuation year June 30, 2018, was the entry age normal, level percentage of payroll. Mortality rates were based on RP-2016 for Employees/Annuitants without collar adjustments using Scale MP-2016. The last experience study was conducted for the period July 1, 2008 through June 30, 2012. The last independent actuarial review of the reasonableness and accuracy of actuarial assumptions, actuarial cost methods, and valuations was conducted as of June 30, 2018.

MHPML's actuarial assumptions used in the June 30, 2018 valuation were determined using a measurement date of July 1, 2018. The inflation rate was based on the actuary's long-term estimate of inflation as of July 1, 2016 and July 1, 2017. The salary increases were based on projected salaries, which include COLA's. The discount rate was based on Bond Buyer General Obligation 20-Bond Municipal Bond Index. Mortality rates were based on the 2018 Pub-2010 Public Retirement Plans Safety Employees Mortality Table weighted by Headcount project by MP-2018 and the RP 2014 Employees and Health Annuitants Mortality table, headcount weighted, fully generational projected by Scale MP-2016 for July 1, 2018. The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2018. From the previous valuation, the discount rate changed from 3.58% to 3.87%.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

CEIP's actuarial assumptions used in the June 30, 2017 valuation were determined using a measurement date of June 30, 2019. The discount rate was based on the 20-year Bond General Obligation Index. Mortality rates were based on RP-2014 Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2017. The plan has not had a formal actuarial experience study performed. From the previous valuation, the discount rate changed from 3.87% to 3.50%.

For MCHCP, the long-term expected rate of return on OPEB plan investments was determined as a blend of the plan sponsor's best estimate on the expected return on plan assets and the 20-year high quality municipal bond rate as of the measurement date. The target asset allocation and best estimates of arithmetic real rate of returns for each major asset class are listed below.

Asset Class	MCHCP and MCHCP-CU	
	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Stocks	20.0%	5.7%
Mid Cap Stocks	10.0%	6.0%
Small Cap Stocks	10.0%	6.0%
High-Yield Bonds	10.0%	2.9%
BarCap Aggregate Bonds	20.0%	1.4%
Long Government/Credit	25.0%	1.6%
Cash Equivalants	5.0%	0.3%
	100.0%	

Discount Rate

A single discount rate based on the expected rate of return on OPEB investments of 5.90%, 3.87%, and 3.50% was used to measure the total OPEB liability for MCHCP, MHPML, and CEIP, respectively. For MCHCP, the projection of cash flows used to determine the discount rate assumed that employee contributions at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. For years where the expected benefit payments can be covered by projected trust assets, expected returns are used. For years where payments are not expected to be covered by trust assets, the municipal Bond Buyer 20-Bond General Obligation Index rate is utilized.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Regarding the sensitivity of the net OPEB liability for MCHCP and total OPEB liability for MHPML and CEIP, to changes in the single discount rate, the following presents the State's liability, calculated using a single discount rate, as well as, what the plan's liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
MCHCP Net OPEB Liability	4.90% \$2,052,644	5.90% \$1,745,034	6.90% \$1,500,710
MHPML Total OPEB Liability	2.87% \$1,348,274	3.87% \$1,121,375	4.87% \$947,704
CEIP Total OPEB Liability	2.50% \$182,900	3.50% \$149,716	4.50% \$124,440
MCHCP-CU Net OPEB Liability	4.90% \$971	5.90% \$825	6.90% \$710

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

Note 8 - Other Postemployment Benefits (cont.)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Regarding the sensitivity of the net OPEB liability for MCHCP and the total OPEB liability for MHPML and CEIP, to changes in healthcare cost trend rates, the following presents the plan's liability, calculated using healthcare cost trend rates, as well as, what the plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
MCHCP Net OPEB Liability	\$1,493,667	\$1,745,034	\$2,061,988
MHPML Total OPEB Liability	\$939,200	\$1,121,375	\$1,396,849
CEIP Total OPEB Liability	\$123,534	\$149,716	\$184,669
MCHCP-CU Net OPEB Liability	\$706	\$825	\$975

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separate financial reports issued by MCHCP:

Missouri Consolidated Health Care Plan
P.O. Box 104355
Jefferson City, Missouri 65110-4355
www.mchcp.org

Missouri State Insured Defined Benefit Insurance Plan

The Missouri State Insured Defined Benefit Insurance Plan is administered through The Standard, which is a third party administrator with oversight by Missouri State Employees Retirement System (MOSERS). In the event that the Standard becomes insolvent, the Missouri Guarantee Association will work with the Standard to see what assets are available to handle their liabilities and the MO Guarantee Association would handle the open and unpaid claims up to the maximum outlined in Section 376.717, RSMo.

Retiree Life Insurance

Members who retire on or after October 1, 1985, or retirees of the Department of Labor and Industrial Relations (DOLIR) who retire on or after January 1, 1996, are eligible for \$5,000 of state-sponsored basic life insurance coverage if they retire directly from active employment. This group plan is financed on a percentage of payroll and is purchased as a group policy through competitive bids. Premiums are contributed as provided by Section 104.515, RSMo. Retirees of the DOLIR who retire prior to January 1, 1996, are eligible for state-sponsored insured defined benefit coverage in the same amount of coverage they were receiving through the DOLIR. The coverage for this closed group is purchased as a group policy at a current cost of \$2.07 per thousand dollars of coverage, per month as provided by Section 288.225, RSMo. The cost for fiscal year 2019 was \$1,896,000.

Long-Term Disability Insurance (LTD)

MOSERS provides LTD coverage for eligible members and generally includes those active members of MOSERS' retirement plans who do not have other disability coverage and are not yet eligible to receive normal (unreduced) retirement benefits. There were 32,431 members covered under the program as of June 30, 2019. This insured defined-benefit coverage is billed on percentage of covered payroll (0.55%). Purchased as group policy through competitive bids, LTD is administered by The Standard Insurance Company. The cost for the year ended June 30, 2019, was \$8,227,000. Premiums are contributed by the State and its component employers as provided for by Section 104.515, RSMo.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

University of Missouri System

Plan Description

In addition to the retirement benefits described in Note 7, the University of Missouri operates a single-employer, defined benefit Other Postemployment Benefits (OPEB) Plan. The assets of the OPEB Trust Fund are irrevocable and legally protected from creditors and dedicated to providing postemployment benefits in accordance with the plan. The OPEB plan provides postemployment medical, dental, and life insurance benefits to employees who retire from the University after attaining age 55 and before reaching age 60 with ten or more years of service, or after attaining age 60 with five or more years of service. As of January 1, 2018, employees must be 60 years old and have 20 years of service at the date of retirement to access the same percentage subsidy as retirees prior to January 1, 2018. Employees with age plus years of service less than 80, but with more than 5 years of service as of January 1, 2018, will receive a subsidy of \$100 per year of service up to a maximum of \$2,500 annually. Employees with less than 5 years of service as of January 1, 2018, will not receive an insurance subsidy or be eligible to participate in the University's plans.

As of June 30, 2019, 9,208 retirees were receiving benefits, and an estimated 9,720 active University employees may become eligible to receive benefits under the plan. Post-employment medical, dental and life insurance benefits are also provided to long-term disability claimants who were vested in the University's Retirement Plan at the date the disability began, provided the onset date of the disability was on or after September 1, 1990. As of June 30, 2019, 123 long-term disability claimants met those eligibility requirements. The terms and conditions governing the postemployment benefits to which employees are entitled are at the sole authority and discretion of the University's Board of Curators. The OPEB plan does not issue a separate financial report.

Contributions

Postemployment benefits are funded through both employer and employee contributions. Contribution requirements of employees and the University are established and may be amended by the University's Board of Curators. For employees retiring prior to September 1, 1990, the University contributes 2/3 of the medical benefits premium and 1/2 of the dental plan premium. For employees who retire on or after September 1, 1990, the University contributes towards premiums based on the employee's length of service and age at retirement.

The University makes available two group term life insurance options. Option A coverage is equal to the retiree's salary at the date of retirement, while Option B is equal to two times the amount. For each Option, graded decreases in coverage are made when the retiree attains specific age levels. The University pays the full cost of Option A and approximately 91% of Option B coverage. Coverage for group term life insurance ends on January 1 following the retiree's 70th birthday.

For the year ended June 30, 2019, participant contributions were \$17,378,000 or approximately 50.8% , of the total premiums through their required contributions, which vary depending on the plan and coverage selection. In fiscal year 2019, the contribution rate as a percentage of covered payroll was 3.45% and the University contributed \$23,363,000.

The University also makes available two long-term disability options to its employees. Option A coverage is equal to 60% of the employee's salary on the date the disability began, when integrated with benefits from all other sources. Option B coverage is equal to 66-2/3% of the employee's salary, integrated so that benefits from all sources will not exceed 85% of the employee's salary. Both options have a 149-day waiting period and provide benefits until age 65. The University pays the full cost of the Option A premium, while employees enrolled in Option B pay the additional cost over the Optional A premium.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2019, the net OPEB liability for the University was based on an actuarial valuation as of June 30, 2019 and measured as of that date. For the year ended June 30, 2019, fiduciary net position as a percentage of the net OPEB liability amounted to 7.81%.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

Changes in net OPEB liability (in thousands of dollars):

	Total OPEB Liability (TOL)	Fiduciary Net Position (FNP)	Net OPEB Liability (NOL)
Balances at June 30, 2018	\$ 479,006	\$ 36,801	\$ 442,205
Changes for the year:			
Service Cost	4,124	—	4,124
Interest	18,248	—	18,248
Differences between expected and actual experience	31,459	—	31,459
Changes in assumptions	(17,565)	—	(17,565)
Contributions – Employer	—	23,363	(23,363)
Contributions – Employee	—	17,378	(17,378)
Net Investment Income	—	1,469	(1,469)
Benefit payments, including refunds of employee contributions	(23,206)	(40,584)	17,378
Administrative Expenses	—	(1)	1
Net Changes	13,060	1,625	11,435
Balances at June 30, 2019	<u>\$ 492,066</u>	<u>\$ 38,426</u>	<u>\$ 453,640</u>

For the year ended June 30, 2019, the University recognized OPEB expense of \$17,476,000. At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to OPEBs were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 27,214	\$ —
Changes in assumptions	—	42,853
Net difference between projected and actual earnings on OPEB plan investments	—	2,014
Total	<u>\$ 27,214</u>	<u>\$ 44,867</u>

The University recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the University's employees. The following table summarizes the future recognition of those items (in thousands of dollars):

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources
	Recognition
2020	\$ (4,897)
2021	(4,897)
2022	(4,714)
2023	(4,396)
2024	(1,069)
Thereafter	2,320
Totals	<u>\$ (17,653)</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

Actuarial Assumptions

The total OPEB liability at June 30, 2019, is based upon the June 30, 2019 actuarial valuation, using the entry age normal, as a level percentage of pay, actuarial cost method. Significant actuarial assumptions used in the actuarial valuations are the following:

Price Inflation		2.2%
Salary Increases	Varies based on age: 0.1% to 6.0% (including inflation) for academic and administrative; 0.1% to 3.0% (including inflation) for clerical and service	
Investment Rate of Return		3.50%
Retiree Health PPO Plan, Healthy Savings, and Rx Healthcare Cost Trend Rate	8.50% decreasing by 0.25% per year until ultimate trend of 4.5% is reached.	
Pre-65 Rx trend rate	9.50% decreasing by 0.25% per year until ultimate trend of 4.5% is reached.	
Medicare Advantage Plans medical trend rate	Premium rates are guaranteed through 2022. Thereafter, trend rates are 7.00% decreasing by 0.25% per year until an ultimate trend of 4.50% is reached	
EWP Rx trend rate	8.50% decreasing by 0.25% per year until an ultimate trend of 4.5% is reached	
Dental trend rates	3.0% all years.	

The University's actuarial assumptions used in the June 30, 2019 valuation involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Benefit projections for financial reporting purposes are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and the historical pattern of cost sharing between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. For healthy retiree mortality rates, the RP-2014 Healthy Employee/Annuitant Mortality Table projected generationally using Scale MP-2017 was used. For disabled retiree mortality rates, the RP-2014 Disabled Annuitant Mortality Table projected generationally using Scale MP-2017 was used.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50% for the year ended June 30, 2019. The projection of cash flows used to determine the discount rate assumed that the University would not make additional contributions to the OPEB Trust and would continue to fund the plan on a pay-as-you-go basis, therefore the University's investments related to OPEB are considered cash and cash equivalents. For the June 30, 2019 actuarial valuation, 3.50% was used as the long-term expected rate of return. Based on these assumptions, the OPEB Plan's fiduciary net position was not projected to cover a full year of projected future benefit payments. Therefore, all future benefit payments are discounted at the current index rate for 20 year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Regarding the sensitivity of the net OPEB liability for the University, to changes in the single discount rate, the following presents the University's liability, calculated using a single discount rate, as well as, what the plan's liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Net OPEB Liability	\$523,380	\$453,640	\$396,499

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Regarding the sensitivity of the net OPEB liability for the University, to changes in healthcare cost trend rates, the following presents the University's liability, calculated using healthcare cost trend rates, as well as, what the plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$405,788	\$453,640	\$511,283

Detailed information concerning the Plan is presented in the University's 2019 financial report, which is publicly available. Copies of this report may be requested from:

University of Missouri System
118 University Hall
Columbia, Missouri 65211
www.umsystem.edu

Note 9 - Deferred Compensation

Missouri State Public Employees' Deferred Compensation Plan:

In accordance with Internal Revenue Code Section 457, the State offers all employees the opportunity to participate in the Missouri State Public Employees' Deferred Compensation Plan. Under the Plan, employees are permitted to defer a portion of their current salary until future years.

All amounts of compensation deferred under the Plan must be held in a trust, custodial account, or annuity contract for the exclusive benefit of Plan participants and their beneficiaries. Investments are managed by the Plan's trustee under one of several investment options, or a combination thereof. The choice between the investment option(s) available by the Plan is made by the participants.

Copies of the Plan's financial statements may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

Note 9 - Deferred Compensation (cont.)

Missouri State Public Employees' Deferred Compensation Plan:

The Plan was established by the Missouri State Public Employees' Deferred Compensation Commission in July 1995 pursuant to Section 401(a) of the Internal Revenue Code.

Under the Plan provisions, any employee of the State is eligible to participate in the Plan if he/she has been an employee of the State for at least 12 consecutive months preceding any employer contributions to the Plan, and is making continuous monthly deferrals of at least \$25 to the Missouri State Public Employees' Deferred Compensation Plan. As of March 2010, employer incentive (match) associated with the State of Missouri Deferred Compensation Plan was suspended. Participating employees are 100% vested.

The first employer contributions to the Plan were made in January 1996. The Plan receives contributions from employers as well as rollovers from other qualified plans. During fiscal year 2019, net rollovers and contributions to ICMA-RC were \$56,545,000.

Copies of the Plan's financial statements may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Note 10 - Changes in Short-Term Liabilities

The State uses a bank overdraft line of credit to compensate for timing in cash payments and receipts.

The following is a summary of the changes in short-term liabilities for the year ended June 30, 2019 (in thousands of dollars):

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Governmental Activities:				
Bank Overdraft	\$ 2	\$ 1,260,066	\$ (1,260,066)	\$ 2

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 11 - Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019 (in thousands of dollars):

	*Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Due Within One Year
Governmental Activities:					
Due to Other Entities	\$ 1,420	\$ —	\$ (17)	\$ 1,403	\$ —
General Obligation Bonds Payable	104,695	—	(38,575)	66,120	21,590
Other Bonds Payable	2,807,240	102,705	(385,990)	2,523,955	236,760
Unamortized Bond Premium	166,876	7,550	(36,644)	137,782	—
Obligations under Financed Purchase	24,848	17,477	(10,800)	31,525	11,800
Obligations under Lease Purchase	55,112	—	(17,393)	37,719	3,452
Pollution Remediation	46,243	7,079	(4,517)	48,805	2,207
Asset Retirement Obligations	1,789	—	—	1,789	—
Compensated Absences	172,729	219,346	(215,487)	176,588	155,279
Claims Liability	175,953	671,133	(686,851)	160,235	108,883
Contingent Liabilities	48,923	13,628	(32,146)	30,405	23,352
2 nd Injury Fund Contingent Liabilities	1,953,168	213,020	(94,299)	2,071,889	94,299
Net Other Postemployment Benefit Obligation	2,947,364	234,145	(230,901)	2,950,608	—
Net Pension Liability	6,199,831	1,702,642	(1,321,699)	6,580,774	—
Total Governmental-Type Activities	<u>\$ 14,706,191</u>	<u>\$ 3,188,725</u>	<u>\$ (3,075,319)</u>	<u>\$ 14,819,597</u>	<u>\$ 657,622</u>
Business-Type Activities:					
Claims Liability	\$ 84,018	\$ 14,240	\$ (15,820)	\$ 82,438	\$ 14,000
Grand Prize Winner Liability	106,585	86,120	(79,232)	113,473	87,697
Asset Retirement Obligations	2	—	—	2	—
Compensated Absences	4,639	8,050	(8,029)	4,660	4,511
Net Other Postemployment Benefit Obligation	56,212	5,178	(5,623)	55,767	—
Net Pension Liability	137,736	53,268	(41,350)	149,654	—
Total Business-Type Activities	<u>\$ 389,192</u>	<u>\$ 166,856</u>	<u>\$ (150,054)</u>	<u>\$ 405,994</u>	<u>\$ 106,208</u>

*Beginning balances as of June 30, 2018 have been restated (see Note 18).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt

Bonds:

Bonds are long-term liabilities and are reconciling items from governmental fund financial statements to government-wide financial statements. On the Government-Wide Statement of Net Position, the long-term liabilities are shown as the amounts due within one year from the date of the statement and the amounts due in more than one year from the date of the statement.

General Obligation Bonds:

The Board of Fund Commissioners of the State of Missouri, upon voter approval and subsequent authorization of the General Assembly, issues general obligation bonds that are secured by a pledge of the full faith, credit, and resources of the State. The principal and interest amounts are transferred one year in advance from the General Fund or other funds to the debt service funds from which principal and interest payments are made. Three types of general obligation bonds are currently outstanding. Proceeds from the Water Pollution Control Bonds were used to provide funds for the protection of the environment through the control of water pollution. Proceeds from the Fourth State Building Bonds were used to provide funds for improvements of buildings and property of higher education institutions, Department of Corrections, and the Division of Youth Services. Proceeds from the Stormwater Control Bonds were used to provide funds to protect the environment through the control of stormwater.

To take advantage of lower interest rates, the Board of Fund Commissioners has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Water Pollution Control Bonds:				
Series A 2010-Refunding	7/27/10	\$ 81,450	A 2001	\$ 15,030
			A 2002	20,225
			B 2002-Refunding	12,990
			A 2005-Refunding	8,595
			A 2007	31,385
Series A 2012-Refunding	9/27/12	62,460	A 2002	3,225
			B 2002-Refunding	64,080
Fourth State Building Bonds:				
Series A 2010-Refunding	7/27/10	9,060	A 2002-Refunding	8,970
			A 2005-Refunding	1,470
Series A 2012-Refunding	9/27/12	100,395	A 2002-Refunding	110,535
Stormwater Control Bonds:				
Series A 2010-Refunding	7/27/10	15,150	A 2001	7,320
			A 2002	8,475
			A 2005-Refunding	905

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2019, \$594,494,240 of the Water Pollution Control Bonds; \$250,000,000 of the Fourth State Building Bonds; and \$45,000,000 of the Stormwater Control Bonds have been issued. The remaining authorization for the Water Pollution Control Bonds is \$130,505,760 and for Stormwater Control Bonds is \$155,000,000. There is no remaining authorization for the Fourth State Buildings Bonds.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

General obligation bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Water Pollution Control Bonds:						
Series A 2007	4.0 - 5.0%	6/1; 12/1	11/07	12/1/21	\$ 50,000	\$ 5,700
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	81,450	34,700
Series A 2012-Refunding	3.0 - 4.0%	10/1; 4/1	9/12	10/1/19	62,460	775
Fourth State Building Bonds:						
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	9,060	3,855
Series A 2012-Refunding	2.0 - 4.0%	10/1; 4/1	9/12	10/1/21	100,395	14,640
Stormwater Control Bonds:						
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	15,150	6,450
Total General Obligation Bonds					<u>\$ 318,515</u>	<u>\$ 66,120</u>
Less: Amount in Sinking Fund for payment of Principal						<u>(24,704)</u>
						<u>\$ 41,416</u>

As of June 30, 2019, general obligation debt service requirements for principal and interest in future years were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 21,590	\$ 2,445	\$ 24,035
2021	15,880	1,666	17,546
2022	16,560	964	17,524
2023	12,090	302	12,392
Totals	<u>\$ 66,120</u>	<u>\$ 5,377</u>	<u>\$ 71,497</u>

Other Bonds:

The Board of Public Buildings of the State of Missouri, upon the approval of the General Assembly, issues revenue bonds for building projects and commits state agencies to lease space in these buildings. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds, maintain certain required reserves, and to pay the costs of operations. The total amount authorized for the Board equals \$1,545,000,000.

To take advantage of lower interest rates, the Board of Public Buildings has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Board of Public Buildings:				
Series A 2011-Refunding	09/27/11	\$ 143,020	A 2001 A 2003 A 2006	\$ 126,850 12,620 3,175
Series A 2012-Refunding	08/23/12	278,835	A 2003	285,340
Series A 2013-Refunding	10/11/13	29,370	A 2003	30,195
Series A 2014-Refunding	08/19/14	88,680	A 2006	87,225
Series A 2015-Refunding	04/01/15	20,250	A 2011-Refunding	21,380

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2019, the Board of Public Buildings Bonds had issued \$1,192,915,000 of the bond authorization. The remaining authorization is \$352,085,000.

The Board of Public Buildings Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Board of Public Buildings:						
Series A 2011-Refunding	1.0 - 5.0%	4/1; 10/1	9/11	10/1/28	\$ 143,020	\$ 74,355
Series A 2012-Refunding	2.0 - 5.0%	4/1; 10/1	8/12	10/1/28	278,835	203,075
Series A 2013-Refunding	2.0 - 5.0%	4/1; 10/1	10/13	10/1/28	29,370	21,415
Series A 2014-Refunding	1.0 - 5.0%	4/1; 10/1	8/14	10/1/30	88,680	75,980
Series A 2015-Refunding	5.0%	4/1; 10/1	4/15	10/1/24	20,250	20,250
Series A 2015	3.0 - 5.0%	4/1; 10/1	4/15	10/1/39	36,805	33,215
Series B 2015	3.0 - 5.0%	4/1; 10/1	9/15	4/1/30	60,000	45,735
Series A 2016	3.0 - 4.0%	4/1; 10/1	5/16	4/1/36	100,000	82,065
Series A 2017	2.0 - 5.0%	4/1; 10/1	9/17	4/1/32	77,165	68,445
Series A 2018	3.0 - 5.0%	4/1; 10/1	5/18	4/1/38	47,740	45,215
Total Board of Public Buildings Bonds					<u>\$ 881,865</u>	<u>\$ 669,750</u>

As of June 30, 2019, the debt service requirements for principal and interest in future years for the Board of Public Buildings Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 50,595	\$ 23,645	\$ 74,240
2021	52,880	21,267	74,147
2022	55,220	18,828	74,048
2023	57,480	16,573	74,053
2024	59,220	14,243	73,463
2025-2029	301,505	38,273	339,778
2030-2034	67,915	8,431	76,346
2035-2039	22,740	2,151	24,891
2040	2,195	38	2,233
Totals	<u>\$ 669,750</u>	<u>\$ 143,449</u>	<u>\$ 813,199</u>

The Missouri Health and Educational Facilities Authority (MOHEFA) issued \$35,000,000 of Educational Facilities Revenue Bonds (University of Missouri-Columbia Arena Project) Series 2001, dated November 1, 2001, to fund the design, acquisition, construction, furnishing, and equipping of a sports arena facility and related facilities on the University of Missouri-Columbia campus. MOHEFA issued \$20,125,000 of Educational Facilities Refunding Revenue Bonds Series 2011, dated November 17, 2011. The Refunding Educational Facilities Revenue bonds refunded \$22,770,000 of Educational Facilities Revenue Bonds Series 2001. These bonds are special, limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

The Educational Facilities Revenue Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Educational Facilities Revenue Bonds:						
Series 2011-Refunding	2.0 - 5.0%	4/1; 10/1	11/11	10/1/21	\$ 20,125	\$ 7,030

As of June 30, 2019, the debt service requirements for principal and interest in future years for the Educational Facilities Revenue Bonds (based on the financing agreement between the State and the Authority) were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 2,225	\$ 296	\$ 2,521
2021	2,340	182	2,522
2022	2,465	62	2,527
Totals	\$ 7,030	\$ 540	\$ 7,570

The Regional Convention and Sports Complex Authority issued \$132,910,000 of Convention and Sports Facility Project Bonds Series A 1991, dated August 15, 1991, to finance the costs of acquiring land and constructing a multi-purpose convention and indoor sports facility in downtown St. Louis, Missouri. On December 15, 1993, the Authority issued \$121,705,000 of Convention and Sports Facility Project Refunding Bonds Series A 1993 for the purpose of refunding the callable portions of the outstanding bonds issued in August 1991 and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was \$101,410,000. On August 1, 2003, the Authority issued \$116,030,000 of Convention and Sports Facility Project Refunding Bonds Series A 2003 for the purpose of refunding Convention and Sports Facility Project Bonds Series A 1991 and Series A 1993 refunding bonds and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was \$2,845,000 for the Series A 1991 bonds and \$113,170,000 for the Series A 1993 refunding bonds. On August 20, 2013, the Authority issued \$65,195,000 of Convention and Sports Facility Project Refunding Bonds Series A 2013 for the purpose of refunding Convention and Sports Facility Project Refunding Bonds Series A 2003. The principal amount refunded was \$64,385,000. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State.

The Convention and Sports Facility Project Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Convention and Sports Facility Project Bonds:						
Series A 2013-Refunding	2.0 - 5.0%	2/15; 8/15	8/13	8/15/21	\$ 65,195	\$ 27,225

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

As of June 30, 2019, the debt service requirements for the principal and interest in future years for the Convention and Sports Facility Project Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 8,635	\$ 1,145	\$ 9,780
2021	9,070	703	9,773
2022	9,520	238	9,758
Totals	<u>\$ 27,225</u>	<u>\$ 2,086</u>	<u>\$ 29,311</u>

Under a financing agreement dated August 1, 1991, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount of \$10,000,000 for principal and interest and \$2,000,000 for maintenance each year. Future payments to the Authority related to the bond repayment were as follows (in thousands of dollars):

Fiscal Year Ended June 30	State Debt Service Payments
2020	\$ 10,000
2021	10,000
2022	5,000
Total	<u>\$ 25,000</u>

The Missouri Development Finance Board (MDFB) issued \$92,660,000 of Series 2014 Bonds dated December 10, 2014 and \$97,225,000 of Series 2016 Bonds dated December 15, 2016, to fund the replacement of the Fulton State Hospital. These bonds are special, limited obligations of the Board and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

The MDFB – Fulton State Hospital Project Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Fulton State Hospital Project Bonds:						
Series 2014	2.125 - 5.0%	4/1; 10/1	12/14	10/1/39	\$ 92,660	\$ 83,135
Series 2016	4.0 - 5.0%	4/1; 10/1	12/16	10/1/39	97,225	92,280
Total Fulton State Hospital Bonds					<u>\$ 189,885</u>	<u>\$ 175,415</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

As of June 30, 2019, the debt service requirements for principal and interest in future years for the Fulton State Hospital Project Bonds (based on the financing agreement between the State and the Board) were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 5,355	\$ 6,991	\$ 12,346
2021	5,625	6,717	12,342
2022	5,910	6,428	12,338
2023	6,210	6,125	12,335
2024	6,475	5,855	12,330
2025-2029	36,310	25,271	61,581
2030-2034	44,070	17,420	61,490
2035-2039	53,425	8,022	61,447
2040	12,035	245	12,280
Totals	\$ 175,415	\$ 83,074	\$ 258,489

The Missouri Development Finance Board (MDFB) issued \$33,800,000 of Series A 2016 Bonds dated March 11, 2016, to fund the State Historical Society project. These bonds are special, limited obligations of the Board and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

The MDFB – State Historical Society Project Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
State Historical Society Project Bonds:						
Series A 2016	2.0 - 5.0%	4/1; 10/1	3/16	10/1/35	\$ 33,800	\$ 30,115

As of June 30, 2019, the debt service requirement of the State for principal and interest in future years for the State Historical Society Project were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 1,350	\$ 973	\$ 2,323
2021	1,415	903	2,318
2022	1,480	831	2,311
2023	1,530	779	2,309
2024	1,555	748	2,303
2025-2029	8,550	2,891	11,441
2030-2034	9,885	1,432	11,317
2035-2036	4,350	135	4,485
Totals	\$ 30,115	\$ 8,692	\$ 38,807

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

State Road Bonds:

The Missouri Highways and Transportation Commission authorized by Article IV, Section 29-34 of the Missouri Constitution and Section 226.133 of the State Highway Act, issues bonds for highway construction and repairs. Under the Missouri Constitution, the principal and interest of the State Road Bonds are payable solely from the revenues of the Missouri Road Fund. State Road Bonds have the following levels of priority: Senior Bonds, First Lien Bonds, Second Lien Bonds, and Third Lien Bonds. Proceeds from State Road Bonds are used for the purpose of constructing and maintaining the State's highways. As of June 30, 2019, the Missouri Highways and Transportation Commission had issued \$3,812,195,000.

To take advantage of lower interest rates, the Missouri Highways and Transportation Commission has issued Bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Commission (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Senior Lien State Road Bonds:				
Series C 2010-Refunding	11/10/10	\$ 130,390	A 2001	\$ 11,135
			A 2002	18,405
			A 2003	111,760
Series A 2014-Refunding	6/3/14	589,015	A 2006	149,150
			B 2006	503,330
Series B 2014-Refunding	6/3/14	311,975	2007	325,290
Series A 2019-Refunding	5/13/19	102,705	A 2008	68,605
			A 2009	42,695

The State Road Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Missouri Highways and Transportation Commission:						
State Road Bonds						
Series B 2009	4.802 - 5.252%	5/1; 11/1	9/09	5/1/33	\$ 404,375	\$ 404,375
Series C 2009-Third Lien	4.313 - 5.213%	5/1; 11/1	11/09	5/1/29	300,000	241,145
Series A 2010	1.50 - 5.00%	5/1; 11/1	3/10	5/1/22	128,865	29,505
Series B 2010	4.72 - 5.02%	5/1; 11/1	3/10	5/1/25	56,135	56,135
Series C 2010-Refunding	3.00 - 5.00%	2/1; 8/1	11/10	2/1/23	130,390	65,770
Series A 2014-Refunding	2.00 - 5.00%	5/1; 11/1	6/14	5/1/26	589,015	529,265
Series B 2014-Refunding	3.00 - 5.00%	5/1; 11/1	6/14	5/1/25	311,975	185,520
Series A 2019-Refunding	5.00%	5/1; 11/1	5/19	5/1/25	102,705	102,705
Total Missouri Highways and Transportation Commission					<u>\$ 2,023,460</u>	<u>\$ 1,614,420</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

As of June 30, 2019, debt service requirements for principal and interest in future years for the Missouri Highways and Transportation Commission were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 168,600	\$ 81,887	\$ 250,487
2021	181,465	73,935	255,400
2022	195,215	64,942	260,157
2023	198,550	55,358	253,908
2024	173,200	45,513	218,713
2025-2029	533,090	112,840	645,930
2030-2033	164,300	22,756	187,056
Totals	<u>\$ 1,614,420</u>	<u>\$ 457,231</u>	<u>\$ 2,071,651</u>

Component Units' Bonds and Direct Placements - The following bonds are included in the balance sheet of the college and universities and the non-major component units.

Major

College and Universities:

The college and universities of the State issue revenue bonds for various projects on each respective campus. Bonds are payable, both principal and interest, only out of net income and revenues arising from operations of facilities funded by the bonds. As of June 30, 2019, debt service requirements for principal and interest for the college and universities were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Bonds from Direct Placements		Other Bonds		Totals
	Principal	Interest	Principal	Interest	
2020	\$ 9,405	\$ 2,682	\$ 181,744	\$ 84,560	\$ 278,391
2021	9,410	2,445	55,025	80,026	146,906
2022	9,655	2,181	55,450	77,814	145,100
2023	9,935	1,910	60,053	75,477	147,375
2024	9,745	1,632	61,601	72,945	145,923
2025-2029	20,655	5,848	369,709	318,880	715,092
2030-2034	21,485	2,719	306,989	246,431	577,624
2035-2039	5,880	250	231,403	181,695	419,228
2040-2044	—	—	450,191	89,723	539,914
2045-2049	—	—	1,595	31,823	33,418
2050-2054	—	—	—	31,778	31,778
2055-2057	—	—	150,000	3,178	153,178
Totals ⁽¹⁾	<u>\$ 96,170</u>	<u>\$ 19,667</u>	<u>\$ 1,923,760</u>	<u>\$ 1,294,330</u>	<u>\$ 3,333,927</u>

⁽¹⁾The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

Non-Major

Missouri Development Finance Board:

In December 2000, the Board issued \$6,500,000 in St. Louis Convention Center Hotel Series 2000B, taxable infrastructure facilities revenue bonds and \$14,600,000 in St. Louis Convention Center Hotel Series 2000C, tax-exempt infrastructure facilities revenue bonds, respectively for the purpose of paying the costs of acquiring land and constructing a parking garage. Bonds are payable, both principal and interest, out of revenues derived from the operation of the parking garage.

In April 2010, the Board issued \$9,000,000 in Seventh Street Garage Series 2010A, tax exempt infrastructure facilities revenue bonds.

The Missouri Development Finance Board Revenue Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Missouri Development Finance Board:						
Revenue Bonds						
Series 2000B	Variable	12/1	12/00	12/1/20	\$ 6,500	\$ 3,910
Series 2000C	Variable	12/1	12/00	12/1/20	14,600	5,410
Series 2010A	Variable	monthly	4/10	5/1/40	9,000	4,484
Total Missouri Development Finance Board Revenue Bonds					<u>\$ 30,100</u>	<u>\$ 13,804</u>

As of June 30, 2019, the debt service requirements for principal and interest in future years for the Missouri Development Finance Board Revenue Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 232	\$ 360	\$ 592
2021	9,562	350	9,912
2022	252	166	418
2023	264	155	419
2024	275	143	418
2025-2029	1,567	532	2,099
2030-2034	1,652	159	1,811
Totals ⁽¹⁾	<u>\$ 13,804</u>	<u>\$ 1,865</u>	<u>\$ 15,669</u>

⁽¹⁾The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

The annual debt service schedule assumes an interest rate of 0.098%, representing the interest rate at June 30, 2019, for the Series 2000B and Series 2000C bonds. The annual debt service also assumes an interest rate of 4.25%, representing the interest rate as of June 30, 2019, for the Seventh Street Garage Series 2010A bonds. As of June 28, 2012 through April 30, 2015, the Board entered into an interest deferral agreement whereby the bond interest rate for the Seventh Street Garage Series 2010A bonds is the lesser of the modified pay rate or 4.25% annually.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

Bond Transactions of the State of Missouri - The following schedule is a summary of bond activity for the fiscal year ended June 30, 2019 (in thousands of dollars):

	Governmental Funds		Component Units		Totals
	General Obligation Bonds	Other Bonds	Bonds from Direct Placements	Other Revenue Bonds	
Bonds Payable at July 1, 2018	\$ 104,695	\$ 2,807,240	\$ —	\$ —	\$ 2,911,935
Bond Issuance	—	102,705	—	—	102,705
Bonds Retired	(38,575)	(385,990)	—	—	(424,565)
Subtotal	66,120	2,523,955	—	—	2,590,075
College and Universities ⁽¹⁾	—	—	96,170	1,923,760	2,019,930
Missouri Development Finance	—	—	—	13,804	13,804
Bonds Payable at June 30, 2019	\$ 66,120	\$ 2,523,955	\$ 96,170	\$ 1,937,564	\$ 4,623,809

⁽¹⁾ Detailed information for college and universities are not shown.

Financed Purchases from Direct Borrowings:

The State has entered into various agreements for financed purchases from direct borrowings for buildings, equipment, and software. Through contracts with Central Bank, the State has a \$16.5 million obligation outstanding as of June 30, 2019, for governmental activities. These financed purchases are secured with collateral of capital assets in the amount of \$22.0 million. In the event of default, the lease shall be terminated and the resulting property returned to the lessor. If the termination is the result of non-appropriation, the State shall deliver the property to the lessor within 10 business days after the termination of the lease schedule. If the property is not delivered within 10 business days, then the State shall also be responsible for the payment of damages in an amount equal to the amount of the lease payments that would have thereafter come due on the lease schedule had it not been terminated. The State had an unused line of credit in the amount of \$21.5 million at the end of fiscal year 2019.

The State has entered into an agreement for financed purchases from direct borrowings for energy star equipment through a contract with Bank of America. These purchases are secured with capital assets as collateral with a value of \$44.2 million. The State has a \$10.7 million obligation outstanding as of June 30, 2019, for governmental activities. In the event of default, the lease shall be terminated and the resulting property returned to the lessor. If the termination is the result of non-appropriation, the State shall deliver the property to the lessor within 10 business days after the termination of the lease schedule. If the property is not delivered within 10 business days, then the State shall also be responsible for the payment of damages in an amount equal to the amount of the lease payments that would have thereafter come due on the lease schedule had it not been terminated. The State had no available line of credit at the end of fiscal year 2019.

Through a contract with IBM, the State has \$4.3 million of financed purchases from direct borrowings outstanding as of June 30, 2019, for governmental activities. These financed purchases are secured with capital assets in the amount of \$6.3 million. The State of Missouri can terminate the agreement with written notice prior to 90 days of each starting anniversary. Upon termination, the State will pay to IBM all amounts due and payable including cross-band allotment offerings, deferred payment settlement amounts for the listed software products, termination and/or financing prepayments and applicable taxes on or before the termination. The deferred payments settlement amount represents the non-financed amounts. The deferred payments are \$6.6 million if terminated on July 1, 2019, and \$1.3 million if terminated on July 1, 2020. The State of Missouri may elect to cancel the fixed term license program under the agreement by giving IBM 30 day's written notice and may receive a prorated credit for a prepaid term. The prorated credit may be used to purchase IBM programs prior to the end date or termination of the remaining agreement. The credits are not transferable, cannot be converted to cash, and upon expiration eligible credit will be forfeited. The State had no available line of credit at the end of fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

As of June 30, 2019, debt service requirements for principal and interest in future years for direct borrowings were as follows (in thousands of dollars):

Fiscal Year Ending	Financed Purchases from Direct Borrowings					
	<u>Governmental Funds</u>		<u>Internal Service Funds</u>		<u>College and Universities</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 5,265	\$ 325	\$ 6,535	\$ 416	\$ 15	\$ 6
2021	4,860	190	5,751	216	17	4
2022	3,217	84	3,555	73	18	3
2023	1,440	22	707	11	19	1
2024	190	2	5	—	5	—
Total	<u>\$ 14,972</u>	<u>\$ 623</u>	<u>\$ 16,553</u>	<u>\$ 716</u>	<u>\$ 74</u>	<u>\$ 14</u>

Note 13 - Defeased Debt

A. Current Year Debt Defeasance

On May 13, 2019, the Missouri Highways and Transportation Commission issued Series A 2019 Federal Reimbursement State Road bonds in the amount of \$102,705,000, with an interest rate of 5.00%, to refund \$68,605,000 of Series A 2008 Federal Reimbursement State Road bonds and \$42,695,000 of Series A 2009 Federal Reimbursement State Road bonds. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the financial statements. As a result of the funding, the Board reduced its total debt service payments by \$8.6 million to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$9.5 million.

On September 12, 2018, the University of Central Missouri issued the Missouri Health and Educational Facilities Authority Educational Facilities Revenue bonds, Series B 2018, in the amount of \$3,670,000, with interest rates ranging from 3.25% to 4.0%, to refund \$3,770,000 of the Educational Facilities Revenues bond, Series 2013 B-2. As a result, this bond is considered defeased and the liabilities for the bonds have been removed from the financial statements. As a result of the refunding, the University reduced its total debt service payments by \$467,949 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$358,890.

On October 1, 2018, Missouri Western State University issued Series 2018 Auxiliary Revenue Refunding bonds, in the amount of \$3,765,000, with an average interest rate of 3.53%, to refund \$4,420,000 of the Series 2008 Auxiliary Revenue bonds. As a result, this bond is considered defeased and the liabilities for the bonds have been removed from the financial statements. As a result of the refunding, the University reduced its total debt service payments by \$1,327,992 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$273,848.

B. Cumulative Debt Defeasances

Various bond issues have been defeased by the advance refunding of bonds. Irrevocable escrow accounts, containing proceeds of the refunding bond issues in the form of cash and U.S. government securities, are used to pay principal, interest, or redemption prices of the defeased bonds as and when due.

For financial reporting purposes, the following debt has been defeased and therefore removed as a liability from the governmental activities and college and universities Statement of Net Position.

Governmental Activities - As of June 30, 2019, bonds outstanding of \$132,680,000 are defeased.

College and Universities - As of June 30, 2019, bonds outstanding of \$280,545,000 are defeased.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 14 - Payables and Receivables

A summary of accounts payable and accounts receivable at June 30, 2019, is shown below (in thousands of dollars):

	Governmental Activities	Business-Type Activities	Balance June 30, 2019
Accounts Payable:			
Taxpayers	\$ 164,578	\$ 122	\$ 164,700
Other Governments	104,588	1	104,589
Vendors	1,065,532	32,243	1,097,775
Employees	122,981	3,527	126,508
Other	72,680	4	72,684
Total Accounts Payable	\$ 1,530,359	\$ 35,897	\$ 1,566,256
Accounts Receivable with expected date of receipt within one year:			
Taxpayers	\$ 1,043,166	\$ 2,184	\$ 1,045,350
Other Governments	893,735	6,007	899,742
Vendors	164,733	—	164,733
Customers	210,266	153,704	363,970
Other	1,448,203	556	1,448,759
	3,760,103	162,451	3,922,554
Accounts Receivable with expected date of receipt greater than one year:			
Taxpayers	1,149,469	—	1,149,469
Other Governments	8	—	8
Vendors	23,349	—	23,349
Customers	150,372	40	150,412
Other	25,849	—	25,849
	1,349,047	40	1,349,087
Accounts Receivable	5,109,150	162,491	5,271,641
Amounts not expected to be collected	(562,025)	—	(562,025)
Accounts Receivable, net	\$ 4,547,125	\$ 162,491	\$ 4,709,616

The Accounts Receivable amounts greater than one year for taxpayers increased from fiscal year 2018, due to an error correction.

Note 15 - Deferred Inflows and Outflows

Deferred outflows of resources are defined as consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows increase net position, similar to assets and deferred inflows decrease net position, similar to liabilities.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 15 - Deferred Inflows and Outflows (cont.)

The components of deferred outflows of resources and deferred inflows of resources reported in the government-wide financial statements as of June 30, 2019, are as follows (in thousands):

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Deferred Outflows of Resources				
Pension Differences Between Expected and Actual Experience	\$ 10,128	\$ 384	\$ 10,512	\$ 30,946
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	533,382	19,886	553,268	138,327
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	17,871	680	18,551	3,660
Pension Changes in Assumptions	518,004	14,572	532,576	244,569
Pension Contributions Subsequent to the Measurement Date	563,388	12,169	575,557	64,224
OPEB Differences Between Expected and Actual Experience	—	—	—	27,214
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	2,526	96	2,622	1
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	170	6	176	28
OPEB Changes in Assumptions	8,401	—	8,401	475
OPEB Contributions Subsequent to the Measurement Date	106,241	3,055	109,296	35
Asset Retirement Obligation Amortization	857	—	857	57,438
Deferred for Refunding Bonds	42,158	—	42,158	27,742
Cash Flow Hedge	—	—	—	15,933
Accumulated Decrease in Fair Value of Hedging Derivatives	—	—	—	386
Total Deferred Outflows of Resources	\$ 1,803,126	\$ 50,848	\$ 1,853,974	\$ 610,978
Deferred Inflows of Resources				
Pension Differences Between Expected and Actual Experience	\$ 174,671	\$ 4,003	\$ 178,674	\$ 47,201
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	1,136	—	1,136	—
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	771	24	795	20,998
OPEB Differences Between Expected and Actual Experience	27,361	985	28,346	124
OPEB Changes in Assumptions	205,990	1,681	207,671	43,204
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	—	—	—	2,014
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	—	—	—	85
Deferred for Refunding Bonds	1,761	—	1,761	—
Charitable Annuities	—	—	—	13,629
Total Deferred Inflows of Resources	\$ 411,690	\$ 6,693	\$ 418,383	\$ 127,255

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 15 - Deferred Inflows and Outflows (cont.)

Deferred inflows and outflows of resources balances are as follows (in thousands):

Deferred inflows of resources on the governmental funds balance sheet as of June 30, 2019, are unavailable revenues. Unavailable revenues are those for which asset recognition criteria has not been met for governmental funds, which uses the modified accrual basis of accounting (in thousands):

Governmental Funds	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Governmental Funds	Total
Deferred Inflows of Resources						
Unavailable Revenue	\$ 994,496	\$ 55,164	\$ 24,147	\$ 15,522	\$ 7,616	\$1,096,945
Proprietary	State Lottery	Petroleum Storage Tank Insurance	Non-Major Funds	Total Enterprise Funds	Governmental Activities – Internal Service Funds	
Deferred Outflows of Resources						
Pension Differences Between Expected and Actual Experience	\$ 43	\$ 6	\$ 335	384	\$ 313	
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,240	306	17,340	19,886	16,127	
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	77	10	593	680	519	
Pension Changes in Assumptions	1,642	225	12,705	14,572	11,817	
Pension Contributions Subsequent to the Measurement Date	1,372	196	10,601	12,169	9,922	
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	11	1	84	96	73	
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	1	—	5	6	5	
OPEB Contributions Subsequent to the Measurement Date	347	49	2,659	3,055	2,332	
Total Deferred Outflows of Resources	\$ 5,733	\$ 793	\$ 44,322	\$ 50,848	\$ 41,108	
Deferred Inflows of Resources						
Pension Differences Between Expected and Actual Experience	\$ 451	\$ 62	\$ 3,490	\$ 4,003	\$ 3,246	
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	3	—	21	24	184	
OPEB Differences Between Expected and Actual Experience	111	15	859	985	744	
OPEB Changes in Assumptions	189	26	1,466	1,681	1,269	
Total Deferred Inflows of Resources	\$ 754	\$ 103	\$ 5,836	\$ 6,693	\$ 5,443	

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 15 - Deferred Inflows and Outflows (cont.)

Fiduciary	Pension (And Other Employee Benefit) Trust Funds	Private- Purpose Trust Funds
Deferred Outflows of Resources		
Pension Differences Between Expected and Actual Experience	\$ —	\$ 4
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	—	191
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	—	6
Pension Changes in Assumptions	—	140
Pension Contributions Subsequent to the Measurement Date	—	116
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	12	1
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	401	—
OPEB Contributions Subsequent to the Measurement Date	363	29
Total Deferred Outflows of Resources	\$ 776	\$ 487
Deferred Inflows of Resources		
Pension Differences Between Expected and Actual Experience	\$ —	\$ 38
OPEB Differences Between Expected and Actual Experience	128	10
OPEB Changes in Assumptions	430	16
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	51	—
Total Deferred Inflows of Resources	\$ 609	\$ 64

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 15 - Deferred Inflows and Outflows (cont.)

<u>Component Units</u>	<u>College and Universities</u>	<u>Non-Major</u>
Deferred Outflows of Resources		
Pension Differences Between Expected and Actual Experience	\$ 30,937	\$ 9
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	137,904	423
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	3,560	100
Pension Changes in Assumptions	244,258	311
Pension Contributions Subsequent to the Measurement Date	63,979	245
OPEB Differences Between Expected and Actual Experience	27,214	—
OPEB Net Differences Between Projected and Actual Earnings on Pension Plan Investments	—	1
OPEB Changes in Assumptions	475	—
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	—	28
OPEB Contributions Subsequent to the Measurement Date	—	35
Asset Retirement Obligation Amortization	57,438	—
Deferred for Refunding Bonds	27,742	—
Cash Flow Hedge	15,933	—
Accumulated Decrease in Fair Value of Hedging Derivatives	—	386
Total Deferred Outflows of Resources	\$ 609,440	\$ 1,538
Deferred Inflows of Resources		
Pension Differences Between Expected and Actual Experience	\$ 47,115	\$ 86
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	20,857	141
OPEB Differences Between Expected and Actual Experience	112	12
OPEB Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,014	—
OPEB Changes in Assumptions	43,182	22
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	—	85
Charitable Annuities	13,629	—
Total Deferred Inflows of Resources	\$ 126,909	\$ 346

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 16 - Interfund Assets and Liabilities

A summary of interfund assets and liabilities at June 30, 2019, is shown below (in thousands of dollars):

	Due From Other Funds, Component Units, and Primary Government					Totals
	Public Education	Conservation and Environmental Protection	Non-Major Governmental Funds	Non-Major Enterprise Funds	Internal Service Funds	
Due to Other Funds, Component Units, and Primary Government						
General Fund	\$ —	\$ —	\$ —	\$ 67	\$ 4,042	\$ 4,109
Public Education	—	—	—	—	4	4
Conservation and Environmental Protection	—	—	—	124	153	277
Missouri Road Fund	—	—	—	—	660	660
Non-Major Governmental Funds	—	—	—	—	933	933
State Lottery	22,733	—	—	—	32	22,765
Unemployment Compensation	—	—	2,051	—	—	2,051
Petroleum Storage Tank Insurance	—	—	—	8	3	11
Non-Major Enterprise Funds	—	—	—	—	65	65
Internal Service Funds	—	—	—	3	230	233
Non-Major Component Units	—	257	—	—	—	257
Totals	\$ 22,733	\$ 257	\$ 2,051	\$ 202	\$ 6,122	\$ 31,365

	Advance From Component Units
	Non-Major Component Units
Advance To Component Units	
Conservation and Environmental Protection	\$ 118

The loans from the component units were for animal waste treatment systems.

During the consolidation process for the Government-Wide Statement of Net Position, interfund payables and receivables were eliminated as follows: \$8,000 on the face of the Proprietary Funds Statements of Net Assets and governmental activities in the amount of \$6,022,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 17 - Interfund Transfers

All transfers must be legally authorized by the legislature through transfer appropriations. Interfund transfers for the fiscal year ended June 30, 2019, were as follows (in thousands of dollars):

	Transfers In:				
	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Governmental Funds
Transfers Out:					
General Fund	\$ —	\$ 1,002,874	\$ 1,924	\$ 9	\$ 272,530
Public Education	34,010	—	—	—	—
Conservation and Environmental Protection	3,352	—	—	—	1,240
Non-Major Governmental Funds	14,570	5,101	—	488,043	5,615
State Lottery	—	317,783	—	—	—
Unemployment Compensation	—	—	—	—	2,602
Non-Major Enterprise Funds	30	—	—	—	712
Internal Service Funds	2,602	—	—	—	117
Totals	\$ 54,564	\$ 1,325,758	\$ 1,924	\$ 488,052	\$ 282,816

Continues Below

	State Lottery	Non-Major Enterprise Funds	Internal Service Funds	Totals
	Transfers Out:			
General Fund	\$ —	\$ 141	\$ —	\$ 1,277,478
Public Education	—	—	—	34,010
Conservation and Environmental Protection	—	—	—	4,592
Non-Major Governmental Funds	—	16,400	—	529,729
State Lottery	—	—	—	317,783
Unemployment Compensation	—	—	—	2,602
Non-Major Enterprise Funds	—	—	—	742
Internal Service Funds	33	24	57	2,833
Totals	\$ 33	\$ 16,565	\$ 57	\$ 2,169,769

Principal reasons for interfund transfers include:

- moving general revenue funds to support elementary and secondary education
- moving state lottery funds to support elementary and secondary education
- moving general revenue funds to support social assistance programs reported in non-major governmental funds
- moving funds related to the construction of capital assets

There were transfers of capital assets for \$173,000 from a non-major capital projects fund to the enterprise funds. These are reported as capital contributions in the enterprise funds and excluded from the non-major special revenue funds; therefore these transfers are also not included in the reconciliation.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 18 - Restatements

During fiscal year 2019, additional information became available which required fund equity amounts. The following table presents a summary of these restatements by fund (in thousands of dollars):

	June 30, 2018 Fund Balance/Net Position Previously Reported	Prior Period Adjustments	June 30, 2018 Fund Balance/Net Position Restated
GOVERNMENTAL FUNDS			
Major Governmental Funds			
General Fund	\$ 1,518,857	\$ 177,622	\$ 1,696,479
Public Education	282,087	(749)	281,338
Conservation and Environmental Protection	1,870,594	124,694	1,995,288
Non-Major Governmental Funds			
Special Revenue	479,956	(1)	479,955
Total Governmental Funds	\$ 4,151,494	\$ 301,566	\$ 4,453,060
PROPRIETARY FUNDS			
Non-Major Proprietary Funds			
Enterprise	\$ 32,415	\$ 8,874	\$ 41,289
Internal Service	263,996	(1,999)	261,997
Total Proprietary Funds	\$ 296,411	\$ 6,875	\$ 303,286
DISCRETELY PRESENTED COMPONENT UNITS			
College and Universities	\$ 6,108,097	\$ (7,087)	\$ 6,101,010
Non-Major	229,146	2,563	231,709
Total Component Units	\$ 6,337,243	\$ (4,524)	\$ 6,332,719

Breakdown of restatements by type:

- General Fund, the restatement was due to a decrease in accounts receivable of \$523,000 and a decrease of \$178,145,000 due to the recognition of revenue previously classified as a deferred inflow of resources.
- Public Education, the restatement was due to a decrease in accounts receivable of \$749,000.
- Conservation and Environmental Protection, the restatement was due to a decrease in accounts receivable of \$4,000 and increase in loans receivable of \$124,698,000.
- Non-major special revenue funds, the restatement was due to a decrease in accounts receivable of \$1,000.
- Non-major enterprise funds, the restatement was due to a decrease in capital assets (net of accumulated depreciation/amortization) of \$310,000. The restatement due to the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*, decreased net position by \$1,000. The increases in cash of \$8,093,000, inventories of \$3,656,000, accounts payable of \$1,369,000, accrued payroll of \$26,000, and compensated absences of \$179,000 was due to the reclassification of the Inmate Canteen Fund from an agency fund to an enterprise fund. Additionally, the reclassification of the fund caused an increase in deferred outflows of resources of \$307,000, deferred inflows or resources of \$17,000, net OPEB liability of \$386,000, and net pension liability of \$894,000.
- Non-major internal service funds, the restatement was due to a decrease in accounts receivable of \$521,000, a decrease of capital assets (net of accumulated depreciation/amortization) of \$988,000, and an increase of obligations under lease purchase of \$490,000.
- Discretely presented component units - colleges and universities, the restatement for Truman State University was due to a decrease in net position of \$5,233,000 for a correction in the error of depreciable life made to a building improvement. Lincoln University no longer includes Lincoln University Foundation, Inc. as a discretely presented component unit in their financial statements, causing an increase in net position of \$643,000. For the University of Missouri, the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*, decreased net position by \$2,497,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 18 - Restatements (cont.)

- Discretely presented component units - non-major funds, the increase in net position of \$2,563,000 was due to the reclassification of the State Environmental Improvement Energy Resources Authority from a related organization to a discretely presented component unit.

Purpose for restatements:

The items on the schedule were restated as a result of additional information received this year related to prior year corrections.

On the Government-Wide Statement of Activities, net position for the governmental activities were restated by the amounts shown on the restatement schedule for governmental funds and internal service funds. In addition, internal balance increased by \$2,000, capital assets (net of accumulated depreciation/amortization) increased by \$29,136,000, obligations under lease purchase decreased by \$490,000, pollution remediation increased by \$4,000, and a decrease in net position of \$178,145,000 due to the recognition of revenue previously classified as a deferred inflow of resources in the general fund causing it to no longer be a reconciling item to the Statement of Net Position. The reclassification of the Inmate Canteen Fund caused a decrease in deferred outflows of resources by \$307,000, net OPEB liability by \$386,000, net pension liability by \$894,000, and deferred inflows of resources by \$17,000 due to contributions for pension and OPEB previously being paid by the general fund and reimbursed by the Inmate Canteen Fund. Net position also decreased \$894,000 due to the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*.

On the Government-Wide Statement of Activities, net position for the business-type activities were restated by the amounts shown on the restatement schedule for enterprise funds and by a decrease in internal balance of \$2,000.

Note 19 - Fund Deficit

The following funds had a deficit balance:

Enterprise Fund – Petroleum Storage Tank Insurance – At June 30, 2019, this fund had a net position deficit of \$45,569,000. The deficit at June 30, 2018 was \$ 40,982,000. The deficit occurred when transport load fees collected were not sufficient to cover the estimated claims liability for clean up of petroleum storage tank leaks. This liability amount is the cumulative result of numerous years of petroleum storage tank leaks. Per Section 319.129, RSMo, this fund will not accept new claim liabilities after December 31, 2025, or upon revocation of federal regulation 40 CFR, whichever occurs first, unless extended by action of the General Assembly. Under Section 319.132, RSMo, the Board of Trustees has authority to increase the transport load fee to a maximum of \$60 per 8,000 gallons. In addition, under Section 319.133, RSMo, the Board can increase annual participation fees to a maximum of \$500 per tank per year. These facts, along with the knowledge that PSTIF's claim reserves are set using very conservative assumptions, assure that adequate revenues will be available to meet its liabilities. Per Section 319.131, RSMo, the liability of the Petroleum Storage Tank Insurance Fund is not the liability of the State. Upon dissolution of this fund, the liability would be liquidated.

Enterprise Funds – State Lottery and Missouri Veterans' Homes, Internal Service Funds – Natural Resources Cost Allocation, Economic Development Administrative, Professional Registration Fees and Missouri Consolidated Health Care Plan and Component Unit Funds – Missouri Wine and Grape – At June 30, 2019, these funds had a net position deficit of \$11,159,000, \$116,821,000, \$17,634,000, \$3,021,000, \$8,629,000, \$8,624,000 and \$268,000 respectively. These funds, except for the Missouri Consolidated Health Care Plan, have deficit balances due to the fiscal year 2015 implementation of GASB 68 and the reporting of net pension liabilities and the fiscal year 2018 implementation of GASB 75 and the reporting of OPEB liabilities. It is expected that these liabilities will be funded over time. The Missouri Consolidated Health Care Plan (MCHCP) had a poor claims experience during fiscal year 2018, due to a few high claimants. This issue is being resolved by employee health care plan design changes and by an increase in appropriations to MCHCP beginning in fiscal year 2019 of \$76.9 million. Net position increased \$11.8 million from fiscal year 2018 to 2019. An additional increase of \$6.2 million in fiscal year 2020 was appropriated by the General Assembly.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements

The State has entered into various agreements to provide tax abatements through certain programs that provide economic benefit to the State.

Tax Abatement Program	Amount of Taxes Abated during Fiscal Year 2019 (in thousands)
Housing	
Missouri Low Income Housing Tax Credit	\$ 153,024
Neighborhood Preservation Tax Credit	2,807
Business Recruitment	
Missouri Quality Jobs	48,411
Missouri Works - Business Incentives	64,787
Missouri Works New Jobs Training	4,715
Missouri Works Job Retention Training	2,781
Missouri Manufacturing Jobs Act	15,013
Business Use Incentives for Large-Scale Development	13,776
Enhanced Enterprise Zone	4,929
Business Facility Tax Credit	8,218
Amateur Sports Ticket Sales Tax Credit	1,421
Rebuilding Communities Tax Credit	56
Development Tax Credit	374
Data Center Sales Tax Exemption	— *
Redevelopment	
Historic Preservation Tax Credit	54,566
Brownfield Remediation	13,029
Distressed Areas Land Assemblage	43
TOTAL	\$ 387,950
Chapter 100 Personal Property Tax Exemption - maximum amount exemption certificates issued	\$ — **

*Confidential

** No certificates were provided under Chapter 100

Housing

The Missouri Low Income Housing Tax Credit (MOLIHTC) is authorized by Sections 135.350-135.363, RSMo, and provides a tax credit to qualified owners of affordable rental housing. To qualify upon application, a development must 1) rent at least 20% of its units to families earning 50% of the area median family income or 2) rent at least 40% of its units to families earning 60% of the area median family income, each adjusted for family size. The MOLIHTC generates equity investments that are purchased by the private sector for the development of new or rehabilitated rental housing which enables owners to lower rents to affordable levels for low-income families. The investor of the MOLIHTC can redeem the credit by applying it dollar for dollar to the following types of tax liabilities: income tax, corporate franchise tax, insurance premium tax, other financial institutions tax, or express company tax. MOLIHTC properties must comply with tenant eligibility, property maintenance, and fair housing law throughout a 15-year period. The Missouri Housing Development Commission monitors the properties for compliance and reports non-compliance to the Internal Revenue Service and Missouri Department of Revenue. Property owners found to be out of compliance are subject to recapture through the provisions of Section 135.355, RSMo and IRS §42. The MOLIHTC reduced state taxes by \$153,024,000 during fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements (cont.)

The Neighborhood Preservation Tax Credit is authorized by Sections 135.475-135.487, RSMo, and provides incentives for homeowners in lower income areas who rehabilitate or construct owner-occupied homes in qualifying or eligible areas of the State. Upon application, the eligible property must be in a qualifying area with a median household income of less than 70% of the median household income for the metropolitan statistical area (MSA) or non-MSA; or be located in an eligible area with a median household income of 70-89% of the median household income for the applicable MSA or non-MSA. Recipients are eligible to receive a credit for 15% of eligible costs up to \$25,000 per residence for new residences in eligible areas; 15% of eligible costs up to \$40,000 per residence for new residences in qualifying areas; 25% of eligible costs with a minimum of \$10,000 and not to exceed \$25,000 per residence for substantial rehabilitation in eligible areas; 35% of eligible costs with a minimum of \$5,000 or 50% of purchase price and not to exceed \$70,000 per residence for substantial rehabilitation in qualifying areas; and 25% of eligible costs with a minimum of \$5,000 and not to exceed \$25,000 per residence for non-substantial rehabilitation in qualifying areas. The abatements can be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, or other financial institutions tax. A taxpayer, other than the owner-occupant who receives a certificate of tax credit, shall have 30 days within the date of the sale to furnish satisfactory proof that the residence was sold at market to the Director of the Department of Economic Development (DED). If the Director determines that the residence was not in good faith intended for long-term owner occupancy, then the Director may revoke any tax credits issued and seek recovery of those credits pursuant to Section 620.017, RSMo. There are no other commitments made as part of the agreement. The Neighborhood Preservation Tax Credit reduced state taxes by \$2,807,000 during fiscal year 2019.

Business Recruitment

Missouri Quality Jobs is authorized by Sections 620.1875-620.1890, RSMo and provides tax incentives to qualified companies for facilitating the creation of new jobs or the retention of existing jobs in the State. This program has been replaced by Missouri Works, except for current projects. To qualify, the company must create a minimum number of jobs within the project facility within 2 to 3 years after the approval of the Notice of Intent and must maintain those jobs for the duration of the benefit. The average wage of the new jobs must equal or exceed the average county wage and the company must offer health insurance and pay at least 50% of the premium. The company must also submit an annual report. Companies may retain 100% of withholding tax that would otherwise be paid into the State or receive tax credits based on the percentage of new payroll or a combination of both for the new or retained jobs approved. The credits can be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. Missouri Quality Jobs reduced state taxes by \$48,411,000 during fiscal year 2019.

The Missouri Works - Business Incentives is authorized by Sections 620.2000-620.2020, RSMo and provides tax incentives for qualified companies to create or retain jobs in the State. To qualify for the credit, a company must create or retain a minimum number of new jobs at the project facility with average wages of 80%, 90%, 120%, or 140% of the county average wage, must offer health insurance and pay at least 50% of the premium, must meet the required number of jobs within 2 years of the Approval of the Notice of Intent, must maintain those minimums for the duration of the benefit, and must submit an annual report. Companies may retain 100% of withholding tax that would otherwise be paid into the State or receive tax credits based on the percentage of new payroll or a combination of both for the new or retained jobs approved. The credits can be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. Taxes may be recaptured due to misrepresentation, out-of-state relocation, or failure to file an annual report. The agreement requires 100% of the benefits received to be repaid within 60 days for misrepresentation or out-of state location or one year for failure to file an annual report. There are no other commitments made as part of the agreement. Missouri Works - Business Incentives reduced state taxes by \$64,787,000 during fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements (cont.)

Missouri Works New Jobs Training and Job Retention Training are authorized by Sections 620.800-620.809, RSMo. New Jobs Training provides assistance to eligible companies to train workers in newly created jobs. To qualify, the company must create new jobs in the state; the project must include eligible training costs, as well as other eligibility criteria such as types of occupations, wage rates, and turnover rates. Job Retention Training provides training assistance to eligible companies for job retention efforts. To qualify, a project must be for an existing Missouri company making a capital investment of at least 5 times the total project costs, retaining at least 100 eligible jobs at the facility for at least one year, be located in a border community, or be determined to represent substantial risk of relocation. Eligible companies for both programs include manufacturing, research and development, or those engaged in interstate commerce. The company must retain the eligible jobs in the project for at least 5 years and use the funding only toward eligible project costs. These programs are administered locally through community colleges. While the recipient's taxes are not actually reduced, a portion of normal withholding payments (paid to the Department of Revenue) are deferred to pay for eligible project costs. The amount that can be deferred is 2.5% of the payroll for the first 100 jobs in the project and 1.5% of the payroll for the remaining jobs in the project. The company may file withholding claims for the project until the budgeted project funds are disbursed; typically for a period of 3-5 years, with maximum limit of 8 years. There are no other commitments under these programs. Recapture provisions apply in accordance with Section 620.017, RSMo in which the recipient shall repay training funds under these programs if the jobs included in the project are moved out of Missouri or are eliminated within five years of the date the project is approved by DED. The Director of the Division of Workforce Development within DED shall have the authority and discretion to exempt the recipient in whole or in part of such repayment. Missouri Works New Jobs Training and Job Retention Training reduced state taxes by \$4,715,000 and \$2,781,000, respectively, during fiscal year 2019.

The Missouri Manufacturing Jobs Act is authorized by Section 620.1910, RSMo and provides incentives in the form of retaining withholding taxes to expand manufacturing facilities for an existing product or the creation of a new product. This program sunset in 2016 and no new applications are being accepted. To qualify, manufacturing companies must have a North American Industry Classification System (NAICS) of 33611, which is an establishment primarily engaged in (1) manufacturing complete automobile and light duty motor vehicles or (2) manufacturing automobile and light duty motor vehicle chassis. The company must manufacture goods at a facility in the state throughout the period benefits are received, and make a capital investment at a facility of at least \$75,000 per retained job for the manufacture of a new product within 2 years of beginning to retain withholding taxes or commit to make a capital investment of at least \$50,000 per retained job at the facility for the modification or expansion of the manufacture of an existing product within 2 years of beginning to retain withholding taxes. Qualified suppliers of an eligible manufacturer must attest to DED that they derive more than 10% of its total annual sales revenue from sales to a qualified manufacturing company, add 5 or more new jobs for a period of 3 years, pay wages for the new jobs equal to or exceeding the county average wage using the NAICS industry classification, but are not less than 60% of the statewide average wage, and the company must offer health insurance and pay at least 50% of the premium. If qualified, the company is allowed to retain 100% of the withholding tax that would otherwise have been paid in to the state for those jobs for 10 years for qualified manufacturers or 3 to 5 years for qualified suppliers. There are no provisions for recapture and no other commitments are made as part of the agreement. The Missouri Manufacturing Jobs Act reduced state taxes by \$15,013,000 during fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements (cont.)

Business Use Incentives for Large-Scale Development (BUILD) is authorized by Sections 100.700-100.850, RSMo. The incentives offered by the BUILD Missouri Program are designed to offset infrastructure and other capital costs of certain large projects by making the cost of investing in Missouri more competitive. The costs are financed through the issuance of Board of Certificates (bonds or notes), where the principal and interest will be repaid by the business. Businesses are then reimbursed for these repayments through the issuance by the Board of Missouri state income tax credits. The businesses may use these credits against taxes, which would otherwise be due, or to obtain a refund if the business has insufficient Missouri income tax liability to offset the credit. A business can apply these credits against income tax, bank tax, insurance premium tax, or other financial institutions tax. To qualify, an eligible industry in manufacturing, processing, assembly, research and development, agricultural processing or services in interstate commerce must invest a minimum of \$15 million; or \$10 million for an office industry in an economic development project; and create a minimum of 100 new jobs at the project facility within 3 years, or a minimum of 500 jobs if the project is an office industry, or a minimum of 200 new jobs if the project is an office industry located within a distressed community as defined in Section 135.530, RSMo. The tax credits become subject to recapture if the company does not expend the minimum investment on or before the first test date established in the program agreement, or create and maintain the minimum number of new jobs on or before the first test date. The first test date is the last day of the closest calendar quarter ending 3 years following bond closing. The tax credits are also subject to recapture if the company eliminates or announces its intention to eliminate all the new jobs at the project within 2 years of the first test date. If subject to recapture, the company shall, within 30 days following written demand from the Board, reimburse the Board in full for the face amount of the tax credits received from the date of execution of the program agreement to the date of such demand. There are no other commitments made as part of the agreement. The BUILD program reduced state taxes by \$13,776,000 during fiscal year 2019.

The Enhanced Enterprise Zone is authorized by Sections 135.950-135.973, RSMo and provides tax credits to new or expanding businesses in enhanced enterprise zones. To qualify, a company must create or maintain at least 2 new jobs and make at least \$100,000 in eligible investments. In addition, a Notice of Intent must be approved by DED, and the business must submit an annual report. Eligibility for the credit is determined by the zone based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Taxes are reduced by claiming a tax credit against the Missouri income tax liability owed to the state. The tax credits are calculated at 2% of new payroll and 0.5% of new investment. There are no provisions for recapture and no other commitments are made as part of the agreement. The Enhanced Enterprise Zone reduced state taxes by \$4,929,000 during fiscal year 2019.

The Business Facility Tax Credit is authorized by Sections 135.100-135.150 and Section 135.258, RSMo and provides to facilitate the expansion of new or existing facilities in Missouri. To qualify, a Notice of Intent must be approved by DED; the facility must create at least 2 new jobs and make \$100,000 in eligible investments or pursuant to House Bill 191 (2009), for "headquarters" that commence operations and "headquarters" of certain "employee-owned" businesses that commence or expand operations must create 25 new jobs and make \$1,000,000 in new investment. The company must submit an annual report to DED. Taxes are reduced by claiming a tax credit against the Missouri tax liability owed to the state. The tax credits are calculated as \$75 to \$150 per new job and \$75 to \$150 for each \$100,000 in new investment for up to 10 years. The tax credits for headquarters are calculated as the greater of \$400 per new job plus 4% of new investment or \$500 per new job plus \$500 per each \$100,000 in new investment for up to 10 years. The credit may be applied against income tax, insurance premium tax, or insurance company retaliatory tax. This program has sunset as of January 1, 2005 except headquarters that commence or expand operations on or before December 31, 2019 may be eligible for the program. There are no provisions for recapture and no other commitments are made as part of the agreement. The Business Facility Tax Credit reduced state taxes by \$8,218,000 during fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements (cont.)

The Amateur Sports Ticket Sales Tax Credit is authorized by Section 67.3000, RSMo and provides an incentive to encourage the location of competitively bid amateur sporting events in Missouri. Upon application, applicants must submit predictions on the anticipated economic benefit to the state. Applicants will be evaluated based upon anticipated and verified economic performance. The program is available to one or more certified sponsors, endorsing counties, endorsing municipalities, or a local organizing committee, acting individually or collectively. The program provides tax credits equal to the lesser of: \$5 per admission ticket sold to the event; or 100% of eligible costs incurred by the applicant. The recipient is able to reduce their outstanding tax liability in an amount equal to the value of the tax credit and may be taken against income tax, bank tax, insurance premium tax, and other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. The Amateur Sports Ticket Sales Tax Credit reduced state taxes by \$1,421,000 during fiscal year 2019.

The Rebuilding Communities Tax Credit is authorized by Section 135.535, RSMo and provides a tax credit for eligible businesses locating, relocating, or expanding within a distressed community. This program has been replaced by Missouri Works, except for current projects. To qualify, a business must have fewer than 100 full-time employees, 75% of which must be located in the distressed community; be primarily engaged in manufacturing, biomedical, medical devices, scientific research, animal research, computer software design, computer software development or computer programming, which includes Internet, web hosting, and other information technology, wireless, wired or other telecommunications, or a professional firm. The business must submit an annual tax credit application documenting eligible expenditures on the project to DED. Once approved, the tax credit is calculated at 40% or 25% of the qualifying expenditures and may be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, or other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. The Rebuilding Communities Tax Credit reduced state taxes by \$56,000 during fiscal year 2019.

The Development Tax Credit is authorized by Sections 32.100-32.125, RSMo and provides incentives to facilitate a business project in order to create new jobs. This program has been replaced by Missouri Works, except for current projects. Tax credits are issued to approved taxpayers that make an eligible donation to a non-profit corporation. The non-profit leases assets to an approved company. The company must create a specified number of jobs within 2 years and be in a distressed or blighted area. In many instances, the taxpayer that makes the donation is also the company that is creating the economic impact. The donor that makes the contribution must submit a tax credit application to DED. Once approved, taxes are reduced by claiming a tax credit against Missouri tax liability owed to the state. The tax credit is calculated at 50% of the eligible donation and may be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, other financial institutions tax, or express company tax. No other commitments are made as part of the agreement. DED may recapture tax credits up to the amount issued if the non-profit fails to complete the project or comply with the agreement. The non-profits only and not the donors are subject to the recapture. The Development Tax Credit reduced state taxes by \$374,000 during fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements (cont.)

Chapter 100 Personal Property Tax Exemption is authorized by Section 144.054 (2), RSMo and provides a state and local sales tax exemption on tangible personal property leased by a company from the City or County. To qualify, cities and counties may apply to DED on behalf of eligible companies for which Chapter 100 bond proceeds are used to purchase tangible personal property, which is leased back to the company. DED may apply discretionary benefit exemption if the benefit contained in a formal DED proposal is accepted by the company. Since DED cannot enact the sales tax exemption on the lease without the underlying Municipality Chapter 100 in place, any inclusion in a formal DED proposal will be coordinated with the Municipality and their economic developer. The proposal must have been accepted by the company prior to any project announcements, no approval or issuance of the bonds may have taken place, and the tangible personal property may not have been purchased prior to the acceptance of the proposal. The project must also be competitive, have comprehensive local incentive participation, have above average wages with benefits, be located in an economically distressed or blighted area, have a positive state fiscal impact, and have an indication that the municipality has offered the local Chapter 100 exemptions. The company receives the exemption on sales tax as the facility, construction materials, and certain tangible personal property may be purchased as exempt by the City or County and then leased back to the company. The company will be responsible for the payment of sales tax on purchases exceeding the maximum accepted in the proposal, ineligible purchases, or the revenue stream generated by lease of ineligible personal property. There are no provisions for recapture and no other commitments are made as part of the agreement. The sales tax is applicable to the lease payments made over a period not to exceed 20 years by statute and restricted further by local ordinance. The sales tax exemptions are only applicable if tangible personal property purchases are made within established project time periods, as listed on the certificate. For fiscal year 2019 no certificates were provided for the exemption of state sales tax related to lease payments of tangible personal property under a Chapter 100 structure.

Data Center Sales Tax exemption is authorized by Section 144.810, RSMo and incentivizes the location and expansion of data centers in the state by providing an exemption of the sales and use taxes associated with a variety of activities necessary to build a new facility or expand an existing facility. To qualify, companies must create 5 new jobs and \$5 million in investment for expanding facilities or create 10 new jobs and \$25 million in investment for new facilities within certain time frames. A company is refunded their sales and use taxes for new purchases related to the data center project for the period prior to meeting the threshold for participation and then are exempt for a period of no more than 10 years for expanding facilities or 15 years for a new facility. Taxes may be subject to recapture if the full investment projected is not met or if the jobs created are not maintained, causing the cost/benefit to the State to be negative, or if the company does not meet the minimum thresholds. Taxes will be recaptured up to the amount that creates a positive cost/benefit to the state, or if the company does not meet the minimum thresholds, the full exemptions to date must be repaid. No other commitments are made as part of the agreement. The amount that state taxes were reduced is confidential under Section 32.057, RSMo.

Redevelopment

The Historic Preservation Tax Credit is authorized by Sections 253.545-253.561, RSMo and provides an incentive for the redevelopment of commercial and residential historic structures in the state. Upon application, the eligible property must be listed on the National Register of Historic Places, be certified by the Department of Natural Resources (DNR) as contributing to the historical significance of a certified historic district listed on the National Register, or located within a local historic district that has been certified by the U.S. Department of Interior. The costs and expenses associated with the rehabilitation must exceed 50% of the total basis of the property. All approved applicants must commence rehabilitation within 2 years of the date of issuance of the letter of approval from DED. The program provides state tax credits equal to 25% of eligible costs and expenses of the rehabilitation of approved historic structures, which the recipient is able to use to reduce their outstanding tax liability in an amount equal to the value of their tax credit. The credit may be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. The Historic Preservation Tax Credit reduced state taxes by \$54,566,000 during fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements (cont.)

Brownfield Remediation is authorized by Sections 447.700-447.718, RSMo and provides incentives to businesses or developers to redevelop property contaminated with hazardous waste. To qualify, the property must be abandoned or underutilized for at least 3 years, and contaminated with hazardous substance, the applicant cannot be a responsible party, the project must be accepted into DNR Voluntary Cleanup Program, the project must be endorsed by city or county government, must create at least 10 new jobs or retain 25 jobs, the project must create a positive net state economic benefit, and must demonstrate need for the credits. The recipient is able to reduce their outstanding tax liability in an amount equal to the value of the tax credit. The tax credits may be issued for up to 100% of eligible costs and expenses for remediating the project property. The tax credit may also include up to 100% of the costs of demolition that are not directly part of the remediation activities. The amount of the credit available for demolition not associated with remediation cannot exceed the total amount of credits approved for remediation including demolition required for remediation. DED will issue 75% of the credits upon adequate proof of payment of the costs; the remaining 25% will not be issued until a clean letter has been issued by DNR. The tax credits may be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, or other financial institutions tax. The tax credits may be subject to recapture in the event the owner sells the abandoned or underutilized property within a 5 year period after the receipt of remediation tax credits, grants, loans or loan guarantee. Subject to Sections 447.700-447.718, RSMo, the owner shall repay a portion of the tax credits and grant funds provided based on the percentage of the owner's investment for the project to DED's total financial assistance, upon achieving an annual internal rate of return of 25%. The internal rate of return calculation shall be documented by the owner's capital gains tax calculation. Owner investment is equity and debt for the eligible project. At the end of the project, a purchaser who has performed voluntary remediation action certifies to DNR that the goals of the purchaser's voluntary remediation plan have been attained. DNR verifies the remediation plan goals are achieved and issues a certificate that states that the site has been cleaned up to DNR standards pertaining to the property itself and therefore protects both current and future owners of the property. Brownfield Remediation reduced state taxes by \$13,029,000 during fiscal year 2019.

Distressed Areas Land Assemblage is authorized by Section 99.1205, RSMo and provides incentives to redevelop blighted areas. This program has sunset and no new applications are being accepted. To qualify, the area must be at least 75 acres; at least 80% of the area must be within a Distressed Area or a federal Qualified Census Tract; the redeveloper must acquire at least 50 acres of the area; the average parcels per acre must be 4 or more; and less than 5% of the acreage for acquisition by the redeveloper under the redevelopment plan shall consist of owner-occupied residences. The recipient is able to reduce their outstanding tax liability in an amount equal to the value of the tax credit. The tax credits are provided to the redeveloper based on 50% of the acquisition costs, including maintenance costs, and 100% of the interest costs incurred for a period of 5 years after the acquisition of an eligible parcel. The credits may be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. Any funds generated through the use or sale of the tax credits issued shall be used to redevelop the eligible project area. There are no provisions for recapture and no other commitments are made as part of the agreement. Distressed Areas Land Assemblage reduced state taxes by \$43,000 during fiscal year 2019.

Note 21 - Commitments

Contracts

The Department of Conservation had contracts outstanding of \$293,000 for construction and \$75,000 for land acquisition contracts at June 30, 2019. These contracts are funded through the special revenue funds from specific sales tax, fees, and permits.

The Department of Natural Resources had construction contracts outstanding at June 30, 2019 of \$210,000. These projects are funded through a capital project fund and an enterprise fund.

The Department of Transportation had long-term contracts of \$718,535,000 outstanding at June 30, 2019. These contracts are paid from capital projects funds with approximately 83.18% federal reimbursement expected.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 21 - Commitments (cont.)

The Office of Administration, Division of Facilities Management, Design and Construction, had construction contracts outstanding at June 30, 2019 of \$65,445,000. Approximately 46.4% will be paid from the General Fund, 17.4% from special revenue funds, and 36.2% will be paid from the capital projects funds.

On March 10, 1988, the State of Missouri entered into a contract with the United States Army Corps of Engineers confirming an assurance agreement of April 8, 1965. The State obtained rights to a portion of the water supply storage from the Clarence Cannon Dam and Mark Twain Lake Project. The State agreed to pay up to \$10.8 million plus interest for the investment costs allocated to the water supply storage, the amount of such payments to be determined by the portion of the water storage space put in use by the State for that purpose. The contract provided a ten year interest free period running from 1984 to 1994. In fiscal year 1995, the State began making interest payments. The interest payment amount for fiscal year 2019 was \$364,000. Payment of principal and interest must be completed by March 2038.

As of June 30, 2019, the University of Missouri had outstanding commitments for the usage and ongoing support of the University Health System's information technology environment totaling \$170,895,000. The payments are as follows:

2020	\$	26,252,000
2021		27,146,000
2022		28,008,000
2023		28,855,000
2024		29,819,000
2025		30,815,000

Truman State University had approximately \$2,749,000 in outstanding commitments for various construction contracts at June 30, 2019.

Southeast Missouri State University had outstanding commitments of approximately \$7,200,000 related to construction contracts at June 30, 2019.

Missouri State University had approximately \$19,000,000 in outstanding commitments for various construction contracts at June 30, 2019.

University of Central Missouri had approximately \$9,205,000 in outstanding commitments related to construction contracts at June 30, 2019.

Northwest Missouri State University had approximately \$671,000 in outstanding commitments related to various construction contracts at June 30, 2019.

Note 22 - Risk Management and Insurance

The State is exposed to various risks of loss related to tort, general, motor vehicle, and contractor liability and injuries to employees. The State assumes its own liability for risks except for the purchase of surety bond, aircraft, and boiler coverage. The State's Office of Administration (OA), Risk Management Unit, self-insures its workers' compensation program for all state employees, with the exception of the Missouri Department of Transportation (MoDOT) and the State Highway Patrol. Liability insurance is also provided by OA-Risk Management, pursuant to state statute, through the State's Legal Expense Fund, which is a component of the General Fund in this report. This insurance covers all state employees.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 22 - Risk Management and Insurance (cont'd)

The Workers' Compensation and Legal Expense Fund claims liability is based upon actual claims that have been submitted to OA-Risk Management. Incurred but not reported (IBNR) liability is not included since workers' compensation and liability insurance claims are reported timely, and therefore any potential IBNR liability amount would be considered immaterial. The State has not had any insurance settlements exceed the coverage. OA-Risk Management also procures property insurance for approximately 3% of all state buildings, with the remainder uninsured. The buildings are insured through purchased property insurance and through the Property Preservation Fund. Buildings insured through the Property Preservation Fund are backed with bonded debt through the Board of Public Buildings.

The Transportation Self-Insurance Plan covers workers' compensation for employees of MoDOT and the State Highway Patrol, and covers vehicle liability and general liability insurance for the employees of MoDOT. The Transportation Self-Insurance Plan is presented as an internal service fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims from data provided by an actuary. Liabilities are reported at their discounted value, assuming an investment yield of 2%.

The Missouri Consolidated Health Care Plan (MCHCP) provides health care insurance to all state employees, except for MoDOT, the State Highway Patrol, and the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known medical claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The MoDOT and MSHP Medical and Life Insurance Plan (MHPML) accounts for the medical coverage provided on a self-insured basis and life insurance benefits, underwritten by a commercial insurance company, for employees of MoDOT and the State Highway Patrol. The Plan is presented as an internal service fund. Estimated claims payable is based on known insurance claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The Conservation Employees' Insurance Plan (CEIP) provides health care and life insurance to employees of the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims.

The Petroleum Storage Tank Insurance Fund (PSTIF) has claims liability for the cost of contamination cleanup for policyholders and other eligible site owners who have submitted notice of a contamination. The PSTIF is presented as a major enterprise fund.

The University of Missouri System provides workers' compensation, liability, and medical insurance for its employees. The University funds this through a combination of self-insurance and commercially purchased insurance. The amount of coverage is based upon analysis of historical information and actuarial estimates. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The claims liability is the present value of the claims, using discounted rates ranging between 0.75% and 3.50% based on future investment yields. The University of Missouri System is included with college and universities as a major component unit of the State.

Missouri State University is exposed to various risks of loss. These include loss related to torts; business interruption; employee injuries and illnesses; employee health, dental and accidental benefits; natural disasters; damage to and destruction of assets; and errors and omissions. Commercial insurance coverage is purchased for claims arising from such matters other than those related to natural disasters and employee health benefits, general liability, and workers' compensation. Settled claims have not exceeded the commercial coverage in any of the three preceding years. Additional coverage is provided through the State Self-Insurance Program, through the Risk Management Unit of the Office of Administration. The State of Missouri self-insures the workers' compensation benefits for all state employees, including University employees.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 22 - Risk Management and Insurance (cont.)

Changes in the balances of claims liability (in thousands of dollars) during the current and prior fiscal years are as follows:

	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2018	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2019
<u>Governmental Activities</u>					
OA Workers Compensation Fund	Workers Comp.	\$ 29,058	\$ 29,750	\$ (32,242)	\$ 26,566
OA Legal Expense Fund	Liability	3,682	3,688	(4,296)	3,074
Transportation Self-Insurance Plan	Workers Comp. and Liability	81,444	11,399	(17,597)	75,246
MCHCP	Health Care	46,137	489,425	(492,742)	42,820
MHPML	Health Care	12,500	120,904	(123,804)	9,600
CEIP	Health Care	3,132	15,967	(16,170)	2,929
Total Governmental Activities		<u>\$ 175,953</u>	<u>\$ 671,133</u>	<u>\$ (686,851)</u>	<u>\$ 160,235</u>
<u>Business-Type Activities</u>					
PSTIF	Contamination Cleanup	<u>\$ 84,018</u>	<u>\$ 14,240</u>	<u>\$ (15,820)</u>	<u>\$ 82,438</u>
<u>Component Units</u>					
University of Missouri System	Workers Comp. and Liability	\$ 85,846	\$ 222,659	\$ (223,235)	\$ 85,270
Missouri State University	Health Care, Workers Comp. and Liability	1,424	22,894	(21,603)	2,715
Total Component Units		<u>\$ 87,270</u>	<u>\$ 245,553</u>	<u>\$ (244,838)</u>	<u>\$ 87,985</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 22 - Risk Management and Insurance (cont.)

	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2017	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2018
<u>Governmental Activities</u>					
OA Workers Compensation Fund	Workers Comp.	\$ 29,767	\$ 30,319	\$ (31,028)	\$ 29,058
OA Legal Expense Fund	Liability	8,222	5,053	(9,593)	3,682
Transportation Self-Insurance Plan	Workers Comp. and Liability	82,576	20,180	(21,312)	81,444
MCHCP	Health Care	42,221	302,935	(299,019)	46,137
MHPML	Health Care	12,300	129,546	(129,346)	12,500
CEIP	Health Care	2,592	17,855	(17,315)	3,132
Total Governmental Activities		<u>\$ 177,678</u>	<u>\$ 505,888</u>	<u>\$ (507,613)</u>	<u>\$ 175,953</u>
<u>Business-Type Activities</u>					
PSTIF	Contamination Cleanup	<u>\$ 81,868</u>	<u>\$ 15,244</u>	<u>\$ (13,094)</u>	<u>\$ 84,018</u>
<u>Component Units</u>					
University of Missouri System	Workers Comp. and Liability	\$ 89,082	\$ 220,389	\$ (223,625)	\$ 85,846
Missouri State University	Health Care, Workers Comp. and Liability	1,807	20,292	(20,675)	1,424
Total Component Units		<u>\$ 90,889</u>	<u>\$ 240,681</u>	<u>\$ (244,300)</u>	<u>\$ 87,270</u>

Risk Management Pool:

The State of Missouri participates in the property program of the Midwestern Higher Education Compact (MHEC) as defined in Section 173.700, RSMo. This program was formed to expand coverage, reduce costs, and stabilize property insurance rates over extended time periods at higher education institutions in all member states. The program offers loss limit coverage tailored to individual institutions as well as self-insured retention by institution. The MHEC Risk Management Oversight Committee directs the major operations of the program overseeing the development of program policies, premium allocations, new program memberships, and selection of program administrators and insurance underwriters.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 23 - Pollution Remediation and Landfill Closure and Postclosure

The State has an obligation to address current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

The Missouri Department of Natural Resources (DNR) was compelled to assess and oversee the cleanup of contaminated sites subject to federal law under the Resource Conservation and Recovery Act (RCRA), also known as the Superfund Law, administered by the U.S. Environmental Protection Agency (EPA). Under this law, the State is required to pay or ensure payment of 10% of the costs of remediation action and 100% of the costs of operations and maintenance at sites where the party responsible for the contamination is unknown, uncooperative, or insolvent. Similarly, Section 260.371.7, RSMo, states that the public should bear a portion of the cost to pay for the State's share of Superfund cleanup to be appropriated from general revenue. At the end of fiscal year 2019, the State was participating in the cleanup of seventeen Superfund sites. Total pollution remediation obligation for these sites totaled approximately \$48.8 million. The basis for these costs are State Superfund contracts that list the estimated cost of cleanup, or actual costs if cleanup is complete, less any payments that have been made to the EPA. Estimated costs will change as actual costs become available. The Hazardous Waste Fund is a component of Conservation and Environmental Protection.

The Office of Administration (OA), Division of Facilities Management, Design and Construction did not have any pollution remediation obligations during fiscal year 2019.

The Missouri Department of Transportation (MoDOT) is in remediation activities related to buildings and grounds caused by contamination and a fuel leak. The current pollution remediation obligation for these sites total approximately \$4.0 thousand. The potential for additional pollution remediation exists, however, any future remediation obligations are not yet estimable.

The Department of Public Safety, Office of the Adjutant General, has been named as a potentially responsible party in the Pools Prairie Superfund site in Newton County, Missouri. The site is listed on the National Priorities List (NPL) and is governed by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). At this time, the Department of Public Safety's portion of the costs for the cleanup cannot be determined.

Changes in the balances of pollution remediation liability (in thousands of dollars) during the current fiscal year are as follows:

Governmental Activities	Type of Pollution Remediation	*Fiscal Year Remediation Liability 6/30/2018	Current Year Assessments and Estimated Changes	Payments	Fiscal Year Remediation Liability 6/30/2019	Due Within One Year
DNR	Superfund Sites	\$ 46,222	\$ 7,079	\$ (4,500)	\$ 48,801	\$ 2,207
OA	Soil and Groundwater Testing and Remediation	17	—	(17)	—	—
MoDOT	Buildings and Grounds Remediation	4	—	—	4	—
Total Governmental Activities		<u>\$ 46,243</u>	<u>\$ 7,079</u>	<u>\$ (4,517)</u>	<u>\$ 48,805</u>	<u>\$ 2,207</u>

*Beginning balances as of June 30, 2018 have been restated (see Note 18).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 23 - Pollution Remediation and Landfill Closure and Postclosure (cont.)

Each landfill owner/operator is required to obtain a financial assurance instrument, which is held by the State as security in the case of a default or forfeiture. Financial assurance instruments can include financial guarantee or performance bonds, letters of credit, insurance policies, corporate guarantees, contracts of obligations, trust funds, and escrow accounts. At June 30, 2019, the DNR, Solid Waste Program tracked the value of the secured financial assurance instruments held by the State to be \$340.2 million. This amount is disclosed, but not reported in the financial statements, because the State does not perform the investment function and does not have significant administrative involvement. While the State maintains possession of the financial assurance instruments, it does not meet criteria to be reported in a fiduciary fund.

As of June 30, 2019, eleven Municipal Solid Waste Landfills (MSWLFs) and two waste tire facilities have defaulted. The owners/operators failed to properly close or maintain post-closure care for these facilities; therefore, the State took possession of the forfeited financial assurance instruments to initiate the closure or post-closure activities as required by Section 260.228, RSMo. The State will monitor and pay post-closure care costs of these facilities for the next 30 years in accordance with the DNR Solid Waste Management Law and Regulations. At June 30, 2019, it is expected that \$1.5 million will be paid over the remaining monitoring periods. This is the amount of the assigned fund balance that has been designated on the General Fund balance sheet for forfeited assets.

The University of Missouri System has been working with the Voluntary Cleanup Program at DNR to characterize subsurface contamination on a University owned property. The University received the results of the two-year sampling process in fiscal year 2016. The University is awaiting a determination from DNR. The site is now on the National Regulatory Commission (NRC) license and must be decommissioned. Upon further review of the documents, the University determined that it does not believe that the documents support the decision to add the site to the NRC license due to an overestimated quantity of isotopes managed at the site. The University made a formal request to remove the site from the NRC license. NRC responded with a request for more information, including a dose assessment, which is estimated at a cost of \$15.0 thousand. If the NRC finds the dose assessment to be unacceptable, then the University will be required to fully decommission the site, including a sampling plan. The cost of a sampling plan to characterize the chemical contamination is estimated at \$1.0 million. The University has not commenced any actions requiring the recognition of a liability for this property.

Note 24- Asset Retirement Obligations

The State has a legally enforceable obligation to perform future asset retirement obligations (ARO) related to its tangible capital assets.

The Missouri Department of Natural Resources (DNR) has a total ARO of \$1,717,000 for gas chromatographs, radiation detectors, petroleum above ground storage tanks, and permitted sewage treatment plants. Gas chromatographs and radiation detectors are considered radioactive sources and will not be accepted by the State's Surplus Property Program, thus requiring a cost for disposition. These ARO's are measured at the current cost of returning the items to the vendor. Gas chromatographs have remaining useful lives of 3 years and radiation detectors have remaining useful lives of 0 to 9 years. The ARO for petroleum above ground storage tanks is measured using the best estimate for taking the tanks out of service, which consists of emptying the tanks, removing the secondary containment, and proper disposal. Remaining useful lives of the tanks are 0 to 16 years. Aboveground storage tanks are regulated under the Missouri Code of State Regulations 2 CSR 90-30.050.16. The ARO for permitted sewage treatment plants is measured using the best estimate for closure of the facilities, which includes submitting a closure plan to DNR addressing wastewater and sludge removal, dewatering activities, removal of treatment structures, and removal of solid waste or leaving in place as a clean fill. Remaining useful lives of the plants is 0 to 47 years. Permitted sewage treatment plants are regulated by the Missouri Code of State Regulations 10 CSR 20-6-011.12 and the Federal Clean Water Act. The ARO for these items would be funded by state appropriations.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 24- Asset Retirement Obligations (cont.)

The Missouri Department of Transportation (MoDOT) has an ARO of \$44,000 to properly dispose of all nuclear gauges used to measure physical properties of materials during its construction projects. The ARO is measured using the current cost of returning the items to the vendor and the assets have remaining estimated useful lives of 15 years. Disposal of the nuclear gauges is required by the Nuclear Regulatory Commission - NUREG 1556 Volume 1 Rev 2. The ARO will be funded by state appropriations.

The Department of Public Safety (DPS), Office of the Adjutant General, has an ARO of \$30,000 to take two underground storage tanks out of service. The ARO is measured using the current cost for closure and the assets have estimated remaining useful lives of 25 years. Underground storage tanks are regulated under the Missouri Code of State Regulations 10 CSR 26. The ARO will be funded by state appropriations.

The University of Missouri (MU) has an ARO based on its ownership of two nuclear research reactors which are regulated by the U.S Nuclear Regulatory Commission (NRC). The NRC requires the University to submit decommissioning funding plans every three years to retain the right to operate the reactors. The decommissioning funding plans update and adjust changes in costs to remediate and the extent of the estimated future contamination. The cost to decommission the reactors is based on a formula as set forth by the NRC as part of the licensing of the facilities. The ARO as of the end of fiscal year 2019 was \$62,433,000. The remaining useful lives of the reactors was 23 years as of June 30, 2019 (in thousands of dollars).

Governmental Activities	ARO Liability at June 30, 2019
DNR	\$ 1,715
MoDOT	44
DPS	30
Total Governmental Activities	\$ 1,789
Business-Type Activities	
DNR	\$ 2
Component Units	
MU	\$ 62,433

Note 25- Contingencies

Contingent Claims Liabilities

Contingent claims liabilities are reported when it is probable a loss has occurred and the amount can be reasonably estimated. These losses include estimates of claims which have been incurred but not reported, including the effects of specific, incremental claim adjustment expenditures/expenses, salvage, subrogation, and other allocated or unallocated claim adjustment expenditures/expenses. Liabilities of governmental funds are reported as a reconciling item to the Government-Wide Statement of Net Position. Expenditures are recognized as payments are made.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 25- Contingencies (cont.)

As of June 30, 2019, the amount of contingent liabilities was \$30.4 million. Changes in reported liability since June 30, 2018, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2018-2019	\$ 48,923	\$ 13,628	\$ (32,146)	\$ 30,405
2017-2018	71,150	4,368	(26,595)	48,923
2016-2017	39,040	59,672	(27,562)	71,150

Section 287.220.8, RSMo, requires an actuarial study of the Second Injury Fund be made every year to determine solvency of the fund. Figures presented below for current year claims and changes in estimates are based on the 2018 actuarial study. As at June 30, 2019, the amount of liabilities for Second Injury Fund was \$2.1 billion. Changes in reported liability since June 30, 2018, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2018-2019	\$ 1,953,168	\$ 213,020	\$ (94,299)	\$ 2,071,889
2017-2018	1,840,186	213,633	(100,651)	1,953,168
2016-2017	1,732,685	206,662	(99,161)	1,840,186

The State receives federal grants which are subject to review and audit by federal grantor agencies. This could result in requests for reimbursements by the grantor agency for expenditures disallowed under grant agreements. The State believes such dis-allowances, if any, would be immaterial in the next fiscal year.

Sales and Use Tax Lawsuits:

The Attorney General, on behalf of other state agencies, is involved in litigation for tort claims including wrongful death, motor vehicle accidents, medical malpractice, assault and battery, and deliberate indifference, as well as employment discrimination claims not included in the 2019 liability amount. It is reasonably possible an adverse court decision may incur an estimated loss of \$4.3 million.

Department of Social Services:

Little Sisters of the Poor v. Department of Social Services, No. 18AC-CC00262 (Cole County Circuit Court). This petition for review was filed on July 12, 2018, by 335 nursing facilities participating in the MO HealthNet program. They claim that the reduction of a per diem reimbursement rate by the department was invalid and contrary to the department's own regulation. The Cole County Circuit Court entered an order and judgment on May 22, 2019, concluding the department had violated its own regulation, the Medicaid Act requirements that apply to rate reductions, and the Equal Protection Clauses of the United States and Missouri Constitutions. If upheld, the resulting cost to the department and the State would be approximately \$45 million. The State filed a notice of appeal on June 28, 2019. Appellate briefs have not yet been submitted and oral argument has not been scheduled. The ultimate resolution of the case on appeal cannot be predicted with any degree of certainty.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 25- Contingencies (cont.)

Department of Health and Senior Services:

The Nurse Student Loan Program provides forgivable student loans to eligible Missouri undergraduate, graduate, post-graduate, and doctoral nursing students in exchange for service in underserved communities and facilities in the state. Current annual award levels, based on statute, are a one-time amount of \$2,500 for LPN students and \$5,000 for professional nursing students. Loans are repaid either through service in an underserved area, or via cash repayment at 9.5% simple interest. For repayment via service, participants provide one year of professional service for each school year a loan is received, up to a maximum of 5 years. The number of loans awarded per year varies based upon available funding, number of previous students anticipating continued funding, and number of eligible new applicants.

The Health Professional Student Loan Program is a competitive state program that awards forgivable loans to students pursuing health care training leading to Missouri licensure. Eligible disciplines are primary care physicians, primary care dentists, and dental hygienists. The amount of funding provided depends upon the student's chosen discipline and educational status. Repayment of loans can be completed either through obtaining employment to earn forgiveness or through cash repayment at 9.5% simple interest. Forgiveness is based upon the number of loans received and is earned at a rate of one year of professional service for each loan received, up to a maximum of 5 years. Qualifying employment is considered as full-time, direct patient care at a facility located in an area of need also referred to as a Health Professional Shortage Area.

The purpose of the Missouri Health Professional State Loan Repayment Program (SLRP) is to improve access to primary care by assisting rural and underserved communities with recruitment and retention of primary care providers. SLRP offers eligible healthcare providers an opportunity to receive up to \$50,000 in financial assistance towards the repayment of their qualifying educational loans in exchange for a minimum two-year commitment to provide healthcare services at an ambulatory public, nonprofit or private nonprofit primary care practice site located in a federally designated Health Professional Shortage Area (HPSA).

The Missouri Nurse Loan Repayment Program (NLRP) offers Registered Nurses (RNs) and Advanced Practice Registered Nurses (APRNs) an opportunity to receive financial assistance towards the repayment of their qualifying educational loans in exchange for a minimum two-year commitment to provide healthcare services in an area of defined need in the State of Missouri.

For all types of loan programs, in the event of a default, i.e. the loanee does not complete the service agreement, the loan status changes to repayment. In the event the loanee does not repay according to the terms of their agreement, the Department of Health and Senior Services will work with the Attorney General's Office to try to collect the outstanding receivables. The current total amount of loans outstanding is \$6.9 million; the total amount in repayment is \$2.7 million. There is no correlation between who will or will not repay their debt once a default has occurred since it is subject to each individual case and the legal remedies pursued. Therefore the amount of loss cannot be reasonably estimated.

Department of Corrections Settlements:

Hootselle v. Department of Corrections, No. 12AC-CC00518 (Cole County Circuit Court). This lawsuit was filed on August 14, 2012 by several corrections officers alleging that the Missouri Department of Corrections failed to compensate them for pre- and post-shift activities, including passing through security checkpoints and retrieving equipment such as keys and radios. The officers' union was later added as a plaintiff and asserted claims for breach of its collective bargaining agreement. Following a jury trial on the plaintiffs' breach of contract claims in August 2018, the court entered judgment against the State and for the class of \$113.7 million. The State filed a notice of appeal and the Missouri Court of Appeals affirmed the judgment. The State has sought transfer to the Supreme Court of Missouri. The ultimate resolution of the case on appeal cannot be predicted with any degree of certainty.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 25- Contingencies (cont.)

Tobacco Master Settlement Agreement:

Under the 1998 Tobacco Master Settlement Agreement (“MSA”), Missouri receives annual settlement payments in perpetuity from Participating Manufacturers (“PMs”) of tobacco products. Each year on or about April 15th, Missouri receives an annual payment typically between \$120 and \$140 million. Annual MSA payments are subject to a downward adjustment if the PMs lose more than 2% of their pre-MSA market share to Non-Participating Manufacturers (“NPMs”). Individual states may avoid their share of this “NPM Adjustment” by enacting and diligently enforcing model legislation, which imposes certain escrow obligations on NPMs.

The tobacco manufacturers contest Missouri’s enforcement of the model legislation for 2004 and subsequent years, each of which is subject to binding arbitration. Arbitration regarding diligent enforcement for 2004 is ongoing. The state appointed arbitrator passed away in August 2019 and the state parties have selected another arbitrator who will begin reviewing the evidence and hear additional matters and argument in 2020. If the panel finds that Missouri was not diligent in 2004, the State will face a downward adjustment on the annual payment following the panel’s determination. The ultimate resolution of the 2004 proceeding, the timing of the panel’s decision, and the outcome of any subsequent arbitration proceedings between the tobacco manufacturers and Missouri cannot be predicted with any degree of certainty.

Contingent Gains

Contingencies that might result in gains are not reported on the statements since they are not realizable.

Natural Resource Settlements:

The Department of Natural Resources works jointly with the United States Fish and Wildlife Service and United States Forest Service to recover damages from parties responsible for causing injuries to natural resources. Funds from these settlements are typically held in the federal treasury in a joint account administered by the United States Department of Interior. Expenditures of these funds may only be by mutual agreement of the Missouri Trustee Council (the Department of Natural Resources, the United States Fish and Wildlife Service and, at times, United States Forest Service) and such funds may only be used to restore, replace, or acquire natural resources similar to those that were injured. As of June 30, 2019, the balance of Missouri-related joint settlement funds in the Department of Interior restoration fund is approximately \$48 million.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 26 - Nonexchange Financial Guarantees

The following nonexchange financial guarantees are extended by the Missouri Agricultural and Small Business Development Authority (MASBDA) and the Missouri Department of Agriculture (MDA). The exchange financial guarantees are not recognized as a liability, which indicates that the State will most likely not be required to make a payment related to the nonexchange financial guarantees. As of June 30, 2019, the State extends the following financial guarantees:

Programs	Maximum Guarantee Period	Total Number of Loans Outstanding	Total Dollar Amount of Loans Outstanding (in thousands)	Total Dollar Amount Guaranteed by the State (in thousands)
Missouri Value-Added Loan Guarantee Program	10 Years	2	\$ 277	\$ 138
Single-Purpose Animal Facilities Loan Guarantee Program	10 Years	6	557	278
Crop and Livestock Loan Guarantee Program	2 Years	20	51	25

Missouri Value-Added Loan Guarantee Program

The Missouri Value-Added Loan Guarantee Program, authorized in Sections 348.400-348.415, RSMo, provides up to a 50% first-loss guarantee on loans, of \$250,000 or less, made by lenders for the purpose of agricultural business development. The loan guarantee is for a duration of up to 10 years. The program is intended to create new economic activity by creating or retaining jobs. Loans guaranteed by the value-added loan guarantee program can be used to finance agricultural property, which includes land, buildings, structures, improvements, and equipment used for the purpose of processing, manufacturing, marketing, exporting, or adding value to an agricultural product. Loans may also be guaranteed to buy stock in a new generation processing entity that processes an agricultural product. In the event of a default, the MASBDA will work with the Attorney General's Office or the loan recipient's bank to try to collect. There were five loan defaults under this program in fiscal year 2019. The outstanding balance on judgments for amounts owed to the State totals \$51,000.

Single-Purpose Animal Facilities Loan Guarantee Program

The Single-Purpose Animal Facilities Loan Guarantee Program, authorized in Sections 348.185-348.225, RSMo, is designed to provide banks and other lenders with a 50% first-loss guarantee on loans of up to \$250,000 for up to 10 years. Independent livestock producers may use the loans to finance, refinance or restructure breeding or feeder livestock, earthworms, land, buildings, facilities, equipment, machinery and animal waste systems for producing poultry, swine, beef and dairy cattle, or other livestock. In the event of a default, the MASBDA will work with the Attorney General's Office or the loan recipient's bank to try to collect. There were no loan defaults under this program in fiscal year 2019.

Crop and Livestock Loan Guarantee Program

The Crop and Livestock Loan Guarantee Program, authorized in Section 261.027(3), RSMo, is a 50% guarantee on a loan made to a 4-H and Future Farmers of America (FFA) member who borrows money to purchase livestock, input, etc., for their Supervised Agriculture Education (SAE) project. Loans eligible for the program are limited to the purchase of livestock, feed, seed, fertilizer, and other miscellaneous out-of-pocket expenses directly related to the project. In the event of a default, the MDA will work with the Attorney General's Office or the loan recipient's bank to try to collect. As of June 30, 2019, there are four loan defaults under this program. The outstanding balance on judgments for amounts owed to the State totals \$1,500.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 27 - Joint Ventures

The Regional Convention and Sports Complex Authority was created by state law for the purpose of financing, constructing, operating, and maintaining a multipurpose convention and sports facility to be located in the City of St. Louis. The Authority operates under a board of commissioners of whom five are appointed by the Governor of the State, three by the County Executive of St. Louis County, and three by the Mayor of the City of St. Louis. The Authority is granted all rights and powers necessary to plan, finance, construct, equip, and maintain the facility.

The Authority is considered a joint venture of the State, County, and City because it constitutes a contractual agreement for public benefit in which the State, County, and City retain an ongoing financial responsibility for the Convention and Sports Facility Project Bonds. In August 1991, the Authority issued \$258,670,000 of Convention and Sports Facility Project Bonds. The bonds were sponsored in the amount of \$132,910,000 by the State (Series A), \$65,685,000 by the County (Series B), and \$60,075,000 by the City (Series C). In December 1993, the Authority issued \$181,885,000 in Convention and Sports Facility Project and Refunding Bonds to advance refund \$101,410,000 and \$50,275,000 of the outstanding 1991 Series A and Series B bonds, respectively, and for additional construction costs. The bonds were sponsored in the amount of \$121,705,000 by the State (Series A) and \$60,180,000 by the County (Series B). In February 1997, the Authority issued \$61,285,000 in Series C refunding bonds to advance refund \$47,155,000 of the outstanding 1991 Series C bonds. In August 2003, the Authority issued \$116,030,000 of Convention and Sports Facility Project and Refunding Bonds Series A 2003 to refund \$2,845,000 and \$113,170,000 of Series A 1991 and Series A 1993 refunding bonds, respectively, and for additional construction costs. In May 2007, the Authority issued \$49,585,000 in Series C 2007 refunding bonds to refund \$61,285,000 of original principal of the Series C 1997 refunding bonds. In August 2013, the Authority issued \$65,195,000 in Series A 2013 refunding bonds to refund \$65,385,000 of Series A 2003 bonds and issued \$32,560,000 in Series B 2013 refunding bonds to refund \$32,180,000 of Series B 2003 bonds.

Pursuant to a financing agreement entered into in August 1991, and terminating in August 2021, the Authority leased the facility to the sponsors who subleased the facility back to the Authority. The payments made by the State, County, and City under the financing agreement are sufficient to pay the principal and interest on the bonds. See *Note 12* for the specific debt service requirements that make up the State's ongoing financial responsibility for this joint venture.

Summary financial information for the Authority as of and for the fiscal year ended December 31, 2018, is presented below (in thousands of dollars):

Total Assets	\$ 166,907
Total Deferred Outflows of Resources	412
Total Assets and Deferred Outflows of Resources	<u>\$ 167,319</u>
Total Liabilities	\$ 61,939
Total Net Position	<u>105,380</u>
Total Liabilities and Net Position	<u>\$ 167,319</u>
Total Revenues	\$ 24,715
Total Expenses	<u>15,558</u>
Net Increase in Net Position	<u>\$ 9,157</u>

Copies of the Authority's financial statements may be requested from:

St. Louis Regional Convention
and Sports Complex Authority
901 North Broadway
St. Louis, Missouri 63101

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 28 - Endowments

Donor-restricted endowments for Missouri reside primarily within the higher education institutions, which are reported as a major component unit of the State. For the college and universities, except the University of Missouri, the net appreciation/depreciation of the endowments is \$2,156,000. Of this amount, \$997,000 is reported as restricted non-expendable, \$1,133,000 is reported as restricted expendable, and \$25,000 is reported as unrestricted net position. The University of Missouri reported a net appreciation/depreciation of restricted non-expendable net position in the amount of \$68,675,000 which consisted of both realized and unrealized gains and losses on investment. For detailed information on the college and universities, please see the individual financial statements. The Revised Statutes of Missouri authorize the acceptance of donations at State agencies or public institutions. The governing boards of these institutions and the donor agreements determine whether net appreciation can be spent and the acceptable spending rate as detailed in Section 402.134, RSMo. These policies are entity specific and vary with each institution.

Note 29 - Conduit Debt

As of June 30, 2019, the Missouri Development Finance Board issued \$1,637,968,000 in Private Activity Bonds and \$2,624,104,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2019, were approximately \$350,741,000 and \$976,803,000 respectively. The Missouri Development Finance Board and the State have no liability for repayment of these revenue bonds and funding notes aside from reserve fund deposits and, accordingly, these bonds and notes have not been recorded as a liability on the financial statements for the Missouri Development Finance Board. The debtor pays all debt service requirements. Security for the bondholders consists of insurance, letters of credit, annual appropriation pledges, and certain funds held through trustees under the various indentures.

As of June 30, 2019, the State Environmental Improvement and Energy Resources Authority (EIERA), a component unit of the State of Missouri, had an outstanding balance of \$875,620,000 in Tax Exempt Revenue Bonds. Of this outstanding amount, \$529,615,000 is for Water Pollution Control and Drinking Water Revenue Bonds issued on behalf of the Department of Natural Resources. The State of Missouri has no liability for repayment of these revenue bonds beyond the resources provided by related loan programs. The bonds are limited obligations of EIERA.

Note 30 - Subsequent Events

Bonds

In July 2019, the Missouri Department of Transportation was awarded \$81.2 million to help fund the \$255.8 million project for improvements to the I-70 freight corridor; specifically to replace the I-70 Missouri River Bridge at Rocheport, Missouri and the addition of climbing lanes at the Mineola Hill in Montgomery County. The acceptance of the grant will result in the issuance of bonds. One such bond is the Third Lien State Road Bonds, Series B 2019 which was issued in the amount of \$178,370,000 on November 13, 2019. These bonds will bear interest of 5.00%, due in semi-annual installments beginning November 1, 2020.

Southeast Missouri State University

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

Missouri Southern State University

On December 17, 2019, Missouri Southern State University issued \$22,490,000 of Auxiliary Enterprise System Revenue bonds, Series 2019A, with interest rates ranging from 3.0%-5.0%. Final maturity for the bonds is October 1, 2049.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 30 - Subsequent Events (cont.)

Missouri State University

During October 2019, the University reached a settlement and release agreement with the interested insurers regarding the sustained loss of the collapse of the broadcast tower in Fordland, Missouri, and received payments for the full settlement. This settlement was included in accounts and other receivables on the statement of net position and in other nonoperating revenues and expenses on the statement of revenues, expenses and changes in net position.

On October 25, 2019, the Board of Governors approved the following:

- The issuance of Educational Facilities Revenue Bonds, Series 2019B in an aggregate amount not to exceed \$7,500,000 for the purpose of providing funds to refund the Series 2010B Bonds maturing on and after October 1, 2021, and associated costs of issuance.
- The issuance of Auxiliary Enterprise System Revenue Bonds, Series 2019A educational facilities revenue bonds. Series 2019B in an aggregate amount no to exceed \$18,400,000 for the purpose of providing funds to refund the Series 2010B Bonds maturing on and after October 1, 2021, and associated costs of issuance.

The bond sale occurred on November 19, 2019, and the bond closing and transfer of funds occurred on December 4, 2019, in the amounts of \$6,780,000 and \$15,980,000 for the series 2019 B and series 2019 A bonds, respectively.



Required Supplementary Information (RSI) includes the Budgetary Comparison Schedule for the General Fund and Major Special Revenue Funds, as well as the Budget to Generally Accepted Accounting Principles (GAAP) reconciliation, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Proportionate Share of the Net Pension Liability, Schedule of State Contributions, Schedule of Changes in Total OPEB Liability and Related Ratios, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Proportionate Share of the Collective Net OPEB Liability, and the Notes to RSI on Budgetary Reporting.

STATE OF MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND, MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	\$ 1,743,457	\$ 1,743,457	\$ 1,743,457	\$ —
Resources (Inflows):				
Taxes:				
Sales and Use	2,241,513	2,227,251	2,236,813	9,562
Individual Income	7,662,998	7,614,242	7,646,931	32,689
Corporate Income	526,044	522,697	524,941	2,244
County Foreign Insurance	293,829	291,960	293,213	1,253
Beer	7,533	7,485	7,517	32
Liquor	25,947	25,782	25,893	111
Cigarette	—	—	—	—
Corporation Franchise	1,618	1,608	1,615	7
Reimbursement/Miscellaneous	165,260	164,208	164,913	705
Total Taxes	<u>10,924,742</u>	<u>10,855,233</u>	<u>10,901,836</u>	<u>46,603</u>
Licenses, Fees, and Permits	95,728	95,123	95,485	362
Sales	1,200	1,197	1,139	(58)
Leases and Rentals	11	11	11	—
Services	514,593	514,548	471,935	(42,613)
Contributions and Intergovernmental	10,301,764	10,290,668	9,579,190	(711,478)
Interest	36,757	36,526	36,646	120
Penalties and Unclaimed Property	28,547	28,401	28,024	(377)
Cost Reimbursement/Miscellaneous	1,185,936	1,185,072	1,097,437	(87,635)
Transfers In	3,888,870	3,952,729	3,297,424	(655,305)
Total Resources (Inflows)	<u>26,978,148</u>	<u>26,959,508</u>	<u>25,509,127</u>	<u>(1,450,381)</u>
Amount Available for Appropriation	<u>28,721,605</u>	<u>28,702,965</u>	<u>27,252,584</u>	<u>(1,450,381)</u>
Charges to Appropriations (Outflows):				
Current:				
General Government	2,502,598	2,490,364	1,979,529	510,835
Education	4,539,209	4,508,356	4,336,234	172,122
Natural and Economic Resources	457,369	460,406	202,075	258,331
Transportation and Law Enforcement	528,484	487,715	283,298	204,417
Human Services	13,879,366	14,245,676	13,247,189	998,487
Debt Service	135,716	135,026	109,096	25,930
Transfers Out	5,650,378	5,747,827	5,124,021	623,806
Total Charges to Appropriations	<u>27,693,120</u>	<u>28,075,370</u>	<u>25,281,442</u>	<u>2,793,928</u>
Ending Budgetary Fund Balance	<u>\$ 1,028,485</u>	<u>\$ 627,595</u>	<u>\$ 1,971,142</u>	<u>\$ 1,343,547</u>
Reconciling Items:				
Reclassifying Cash Equivalents as Investments			(1,177,659)	
Investments at Fair Value			1,196,112	
Receivables, Net			2,568,021	
Due from Other Funds			—	
Due from Component Units			—	
Inventories			22,727	
Advance to Component Units			—	
Accounts Payable			(1,205,524)	
Accrued Payroll			(61,518)	
Due to Other Funds			(4,109)	
Unearned Revenue			(69,581)	
Escheat/Unclaimed Property			(117,792)	
Deferred Inflows of Resources			(994,496)	
Fund Balance - GAAP Basis			<u>\$ 2,127,323</u>	

Public Education				Conservation and Environmental Protection			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 146,998	\$ 146,998	\$ 146,998	\$ —	\$ 539,749	\$ 539,749	\$ 539,749	\$ —
900,091	900,091	908,180	8,089	281,251	281,251	217,683	(63,568)
4,664	4,664	4,706	42	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
55,272	55,272	55,769	497	—	—	—	—
—	—	—	—	—	—	—	—
<u>331,287</u>	<u>331,287</u>	<u>334,265</u>	<u>2,978</u>	<u>1,587</u>	<u>1,587</u>	<u>1,228</u>	<u>(359)</u>
1,291,314	1,291,314	1,302,920	11,606	282,838	282,838	218,911	(63,927)
2,745	2,745	2,769	24	108,680	108,680	84,116	(24,564)
—	—	—	—	8,757	8,757	6,778	(1,979)
—	—	—	—	136	136	105	(31)
—	—	—	—	—	—	—	—
62,852	62,852	63,417	565	82,698	82,698	64,007	(18,691)
3,765	3,765	3,799	34	19,785	19,785	15,313	(4,472)
3,061	3,061	3,089	28	1,255	1,255	971	(284)
93,369	93,369	94,208	839	198,661	198,661	153,760	(44,901)
<u>1,750,844</u>	<u>1,749,405</u>	<u>1,725,330</u>	<u>(24,075)</u>	<u>1,943</u>	<u>1,943</u>	<u>1,938</u>	<u>(5)</u>
<u>3,207,950</u>	<u>3,206,511</u>	<u>3,195,532</u>	<u>(10,979)</u>	<u>704,753</u>	<u>704,753</u>	<u>545,899</u>	<u>(158,854)</u>
<u>3,354,948</u>	<u>3,353,509</u>	<u>3,342,530</u>	<u>(10,979)</u>	<u>1,244,502</u>	<u>1,244,502</u>	<u>1,085,648</u>	<u>(158,854)</u>
457	447	121	326	3,882	4,424	3,427	997
2,838,124	2,845,404	2,755,066	90,338	—	—	—	—
16,180	16,180	4,831	11,349	1,054,748	1,029,436	402,718	626,718
305	305	225	80	999	998	921	77
16,055	15,817	14,015	1,802	1,752	1,752	1,600	152
—	—	—	—	—	—	—	—
<u>452,547</u>	<u>452,064</u>	<u>430,210</u>	<u>21,854</u>	<u>58,046</u>	<u>61,691</u>	<u>57,105</u>	<u>4,586</u>
<u>3,323,668</u>	<u>3,330,217</u>	<u>3,204,468</u>	<u>125,749</u>	<u>1,119,427</u>	<u>1,098,301</u>	<u>465,771</u>	<u>632,530</u>
<u>\$ 31,280</u>	<u>\$ 23,292</u>	<u>\$ 138,062</u>	<u>\$ 114,770</u>	<u>\$ 125,075</u>	<u>\$ 146,201</u>	<u>\$ 619,877</u>	<u>\$ 473,676</u>
		(72,548)				(415,056)	
		74,008				416,032	
		162,037				1,440,630	
		22,733				—	
		—				257	
		108				331	
		—				118	
		(2,434)				(11,952)	
		(51)				(5,142)	
		(4)				(277)	
		—				(128)	
		—				—	
		<u>(55,164)</u>				<u>(24,147)</u>	
		<u>\$ 266,747</u>				<u>\$ 2,020,543</u>	

STATE OF MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING
June 30, 2019

Budgetary Presentation:

A Budgetary Comparison Schedule is presented as Required Supplementary Information for the State's General Fund and Major Special Revenue Funds. Revenues and expenditures are reported on a budgetary basis where actual revenues are recognized when cash is received, and actual expenditures are recognized for cash disbursements. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. A reconciliation of the two for the fiscal year ended June 30, 2019, has been presented at the bottom of the Budgetary Comparison Schedule.

The budgetary expenditures are included in the current year's Appropriation Activity Report, which demonstrates legal compliance with the current year's budget. This report can be viewed at <http://oa.mo.gov/accounting/reports/annual-reports/appropriation-activity-reports>. The original budget expenditures and transfers are for what was originally appropriated for each fund. The final budget expenditures and transfers takes into account any increases and decreases to appropriations during the fiscal year less the Governor's amounts reverted (withheld) for each fund less any reappropriations to the next fiscal year.

Once a year, the Office of Administration-Division of Budget and Planning receives budgeted revenues from state agencies for each of their funds as well as a revised revenue estimate in the spring for the State's General Revenue Fund. The revised revenue estimate is used in the final budget column for the General Fund and is very comparable to actual revenue resulting in a small negative variance on this Schedule.

In accordance with State statute, all state funds must have an appropriation before amounts can be expended or transferred to another state fund; therefore, variances between budgeted and actual expenditures and transfers out on the budgetary schedule will always be positive.

For budget purposes, interfund activity is not eliminated. A summary of interfund eliminations at June 30, 2019, is shown below (in thousands):

	Final Budget Transfer		Actual Transfer	
	In	Out	In	Out
GENERAL FUND	\$ 3,501,007	\$ (3,501,007)	\$ 2,987,192	\$ (2,987,192)
SPECIAL REVENUE FUNDS				
Public Education	414,120	(414,120)	393,274	(393,274)
TOTAL	\$ 3,915,127	\$ (3,915,127)	\$ 3,380,466	\$ (3,380,466)

Budgetary Control:

Budgetary control is maintained at the departmental level; each Department of the Missouri government formulates a budget to be submitted for approval by the General Assembly prior to the beginning of the fiscal year. These budgets are prepared essentially on the cash basis. The legislature reviews, revises, and legally adopts these budgets. The Governor then has the authority to approve or veto each budget, subject to legislative override.

Budgeted expenditures cannot exceed estimated revenues and other sources of funding, including beginning fund balances. In the event that actual revenues are insufficient to cover budgeted expenditures, the Governor must order budget reductions or call a special session of the legislature to address the issue.

Unexpended appropriations lapse at the end of each appropriation year, unless reappropriated to the following appropriation year.

STATE OF MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FISCAL YEARS 2015-2019
(In Thousands of Dollars)

	Judicial Plan*				
	2019**	2018**	2017**	2016**	2015**
Total Pension Liability					
Service Cost	\$ 12,997	\$ 12,946	\$ 10,932	\$ 10,614	\$ 8,990
Interest on the Total Pension Liability	41,019	40,617	37,755	36,162	34,014
Benefit Changes	—	—	—	—	—
Differences between Expected and Actual Experience	(1,320)	(10,687)	(5,037)	5,103	13,361
Changes in Assumptions	12,332	7,906	53,991	—	—
Benefit Payments, including member refunds	(35,657)	(33,985)	(32,989)	(31,246)	(29,407)
Disability Premiums	—	—	—	—	—
Transfers to Other Retirement Systems	—	—	—	—	—
Net Change in Total Pension Liability	<u>29,371</u>	<u>16,797</u>	<u>64,652</u>	<u>20,633</u>	<u>26,958</u>
Total Pension Liability - Beginning	<u>564,418</u>	<u>547,621</u>	<u>482,969</u>	<u>462,336</u>	<u>435,378</u>
Total Pension Liability - Ending (a)	<u>593,789</u>	<u>564,418</u>	<u>547,621</u>	<u>482,969</u>	<u>462,336</u>
Plan Fiduciary Net Position					
Contributions - Employer	36,892	34,247	33,642	32,696	29,265
Contributions - Employee	902	787	661	488	295
Pension Plan Net Investment Income	10,678	4,680	28	(3,610)	21,395
Benefit Payments, including member refunds	(35,657)	(33,985)	(32,989)	(31,246)	(29,407)
Disability Premiums	—	—	—	—	—
Pension Plan Administrative Expense	(181)	(150)	(137)	(123)	(106)
Net Transfers	—	—	—	—	—
Other	(69)	—	—	—	—
Net Change in Plan Fiduciary Net Position	<u>12,565</u>	<u>5,579</u>	<u>1,205</u>	<u>(1,795)</u>	<u>21,442</u>
Plan Fiduciary Net Position - Beginning*	<u>137,635</u>	<u>132,056</u>	<u>130,851</u>	<u>132,646</u>	<u>111,204</u>
Plan Fiduciary Net Position - Ending (b)	<u>150,200</u>	<u>137,635</u>	<u>132,056</u>	<u>130,851</u>	<u>132,646</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 443,589</u>	<u>\$ 426,783</u>	<u>\$ 415,565</u>	<u>\$ 352,118</u>	<u>\$ 329,690</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	25.30%	24.39%	24.11%	27.09%	28.69%
Covered Payroll	\$ 59,417	\$ 58,592	\$ 57,421	\$ 55,656	\$ 49,588
Net Pension Liability as a Percentage of Covered Payroll	746.73%	728.40%	723.72%	632.66%	664.86%

*After post-valuation adjustments.

**Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year. The measurement date is as of June 30, except University of Missouri Retirement System which is based on a measurement date of October 1.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

Missouri Department of Transportation and Highway Patrol Employees'
Retirement System

2019**	2018**	2017**	2016**	2015**
\$ 46,621	\$ 45,713	\$ 45,441	\$ 45,358	\$ 44,740
286,457	283,569	280,432	275,285	270,526
(7)	—	—	—	—
(37,173)	(37,287)	(39,810)	(13,324)	(17,614)
142,556	—	—	—	—
(254,634)	(246,939)	(236,687)	(237,013)	(227,977)
(1,602)	(1,620)	(1,568)	(1,555)	(1,532)
(2,823)	(2,725)	(1,921)	(3,147)	(1,876)
179,395	40,711	45,887	65,604	66,267
3,802,444	3,761,733	3,715,846	3,650,242	3,583,975
3,981,839	3,802,444	3,761,733	3,715,846	3,650,242
204,955	206,563	199,609	200,639	183,354
5,001	4,892	3,483	3,294	2,260
197,620	220,302	21,432	92,646	319,446
(254,634)	(246,939)	(236,687)	(237,013)	(227,977)
(1,602)	(1,620)	(1,568)	(1,555)	(1,532)
(4,693)	(4,516)	(4,370)	(4,067)	(3,736)
(956)	(981)	808	(2,033)	(92)
(936)	—	—	—	—
144,755	177,701	(17,293)	51,911	271,723
2,169,775	1,992,074	2,009,367	1,957,456	1,685,733
2,314,530	2,169,775	1,992,074	2,009,367	1,957,456
\$1,667,309	\$1,632,669	\$1,769,659	\$1,706,479	\$1,692,786
58.13%	57.06%	52.96%	54.08%	53.63%
\$ 353,751	\$ 356,515	\$ 344,635	\$ 342,265	\$ 336,591
471.32%	457.95%	513.49%	498.58%	502.92%

STATE OF MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FISCAL YEARS 2015-2019
(In Thousands of Dollars)

University of Missouri Retirement System

	2019**	2018**	2017**	2016**	2015**
Total Pension Liability					
Service Cost	\$ 62,845	\$ 63,624	\$ 66,269	\$ 68,328	\$ 70,574
Interest on the Total Pension Liability	312,921	305,781	296,885	288,438	275,762
Benefit Changes	—	—	—	—	—
Differences between Expected and Actual Experience	23,046	11,704	(22,741)	(38,227)	13,226
Changes in Assumptions	—	257,616	—	—	—
Benefit Payments, including member refunds	(241,020)	(233,083)	(211,036)	(203,300)	(182,488)
Disability Premiums	—	—	—	—	—
Transfers to Other Retirement Systems	—	—	—	—	—
Net Change in Total Pension Liability	157,792	405,642	129,377	115,239	177,074
Total Pension Liability - Beginning	4,413,831	4,008,189	3,878,812	3,763,573	3,586,499
Total Pension Liability - Ending (a)	4,571,623	4,413,831	4,008,189	3,878,812	3,763,573
Plan Fiduciary Net Position					
Contributions - Employer	115,980	92,200	96,631	99,454	103,895
Contributions - Employee	15,989	15,299	15,218	14,976	14,486
Pension Plan Net Investment Income	183,826	322,297	364,486	6,646	36,412
Benefit Payments, including member refunds	(241,020)	(233,083)	(211,036)	(203,300)	(182,488)
Disability Premiums	—	—	—	—	—
Pension Plan Administrative Expense	—	—	—	—	—
Net Transfers	—	—	—	—	—
Other	—	—	—	—	(2,150)
Net Change in Plan Fiduciary Net Position	74,775	196,713	265,299	(82,224)	(29,845)
Plan Fiduciary Net Position - Beginning*	3,682,638	3,485,925	3,220,626	3,302,850	3,332,695
Plan Fiduciary Net Position - Ending (b)	3,757,413	3,682,638	3,485,925	3,220,626	3,302,850
Net Pension Liability - Ending (a) - (b)	<u>\$ 814,210</u>	<u>\$ 731,193</u>	<u>\$ 522,264</u>	<u>\$ 658,186</u>	<u>\$ 460,723</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.19%	83.43%	86.97%	83.03%	87.76%
Covered Payroll	\$1,187,435	\$1,146,836	\$1,144,412	\$1,129,784	\$1,109,431
Net Pension Liability as a Percentage of Covered Payroll	68.57%	63.76%	45.64%	58.26%	41.53%

STATE OF MISSOURI
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FISCAL YEARS 2015-2019
(In Thousands of Dollars)

	2019*	2018*	2017*	2016*	2015*
Missouri State Employees' Plan					
State's proportion of the net pension liability	82.84%	82.19%	82.21%	82.26%	82.45%
State's proportionate share of the net pension liability	\$ 4,620,928	\$ 4,279,391	\$ 3,816,328	\$ 2,641,347	\$ 1,944,098
State's covered payroll	\$ 1,610,149	\$ 1,617,463	\$ 1,593,034	\$ 1,593,238	\$ 1,613,263
State's proportionate share of the net pension liability as a percentage of its covered payroll	286.99%	264.57%	239.56%	165.78%	120.51%
Plan fiduciary net position as a percentage of the total pension liability	59.02%	60.41%	63.60%	72.62%	79.49%
Judicial Plan					
State's proportion of the net pension liability	100.00%	100.00%	100.00%	100.00%	100.00%
State's proportionate share of the net pension liability	\$ 443,589	\$ 426,783	\$ 415,565	\$ 352,118	\$ 329,690
State's covered payroll	\$ 59,417	\$ 58,592	\$ 57,421	\$ 55,656	\$ 49,588
State's proportionate share of the net pension liability as a percentage of its covered payroll	746.73%	728.40%	723.72%	632.66%	664.86%
Plan fiduciary net position as a percentage of the total pension liability	25.30%	24.39%	24.11%	27.09%	28.69%
Missouri Department of Transportation and Highway Patrol Employees' Retirement System					
State's proportion of the net pension liability	100.00%	100.00%	100.00%	100.00%	100.00%
State's proportionate share of the net pension liability	\$ 1,667,309	\$ 1,632,669	\$ 1,769,659	\$ 1,706,479	\$ 1,692,786
State's covered payroll	\$ 353,751	\$ 356,515	\$ 344,635	\$ 342,265	\$ 336,591
State's proportionate share of the net pension liability as a percentage of its covered payroll	471.32%	457.95%	513.49%	498.58%	502.92%
Plan fiduciary net position as a percentage of the total pension liability	58.13%	57.06%	52.96%	54.08%	53.63%
Missouri State Employees' Plan - Component Units					
Component Unit's proportion of the net pension liability	16.82%	17.44%	17.41%	17.38%	17.19%
Component Unit's proportionate share of the net pension liability	\$ 938,355	\$ 908,000	\$ 808,175	\$ 557,955	\$ 405,189
Component Unit's covered payroll	\$ 326,943	\$ 343,472	\$ 337,401	\$ 336,571	\$ 325,490
Component Unit's proportionate share of the net pension liability as a percentage of its covered payroll	287.01%	264.36%	239.53%	165.78%	124.49%
Plan fiduciary net position as a percentage of the total pension liability	59.02%	60.41%	63.60%	72.62%	79.49%
University of Missouri Retirement System					
University's proportion of the net pension liability	100.00%	100.00%	100.00%	100.00%	100.00%
University's proportionate share of the net pension liability	\$ 814,210	\$ 731,193	\$ 522,264	\$ 658,186	\$ 460,723
University's covered payroll	\$ 1,187,435	\$ 1,146,836	\$ 1,144,412	\$ 1,129,784	\$ 1,109,431
University's proportionate share of the net pension liability as a percentage of its covered payroll	68.57%	63.76%	45.64%	58.26%	41.53%
Plan fiduciary net position as a percentage of the total pension liability	82.19%	83.43%	86.97%	83.03%	87.76%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year. The measurement date is as of June 30, except University of Missouri Retirement System which is based on a measurement date of October 1.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

**STATE OF MISSOURI
SCHEDULE OF STATE CONTRIBUTIONS
PENSION
FISCAL YEARS 2014-2019
(In Thousands of Dollars)**

	2019	2018*	2017	2016	2015	2014
<u>Missouri State Employees' Plan</u>						
Required Contributions	\$ 326,951	\$ 313,167	\$ 274,510	\$ 270,198	\$ 270,220	\$ 269,106
Contributions in relation to the required contribution	\$ 326,951	\$ 313,167	\$ 274,510	\$ 270,198	\$ 270,220	\$ 269,106
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
State's covered payroll	\$1,617,502	\$1,610,149	\$1,617,463	\$1,593,034	\$1,593,238	\$1,613,263
Contributions as a percentage of covered payroll	20.21%	19.45%	16.97%	16.96%	16.96%	16.68%
<u>Judicial Plan</u>						
Required Contributions	\$ 38,555	\$ 36,895	\$ 32,671	\$ 33,642	\$ 32,696	\$ 29,265
Contributions in relation to the required contribution	\$ 38,555	\$ 36,895	\$ 34,247	\$ 33,642	\$ 32,696	\$ 29,265
Contribution deficiency (excess)	\$ —	\$ —	\$ (1,576)	\$ —	\$ —	\$ —
State's covered payroll	\$ 60,516	\$ 59,417	\$ 58,592	\$ 57,421	\$ 55,656	\$ 49,588
Contributions as a percentage of covered payroll	63.71%	62.10%	58.45%	58.59%	58.70%	59.02%
<u>Missouri Department of Transportation and Highway Patrol Employees' Retirement System</u>						
Required Contributions	\$ 210,167	\$ 204,955	\$ 206,563	\$ 199,609	\$ 200,639	\$ 183,354
Contributions in relation to the required contribution	\$ 210,167	\$ 204,955	\$ 206,563	\$ 199,609	\$ 200,639	\$ 183,354
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
State's covered payroll	\$ 362,748	\$ 353,751	\$ 356,515	\$ 344,635	\$ 342,265	\$ 336,591
Contributions as a percentage of covered payroll	58.00%	58.00%	58.00%	58.00%	58.62%	54.44%
<u>Missouri State Employees' Plan - Component Units</u>						
Required Contributions	\$ 64,387	\$ 63,533	\$ 58,246	\$ 57,219	\$ 57,081	\$ 56,087
Contributions in relation to the required contribution	\$ 64,387	\$ 63,533	\$ 58,246	\$ 57,219	\$ 57,081	\$ 56,087
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Component Unit's covered payroll	\$ 318,588	\$ 326,631	\$ 343,472	\$ 337,401	\$ 336,571	\$ 325,490
Contributions as a percentage of covered payroll	20.21%	19.45%	16.96%	16.96%	16.96%	17.23%
<u>University of Missouri Retirement System</u>						
Required Contributions	\$ 115,980	\$ 92,200	\$ 96,631	\$ 99,454	\$ 103,895	\$ 113,688
Contributions in relation to the required contribution	\$ 115,980	\$ 92,200	\$ 96,631	\$ 99,454	\$ 103,895	\$ 113,688
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
University's covered payroll	\$1,187,435	\$1,146,836	\$1,144,412	\$1,129,784	\$1,109,431	\$1,078,347
Contributions as a percentage of covered payroll	9.77%	8.04%	8.44%	8.80%	9.36%	10.54%

*After post-valuation adjustments.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

Notes to the Schedule:

Changes of benefit terms. Senate Bill 62 (SB 62), which contained changes to the benefit structure for Missouri State Employees' MSEP 2011 Plan and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System Year 2000 Plan-2011 Tier, was passed by the 2017 legislature. The provisions of the bill decreased vesting from ten to five years of service, but also included provisions that essentially offset the cost of the vesting change. As a result, SB 62 had no impact on the employer contribution rate and created a decrease to the UAAL for the MSEP 2011 Plan of \$1.6 million.

Changes of assumptions.

For MOSERS: The board reduced the investment return assumption used in the June 30, 2018 valuation to 7.25%.

For MPERS: The board reduced the investment return assumption used in the June 30, 2018 valuation to 7.00%.

For MU: No changes in assumptions.

STATE OF MISSOURI
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FISCAL YEARS 2018-2019
(In Thousands of Dollars)

	Missouri Department of Transportation and Highway Patrol Medical and Life Insurance Plan*		Conservation Employees' Benefits Plan*	
	2019	2018	2019	2018
Total OPEB Liability				
Service Cost	\$ 40,070	\$ 49,483	\$ 2,926	\$ 3,109
Interest	39,737	35,941	5,264	4,975
Differences Between Expected and Actual Experience	(1,907)	—	—	—
Changes of Assumptions or Other Inputs	(54,900)	(165,036)	10,144	(7,665)
Benefit Payments	(23,024)	(21,185)	(3,375)	(3,006)
Net Change in Total OPEB Liability	(24)	(100,797)	14,959	(2,587)
Total OPEB Liability - Beginning	1,121,399	1,222,196	134,757	137,344
Total OPEB Liability - Ending (a)	<u>\$1,121,375</u>	<u>\$ 1,121,399</u>	<u>\$149,716</u>	<u>\$134,757</u>
Covered-Employee Payroll	\$ 355,588	\$ 355,663	\$ 62,766	\$ 62,235
Total OPEB Liability as a Percentage of Covered-Employee Payroll	315.36%	315.30%	238.53%	216.53%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year. The measurement date is as of June 30, except the MSHP and MoDOT Medical and Life Insurance Plan which is based on a measurement date of July 1.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

STATE OF MISSOURI
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FISCAL YEARS 2018-2019
(In Thousands of Dollars)

	University of Missouri OPEB Plan*	
	2019	2018
Total OPEB Liability		
Service Cost	\$ 4,124	\$ 4,991
Interest on the Total OPEB Liability	18,248	17,434
Differences between Expected and Actual Experience	31,459	—
Changes in Assumptions	(17,565)	(18,998)
Benefit Payments, including member refunds	(23,206)	(22,828)
Net Change in Total Pension Liability	13,060	(19,401)
Total OPEB Liability - Beginning	479,006	498,407
Total OPEB Liability - Ending (a)	492,066	479,006
Plan Fiduciary Net Position		
Contributions - Employer	23,363	18,590
Contributions - Employee	17,378	16,480
Net Investment Income	1,469	790
Benefit Payments, including refunds of employee contributions	(40,584)	(35,031)
Other	(1)	(172)
Net Change in Plan Fiduciary Net Position	1,625	657
Plan Fiduciary Net Position - Beginning	36,801	36,144
Plan Fiduciary Net Position - Ending (b)	38,426	36,801
Net OPEB Liability - Ending (a) - (b)	\$ 453,640	\$ 442,205
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	7.81%	7.68%
Covered-Employee Payroll	\$ 677,089	\$ 721,517
Net OPEB Liability as a Percentage of Covered-Employee Payroll	67.00%	61.29%

*Based on a measurement date and actuarial valuation of the preceding fiscal year.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

STATE OF MISSOURI
SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY
FISCAL YEARS 2018-2019
(In Thousands of Dollars)

	2019*	2018*
<u>Missouri Consolidated Health Care Plan</u>		
State's proportion of the collective net OPEB liability	99.59%	99.56%
State's proportionate share of the collective net OPEB liability	\$ 1,745,034	\$ 1,756,787
State's covered payroll	\$ 1,597,814	\$ 1,480,735
State's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	109.21%	118.64%
Plan fiduciary net position as a percentage of the total OPEB liability	6.90%	6.64%
<u>Missouri Consolidated Health Care Plan - CU</u>		
Component Unit's proportion of the collective net OPEB liability	0.05%	0.03%
Component Unit's proportionate share of the collective net OPEB liability	\$ 825	\$ 484
Component Unit's covered payroll	\$ 756	\$ 176
Component Unit's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	109.13%	275.00%
Plan fiduciary net position as a percentage of the total OPEB liability	6.90%	6.64%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

Notes to the Schedules:

Neither MHPML or CEIP have assets that are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Changes of benefit terms. There were no changes in benefit terms.

Changes of assumptions.

For MCHCP: The discount rate changed from 5.71% to 5.90%, in the June 30, 2018 valuation.

For CEIP: The discount rate changed from 3.87% to 3.50% in the June 30, 2018 valuation.

MHPML: The discount rate changed from 3.58% to 3.87% in the June 30, 2018 valuation.

For MU: Claims and trends from the Base and Buyup Medicare advantage plans were revised to reflect future expectations. Also, the discount rate used for the valuations was changed from 3.50% to 3.87% in the June 30, 2018 valuation.



Supplementary Information includes the Budgetary Comparison Schedule and Reconciliation for the Major Capital Projects Fund (Missouri Road Fund), as well as the Combining and Individual Fund Statements for the General Fund and all Non-Major Funds.

**STATE OF MISSOURI
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)**

	Missouri Road Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	\$ 702,009	\$ 702,009	\$ 702,009	\$ —
Resources (Inflows):				
Taxes:				
Vehicle Sales and Use	191,102	191,102	173,255	(17,847)
Fuel	109	109	112	3
Total Taxes	<u>191,211</u>	<u>191,211</u>	<u>173,367</u>	<u>(17,844)</u>
Licenses, Fees, and Permits	90,179	90,179	105,997	15,818
Contributions and Intergovernmental	992,302	992,607	882,536	(110,071)
Interest	7,478	7,478	13,572	6,094
Cost Reimbursement/Miscellaneous	96,380	96,380	57,153	(39,227)
Transfers In	510,000	510,000	487,872	(22,128)
Total Resources (Inflows)	<u>1,887,550</u>	<u>1,887,855</u>	<u>1,720,497</u>	<u>(167,358)</u>
Amount Available for Appropriation	<u>2,589,559</u>	<u>2,589,864</u>	<u>2,422,506</u>	<u>(167,358)</u>
Charges to Appropriations (Outflows):				
Current:				
Transportation and Law Enforcement	924,618	945,513	840,886	104,627
Capital Outlay				
Transportation and Law Enforcement	891,142	911,281	810,441	100,840
Debt Service	110,607	113,107	100,591	12,516
Total Charges to Appropriations	<u>1,926,367</u>	<u>1,969,901</u>	<u>1,751,918</u>	<u>217,983</u>
Ending Budgetary Fund Balance	<u>\$ 663,192</u>	<u>\$ 619,963</u>	<u>\$ 670,588</u>	<u>\$ 50,625</u>
Reconciling Items:				
Reclassifying Cash Equivalents as Investments			(494,282)	
Investments at Fair Value			494,601	
Receivables, Net			115,155	
Inventories			32,865	
Accounts Payable			(102,798)	
Accrued Payroll			(17,619)	
Due to Other Funds			(660)	
Unearned Revenue			(4,848)	
Deferred Inflows of Resources			(15,522)	
Fund Balance - GAAP Basis			<u>\$ 677,480</u>	



The Combining and Individual Fund Statements

Major Funds

General Fund - Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Non-Major Funds

This includes all non-major governmental and enterprise funds, as well as the non-major component units. It also includes all internal service and fiduciary funds because the "major fund" classification, created under GASB Statement 34, does not apply to these funds.

A budgetary comparison statement is provided for all non-major governmental funds.

**STATE OF MISSOURI
BALANCE SHEET
GENERAL FUND
June 30, 2019
(In Thousands of Dollars)**

	General Fund		Totals
	General	Federal	June 30, 2019
ASSETS			
Cash and Cash Equivalents	\$ 669,484	\$ 123,999	\$ 793,483
Investments	1,003,516	192,596	1,196,112
Accounts Receivable, Net	1,538,785	996,584	2,535,369
Interest Receivable	7,765	71	7,836
Inventories	21,871	856	22,727
Loans Receivable	24,816	—	24,816
	<u>3,266,237</u>	<u>1,314,106</u>	<u>4,580,343</u>
Total Assets	<u>\$ 3,266,237</u>	<u>\$ 1,314,106</u>	<u>\$ 4,580,343</u>
LIABILITIES			
Accounts Payable	\$ 566,135	\$ 639,389	\$ 1,205,524
Accrued Payroll	51,085	10,433	61,518
Due to Other Funds	2,123	1,986	4,109
Unearned Revenue	1,236	68,345	69,581
Escheat/Unclaimed Property	117,792	—	117,792
	<u>738,371</u>	<u>720,153</u>	<u>1,458,524</u>
Total Liabilities	<u>738,371</u>	<u>720,153</u>	<u>1,458,524</u>
DEFERRED INFLOWS OF RESOURCES	<u>953,874</u>	<u>40,622</u>	<u>994,496</u>
FUND BALANCES			
Nonspendable	46,687	856	47,543
Restricted	3,441	552,475	555,916
Committed	655,262	—	655,262
Assigned	98,635	—	98,635
Unassigned	769,967	—	769,967
	<u>1,573,992</u>	<u>553,331</u>	<u>2,127,323</u>
Total Fund Balances	<u>1,573,992</u>	<u>553,331</u>	<u>2,127,323</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,266,237</u>	<u>\$ 1,314,106</u>	<u>\$ 4,580,343</u>

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	General Fund			Totals
	General	Federal	Eliminations	June 30, 2019
Revenues:				
Taxes	\$ 9,667,612	\$ 2	\$ —	\$ 9,667,614
Licenses, Fees, and Permits	95,128	478	—	95,606
Sales	473	13	—	486
Leases and Rentals	11	—	—	11
Services	4,021	116,129	—	120,150
Contributions and Intergovernmental	1,725,813	8,750,652	—	10,476,465
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	5,921	1,418	—	7,339
Interest	37,519	394	—	37,913
Penalties and Unclaimed Properties	66,582	5,179	—	71,761
Cost Reimbursement/Miscellaneous	104,013	179,731	—	283,744
Total Revenues	11,707,093	9,053,996	—	20,761,089
Expenditures:				
Current:				
General Government	660,411	26,532	—	686,943
Education	3,385,001	993,189	—	4,378,190
Natural and Economic Resources	56,494	199,554	—	256,048
Transportation and Law Enforcement	94,655	205,211	—	299,866
Human Services	5,865,728	7,512,273	—	13,378,001
Debt Service:				
Principal	79,842	553	—	80,395
Interest	30,105	40	—	30,145
Total Expenditures	10,172,236	8,937,352	—	19,109,588
Excess Revenues (Expenditures)	1,534,857	116,644	—	1,651,501
Other Financing Sources (Uses):				
Issuance of Notes/Capital Leases/ Financed Purchases	900	688	—	1,588
Sale of Capital Assets	195	737	—	932
Transfers In	243,861	146,278	(335,575)	54,564
Transfers Out	(1,420,036)	(193,017)	335,575	(1,277,478)
Total Other Financing Sources (Uses)	(1,175,080)	(45,314)	—	(1,220,394)
Net Change in Fund Balances	359,777	71,330	—	431,107
Fund Balances - Beginning	1,214,328	482,151	—	1,696,479
Increase (Decrease) in Reserve for Inventory	(113)	(150)	—	(263)
Fund Balances - Ending	\$ 1,573,992	\$ 553,331	\$ —	\$ 2,127,323

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
June 30, 2019
(In Thousands of Dollars)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2019
ASSETS					
Cash and Cash Equivalents	\$ 148,145	\$ 21,048	\$ 20,814	\$ 1,200	\$ 191,207
Investments	235,009	54,620	49,967	59,420	399,016
Accounts Receivable, Net	162,435	17,249	—	—	179,684
Interest Receivable	844	379	387	1	1,611
Due from Other Funds	2,051	—	—	—	2,051
Inventories	4,426	—	—	—	4,426
Loans Receivable	3,405	—	—	—	3,405
Total Assets	<u>\$ 556,315</u>	<u>\$ 93,296</u>	<u>\$ 71,168</u>	<u>\$ 60,621</u>	<u>\$ 781,400</u>
LIABILITIES					
Accounts Payable	\$ 52,155	\$ —	\$ 10,577	\$ —	\$ 62,732
Accrued Payroll	12,260	—	—	—	12,260
Due to Other Funds	933	—	—	—	933
Total Liabilities	<u>65,348</u>	<u>—</u>	<u>10,577</u>	<u>—</u>	<u>75,925</u>
DEFERRED INFLOWS OF RESOURCES	<u>7,384</u>	<u>70</u>	<u>161</u>	<u>1</u>	<u>7,616</u>
FUND BALANCES					
Nonspendable	4,426	—	—	60,499	64,925
Restricted	200,380	93,226	60,430	—	354,036
Committed	31,696	—	—	—	31,696
Assigned	247,081	—	—	121	247,202
Total Fund Balances	<u>483,583</u>	<u>93,226</u>	<u>60,430</u>	<u>60,620</u>	<u>697,859</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 556,315</u>	<u>\$ 93,296</u>	<u>\$ 71,168</u>	<u>\$ 60,621</u>	<u>\$ 781,400</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2019
Revenues:					
Taxes	\$ 919,583	\$ 177,857	\$ —	\$ —	\$ 1,097,440
Licenses, Fees, and Permits	423,040	—	—	—	423,040
Sales	1,309	—	—	—	1,309
Leases and Rentals	1	—	—	—	1
Services	1,099	—	—	—	1,099
Contributions and Intergovernmental	355,160	12,379	—	—	367,539
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	1,552	101	1,286	474	3,413
Interest	5,278	3,392	2,235	11	10,916
Penalties and Unclaimed Properties	6,762	—	—	2,501	9,263
Cost Reimbursement/Miscellaneous	62,313	—	—	—	62,313
Total Revenues	1,776,097	193,729	3,521	2,986	1,976,333
Expenditures:					
Current:					
General Government	239,857	—	35,279	—	275,136
Education	1,583	—	7,887	—	9,470
Natural and Economic Resources	249,190	—	845	—	250,035
Transportation and Law Enforcement	340,951	7	1,895	—	342,853
Human Services	666,723	—	8,468	2	675,193
Capital Outlay:					
General Government	—	—	1,242	—	1,242
Education	—	—	12	—	12
Natural and Economic Resources	—	—	629	—	629
Transportation and Law Enforcement	—	—	69	—	69
Human Services	—	—	32,605	—	32,605
Debt Service:					
Principal	678	162,245	4	—	162,927
Interest	202	93,644	351	—	94,197
Total Expenditures	1,499,184	255,896	89,286	2	1,844,368
Excess Revenues (Expenditures)	276,913	(62,167)	(85,765)	2,984	131,965
Other Financing Sources (Uses):					
Issuance of Notes/Capital Leases/Financed Purchases	24	—	—	—	24
Proceeds from Sale of Capital Assets	9,047	—	—	—	9,047
Transfers In	246,621	35,644	551	—	282,816
Transfers Out	(529,729)	—	—	—	(529,729)
Total Other Financing Sources (Uses)	(274,037)	35,644	551	—	(237,842)
Net Change in Fund Balances	2,876	(26,523)	(85,214)	2,984	(105,877)
Fund Balances - Beginning	479,955	119,749	145,644	57,636	802,984
Increase (Decrease) in Reserve for Inventory	752	—	—	—	752
Fund Balances - Ending	\$ 483,583	\$ 93,226	\$ 60,430	\$ 60,620	\$ 697,859



*The **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The State has numerous individual Special Revenue Funds. Therefore, the funds have been combined into specific functional areas.*

Non-Major Special Revenue Funds:

Professional Registration - Provides for the control and regulation of various professions. Each profession has its own fund to account for its operation.

Judicial Protection and Assistance - Provides for protection of public employees by the Attorney General's Office, conviction of criminal offenders by prosecuting attorneys and assistance to victims of criminal offenses.

Agriculture and State Fair - Provides for inspections of products, market development, and awards for competition at the State Fair.

Social Assistance - Provides financial, health, and other services to qualifying individuals.

Transportation and Law Enforcement - Provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety.

Unemployment and Workers' Compensation - Provides for the administration of these laws and benefits to workers who qualify for workers' compensation.

Reimbursements and Other - Provides various reimbursements of costs to other governments and various regulatory commissions not included in other functional areas.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2019
(In Thousands of Dollars)**

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2019
ASSETS								
Cash and Cash								
Equivalents	\$ 20,067	\$ 13,175	\$ 4,231	\$ 25,891	\$ 33,891	\$ 16,801	\$ 34,089	\$ 148,145
Investments	31,417	20,629	7,569	40,464	55,187	26,388	53,355	235,009
Accounts Receivable, Net	—	1,405	147	5,026	128,086	25,368	2,403	162,435
Interest Receivable	—	58	25	172	275	111	203	844
Due from Other Funds	—	—	—	—	—	2,051	—	2,051
Inventories	26	18	16	50	3,942	—	374	4,426
Loans Receivable	—	—	2,245	—	1,160	—	—	3,405
Total Assets	<u>\$ 51,510</u>	<u>\$ 35,285</u>	<u>\$ 14,233</u>	<u>\$ 71,603</u>	<u>\$ 222,541</u>	<u>\$ 70,719</u>	<u>\$ 90,424</u>	<u>\$ 556,315</u>
LIABILITIES								
Accounts Payable	\$ 223	\$ 1,380	\$ 123	\$ 41,310	\$ 3,457	\$ 2,574	\$ 3,088	\$ 52,155
Accrued Payroll	254	437	325	394	7,796	470	2,584	12,260
Due to Other Funds	36	175	17	112	481	34	78	933
Total Liabilities	<u>513</u>	<u>1,992</u>	<u>465</u>	<u>41,816</u>	<u>11,734</u>	<u>3,078</u>	<u>5,750</u>	<u>65,348</u>
DEFERRED INFLOWS OF RESOURCES								
	—	57	14	543	5,503	995	272	7,384
FUND BALANCES								
Nonspendable	26	18	16	50	3,942	—	374	4,426
Restricted	—	25,042	4,030	20,499	31,182	66,646	52,981	200,380
Committed	16,035	1,000	564	4,851	862	—	8,384	31,696
Assigned	34,936	7,176	9,144	3,844	169,318	—	22,663	247,081
Total Fund Balances	<u>50,997</u>	<u>33,236</u>	<u>13,754</u>	<u>29,244</u>	<u>205,304</u>	<u>66,646</u>	<u>84,402</u>	<u>483,583</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 51,510</u>	<u>\$ 35,285</u>	<u>\$ 14,233</u>	<u>\$ 71,603</u>	<u>\$ 222,541</u>	<u>\$ 70,719</u>	<u>\$ 90,424</u>	<u>\$ 556,315</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2019
Revenues:								
Taxes	\$ 110	\$ —	\$ 4,512	\$ 94,602	\$ 703,688	\$ 116,457	\$ 214	\$ 919,583
Licenses, Fees, and Permits	19,334	32,937	10,830	22,976	227,128	1	109,834	423,040
Sales	—	—	5	1,003	—	—	301	1,309
Leases and Rentals	—	—	—	—	—	—	1	1
Services	—	1,098	—	—	—	—	1	1,099
Contributions and Intergovernmental	—	699	139	351,241	46	—	3,035	355,160
Investment Earnings:								
Net Increase (Decrease) in the Fair Value of Investments	211	157	(96)	232	510	176	362	1,552
Interest	—	382	282	979	1,613	667	1,355	5,278
Penalties and Unclaimed Properties	539	2,340	—	40	593	1,743	1,507	6,762
Cost Reimbursement/Miscellaneous	138	1,259	93	36,317	1,252	210	23,044	62,313
Total Revenues	<u>20,332</u>	<u>38,872</u>	<u>15,765</u>	<u>507,390</u>	<u>934,830</u>	<u>119,254</u>	<u>139,654</u>	<u>1,776,097</u>
Expenditures:								
Current:								
General Government	162	15,288	174	1,792	210,323	5,762	6,356	239,857
Education	69	—	—	1,462	—	52	—	1,583
Natural and Economic Resources	20,789	5,298	15,278	3,653	—	97,633	106,539	249,190
Transportation and Law Enforcement	—	23,862	—	3,988	263,411	—	49,690	340,951
Human Services	—	714	—	662,138	—	—	3,871	666,723
Debt Service:								
Principal	—	20	—	3	—	84	571	678
Interest	—	6	8	—	—	20	168	202
Total Expenditures	<u>21,020</u>	<u>45,188</u>	<u>15,460</u>	<u>673,036</u>	<u>473,734</u>	<u>103,551</u>	<u>167,195</u>	<u>1,499,184</u>
Excess Revenues (Expenditures)	(688)	(6,316)	305	(165,646)	461,096	15,703	(27,541)	276,913
Other Financing Sources (Uses):								
Issuance of Notes/ Capital Leases/ Financed Purchases	—	—	—	3	—	—	21	24
Proceeds from Sale of Capital Assets	6	16	18	—	8,959	2	46	9,047
Transfers In	22	1,388	53	190,314	744	2,602	51,498	246,621
Transfers Out	(410)	—	—	(14,038)	(488,217)	(1,250)	(25,814)	(529,729)
Total Other Financing Sources (Uses)	<u>(382)</u>	<u>1,404</u>	<u>71</u>	<u>176,279</u>	<u>(478,514)</u>	<u>1,354</u>	<u>25,751</u>	<u>(274,037)</u>
Net Change in								
Fund Balances	(1,070)	(4,912)	376	10,633	(17,418)	17,057	(1,790)	2,876
Fund Balances - Beginning	52,067	38,138	13,375	18,590	222,149	49,589	86,047	479,955
Increase (Decrease) in Reserve for Inventory	—	10	3	21	573	—	145	752
Fund Balances - Ending	<u>\$ 50,997</u>	<u>\$ 33,236</u>	<u>\$ 13,754</u>	<u>\$ 29,244</u>	<u>\$ 205,304</u>	<u>\$ 66,646</u>	<u>\$ 84,402</u>	<u>\$ 483,583</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Professional Registration			Judicial Protection and Assistance		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Taxes:						
Sales and Use	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Cigarette	—	—	—	—	—	—
Fuel	—	—	—	—	—	—
County Foreign Insurance	—	—	—	—	—	—
Liquor/Wine	—	—	—	—	—	—
Reimbursement/Miscellaneous	103	110	7	—	—	—
Total Taxes	103	110	7	—	—	—
Licenses, Fees, and Permits	18,101	19,339	1,238	31,232	31,827	595
Sales	—	—	—	—	—	—
Leases and Rentals	—	—	—	—	—	—
Services	—	—	—	1,078	1,098	20
Contributions and Intergovernmental	—	—	—	2,226	2,268	42
Interest	—	—	—	371	378	7
Penalties and Unclaimed Property	505	539	34	2,199	2,241	42
Cost Reimbursement/ Miscellaneous	132	141	9	1,266	1,290	24
Total Revenues	18,841	20,129	1,288	38,372	39,102	730
Expenditures:						
Current:						
General Government	74	2	72	24,429	13,662	10,767
Education	150	70	80	—	—	—
Natural and Economic Resources	13,003	9,651	3,352	7,084	6,289	795
Transportation and Law Enforcement	—	—	—	35,250	24,522	10,728
Human Services	—	—	—	789	682	107
Debt Service:	—	—	—	—	—	—
Total Expenditures	13,227	9,723	3,504	67,552	45,155	22,397
Excess Revenues (Expenditures)	5,614	10,406	4,792	(29,180)	(6,053)	23,127
Other Financing Sources (Uses):						
Transfers In	329	16	(313)	5,561	4,403	(1,158)
Transfers Out	(14,716)	(11,642)	3,074	(4,695)	(3,931)	764
Total Other Financing Sources (Uses)	(14,387)	(11,626)	2,761	866	472	(394)
Net Change in Fund Balances	(8,773)	(1,220)	7,553	(28,314)	(5,581)	22,733
Fund Balances - Beginning	52,695	52,695	—	39,379	39,379	—
Fund Balances - Ending	<u>\$ 43,922</u>	<u>\$ 51,475</u>	<u>\$ 7,553</u>	<u>\$ 11,065</u>	<u>\$ 33,798</u>	<u>\$ 22,733</u>
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(31,408)			(20,623)	
Investments at Fair Value		31,417			20,629	
Receivables, Net		—			1,463	
Due from Other Funds		—			—	
Inventories		26			18	
Accounts Payable		(223)			(1,380)	
Accrued Payroll		(254)			(437)	
Due to Other Funds		(36)			(175)	
Deferred Inflows of Resources		—			(57)	
Fund Balance per GAAP		<u>\$ 50,997</u>			<u>\$ 33,236</u>	

Agriculture and State Fair			Social Assistance		
Budget	Actual	Variance	Budget	Actual	Variance
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	41,275	39,097	(2,178)
—	—	—	—	—	—
—	—	—	—	—	—
4,581	4,512	(69)	—	—	—
—	—	—	66,143	62,653	(3,490)
<u>4,581</u>	<u>4,512</u>	<u>(69)</u>	<u>107,418</u>	<u>101,750</u>	<u>(5,668)</u>
10,970	10,804	(166)	24,422	23,134	(1,288)
5	5	—	1,058	1,002	(56)
—	—	—	—	—	—
—	—	—	—	—	—
177	174	(3)	377,999	358,055	(19,944)
153	151	(2)	1,002	949	(53)
—	—	—	14	13	(1)
136	134	(2)	40,447	38,313	(2,134)
<u>16,022</u>	<u>15,780</u>	<u>(242)</u>	<u>552,360</u>	<u>523,216</u>	<u>(29,144)</u>
480	239	241	5,226	3,379	1,847
—	—	—	3,186	2,020	1,166
14,852	11,163	3,689	6,946	3,618	3,328
—	—	—	5,538	3,384	2,154
—	—	—	527,441	492,679	34,762
—	—	—	4	3	1
<u>15,332</u>	<u>11,402</u>	<u>3,930</u>	<u>548,341</u>	<u>505,083</u>	<u>43,258</u>
690	4,378	3,688	4,019	18,133	14,114
25	18	(7)	268,570	200,622	(67,948)
<u>(4,439)</u>	<u>(3,983)</u>	<u>456</u>	<u>(325,320)</u>	<u>(209,811)</u>	<u>115,509</u>
<u>(4,414)</u>	<u>(3,965)</u>	<u>449</u>	<u>(56,750)</u>	<u>(9,189)</u>	<u>47,561</u>
<u>(3,724)</u>	<u>413</u>	<u>4,137</u>	<u>(52,731)</u>	<u>8,944</u>	<u>61,675</u>
9,702	9,702	—	57,379	57,379	—
<u>\$ 5,978</u>	<u>\$ 10,115</u>	<u>\$ 4,137</u>	<u>\$ 4,648</u>	<u>\$ 66,323</u>	<u>\$ 61,675</u>
	(5,884)			(40,432)	
	7,569			40,464	
	2,417			5,198	
	—			—	
	16			50	
	(123)			(41,310)	
	(325)			(394)	
	(17)			(112)	
	(14)			(543)	
	<u>\$ 13,754</u>			<u>\$ 29,244</u>	

This statement is continued on pages 164 - 165

	Transportation and Law Enforcement			Unemployment and Workers' Compensation		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Taxes:						
Sales and Use	\$ 3,928	\$ 3,543	\$ (385)	\$ —	\$ —	\$ —
Cigarette	—	—	—	—	—	—
Fuel	817,253	737,149	(80,104)	—	—	—
County Foreign Insurance	—	—	—	—	—	—
Liquor/Wine	—	—	—	—	—	—
Reimbursement/Miscellaneous	—	—	—	142,778	116,482	(26,296)
Total Taxes	821,181	740,692	(80,489)	142,778	116,482	(26,296)
Licenses, Fees, and Permits	248,015	223,687	(24,328)	1	1	—
Sales	9,468	8,540	(928)	—	—	—
Leases and Rentals	—	—	—	—	—	—
Services	—	—	—	—	—	—
Contributions and Intergovernmental	792	714	(78)	2,714	2,214	(500)
Interest	1,751	1,579	(172)	803	655	(148)
Penalties and Unclaimed Property	666	601	(65)	3,585	2,925	(660)
Cost Reimbursement/ Miscellaneous	1,942	1,771	(171)	530	432	(98)
Total Revenues	1,083,815	977,584	(106,231)	150,411	122,709	(27,702)
Expenditures:						
Current:						
General Government	231,835	217,229	14,606	22,479	7,059	15,420
Education	—	—	—	—	—	—
Natural and Economic Resources	—	—	—	145,257	106,556	38,701
Transportation and Law Enforcement	325,784	271,939	53,845	—	—	—
Human Services	—	—	—	—	—	—
Debt Service:	—	—	—	—	—	—
Total Expenditures	557,619	489,168	68,451	167,736	113,615	54,121
Excess Revenues (Expenditures)	526,196	488,416	(37,780)	(17,325)	9,094	26,419
Other Financing Sources (Uses):						
Transfers In	562,019	547,201	(14,818)	3	2	(1)
Transfers Out	(1,094,971)	(1,047,389)	47,582	(11,983)	(9,690)	2,293
Total Other Financing Sources (Uses)	(532,952)	(500,188)	32,764	(11,980)	(9,688)	2,292
Net Change in Fund Balances	(6,756)	(11,772)	(5,016)	(29,305)	(594)	28,711
Fund Balances - Beginning	97,123	97,123	—	43,776	43,776	—
Fund Balances - Ending	\$ 90,367	\$ 85,351	\$ (5,016)	\$ 14,471	\$ 43,182	\$ 28,711
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(51,460)			(26,381)	
Investments at Fair Value		55,187			26,388	
Receivables, Net		129,521			25,479	
Due from Other Funds		—			2,051	
Inventories		3,942			—	
Accounts Payable		(3,457)			(2,574)	
Accrued Payroll		(7,796)			(470)	
Due to Other Funds		(481)			(34)	
Deferred Inflows of Resources		(5,503)			(995)	
Fund Balance per GAAP		\$ 205,304			\$ 66,646	

This statement is continued from page 163.

Reimbursements and Other			Totals		
Budget	Actual	Variance	Budget	Actual	Variance
\$ —	\$ —	\$ —	\$ 3,928	\$ 3,543	\$ (385)
—	—	—	41,275	39,097	(2,178)
—	—	—	817,253	737,149	(80,104)
165	167	2	165	167	2
—	—	—	4,581	4,512	(69)
—	—	—	209,024	179,245	(29,779)
<u>165</u>	<u>167</u>	<u>2</u>	<u>1,076,226</u>	<u>963,713</u>	<u>(112,513)</u>
108,739	109,834	1,095	441,480	418,626	(22,854)
320	323	3	10,851	9,870	(981)
1	1	—	1	1	—
1	1	—	1,079	1,099	20
3,145	3,177	32	387,053	366,602	(20,451)
1,330	1,343	13	5,410	5,055	(355)
1,493	1,508	15	8,462	7,827	(635)
22,251	22,475	224	66,704	64,556	(2,148)
<u>137,445</u>	<u>138,829</u>	<u>1,384</u>	<u>1,997,266</u>	<u>1,837,349</u>	<u>(159,917)</u>
11,598	5,850	5,748	296,121	247,420	48,701
—	—	—	3,336	2,090	1,246
103,433	88,590	14,843	290,575	225,867	64,708
50,766	42,588	8,178	417,338	342,433	74,905
5,241	3,265	1,976	533,471	496,626	36,845
25	13	12	29	16	13
<u>171,063</u>	<u>140,306</u>	<u>30,757</u>	<u>1,540,870</u>	<u>1,314,452</u>	<u>226,418</u>
<u>(33,618)</u>	<u>(1,477)</u>	<u>32,141</u>	<u>456,396</u>	<u>522,897</u>	<u>66,501</u>
85,937	71,527	(14,410)	922,444	823,789	(98,655)
<u>(102,899)</u>	<u>(73,089)</u>	<u>29,810</u>	<u>(1,559,023)</u>	<u>(1,359,535)</u>	<u>199,488</u>
<u>(16,962)</u>	<u>(1,562)</u>	<u>15,400</u>	<u>(636,579)</u>	<u>(535,746)</u>	<u>100,833</u>
<u>(50,580)</u>	<u>(3,039)</u>	<u>47,541</u>	<u>(180,183)</u>	<u>(12,849)</u>	<u>167,334</u>
90,420	90,420	—	390,474	390,474	—
<u>\$ 39,840</u>	<u>\$ 87,381</u>	<u>\$ 47,541</u>	<u>\$ 210,291</u>	<u>\$ 377,625</u>	<u>\$ 167,334</u>
	(53,292)			(229,480)	
	53,355			235,009	
	2,606			166,684	
	—			2,051	
	374			4,426	
	(3,088)			(52,155)	
	(2,584)			(12,260)	
	(78)			(933)	
	(272)			(7,384)	
	<u>\$ 84,402</u>			<u>\$ 483,583</u>	



*The **Debt Service Funds** account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.*

Debt Service Funds:

Water Pollution Control Bond and Interest - Accounts for moneys used to pay the principal of the Water Pollution Control Bonds and the interest thereon.

Fourth State Building Bond and Interest - Accounts for moneys used to pay the principal of the Fourth State Building Bonds and the interest thereon.

Stormwater Control Bond and Interest - Accounts for moneys used to pay the principal of the Stormwater Control Bonds and the interest thereon.

Fulton State Hospital Bond and Interest - Accounts for moneys used to pay the principal of the Fulton State Hospital Bonds and the interest thereon.

Missouri Road Bond - Accounts for moneys used to pay bonds issued by the Highway and Transportation Commission.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 2019
(In Thousands of Dollars)**

	Water Pollution Control Bond and Interest	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Fulton State Hospital Bond and Interest	Missouri Road Bond	Totals June 30, 2019
ASSETS						
Cash and Cash Equivalents	\$ 3,716	\$ 2,995	\$ 534	\$ 3,701	\$ 10,102	\$ 21,048
Investments	8,922	7,190	1,281	8,884	28,343	54,620
Accounts Receivable, Net	—	—	—	—	17,249	17,249
Interest Receivable	57	47	8	56	211	379
Total Assets	<u>\$ 12,695</u>	<u>\$ 10,232</u>	<u>\$ 1,823</u>	<u>\$ 12,641</u>	<u>\$ 55,905</u>	<u>\$ 93,296</u>
DEFERRED INFLOWS OF RESOURCES						
	\$ 24	\$ 19	\$ 3	\$ 24	\$ —	\$ 70
FUND BALANCES						
Restricted	12,671	10,213	1,820	12,617	55,905	93,226
Total Fund Balances	<u>12,671</u>	<u>10,213</u>	<u>1,820</u>	<u>12,617</u>	<u>55,905</u>	<u>93,226</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,695</u>	<u>\$ 10,232</u>	<u>\$ 1,823</u>	<u>\$ 12,641</u>	<u>\$ 55,905</u>	<u>\$ 93,296</u>

Note: There were no liabilities for fiscal year ended June 30, 2019.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Fulton State Hospital Bond and Interest	Missouri Road Bond	Totals June 30, 2019
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 177,857	\$ 177,857
Contributions and Intergovernmental	—	—	—	—	12,379	12,379
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	126	213	16	107	(361)	101
Interest	253	282	35	238	2,584	3,392
Total Revenues	379	495	51	345	192,459	193,729
Expenditures:						
Current:						
Transportation and Law Enforcement	—	—	—	—	7	7
Debt Service:						
Principal	12,295	24,855	1,425	5,095	118,575	162,245
Interest	2,282	1,073	358	7,252	82,679	93,644
Total Expenditures	14,577	25,928	1,783	12,347	201,261	255,896
Excess Revenues (Expenditures)	(14,198)	(25,433)	(1,732)	(12,002)	(8,802)	(62,167)
Other Financing Sources (Uses):						
Transfers In	12,134	9,556	1,758	12,196	—	35,644
Total Other Financing Sources (Uses)	12,134	9,556	1,758	12,196	—	35,644
Net Change in Fund Balances	(2,064)	(15,877)	26	194	(8,802)	(26,523)
Fund Balances - Beginning	14,735	26,090	1,794	12,423	64,707	119,749
Fund Balances - Ending	\$ 12,671	\$ 10,213	\$ 1,820	\$ 12,617	\$ 55,905	\$ 93,226

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest			Fourth State Building Bond and Interest		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Vehicle Sales and Use Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest	248	249	1	302	302	—
Total Revenues	<u>248</u>	<u>249</u>	<u>1</u>	<u>302</u>	<u>302</u>	<u>—</u>
Expenditures:						
Debt Service	14,577	14,577	—	25,928	25,928	—
Total Expenditures	<u>14,577</u>	<u>14,577</u>	<u>—</u>	<u>25,928</u>	<u>25,928</u>	<u>—</u>
Excess Revenues (Expenditures)	<u>(14,329)</u>	<u>(14,328)</u>	<u>1</u>	<u>(25,626)</u>	<u>(25,626)</u>	<u>—</u>
Other Financing Sources (Uses):						
Transfers In	12,380	12,134	(246)	9,875	9,556	(319)
Total Other Financing Sources (Uses)	<u>12,380</u>	<u>12,134</u>	<u>(246)</u>	<u>9,875</u>	<u>9,556</u>	<u>(319)</u>
Net Change in Fund Balances	(1,949)	(2,194)	(245)	(15,751)	(16,070)	(319)
Fund Balances - Beginning	14,822	14,822	—	26,247	26,247	—
Fund Balances - Ending	<u>\$ 12,873</u>	<u>\$ 12,628</u>	<u>\$ (245)</u>	<u>\$ 10,496</u>	<u>\$ 10,177</u>	<u>\$ (319)</u>
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(8,912)			(7,182)	
Investments at Fair Value		8,922			7,190	
Receivables, Net		57			47	
Deferred Inflows of Resources		<u>(24)</u>			<u>(19)</u>	
Fund Balances - GAAP Basis		<u>\$ 12,671</u>			<u>\$ 10,213</u>	

Stormwater Control Bond and Interest			Fulton State Hospital Bond and Interest		
Budget	Actual	Variance	Budget	Actual	Variance
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
33	34	1	229	228	(1)
33	34	1	229	228	(1)
1,783	1,783	—	12,347	12,347	—
1,783	1,783	—	12,347	12,347	—
(1,750)	(1,749)	1	(12,118)	(12,119)	(1)
1,780	1,758	(22)	12,346	12,196	(150)
1,780	1,758	(22)	12,346	12,196	(150)
30	9	(21)	228	77	(151)
1,805	1,805	—	12,498	12,498	—
<u>\$ 1,835</u>	<u>\$ 1,814</u>	<u>\$ (21)</u>	<u>\$ 12,726</u>	<u>\$ 12,575</u>	<u>\$ (151)</u>
	(1,280)			(8,874)	
	1,281			8,884	
	8			56	
	<u>(3)</u>			<u>(24)</u>	
	<u>\$ 1,820</u>			<u>\$ 12,617</u>	

This statement is continued on page 172.

	Missouri Road Bond			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Vehicle Sales and Use Tax	\$ 196,333	\$ 178,003	\$ (18,330)	\$ 196,333	\$ 178,003	\$ (18,330)
Interest	803	1,729	926	1,615	2,542	927
Total Revenues	197,136	179,732	(17,404)	197,948	180,545	(17,403)
Expenditures:						
Debt Service	188,906	188,848	58	243,541	243,483	58
Total Expenditures	188,906	188,848	58	243,541	243,483	58
Excess Revenues (Expenditures)	8,230	(9,116)	(17,346)	(45,593)	(62,938)	(17,345)
Other Financing Sources (Uses):						
Transfers In	—	—	—	36,381	35,644	(737)
Total Other Financing Sources (Uses)	—	—	—	36,381	35,644	(737)
Net Change in Fund Balances	8,230	(9,116)	(17,346)	(9,212)	(27,294)	(18,082)
Fund Balances - Beginning	47,543	47,543	—	102,915	102,915	—
Fund Balances - Ending	<u>\$ 55,773</u>	<u>\$ 38,427</u>	<u>\$ (17,346)</u>	<u>\$ 93,703</u>	<u>\$ 75,621</u>	<u>\$ (18,082)</u>
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(28,325)			(54,573)	
Investments at Fair Value		28,343			54,620	
Receivables, Net		17,460			17,628	
Deferred Inflows of Resources		—			(70)	
Fund Balances - GAAP Basis		<u>\$ 55,905</u>			<u>\$ 93,226</u>	

This statement is continued from page 171.



*The **Capital Projects Funds** account for financial resources to be used for the acquisition or construction of major capital facilities.*

Non-Major Capital Projects Funds:

Board of Public Buildings - Accounts for bond sale proceeds to be used for renovating state buildings and structures.

Fulton State Hospital - Accounts for proceeds from the sale of bonds to be used for the completion of the design and construction of the replacement for Fulton State Hospital.

State Historical Society - Accounts for proceeds from the sale of bonds to be used for the design, acquisition, and construction of the building for the State Historical Society.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2019
(In Thousands of Dollars)**

	Board of Public Buildings	Fulton State Hospital	State Historical Society	<u>Totals</u> June 30, 2019
ASSETS				
Cash and Cash Equivalents	\$ 15,065	\$ 2,922	\$ 2,827	\$ 20,814
Investments	36,167	7,014	6,786	49,967
Interest Receivable	255	69	63	387
Total Assets	<u>\$ 51,487</u>	<u>\$ 10,005</u>	<u>\$ 9,676</u>	<u>\$ 71,168</u>
LIABILITIES				
Accounts Payable	\$ 4,364	\$ 3,661	\$ 2,552	\$ 10,577
Total Liabilities	<u>4,364</u>	<u>3,661</u>	<u>2,552</u>	<u>10,577</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>106</u>	<u>29</u>	<u>26</u>	<u>161</u>
FUND BALANCES				
Restricted	<u>47,017</u>	<u>6,315</u>	<u>7,098</u>	<u>60,430</u>
Total Fund Balances	<u>47,017</u>	<u>6,315</u>	<u>7,098</u>	<u>60,430</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 51,487</u>	<u>\$ 10,005</u>	<u>\$ 9,676</u>	<u>\$ 71,168</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Board of Public Buildings	Fulton State Hospital	State Historical Society	Totals <u>June 30, 2019</u>
Revenues:				
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	\$ 686	\$ 401	\$ 199	\$ 1,286
Interest	1,273	580	382	2,235
Total Revenues	<u>1,959</u>	<u>981</u>	<u>581</u>	<u>3,521</u>
Expenditures:				
Current:				
General Government	17,392	—	17,887	35,279
Education	7,887	—	—	7,887
Natural and Economic Resources	845	—	—	845
Transportation and Law Enforcement	1,895	—	—	1,895
Human Services	3,186	5,282	—	8,468
Capital Outlay:				
General Government	1,242	—	—	1,242
Education	12	—	—	12
Natural and Economic Resources	629	—	—	629
Transportation and Law Enforcement	69	—	—	69
Human Services	146	32,459	—	32,605
Debt Service:				
Principal	4	—	—	4
Interest	351	—	—	351
Total Expenditures	<u>33,658</u>	<u>37,741</u>	<u>17,887</u>	<u>89,286</u>
Excess Revenues (Expenditures)	<u>(31,699)</u>	<u>(36,760)</u>	<u>(17,306)</u>	<u>(85,765)</u>
Other Financing Sources (Uses):				
Transfers In	551	—	—	551
Total Other Financing Sources (Uses)	<u>551</u>	<u>—</u>	<u>—</u>	<u>551</u>
Net Change in Fund Balances	(31,148)	(36,760)	(17,306)	(85,214)
Fund Balances - Beginning	78,165	43,075	24,404	145,644
Fund Balances - Ending	<u>\$ 47,017</u>	<u>\$ 6,315</u>	<u>\$ 7,098</u>	<u>\$ 60,430</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NON-MAJOR CAPITAL PROJECT FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Board of Public Buildings			Fulton State Hospital		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Interest	\$ 1,264	\$ 1,264	\$ —	\$ 647	\$ 647	\$ —
Total Revenues	1,264	1,264	—	647	647	—
Expenditures:						
Current:						
General Government	15,496	15,474	22	—	—	—
Education	7,887	7,887	—	—	—	—
Natural and Economic Resources	1,109	1,109	—	—	—	—
Transportation and Law Enforcement	2,418	2,418	—	—	—	—
Human Services	3,800	3,800	—	5,178	5,178	—
Capital Outlays:						
General Government	1,321	1,319	2	—	—	—
Education	24	24	—	—	—	—
Natural and Economic Resources	629	629	—	—	—	—
Transportation and Law Enforcement	94	94	—	—	—	—
Human Services	212	212	—	35,940	35,940	—
Debt Service:	351	350	1	—	—	—
Total Expenditures	33,341	33,316	25	41,118	41,118	—
Excess Revenues (Expenditures)	(32,077)	(32,052)	25	(40,471)	(40,471)	—
Other Financing Sources (Uses):						
Transfers In	551	551	—	—	—	—
Total Other Financing Sources (Uses)	551	551	—	—	—	—
Net Changes in Fund Balances	(31,526)	(31,501)	25	(40,471)	(40,471)	—
Fund Balances - Beginning	82,693	82,693	—	50,400	50,400	—
Fund Balances - Ending	<u>\$ 51,167</u>	<u>\$ 51,192</u>	<u>\$ 25</u>	<u>\$ 9,929</u>	<u>\$ 9,929</u>	<u>\$ —</u>
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(36,127)			(7,007)	
Investments at Fair Value		36,167			7,014	
Receivables, Net		255			69	
Account Payable		(4,364)			(3,661)	
Deferred Inflows of Resources		(106)			(29)	
Fund Balance - GAAP Basis		<u>\$ 47,017</u>			<u>\$ 6,315</u>	

State Historical Society			Total		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 397	\$ 396	\$ (1)	\$ 2,308	\$ 2,307	\$ (1)
397	396	(1)	2,308	2,307	(1)
15,334	15,334	—	30,830	30,808	22
—	—	—	7,887	7,887	—
—	—	—	1,109	1,109	—
—	—	—	2,418	2,418	—
—	—	—	8,978	8,978	—
—	—	—	1,321	1,319	2
—	—	—	24	24	—
—	—	—	629	629	—
—	—	—	94	94	—
—	—	—	36,152	36,152	—
—	—	—	351	350	1
15,334	15,334	—	89,793	89,768	25
(14,937)	(14,938)	(1)	(87,485)	(87,461)	24
—	—	—	551	551	—
—	—	—	551	551	—
(14,937)	(14,938)	(1)	(86,934)	(86,910)	24
24,544	24,544	—	157,637	157,637	—
\$ 9,607	\$ 9,606	\$ (1)	\$ 70,703	\$ 70,727	\$ 24
	(6,779)			(49,913)	
	6,786			49,967	
	63			387	
	(2,552)			(10,577)	
	(26)			(161)	
	\$ 7,098			\$ 60,430	



*The **Permanent Funds** account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.*

Permanent Funds:

Arrow Rock State Historic Site Endowment - Accounts for moneys transferred from the State Parks Earnings Fund, as well as other moneys or property received by grant, gift, donation, or bequest specified for the enhancement of the Arrow Rock State Historic Site.

Confederate Memorial Park - Accounts for the income from investments acquired by gifts, donations, and bequests to be used for the maintenance of the Confederate Memorial Park.

State Public School - Accounts for all moneys, bonds, lands, and other properties belonging to or donated to the State for public school use in establishing and maintaining free public schools.

Smith Memorial Endowment Trust - Accounts for moneys bequeathed for the use and benefit of the Crippled Children's Service.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
PERMANENT FUNDS
June 30, 2019
(In Thousands of Dollars)**

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2019
ASSETS					
Cash and Cash Equivalents	\$ 12	\$ 72	\$ 969	\$ 147	\$ 1,200
Investments	18	112	59,060	230	59,420
Interest Receivable	—	—	—	1	1
Total Assets	<u>\$ 30</u>	<u>\$ 184</u>	<u>\$ 60,029</u>	<u>\$ 378</u>	<u>\$ 60,621</u>
DEFERRED INFLOWS OF RESOURCES					
	—	—	—	1	1
FUND BALANCES					
Nonspendable	\$ 30	\$ 75	\$ 60,029	\$ 365	\$ 60,499
Assigned	—	109	—	12	121
Total Fund Balances	<u>30</u>	<u>184</u>	<u>60,029</u>	<u>377</u>	<u>60,620</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 30</u>	<u>\$ 184</u>	<u>\$ 60,029</u>	<u>\$ 378</u>	<u>\$ 60,621</u>

Note: There were no liabilities for the fiscal year ended June 30, 2019.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
PERMANENT FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2019
Revenues:					
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	\$ —	\$ —	\$ 473	\$ 1	\$ 474
Interest	1	3	—	7	11
Penalties and Unclaimed Properties	—	—	2,501	—	2,501
Total Revenues	<u>1</u>	<u>3</u>	<u>2,974</u>	<u>8</u>	<u>2,986</u>
Expenditures:					
Human Services	—	—	—	2	2
Total Expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>2</u>	<u>2</u>
Excess Revenues (Expenditures)	<u>1</u>	<u>3</u>	<u>2,974</u>	<u>6</u>	<u>2,984</u>
Net Change in Fund Balances	1	3	2,974	6	2,984
Fund Balances - Beginning	<u>29</u>	<u>181</u>	<u>57,055</u>	<u>371</u>	<u>57,636</u>
Fund Balances - Ending	<u>\$ 30</u>	<u>\$ 184</u>	<u>\$ 60,029</u>	<u>\$ 377</u>	<u>\$ 60,620</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL PERMANENT FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment			Confederate Memorial Park		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Interest	\$ —	\$ 1	\$ 1	\$ 2	\$ 3	\$ 1
Penalties and Unclaimed Property	—	—	—	—	—	—
Reimbursement/Miscellaneous	—	—	—	—	—	—
Total Revenues	<u>—</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>1</u>
Expenditures:						
Current:						
Human Services	—	—	—	—	—	—
Total Expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Excess Revenues (Expenditures)	<u>—</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>1</u>
Other Financing Sources (Uses):						
Transfers In	—	—	—	—	—	—
Total Other Financing Sources (Uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Changes in Fund Balances	<u>—</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>1</u>
Fund Balances - Beginning	<u>29</u>	<u>29</u>	<u>—</u>	<u>181</u>	<u>181</u>	<u>—</u>
Fund Balances - Ending	<u>\$ 29</u>	<u>\$ 30</u>	<u>\$ 1</u>	<u>\$ 183</u>	<u>\$ 184</u>	<u>\$ 1</u>
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(18)			(112)	
Investments at Fair Value		18			112	
Receivable, Net		—			—	
Deferred Inflows of Resources		—			—	
Fund Balance - GAAP Basis		<u>\$ 30</u>			<u>\$ 184</u>	

State Public School			Smith Memorial Endowment Trust		
Budget	Actual	Variance	Budget	Actual	Variance
\$ —	\$ —	\$ —	\$ 4	\$ 7	\$ 3
—	49	49	—	—	—
—	959	959	—	—	—
—	1,008	1,008	4	7	3
—	—	—	10	2	8
—	—	—	10	2	8
—	1,008	1,008	(6)	5	11
—	2,453	2,453	—	—	—
—	2,453	2,453	—	—	—
—	3,461	3,461	(6)	5	11
45,856	45,856	—	372	372	—
<u>\$ 45,856</u>	<u>\$ 49,317</u>	<u>\$ 3,461</u>	<u>\$ 366</u>	<u>\$ 377</u>	<u>\$ 11</u>
	(48,348)			(230)	
	59,060			230	
	—			1	
	\$ —			(1)	
	<u>\$ 60,029</u>			<u>\$ 377</u>	

This statement is continued on page 185.

	Totals		
	Budget	Actual	Variance
Revenues:			
Interest	\$ 6	\$ 11	\$ 5
Penalties and Unclaimed Property	—	49	49
Reimbursement/Miscellaneous	—	959	959
Total Revenues	<u>6</u>	<u>1,019</u>	<u>1,013</u>
Expenditures:			
Current:			
Human Services	<u>10</u>	<u>2</u>	<u>8</u>
Total Expenditures	<u>10</u>	<u>2</u>	<u>8</u>
Excess Revenues (Expenditures)	<u>(4)</u>	<u>1,017</u>	<u>1,021</u>
Other Financing Sources (Uses):			
Transfers In	<u>—</u>	<u>2,453</u>	<u>2,453</u>
Total Other Financing Sources (Uses)	<u>—</u>	<u>2,453</u>	<u>2,453</u>
Net Changes in Fund Balances	<u>(4)</u>	<u>3,470</u>	<u>3,474</u>
Fund Balances - Beginning	<u>46,438</u>	<u>46,438</u>	<u>—</u>
Fund Balances - Ending	<u>\$ 46,434</u>	<u>\$ 49,908</u>	<u>\$ 3,474</u>
Reconciling Items:			
Reclassifying Cash Equivalents as Investments		(48,708)	
Investments at Fair Value		59,420	
Receivable, Net		1	
Deferred Inflows of Resources		<u>(1)</u>	
Fund Balance - GAAP Basis		<u>\$ 60,620</u>	

This statement is continued from page 184.



*The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises.*

Non-Major Enterprise Funds:

State Fair Fees - Accounts for the fairground admission fees used to improve the grounds and to pay the operating costs of the State Fair.

State Parks - Accounts for park concessions and contributions which are used to acquire and operate state parks.

Natural Resources Revolving Services - Accounts for moneys received from the delivery of services and the sale or resale of maps, plats, reports, studies, records, and other publications and documents.

Historic Preservation Revolving - Accounts for gifts, grants, and contributions used to acquire, preserve, restore, maintain, or operate any historical properties.

Missouri Veterans' Homes - Accounts for fees to provide services for persons confined to one of the veterans' homes.

State Agency for Surplus Property - Accounts for the surplus property operation.

Department of Revenue Information - Accounts for fees received by the Department of Revenue for publications and used to pay the costs of providing this information.

Inmate Canteen - Accounts for sales of the canteen or commissary which is used to improve offender recreational, religious, or education services.

**STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS**

June 30, 2019

(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 935	\$ 7,305	\$ 741
Investments	1,464	11,437	1,160
Accounts Receivable, Net	48	—	—
Interest Receivable	6	57	—
Due from Other Funds	1	—	201
Inventories	4	733	36
Loans Receivable	—	—	—
Total Current Assets	<u>2,458</u>	<u>19,532</u>	<u>2,138</u>
Non-Current Assets:			
Capital Assets:			
Construction in Progress	—	807	—
Software in Progress	—	—	—
Land	—	32,294	—
Land Improvements	173	49,813	—
Temporary Easements	—	50	—
Buildings	757	49,567	—
Equipment	546	14,457	17,452
Software	—	—	—
Less Accumulated Depreciation/Amortization	(920)	(39,586)	(10,851)
Total Non-Current Assets	<u>556</u>	<u>107,402</u>	<u>6,601</u>
Total Assets	<u>3,014</u>	<u>126,934</u>	<u>8,739</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>384</u>	<u>848</u>	<u>33</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	2	297	16
Accrued Payroll	22	52	2
Due to Other Funds	—	2	3
Unearned Revenue	—	—	—
Compensated Absences	1	120	2
Total Current Liabilities	<u>25</u>	<u>471</u>	<u>23</u>
Non-Current Liabilities:			
Compensated Absences	—	12	—
Asset Retirement Obligations	—	—	2
Net OPEB Liability	303	1,640	52
Net Pension Liability	952	3,567	127
Total Non-Current Liabilities	<u>1,255</u>	<u>5,219</u>	<u>181</u>
Total Liabilities	<u>1,280</u>	<u>5,690</u>	<u>204</u>
DEFERRED INFLOWS OF RESOURCES	<u>50</u>	<u>106</u>	<u>4</u>
NET POSITION			
Net Investment in Capital Assets	556	107,402	6,601
Unrestricted	1,512	14,584	1,963
Total Net Position	<u>\$ 2,068</u>	<u>\$ 121,986</u>	<u>\$ 8,564</u>

Historic Preservation Revolving	Missouri Veterans' Homes	State Agency For Surplus Property	Department of Revenue Information	Inmate Canteen	Totals June 30, 2019
\$ 555	\$ 1,917	\$ 783	\$ 308	\$ 8,318	\$ 20,862
869	3,005	1,226	490	—	19,651
—	6,294	149	21	—	6,512
10	18	7	—	—	98
—	—	—	—	—	202
—	573	—	—	3,497	4,843
204	—	—	—	—	204
<u>1,638</u>	<u>11,807</u>	<u>2,165</u>	<u>819</u>	<u>11,815</u>	<u>52,372</u>
—	—	—	—	—	807
—	—	22	—	—	22
—	—	—	—	—	32,294
—	452	250	—	—	50,688
—	—	—	—	—	50
480	1,511	1,909	—	—	54,224
13	12,825	1,189	78	569	47,129
—	203	155	—	—	358
(238)	(8,413)	(2,407)	(78)	(33)	(62,526)
255	6,578	1,118	—	536	123,046
<u>1,893</u>	<u>18,385</u>	<u>3,283</u>	<u>819</u>	<u>12,351</u>	<u>175,418</u>
<u>124</u>	<u>42,067</u>	<u>525</u>	<u>—</u>	<u>341</u>	<u>44,322</u>
2	1,357	77	—	890	2,641
8	2,386	34	—	25	2,529
1	44	4	—	11	65
—	76	—	—	—	76
11	3,546	49	—	57	3,786
<u>22</u>	<u>7,409</u>	<u>164</u>	<u>—</u>	<u>983</u>	<u>9,097</u>
2	—	12	—	123	149
—	—	—	—	—	2
161	44,281	633	—	383	47,453
390	120,028	1,723	—	964	127,751
<u>553</u>	<u>164,309</u>	<u>2,368</u>	<u>—</u>	<u>1,470</u>	<u>175,355</u>
<u>575</u>	<u>171,718</u>	<u>2,532</u>	<u>—</u>	<u>2,453</u>	<u>184,452</u>
<u>17</u>	<u>5,555</u>	<u>66</u>	<u>—</u>	<u>38</u>	<u>5,836</u>
255	6,578	1,118	—	536	123,046
1,170	(123,399)	92	819	9,665	(93,594)
<u>\$ 1,425</u>	<u>\$ (116,821)</u>	<u>\$ 1,210</u>	<u>\$ 819</u>	<u>\$ 10,201</u>	<u>\$ 29,452</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services
Operating Revenues:			
Licenses, Fees, and Permits	\$ 3,828	\$ 6,548	\$ 64
Sales	—	1,154	137
Leases and Rentals	1,175	3,052	—
Charges for Services	—	—	—
Cost Reimbursement/Miscellaneous	1	—	5
Total Operating Revenues	<u>5,004</u>	<u>10,754</u>	<u>206</u>
Operating Expenses:			
Cost of Goods Sold	—	—	565
Personal Service	1,587	2,148	87
Operations	3,147	5,958	565
Specific Programs	9	17	—
Depreciation/Amortization	62	2,508	1,253
Other Charges	231	30	3
Total Operating Expenses	<u>5,036</u>	<u>10,661</u>	<u>2,473</u>
Operating Income (Loss)	<u>(32)</u>	<u>93</u>	<u>(2,267)</u>
Non-Operating Revenues (Expenses):			
Contributions and Intergovernmental	176	921	2,164
Investment Earnings:			
Net Increase (Decrease) in the Fair Value of Investments	8	62	6
Interest	39	347	—
Penalties and Unclaimed Properties	—	518	—
Disposal of Capital Assets	1	63	177
Total Non-Operating Revenues (Expenses)	<u>224</u>	<u>1,911</u>	<u>2,347</u>
Income (Loss) Before Transfers	192	2,004	80
Capital Contributions	—	173	—
Transfers In	—	—	—
Transfers Out	—	—	—
Change in Net Position	<u>192</u>	<u>2,177</u>	<u>80</u>
Total Net Position - Beginning	<u>1,876</u>	<u>119,809</u>	<u>8,484</u>
Total Net Position - Ending	<u>\$ 2,068</u>	<u>\$ 121,986</u>	<u>\$ 8,564</u>

Historic Preservation Revolving	Missouri Veterans' Homes	State Agency For Surplus Property	Department of Revenue Information	Inmate Canteen	Totals June 30, 2019
\$ 4	\$ —	\$ —	\$ —	\$ —	\$ 10,444
—	369	1,602	702	29,551	33,515
—	—	—	—	—	4,227
—	21,662	—	—	—	21,662
—	—	90	2	—	98
<u>4</u>	<u>22,031</u>	<u>1,692</u>	<u>704</u>	<u>29,551</u>	<u>69,946</u>
—	—	917	—	20,503	21,985
295	101,754	1,285	—	960	108,116
57	20,673	370	9	6,363	37,142
162	1,370	—	—	—	1,558
10	1,227	144	—	33	5,237
8	151	6	—	679	1,108
<u>532</u>	<u>125,175</u>	<u>2,722</u>	<u>9</u>	<u>28,538</u>	<u>175,146</u>
<u>(528)</u>	<u>(103,144)</u>	<u>(1,030)</u>	<u>695</u>	<u>1,013</u>	<u>(105,200)</u>
—	72,590	—	—	—	75,851
7	8	9	4	—	104
27	91	46	—	—	550
—	16	—	—	—	534
—	(46)	130	—	3	328
<u>34</u>	<u>72,659</u>	<u>185</u>	<u>4</u>	<u>3</u>	<u>77,367</u>
(494)	(30,485)	(845)	699	1,016	(27,833)
—	—	—	—	—	173
141	16,424	—	—	—	16,565
—	—	(30)	(712)	—	(742)
<u>(353)</u>	<u>(14,061)</u>	<u>(875)</u>	<u>(13)</u>	<u>1,016</u>	<u>(11,837)</u>
1,778	(102,760)	2,085	832	9,185	41,289
<u>\$ 1,425</u>	<u>\$ (116,821)</u>	<u>\$ 1,210</u>	<u>\$ 819</u>	<u>\$ 10,201</u>	<u>\$ 29,452</u>

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services
Cash Flows from Operating Activities:			
Receipts from Internal Customers and Users	\$ 64	\$ —	\$ 201
Receipts from External Customers and Users	4,935	10,236	—
Payments to Suppliers	(3,165)	(5,813)	(839)
Payments to Employees	(1,499)	(1,880)	(75)
Payments Made for Program Expense	(9)	(17)	—
Other Receipts	1	—	5
Other Payments	(231)	(30)	(3)
Net Cash Provided (Used) by Operating Activities	<u>96</u>	<u>2,496</u>	<u>(711)</u>
Cash Flows from Non-Capital Financing Activities:			
Loans Made to Outside Entities	—	—	—
Due to Other Funds	(4)	(3)	—
Due from Other Funds	—	—	178
Contributions and Intergovernmental	176	921	2,164
Transfers to Other Funds	—	—	—
Transfers from Other Funds	—	—	—
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>172</u>	<u>918</u>	<u>2,342</u>
Cash Flows from Capital and Related Financing Activities:			
Purchases and Construction of Capital Assets	(3)	(789)	(1,318)
Disposal of Capital Assets	—	—	—
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3)</u>	<u>(789)</u>	<u>(1,318)</u>
Cash Flows from Investing Activities:			
Proceeds from Investment Maturities	—	—	—
Purchase of Investments	(130)	(1,712)	(149)
Interest and Dividends Received	38	326	—
Penalties and Other Receipts	—	518	—
Net Cash Provided (Used) by Investing Activities	<u>(92)</u>	<u>(868)</u>	<u>(149)</u>
Net Increase (Decrease) in Cash	173	1,757	164
Cash and Cash Equivalents, Beginning of Year	762	5,548	577
Cash and Cash Equivalents, End of Year	<u>\$ 935</u>	<u>\$ 7,305</u>	<u>\$ 741</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (32)	\$ 93	\$ (2,267)
Depreciation/Amortization Expense	62	2,508	1,253
Changes in Assets and Liabilities:			
Accounts Receivable	(4)	—	—
Inventories	—	(9)	315
Deferred Outflows of Resources	(18)	168	3
Accounts Payable	(18)	154	(24)
Accrued Payroll	(29)	11	1
Unearned Revenue	—	(518)	—
Compensated Absences	(42)	4	2
Net OPEB Liability	(4)	(6)	—
Net Pension Liability	151	45	4
Deferred Inflows of Resources	30	46	2
Net Cash Provided (Used) by Operating Activities	<u>\$ 96</u>	<u>\$ 2,496</u>	<u>\$ (711)</u>
Non-Cash Financing and Investing Activities:			
Capital Asset Donations	\$ —	\$ 173	\$ —
Increase (Decrease) in Fair Value of Investments	8	62	6
Net Non-Cash Financing and Investing Activities	<u>\$ 8</u>	<u>\$ 235</u>	<u>\$ 6</u>

Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Inmate Canteen	Totals June 30, 2019
\$ —	\$ 1	\$ 435	\$ —	\$ —	\$ 701
4	22,363	1,089	697	29,551	68,875
(57)	(21,094)	(1,336)	(9)	(27,186)	(59,499)
(238)	(85,110)	(1,088)	—	(906)	(90,796)
(162)	(1,370)	—	—	—	(1,558)
—	—	90	2	—	98
(8)	(151)	(6)	—	(679)	(1,108)
<u>(461)</u>	<u>(85,361)</u>	<u>(816)</u>	<u>690</u>	<u>780</u>	<u>(83,287)</u>
18	—	—	—	—	18
1	(29)	2	—	11	(22)
—	—	—	—	—	178
—	72,574	—	—	—	75,835
—	—	(30)	(712)	—	(742)
141	16,424	—	—	—	16,565
<u>160</u>	<u>88,969</u>	<u>(28)</u>	<u>(712)</u>	<u>11</u>	<u>91,832</u>
—	(898)	—	—	(566)	(3,574)
—	—	105	—	—	105
—	(898)	105	—	(566)	(3,469)
211	—	307	34	—	552
—	(1,687)	—	—	—	(3,678)
29	83	45	—	—	521
—	16	—	—	—	534
<u>240</u>	<u>(1,588)</u>	<u>352</u>	<u>34</u>	<u>—</u>	<u>(2,071)</u>
(61)	1,122	(387)	12	225	3,005
616	795	1,170	296	8,093	17,857
<u>\$ 555</u>	<u>\$ 1,917</u>	<u>\$ 783</u>	<u>\$ 308</u>	<u>\$ 8,318</u>	<u>\$ 20,862</u>
\$ (528)	\$ (103,144)	\$ (1,030)	\$ 695	\$ 1,013	\$ (105,200)
10	1,227	144	—	33	5,237
—	343	(78)	(5)	—	256
—	(47)	—	—	159	418
31	3,899	24	—	(34)	4,073
—	(374)	(49)	—	(479)	(790)
1	156	8	—	(1)	147
—	(10)	—	—	—	(528)
3	63	6	—	1	37
(1)	(370)	(4)	—	(3)	(388)
15	9,930	128	—	70	10,343
8	2,966	35	—	21	3,108
<u>\$ (461)</u>	<u>\$ (85,361)</u>	<u>\$ (816)</u>	<u>\$ 690</u>	<u>\$ 780</u>	<u>\$ (83,287)</u>
\$ —	\$ 16	\$ —	\$ —	\$ —	\$ 189
7	8	9	4	—	104
<u>\$ 7</u>	<u>\$ 24</u>	<u>\$ 9</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 293</u>



*The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the State on a cost-reimbursement basis.*

Internal Service Funds:

Natural Resources Cost Allocation - Accounts for the administrative costs of the Department of Natural Resources.

Mental Health Interagency Payments - Accounts for moneys received through interagency agreements for services provided by other agencies.

State Facility Maintenance and Operation - Accounts for moneys collected from tenants for rent to cover the costs of operations in state-owned office buildings and institutions, charges to tenants in leased space to cover costs of real estate administrative services, and charges to capital improvement projects to cover the costs of project management services.

Office of Administration Revolving - Accounts for the following operations: printing services, flight operations, vehicle management, garage services, data processing and telecommunication services, building and grounds, insurance services, postage, and personnel administration.

Working Capital Revolving - Accounts for the operation of correctional industry programs and correctional farm programs.

General Government Revolving - Accounts for various service operations of the House of Representatives, Supreme Court, Adjutant General, Senate, Treasurer, and Department of Corrections.

Social Services Administrative Trust - Accounts for moneys transferred or paid to the Department of Social Services from any governmental entity or the public for goods and services provided.

Economic Development Administrative - Accounts for moneys collected for goods and services provided to other divisions and used to pay the cost of providing such services.

Professional Registration Fees - Accounts for moneys received from the professional boards for administrative services.

Conservation Employees' Insurance Plan - Accounts for health insurance coverage on a self-insured basis and life insurance coverage by a third party provider for Department of Conservation employees.

Transportation Self-Insurance Plan - Accounts for highway and highway patrol moneys used to pay workers' compensation claims. Moneys are also used to pay auto claims against the Department of Transportation.

Missouri State Employees' Insurance Plan - Accounts for long-term disability and death benefits provided on a self-insured basis for state employees.

Missouri Consolidated Health Care Plan - Accounts for medical care benefits provided on a self-insured basis for active state employees.

MoDOT and MSHP Medical and Life Insurance Plan - Accounts for the medical coverage provided on a self-insured basis and death benefits provided on an insured basis to Department of Transportation employees and members of the Missouri State Highway Patrol.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2019
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 326	\$ 60	\$ 1,971	\$ 6,003	\$ 5,762	\$ 1,383
Investments	510	93	3,085	11,081	9,020	2,164
Restricted:						
Investments	—	—	—	—	—	—
Accounts Receivable, Net	—	—	—	4,488	937	49,782
Interest Receivable	—	—	—	30	—	—
Due from Other Funds	—	82	29	5,689	213	4
Inventories	—	—	300	1,699	7,680	—
Prepaid Items	—	—	—	—	—	—
Total Current Assets	<u>836</u>	<u>235</u>	<u>5,385</u>	<u>28,990</u>	<u>23,612</u>	<u>53,333</u>
Non-Current Assets:						
Investments	—	—	—	—	—	—
Restricted Assets:						
Cash and Cash Equivalents	—	—	—	1,087	—	—
Investments	—	—	—	—	—	—
Capital Assets:						
Construction in Progress	—	—	189	—	37	—
Software in Progress	669	—	—	669	—	—
Land	—	—	8,293	—	41	—
Land Improvements	—	—	3,592	—	—	—
Buildings	221	—	481,889	2,915	6,432	—
Equipment	4,073	952	13,936	92,984	18,772	356
Software	3,972	603	98	25,369	238	9,467
Less Accumulated Depreciation/Amortization	(6,715)	(1,551)	(236,942)	(94,901)	(22,948)	(9,757)
Total Non-Current Assets	<u>2,220</u>	<u>4</u>	<u>271,055</u>	<u>28,123</u>	<u>2,572</u>	<u>66</u>
Total Assets	<u>3,056</u>	<u>239</u>	<u>276,440</u>	<u>57,113</u>	<u>26,184</u>	<u>53,399</u>
DEFERRED OUTFLOWS OF RESOURCES						
	<u>5,419</u>	<u>—</u>	<u>15,716</u>	<u>8,941</u>	<u>4,894</u>	<u>77</u>
LIABILITIES						
Current Liabilities:						
Bank Overdraft	—	—	—	—	—	—
Accounts Payable	193	4	630	920	68	676
Accrued Payroll	288	—	827	462	247	2
Due to Other Funds	56	—	95	—	—	67
Unearned Revenue	—	—	—	51	—	—
Claims Liability	—	—	—	—	—	—
Obligations under Financed Purchases	98	—	—	6,438	—	—
Obligations under Lease Purchase	1	—	1,821	87	19	—
Compensated Absences	479	—	1,606	869	528	1
Total Current Liabilities	<u>1,115</u>	<u>4</u>	<u>4,979</u>	<u>8,827</u>	<u>862</u>	<u>746</u>
Non-Current Liabilities:						
Claims Liability	—	—	—	—	—	—
Obligations under Financed Purchases	38	—	—	9,980	—	—
Obligations under Lease Purchase	4	—	23,848	375	84	—
Compensated Absences	187	—	209	180	—	—
Net OPEB Liability	6,714	—	21,886	9,406	6,644	837
Net Pension Liability	17,339	—	50,002	27,515	17,546	1,557
Total Non-Current Liabilities	<u>24,282</u>	<u>—</u>	<u>95,945</u>	<u>47,456</u>	<u>24,274</u>	<u>2,394</u>
Total Liabilities	<u>25,397</u>	<u>4</u>	<u>100,924</u>	<u>56,283</u>	<u>25,136</u>	<u>3,140</u>
DEFERRED INFLOWS OF RESOURCES						
	<u>712</u>	<u>—</u>	<u>2,053</u>	<u>1,170</u>	<u>638</u>	<u>12</u>
NET POSITION						
Net Investment in Capital Assets	2,079	4	245,386	10,156	2,469	66
Restricted for:						
Other Purposes	—	—	—	1,059	—	—
Unrestricted	(19,713)	231	(56,207)	(2,614)	2,835	50,258
Total Net Position	<u>\$ (17,634)</u>	<u>\$ 235</u>	<u>\$ 189,179</u>	<u>\$ 8,601</u>	<u>\$ 5,304</u>	<u>\$ 50,324</u>

Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2019
\$ 17	\$ 67	\$ 253	\$ 1,964	\$ 4,330	\$ —	\$ 53,849	\$ 16,440	\$ 92,425
26	106	396	10,112	20,675	6,467	—	5,730	69,465
—	—	—	—	—	—	—	100	100
—	—	—	820	154	958	16,105	2,486	75,730
—	—	—	31	300	—	—	116	477
105	—	—	—	—	—	—	—	6,122
95	2	12	—	—	—	—	—	9,788
—	—	—	—	—	—	397	—	397
<u>243</u>	<u>175</u>	<u>661</u>	<u>12,927</u>	<u>25,459</u>	<u>7,425</u>	<u>70,351</u>	<u>24,872</u>	<u>254,504</u>
—	—	—	—	86,357	—	—	34,226	120,583
—	—	—	—	—	—	—	—	1,087
—	—	—	—	200	—	—	—	200
—	—	—	—	—	—	—	—	226
—	—	250	—	—	—	—	—	1,588
—	—	—	—	—	—	—	—	8,334
—	—	—	—	—	—	—	—	3,592
—	—	2,355	—	—	—	—	—	493,812
86	166	942	—	—	—	2,153	—	134,420
—	9	300	—	—	—	—	—	40,056
(67)	(166)	(2,584)	—	—	—	(1,933)	—	(377,564)
<u>19</u>	<u>9</u>	<u>1,263</u>	<u>—</u>	<u>86,557</u>	<u>—</u>	<u>220</u>	<u>34,226</u>	<u>426,334</u>
<u>262</u>	<u>184</u>	<u>1,924</u>	<u>12,927</u>	<u>112,016</u>	<u>7,425</u>	<u>70,571</u>	<u>59,098</u>	<u>680,838</u>
—	724	3,033	—	—	—	2,304	—	41,108
—	—	—	—	—	2	—	—	2
57	8	119	39	33	5,346	12,638	2,450	23,181
—	22	168	—	—	—	—	—	2,016
—	1	14	—	—	—	—	—	233
—	—	—	42	—	2,008	17,088	9,317	28,506
—	—	—	2,929	23,894	—	42,820	9,600	79,243
—	—	—	—	—	—	—	—	6,536
—	—	5	—	—	—	—	—	1,933
—	45	260	—	—	—	7	—	3,795
<u>57</u>	<u>76</u>	<u>566</u>	<u>3,010</u>	<u>23,927</u>	<u>7,356</u>	<u>72,553</u>	<u>21,367</u>	<u>145,445</u>
—	—	—	—	51,352	—	—	—	51,352
—	—	—	—	—	—	—	—	10,018
—	—	22	—	—	—	—	—	24,333
—	2	67	—	—	—	220	—	865
—	983	3,386	—	—	—	—	—	49,856
—	2,766	9,153	—	—	—	8,362	—	134,240
—	3,751	12,628	—	51,352	—	8,582	—	270,664
<u>57</u>	<u>3,827</u>	<u>13,194</u>	<u>3,010</u>	<u>75,279</u>	<u>7,356</u>	<u>81,135</u>	<u>21,367</u>	<u>416,109</u>
—	102	392	—	—	—	364	—	5,443
19	9	1,236	—	—	—	220	—	261,644
—	—	—	—	200	—	—	100	1,359
<u>186</u>	<u>(3,030)</u>	<u>(9,865)</u>	<u>9,917</u>	<u>36,537</u>	<u>69</u>	<u>(8,844)</u>	<u>37,631</u>	<u>37,391</u>
<u>\$ 205</u>	<u>\$ (3,021)</u>	<u>\$ (8,629)</u>	<u>\$ 9,917</u>	<u>\$ 36,737</u>	<u>\$ 69</u>	<u>\$ (8,624)</u>	<u>\$ 37,731</u>	<u>\$ 300,394</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration and Revolving	Working Capital Revolving	General Government Revolving
Operating Revenues:						
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Employee Contributions	—	—	—	—	—	—
Medicare Part D Subsidy	—	—	—	—	—	—
Licenses, Fees, and Permits	—	—	—	—	—	19,661
Sales	—	—	—	—	29,814	6
Leases and Rentals	—	—	64,374	—	172	3
Charges for Services	13,047	6,567	5,180	103,983	—	358
Cost Reimbursement/Miscellaneous	64	—	18	1,529	13	15
Total Operating Revenues	<u>13,111</u>	<u>6,567</u>	<u>69,572</u>	<u>105,512</u>	<u>29,999</u>	<u>20,043</u>
Operating Expenses:						
Cost of Goods Sold	—	—	—	10,845	11,229	—
Personal Service	12,035	—	37,149	20,396	11,654	265
Operations	2,509	4	33,761	59,745	4,392	7,120
Specific Programs	3	7,115	14	—	14	3,105
Insurance Benefits	—	—	—	—	—	—
Depreciation/Amortization	775	2	12,519	8,459	841	5
Other Charges	175	—	97	67	1,443	21
Total Operating Expenses	<u>15,497</u>	<u>7,121</u>	<u>83,540</u>	<u>99,512</u>	<u>29,573</u>	<u>10,516</u>
Operating Income (Loss)	<u>(2,386)</u>	<u>(554)</u>	<u>(13,968)</u>	<u>6,000</u>	<u>426</u>	<u>9,527</u>
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	—	—	50	—	—	—
Interest Expense	—	—	(852)	(273)	(3)	—
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	3	4	21	51	54	13
Interest	—	—	—	156	—	—
Disposal of Capital Assets	(9)	(2)	(15)	56	2	7
Total Non-Operating Revenues (Expenses)	<u>(6)</u>	<u>2</u>	<u>(796)</u>	<u>(10)</u>	<u>53</u>	<u>20</u>
Income (Loss) Before Transfers	<u>(2,392)</u>	<u>(552)</u>	<u>(14,764)</u>	<u>5,990</u>	<u>479</u>	<u>9,547</u>
Transfers In	—	—	43	—	—	—
Transfers Out	—	—	—	(2,823)	—	—
Change in Net Position	<u>(2,392)</u>	<u>(552)</u>	<u>(14,721)</u>	<u>3,167</u>	<u>479</u>	<u>9,547</u>
Total Net Position - Beginning	<u>(15,242)</u>	<u>787</u>	<u>203,900</u>	<u>5,434</u>	<u>4,825</u>	<u>40,777</u>
Total Net Position - Ending	<u>\$ (17,634)</u>	<u>\$ 235</u>	<u>\$ 189,179</u>	<u>\$ 8,601</u>	<u>\$ 5,304</u>	<u>\$ 50,324</u>

Social Services Administrative Trust Fund	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2019
\$ —	\$ —	\$ —	\$ 10,105	\$ 19,400	\$ —	\$ 400,007	\$ 94,207	\$ 523,719
—	—	—	8,458	—	31,343	76,138	47,665	163,604
—	—	—	40	—	—	—	7,144	7,184
—	—	—	—	—	—	—	—	19,661
—	—	—	—	—	—	—	—	29,820
—	—	—	—	—	—	—	—	64,549
955	1,164	7,985	—	—	—	—	—	139,239
9	7	6	2,827	380	495	39,033	2,559	46,955
964	1,171	7,991	21,430	19,780	31,838	515,178	151,575	994,731
—	—	—	—	—	—	—	—	22,074
—	1,375	7,153	—	—	400	3,683	—	94,110
915	204	1,637	2,246	1,057	101	1,259	6,259	121,209
—	2	4	—	—	—	—	—	10,257
—	—	—	17,481	11,399	31,343	489,425	128,612	678,260
16	6	179	—	—	—	110	—	22,912
—	7	68	20	—	—	10,110	—	12,008
931	1,594	9,041	19,747	12,456	31,844	504,587	134,871	960,830
33	(423)	(1,050)	1,683	7,324	(6)	10,591	16,704	33,901
1	—	—	—	—	—	—	—	51
—	—	(1)	—	—	—	—	—	(1,129)
—	1	2	224	2,219	—	—	751	3,343
—	—	—	221	2,310	121	1,171	1,004	4,983
—	—	(15)	—	—	—	—	—	24
1	1	(14)	445	4,529	121	1,171	1,755	7,272
34	(422)	(1,064)	2,128	11,853	115	11,762	18,459	41,173
—	—	14	—	—	—	—	—	57
—	—	(10)	—	—	—	—	—	(2,833)
34	(422)	(1,060)	2,128	11,853	115	11,762	18,459	38,397
171	(2,599)	(7,569)	7,789	24,884	(46)	(20,386)	19,272	261,997
\$ 205	\$ (3,021)	\$ (8,629)	\$ 9,917	\$ 36,737	\$ 69	\$ (8,624)	\$ 37,731	\$ 300,394

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving
Cash Flows from Operating Activities:						
Receipts from Internal Customers and Users	\$ 13,047	\$ 6,567	\$ 69,525	\$ 98,816	\$ 22,206	\$ 90
Receipts from External Customers and Users	—	—	29	4,374	7,414	10,654
Payments to Suppliers	(2,435)	(265)	(34,513)	(71,318)	(16,397)	(7,088)
Payments to Employees	(9,840)	—	(31,150)	(17,073)	(9,804)	(224)
Payments Made for Program Expense	(3)	(7,115)	(14)	—	(14)	(3,105)
Other Receipts	64	—	18	1,529	13	15
Other Payments	(175)	—	(97)	(67)	(1,443)	(21)
Net Cash Provided (Used) by Operating Activities	658	(813)	3,798	16,261	1,975	321
Cash Flows from Non-Capital Financing Activities:						
Due to Other Funds	(8)	—	7	—	—	(37)
Due from Other Funds	—	39	(4)	1,026	(114)	—
Due from Component Units	—	—	—	2	—	—
Contributions and Intergovernmental	—	—	50	—	—	—
Transfers to Other Funds	—	—	—	(2,823)	—	—
Transfers from Other Funds	—	—	43	—	—	—
Net Cash Provided (Used) by Non-Capital Financing Activities	(8)	39	96	(1,795)	(114)	(37)
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	—	—	(852)	(273)	(3)	—
Purchases and Construction of Capital Assets	(549)	—	(1,000)	(3,805)	(396)	—
Capital Lease Downpayment/Obligations	—	—	(1,757)	(84)	(19)	—
Financed Purchase Downpayment/Obligations	(90)	—	(602)	(4,762)	—	—
Disposal of Capital Assets	—	—	—	—	—	7
Net Cash Provided (Used) by Capital and Related Financing Activities	(639)	—	(4,211)	(8,924)	(418)	7
Cash Flows from Investing Activities:						
Proceeds from Sales and Investment Maturities	15	497	335	—	—	—
Purchase of Investments	—	—	—	(3,131)	(527)	(91)
Interest and Dividends Received	—	—	—	140	—	—
Investment Fees	—	—	—	—	—	—
Net Cash Provided (Used) by Investing Activities	15	497	335	(2,991)	(527)	(91)
Net Increase (Decrease) in Cash	26	(277)	18	2,551	916	200
Cash and Cash Equivalents, Beginning of Year	300	337	1,953	4,539	4,846	1,183
Cash and Cash Equivalents, End of Year	\$ 326	\$ 60	\$ 1,971	\$ 7,090	\$ 5,762	\$ 1,383
Reconciliation of Operating Income (Loss) of Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ (2,386)	\$ (554)	\$ (13,968)	\$ 6,000	\$ 426	\$ 9,527
Depreciation/Amortization Expense	775	2	12,519	8,459	841	5
Changes in Assets and Liabilities:						
Accounts Receivable	—	—	—	(593)	(366)	(9,284)
Inventories	—	—	593	(401)	(779)	—
Deferred Outflows of Resources	(155)	—	1,115	724	307	19
Prepaid Items	—	—	—	—	—	—
Accounts Payable	74	(261)	(1,345)	(327)	3	32
Accrued Payroll	29	—	13	13	7	(1)
Unearned Revenue	—	—	—	(200)	—	—
Claims Liability	—	—	—	—	—	—
Compensated Absences	85	—	(33)	(76)	10	(5)
Net OPEB Liability	(50)	—	(136)	(78)	(43)	—
Net Pension Liability	1,859	—	3,930	2,114	1,222	21
Deferred Inflows of Resources	427	—	1,110	626	347	7
Net Cash Provided (Used) by Operating Activities	\$ 658	\$ (813)	\$ 3,798	\$ 16,261	\$ 1,975	\$ 321
Non-Cash Financing and Investing Activities:						
Capital Lease and Financed Purchase Issuance	\$ 226	\$ —	\$ —	\$ 15,639	\$ —	\$ —
Increase (Decrease) in Fair Value of Investments	3	4	21	51	54	13
Net Non-Cash Financing and Investing Activities	\$ 229	\$ 4	\$ 21	\$ 15,690	\$ 54	\$ 13

Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2019
\$ 949	\$ 734	\$ —	\$ 10,099	\$ 19,446	\$ —	\$ 394,905	\$ 94,207	\$ 730,591
6	430	7,985	8,472	—	31,255	76,138	54,278	201,035
(965)	(211)	(1,730)	(2,482)	(1,057)	2,366	(9,092)	(5,288)	(150,475)
—	(1,055)	(6,018)	—	—	(400)	(2,830)	—	(78,394)
—	(2)	(4)	(17,684)	(17,597)	(31,343)	(492,742)	(131,512)	(701,135)
9	7	6	2,827	380	495	39,033	2,559	46,955
—	(7)	(68)	(20)	—	—	(10,110)	—	(12,008)
(1)	(104)	171	1,212	1,172	2,373	(4,698)	14,244	36,569
—	(3)	(4)	—	—	—	—	—	(45)
(52)	—	—	—	—	—	—	—	895
—	—	—	—	—	—	—	—	2
1	—	—	—	—	—	—	—	51
—	—	(10)	—	—	—	—	—	(2,833)
—	—	14	—	—	—	—	—	57
(51)	(3)	—	—	—	—	—	—	(1,873)
—	—	(1)	—	—	—	—	—	(1,129)
—	—	(158)	—	—	—	(43)	—	(5,951)
—	—	(6)	—	—	—	—	—	(1,866)
—	—	—	—	—	—	—	—	(5,454)
—	14	—	—	—	—	—	—	21
—	14	(165)	—	—	—	(43)	—	(14,379)
35	63	13	—	27,594	1,158,378	29,332	12,845	1,229,107
—	—	—	(752)	(33,412)	(1,160,872)	—	(23,885)	(1,222,670)
—	—	—	219	2,402	121	1,171	1,007	5,060
—	—	—	—	(101)	—	—	(32)	(133)
35	63	13	(533)	(3,517)	(2,373)	30,503	(10,065)	11,364
(17)	(30)	19	679	(2,345)	—	25,762	4,179	31,681
34	97	234	1,285	6,675	(2)	28,087	12,261	61,829
\$ 17	\$ 67	\$ 253	\$ 1,964	\$ 4,330	\$ (2)	\$ 53,849	\$ 16,440	\$ 93,510
\$ 33	\$ (423)	\$ (1,050)	\$ 1,683	\$ 7,324	\$ (6)	\$ 10,591	\$ 16,704	\$ 33,901
16	6	179	—	—	—	110	—	22,912
—	—	—	(26)	46	(13)	(2,179)	(111)	(12,526)
(32)	—	—	—	—	—	—	—	(619)
—	182	218	—	—	—	359	—	2,769
—	—	—	—	—	—	(201)	—	(201)
(18)	(7)	(93)	(236)	—	2,467	(7,632)	971	(6,372)
—	(13)	12	—	—	—	—	—	60
—	—	—	(6)	—	(75)	(2,923)	(420)	(3,624)
—	—	—	(203)	(6,198)	—	(3,317)	(2,900)	(12,618)
—	(31)	17	—	—	—	21	—	(12)
—	(6)	(26)	—	—	—	—	—	(339)
—	138	705	—	—	—	383	—	10,372
—	50	209	—	—	—	90	—	2,866
(1)	(104)	171	1,212	1,172	2,373	(4,698)	14,244	36,569
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15,865
—	1	2	224	2,219	—	—	751	3,343
\$ —	\$ 1	\$ 2	\$ 224	\$ 2,219	\$ —	\$ —	\$ 751	\$ 19,208



*The **Fiduciary Funds** account for assets held by the State in a trustee or agent capacity.*

Pension (and Other Employee Benefit) Trust Funds:

Missouri State Employees' Retirement System:

Missouri State Employees' Plan - Accounts for retirement, survivor, and disability benefits paid to employees of the State who are not covered under another state-sponsored retirement plan.

Judicial Plan - Accounts for retirement, survivor, and disability benefits to judges in the State of Missouri.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System - Accounts for retirement, survivor, and disability benefits paid to Department of Transportation employees and members of the Missouri State Highway Patrol.

Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust - Accounts for health and welfare benefits paid for the exclusive benefit of current and future retired employees of the State who are not covered under another state-sponsored other post-employment benefit plan.

Missouri State Public Employees' Deferred Compensation Incentive (IRC 401a) Plan - Accounts for retirement benefits paid to employees of the State.

Missouri State Public Employees' Deferred Compensation (IRC 457) Plan - Accounts for deposits from State employees, which are invested for the benefit of the employees until properly authorized to distribute.

Private-Purpose Trust Funds:

Alternative Care Trust - Accounts for all moneys received and spent by the Division of Family Services on behalf of children in their custody.

Johnson-Travis Memorial Trust - Accounts for all moneys, stocks, and securities given to the State by Miss Pansy Johnson or for the benefit of the Pansy Johnson-Travis Memorial State Gardens. Moneys will be used solely to establish, develop, and maintain the gardens.

Unclaimed Property - Accounts for moneys unpaid or unclaimed within one year after final settlement of any executor or administrator, assignee, sheriff or receiver and all unclaimed deposits, dividends, and interest of banks unable to locate the owners.

Agency Funds:

Social Security Contributions - Accounts for the receipt of contributions from various state funds for the State's share of social security contributions, which are due to the Federal Social Security Administration.

Missouri State Employees' Voluntary Life Insurance - Accounts for moneys withheld from employees' compensation for the contracts entered into with life insurance companies.

Program - Accounts for the receipt of various taxes, refundable deposits, and other moneys to be held until the State has the right or obligation to distribute them to various entities or individuals.

Institution - Accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
June 30, 2019
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Trust	Missouri State Public Employees' Deferred Compensation		Totals June 30, 2019
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	
ASSETS							
Cash and Cash Equivalents	\$ 258,151	\$ 5,119	\$ 385	\$ 3,202	\$ 556	\$ 592	\$ 268,005
Investments at Fair Value	11,370,796	225,465	2,419,350	118,245	649,195	1,589,109	16,372,160
Invested Securities Lending Collateral	—	—	104,247	—	—	—	104,247
Receivables:							
Accounts Receivable	207,818	5,435	12,663	27,619	80	200	253,815
Investment Income	130,844	2,594	6,426	—	—	—	139,864
Prepaid Expenses	75	1	—	—	92	304	472
Capital Assets:							
Software in Progress	2,140	—	—	—	—	—	2,140
Land	265	2	84	—	—	—	351
Buildings	4,048	32	582	—	—	—	4,662
Equipment	1,346	11	142	—	6	16	1,521
Software	716	22	3,288	—	1	4	4,031
Accumulated Depreciation/Amortization	(3,666)	(29)	(3,527)	—	(5)	(15)	(7,242)
Total Capital Assets, Net	4,849	38	569	—	2	5	5,463
Total Assets	11,972,533	238,652	2,543,640	149,066	649,925	1,590,210	17,144,026
DEFERRED OUTFLOWS OF RESOURCES							
	738	6	32	—	—	—	776
LIABILITIES							
Accounts Payable	202,746	4,008	7,708	268	18	45	214,793
Obligations under Repurchase Agreements	3,845,451	76,249	—	—	—	—	3,921,700
Securities Lending Obligation	—	—	110,925	—	—	—	110,925
Unearned Revenue	—	—	—	3,349	—	—	3,349
Claims Liability	—	—	—	5,899	—	—	5,899
Compensated Absences	635	5	—	—	—	—	640
Net OPEB Liability	7,607	60	1,538	—	—	—	9,205
Total Liabilities	4,056,439	80,322	120,171	9,516	18	45	4,266,511
DEFERRED INFLOWS OF RESOURCES							
	367	3	239	—	—	—	609
Net Position Restricted for Pension Benefits, OPEB, and Deferred Compensation	\$ 7,916,465	\$ 158,333	\$ 2,423,262	\$ 139,550	\$ 649,907	\$ 1,590,165	\$ 12,877,682

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust	Missouri State Public Employees' Deferred Compensation		Totals June 30, 2019
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	
Additions:							
Contributions:							
Employer	\$ 394,150	\$ 38,605	\$ 210,167	\$ 82,620	\$ 25	\$ —	\$ 725,567
Plan Member	32,580	1,138	4,450	51,242	—	58,943	148,353
Other	2,593	—	3,979	41,544	56,520	1,119	105,755
Total Contributions	<u>429,323</u>	<u>39,743</u>	<u>218,596</u>	<u>175,406</u>	<u>56,545</u>	<u>60,062</u>	<u>979,675</u>
Investment Earnings:							
Increase (Decrease) in Appreciation of Assets	(16,142)	(310)	114,179	—	10,471	38,285	146,483
Interest and Dividends	87,971	1,689	74,632	6,209	14,131	37,069	221,701
Securities Lending Income	—	—	942	—	—	—	942
Other Income	290,017	5,567	—	—	—	—	295,584
Total Investment Earnings	<u>361,846</u>	<u>6,946</u>	<u>189,753</u>	<u>6,209</u>	<u>24,602</u>	<u>75,354</u>	<u>664,710</u>
Less Investment Expenses:							
Investment Activity Expense	(48,687)	(895)	(34,651)	—	—	—	(84,233)
Securities Lending Expense	—	—	(776)	—	—	—	(776)
Total Investment Expense	<u>(48,687)</u>	<u>(895)</u>	<u>(35,427)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(85,009)</u>
Net Investment Earnings (Loss)	<u>313,159</u>	<u>6,051</u>	<u>154,326</u>	<u>6,209</u>	<u>24,602</u>	<u>75,354</u>	<u>579,701</u>
Cost Reimbursement/Miscellaneous	497	4	—	—	912	2,272	3,685
Total Additions	<u>742,979</u>	<u>45,798</u>	<u>372,922</u>	<u>181,615</u>	<u>82,059</u>	<u>137,688</u>	<u>1,563,061</u>
Deductions:							
Benefits	842,495	37,585	259,818	165,127	58,178	—	1,363,203
Administrative Expenses	9,201	72	4,074	6,872	852	3,007	24,078
Program Distributions	6,006	8	—	—	—	91,714	97,728
Inactive-vested Buyout Payments	319	—	—	—	—	—	319
Service Transfer Payments	3,001	—	—	—	—	—	3,001
Depreciation/Amortization	—	—	298	—	2	4	304
Total Deductions	<u>861,022</u>	<u>37,665</u>	<u>264,190</u>	<u>171,999</u>	<u>59,032</u>	<u>94,725</u>	<u>1,488,633</u>
Change in Net Position	<u>(118,043)</u>	<u>8,133</u>	<u>108,732</u>	<u>9,616</u>	<u>23,027</u>	<u>42,963</u>	<u>74,428</u>
Net Position - Beginning of Year	<u>8,034,508</u>	<u>150,200</u>	<u>2,314,530</u>	<u>129,934</u>	<u>626,880</u>	<u>1,547,202</u>	<u>12,803,254</u>
Net Position - End of Year	<u>\$ 7,916,465</u>	<u>\$ 158,333</u>	<u>\$ 2,423,262</u>	<u>\$ 139,550</u>	<u>\$ 649,907</u>	<u>\$ 1,590,165</u>	<u>\$ 12,877,682</u>

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
June 30, 2019
(In Thousands of Dollars)

	Alternative Care Trust	Johnson- Travis Memorial Trust	Unclaimed Property	Totals June 30, 2019
ASSETS				
Cash and Cash Equivalents	\$ 1,102	\$ 335	\$ 13,376	\$ 14,813
Investments at Fair Value	2,175	627	20,943	23,745
Assets Held in Escheat	—	—	11,882	11,882
Account Receivables	39	—	—	39
Interest Receivable	12	3	—	15
Inventories	—	—	1	1
Capital Assets:				
Equipment	—	—	88	88
Software	—	—	100	100
Less: Accumulated Depreciation/Amortization	—	—	(161)	(161)
Total Capital Assets, Net	—	—	27	27
Total Assets	3,328	965	46,229	50,522
DEFERRED OUTFLOWS OF RESOURCES				
	—	—	487	487
LIABILITIES				
Accounts Payable	1,045	—	19	1,064
Accrued Payroll	—	—	23	23
Compensated Absences	—	—	45	45
Net OPEB Liability	—	—	545	545
Net Pension Liability	—	—	1,397	1,397
Total Liabilities	1,045	—	2,029	3,074
DEFERRED INFLOWS OF RESOURCES				
	—	—	64	64
NET POSITION				
Net Position Restricted for Other Purposes	\$ 2,283	\$ 965	\$ 44,623	\$ 47,871

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Alternative Care Trust	Johnson- Travis Memorial Trust	Unclaimed Property	Totals June 30, 2019
Additions:				
Increase (Decrease) in Appreciation of Assets	\$ 18	\$ 33	\$ 216	\$ 267
Interest	72	19	692	783
Total Investment Earnings	<u>90</u>	<u>52</u>	<u>908</u>	<u>1,050</u>
Unclaimed Property	—	—	44,192	44,192
Cost Reimbursement/Miscellaneous	11,322	—	166	11,488
Total Additions	<u>11,412</u>	<u>52</u>	<u>45,266</u>	<u>56,730</u>
Deductions:				
Administrative Expenses	—	—	2,473	2,473
Program Distributions	11,286	—	43,372	54,658
Depreciation/Amortization	—	—	36	36
Total Deductions	<u>11,286</u>	<u>—</u>	<u>45,881</u>	<u>57,167</u>
Change in Net Position	126	52	(615)	(437)
Net Position - Beginning	<u>2,157</u>	<u>913</u>	<u>45,238</u>	<u>48,308</u>
Net Position - Ending	<u>\$ 2,283</u>	<u>\$ 965</u>	<u>\$ 44,623</u>	<u>\$ 47,871</u>

**STATE OF MISSOURI
COMBINING BALANCE SHEET
AGENCY FUNDS
June 30, 2019
(In Thousands of Dollars)**

	Social Security Contributions	Missouri State Employees' Voluntary Life Insurance	Program	Institution	Totals June 30, 2019
ASSETS					
Cash and Cash					
Equivalents	\$ 37	\$ 56	\$ 91,061	\$ 14,393	\$ 105,547
Investments at					
Fair Value	60	88	607,405	16	607,569
Receivables:					
Accounts Receivable	6,388	—	545,476	—	551,864
Interest Receivable	—	—	1,311	—	1,311
Total Assets	<u>\$ 6,485</u>	<u>\$ 144</u>	<u>\$ 1,245,253</u>	<u>\$ 14,409</u>	<u>\$ 1,266,291</u>
LIABILITIES					
Accounts Payable	\$ —	\$ —	\$ 34	\$ —	\$ 34
Due to Other Entities	6,485	144	1,233,399	—	1,240,028
Due to Individuals	—	—	11,820	14,409	26,229
Total Liabilities	<u>\$ 6,485</u>	<u>\$ 144</u>	<u>\$ 1,245,253</u>	<u>\$ 14,409</u>	<u>\$ 1,266,291</u>

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>SOCIAL SECURITY CONTRIBUTIONS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 36	\$ 154,841	\$ 154,840	\$ 37
Investments at Fair Value	63	60	63	60
Accounts Receivable	6,164	6,388	6,164	6,388
Total Assets	<u>\$ 6,263</u>	<u>\$ 161,289</u>	<u>\$ 161,067</u>	<u>\$ 6,485</u>
LIABILITIES				
Due to Other Entities	<u>\$ 6,263</u>	<u>\$ 469,755</u>	<u>\$ 469,533</u>	<u>\$ 6,485</u>
<u>MISSOURI STATE EMPLOYEES'</u>				
<u>VOLUNTARY LIFE INSURANCE</u>				
ASSETS				
Cash and Cash Equivalents	\$ 52	\$ 3,535	\$ 3,531	\$ 56
Investments at Fair Value	91	88	91	88
Total Assets	<u>\$ 143</u>	<u>\$ 3,623</u>	<u>\$ 3,622</u>	<u>\$ 144</u>
LIABILITIES				
Due to Other Entities	<u>\$ 143</u>	<u>\$ 3,588</u>	<u>\$ 3,587</u>	<u>\$ 144</u>
<u>PROGRAM</u>				
ASSETS				
Cash and Cash Equivalents	\$ 69,892	\$ 8,242,077	\$ 8,220,908	\$ 91,061
Investments at Fair Value	599,583	496,389	488,567	607,405
Receivables:				
Accounts Receivable	513,876	41,133	9,533	545,476
Interest Receivable	1,076	8,589	8,354	1,311
Total Assets	<u>\$ 1,184,427</u>	<u>\$ 8,788,188</u>	<u>\$ 8,727,362</u>	<u>\$ 1,245,253</u>
LIABILITIES				
Accounts Payable	\$ 36	\$ 390	\$ 392	\$ 34
Due to Other Entities	1,177,258	8,782,391	8,726,250	1,233,399
Due to Individuals	7,133	18,472	13,785	11,820
Total Liabilities	<u>\$ 1,184,427</u>	<u>\$ 8,801,253</u>	<u>\$ 8,740,427</u>	<u>\$ 1,245,253</u>
<u>INSTITUTION</u>				
ASSETS				
Cash and Cash Equivalents	\$ 13,729	\$ 112,182	\$ 111,518	\$ 14,393
Investments at Fair Value	15	1	—	16
Total Assets	<u>\$ 13,744</u>	<u>\$ 112,183</u>	<u>\$ 111,518</u>	<u>\$ 14,409</u>
LIABILITIES				
Due to Individuals	<u>\$ 13,744</u>	<u>\$ 112,183</u>	<u>\$ 111,518</u>	<u>\$ 14,409</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 83,709	\$ 8,512,635	\$ 8,490,797	\$ 105,547
Investments at Fair Value	599,752	496,538	488,721	607,569
Receivables:				
Accounts Receivable	520,040	47,521	15,697	551,864
Interest Receivable	1,076	8,589	8,354	1,311
Total Assets	<u>\$ 1,204,577</u>	<u>\$ 9,065,283</u>	<u>\$ 9,003,569</u>	<u>\$ 1,266,291</u>
LIABILITIES				
Accounts Payable	\$ 36	\$ 390	\$ 392	\$ 34
Due to Other Entities	1,183,664	9,255,734	9,199,370	1,240,028
Due to Individuals	20,877	130,655	125,303	26,229
Total Liabilities	<u>\$ 1,204,577</u>	<u>\$ 9,386,779</u>	<u>\$ 9,325,065</u>	<u>\$ 1,266,291</u>



*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Non-Major Component Units:

Missouri Development Finance Board - Accounts for moneys from bond proceeds, gifts, and grants to make loans for industrial development.

Missouri Agricultural and Small Business Development Authority - Accounts for moneys from bond proceeds, gifts, and grants to make loans for property acquisitions/renovations and pollution control facilities.

Missouri Transportation Finance Corporation - Accounts for moneys from federal, state or local sources, and from bond proceeds to be used for projects approved by the Missouri Highways and Transportation Commission.

Missouri Wine and Grape Board - Accounts for moneys derived from the privilege of selling wine to be used for marketing development in developing programs for growing, selling, and marketing of grape products grown in Missouri.

State Environmental Improvement Energy Resources Authority - Accounts for moneys derived from the issuance of revenue bonds and notes to finance, acquire, construct and equip projects for the purpose of reducing, preventing or controlling pollution and to provide for the development of energy resources of the State of Missouri.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS
June 30, 2019
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	State Environmental Improvement Energy Resources Authority	Totals June 30, 2019
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 12,677	\$ 3,758	\$ 11,920	\$ 234	\$ 788	\$ 29,377
Investments	14,907	100	25,157	366	2,162	42,692
Accounts Receivable, Net	175	—	—	—	72	247
Interest Receivable	246	—	522	3	13	784
Inventories	—	—	—	1	—	1
Restricted Assets:						
Cash and Cash Equivalents	—	568	—	—	—	568
Investments	—	11,267	—	—	—	11,267
Interest Receivable	—	16	—	—	—	16
Loan Receivable	—	—	3,050	—	—	3,050
Prepaid Items	399	—	—	—	5	404
Loans Receivable	5,231	105	—	—	392	5,728
Total Current Assets	<u>33,635</u>	<u>15,814</u>	<u>40,649</u>	<u>604</u>	<u>3,432</u>	<u>94,134</u>
Non-Current Assets:						
Investments	—	—	51,202	—	—	51,202
Loans Receivable	20,258	134	—	—	—	20,392
Restricted Assets:						
Cash and Cash Equivalents	2,503	—	—	—	—	2,503
Investments	10,026	—	—	—	—	10,026
Loans Receivables	—	—	19,809	—	—	19,809
Capital Assets:						
Construction in Progress	357	—	—	—	—	357
Land	7,220	—	—	—	—	7,220
Buildings	79,702	—	—	—	4	79,706
Equipment	603	73	—	40	120	836
Software & Misc Intangible Assets	23	—	—	3	—	26
Less Accumulated Depreciation/ Amortization	(23,419)	(28)	—	(34)	(122)	(23,603)
Total Non-Current Assets	<u>97,273</u>	<u>179</u>	<u>71,011</u>	<u>9</u>	<u>2</u>	<u>168,474</u>
Total Assets	<u>130,908</u>	<u>15,993</u>	<u>111,660</u>	<u>613</u>	<u>3,434</u>	<u>262,608</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>814</u>	<u>145</u>	<u>—</u>	<u>322</u>	<u>257</u>	<u>1,538</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	174	2	3	4	4	187
Accrued Payroll	—	—	—	12	—	12
Interest Payable	30	2	—	—	—	32
Due to Primary Government	—	257	—	—	—	257
Compensated Absences	29	14	—	19	22	84
Bonds and Notes Payable	232	—	—	—	—	232
Total Current Liabilities	<u>465</u>	<u>275</u>	<u>3</u>	<u>35</u>	<u>26</u>	<u>804</u>
Non-Current Liabilities:						
Advance from Primary Government	—	118	—	—	—	118
Unearned Revenue	743	—	—	—	—	743
Deposits and Reserves	7,990	—	—	—	—	7,990
Compensated Absences	54	—	—	12	—	66
Bonds and Notes Payable	13,572	—	—	—	—	13,572
Net OPEB Liability	—	179	—	314	332	825
Net Pension Liability	1,435	482	—	791	893	3,601
Total Non-Current Liabilities	<u>23,794</u>	<u>779</u>	<u>—</u>	<u>1,117</u>	<u>1,225</u>	<u>26,915</u>
Total Liabilities	<u>24,259</u>	<u>1,054</u>	<u>3</u>	<u>1,152</u>	<u>1,251</u>	<u>27,719</u>
DEFERRED INFLOWS OF RESOURCES	<u>41</u>	<u>103</u>	<u>—</u>	<u>51</u>	<u>151</u>	<u>346</u>
NET POSITION						
Net Investment in Capital Assets	50,682	—	—	9	2	50,693
Restricted for:						
Other Purposes	6,429	13,851	80,516	—	1,020	101,816
Unrestricted	50,311	1,130	31,141	(277)	1,267	83,572
Total Net Position	<u>\$ 107,422</u>	<u>\$ 14,981</u>	<u>\$ 111,657</u>	<u>\$ (268)</u>	<u>\$ 2,289</u>	<u>\$ 236,081</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	State Environmental Improvement Energy Resources Authority	Totals June 30, 2019
Operating Revenues:						
Licenses, Fees, and Permits	\$ 1,353	\$ 234	\$ 4	\$ 5	\$ 295	\$ 1,891
Interest on Receivables	1,012	—	692	—	—	1,704
Leases and Rentals	6,092	—	—	—	—	6,092
Cost Reimbursement/Miscellaneous	13	176	—	6	21	216
Total Operating Revenues	<u>8,470</u>	<u>410</u>	<u>696</u>	<u>11</u>	<u>316</u>	<u>9,903</u>
Operating Expenses:						
Personal Service	949	344	21	569	516	2,399
Operations	2,212	57	12	1,568	190	4,039
Specific Programs	—	1,094	—	—	354	1,448
Depreciation/Amortization	2,136	4	—	8	1	2,149
Bad Debt Expense	6	—	—	—	—	6
Other Charges	51	—	—	41	—	92
Total Operating Expenses	<u>5,354</u>	<u>1,499</u>	<u>33</u>	<u>2,186</u>	<u>1,061</u>	<u>10,133</u>
Operating Income (Loss)	<u>3,116</u>	<u>(1,089)</u>	<u>663</u>	<u>(2,175)</u>	<u>(745)</u>	<u>(230)</u>
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	—	—	—	1,805	434	2,239
Investment Earnings:						
Increase (Decrease) in Fair Value of Investments	—	326	926	3	37	1,292
Interest	621	18	1,856	18	—	2,513
Interest Expense	(581)	(9)	—	—	—	(590)
Contributions to Others	(779)	—	—	—	—	(779)
Miscellaneous Revenues (Expenses)	—	—	(73)	—	—	(73)
Total Non-Operating Revenues (Expenses)	<u>(739)</u>	<u>335</u>	<u>2,709</u>	<u>1,826</u>	<u>471</u>	<u>4,602</u>
Change in Net Position	2,377	(754)	3,372	(349)	(274)	4,372
Total Net Position - Beginning	105,045	15,735	108,285	81	2,563	231,709
Total Net Position - Ending	<u>\$ 107,422</u>	<u>\$ 14,981</u>	<u>\$ 111,657</u>	<u>\$ (268)</u>	<u>\$ 2,289</u>	<u>\$ 236,081</u>

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	State Environmental Improvement Energy Resources Authority	Totals June 30, 2019
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 7,844	\$ 235	\$ 586	\$ 5	\$ 455	\$ 9,125
Loans to Outside Entities	—	55	1,965	—	65	2,085
Payments to Vendors and Suppliers	(2,275)	(105)	(10)	(1,567)	(220)	(4,177)
Payments for Employees	(792)	(271)	(21)	(435)	(418)	(1,937)
Payments Made for Program Expense	—	(1,094)	—	—	(354)	(1,448)
Net Payments/Receipts for Tax Credit Projects	(3,311)	—	—	—	—	(3,311)
Other Receipts	—	176	—	6	21	203
Other Payments	—	—	—	(41)	—	(41)
Net Cash Provided (Used) by Operating Activities	1,466	(1,004)	2,520	(2,032)	(451)	499
Cash Flows from Non-Capital Financing Activities:						
Due to/from Primary Government	—	7	—	(2)	—	5
Advance to/from Primary Government	—	(149)	—	—	—	(149)
Contributions and Intergovernmental	(779)	—	—	1,805	434	1,460
Net Cash Provided (Used) by Non-Capital Financing Activities	(779)	(142)	—	1,803	434	1,316
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	(580)	(20)	—	—	—	(600)
Purchases and Construction of Capital Assets	(659)	(49)	—	(1)	—	(709)
Principal Payments on Capital Debt	(3,348)	—	—	—	—	(3,348)
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,587)	(69)	—	(1)	—	(4,657)
Cash Flows from Investing Activities:						
Proceeds from Investment Maturities	25,852	—	43,040	151	235	69,278
Purchase of Investments	(30,085)	4,547	(47,407)	—	—	(72,945)
Interest	579	15	1,856	18	—	2,468
Investment Fees	—	—	(73)	—	—	(73)
Net Cash Provided (Used) by Investing Activities	(3,654)	4,562	(2,584)	169	235	(1,272)
Net Increase (Decrease) in Cash	(7,554)	3,347	(64)	(61)	218	(4,114)
Cash and Cash Equivalents, Beginning of Year	22,734	979	11,984	295	570	36,562
Cash and Cash Equivalents, End of Year	\$ 15,180	\$ 4,326	\$ 11,920	\$ 234	\$ 788	\$ 32,448
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 3,116	\$ (1,089)	\$ 663	\$ (2,175)	\$ (745)	\$ (230)
Depreciation/Amortization Expense	2,136	4	—	8	1	2,149
Changes in Assets and Liabilities:						
Accounts Receivable	3	1	—	—	166	170
Interest Receivable	(36)	—	(110)	—	(6)	(152)
Inventories	—	—	—	1	—	1
Deferred Outflows of Resources	45	66	—	(42)	92	161
Prepaid Items	(96)	—	—	—	1	(95)
Loans Receivable	—	55	1,965	—	65	2,085
Accounts Payable	11	(48)	2	—	(31)	(66)
Deposit and Reserve	(3,783)	—	—	—	—	(3,783)
Compensated Absences	5	10	—	3	(8)	10
Unearned Revenue	(46)	—	—	—	—	(46)
Net Pension Liability	112	9	—	132	(54)	199
Net OPEB Liability	—	(21)	—	30	(58)	(49)
Deferred Inflows of Resources	(1)	9	—	11	126	145
Net Cash Provided (Used) by Operating Activities	\$ 1,466	\$ (1,004)	\$ 2,520	\$ (2,032)	\$ (451)	\$ 499
Non-Cash Investing Activities:						
Increase (Decrease) in Fair Value of Investments	\$ —	\$ 326	\$ 926	\$ 3	\$ 37	\$ 1,292
Net Non-Cash Investing Activities	\$ —	\$ 326	\$ 926	\$ 3	\$ 37	\$ 1,292



*The **Statistical Section** presentations include Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information, and Operating Information trends. The statistical data presented is intended to provide report users with a broader understanding of the environment in which the State operates.*

**STATE OF MISSOURI
STATISTICAL SECTION
June 30, 2019**

Index and Overview

This part of the State's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

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Fund Balances - Governmental Funds	220
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Revenue Capacity

These schedules contain information to help the reader understand the State's capacity to raise revenues and the sources of those revenues.

Revenue Base - Taxable Sales by Industry	223
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Personal Income Tax Revenue	225
Personal Income Tax Rates	226
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Debt Capacity

These schedules present information to help the reader understand and assess the State's levels of outstanding debt and the State's ability to issue additional debt in the future.

Ratios of Outstanding Debt	229
Pledged Revenue Coverage	231

Demographic and Economic Information

These schedules contain demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Demographic Indicators	232
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Operating Information

These schedules contain operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

State Employees by Function	235
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Sources: *Unless otherwise noted, the information in these schedules is derived from the State of Missouri Comprehensive Annual Financial Report for the years shown.*

**STATE OF MISSOURI
NET POSITION BY COMPONENT
FISCAL YEARS 2010-2019
(In Thousands of Dollars)**

	2019	2018*	2017	2016	2015
Governmental Activities					
Net Investment in Capital Assets	\$ 30,849,210	\$ 30,364,850	\$ 29,793,477	\$ 29,255,865	\$ 28,791,258
Restricted	4,387,607	4,239,726	4,103,890	4,348,001	3,269,480
Unrestricted	(8,204,092)	(7,976,452)	(7,606,967)	(5,465,559)	(4,292,710)
Total Governmental Activities Net Position	<u>\$ 27,032,725</u>	<u>\$ 26,628,124</u>	<u>\$ 26,290,400</u>	<u>\$ 28,138,307</u>	<u>\$ 27,768,028</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 125,355	\$ 126,899	\$ 115,327	\$ 98,320	\$ 55,669
Restricted	6,798	5,616	7,239	6,104	4,588
Unrestricted	956,541	858,356	762,633	677,470	420,995
Total Business-Type Activities Net Position	<u>\$ 1,088,694</u>	<u>\$ 990,871</u>	<u>\$ 885,199</u>	<u>\$ 781,894</u>	<u>\$ 481,252</u>
Primary Government					
Net Investment in Capital Assets	\$ 30,974,565	\$ 30,491,749	\$ 29,908,804	\$ 29,354,185	\$ 28,846,927
Restricted	4,394,405	4,245,342	4,111,129	4,354,105	3,274,068
Unrestricted	(7,247,551)	(7,118,096)	(6,844,334)	(4,788,089)	(3,871,715)
Total Primary Government Net Position	<u>\$ 28,121,419</u>	<u>\$ 27,618,995</u>	<u>\$ 27,175,599</u>	<u>\$ 28,920,201</u>	<u>\$ 28,249,280</u>

Continues Below

	2014	2013	2012	2011	2010
Governmental Activities					
Net Investment in Capital Assets	\$ 28,485,327	\$ 28,166,290	\$ 27,873,493	\$ 26,595,552	\$ 25,850,787
Restricted	3,790,165	3,788,299	3,898,340	4,339,603	3,907,120
Unrestricted	(5,501,188)	(1,216,048)	(1,865,908)	(1,159,743)	(940,675)
Total Governmental Activities Net Position	<u>\$ 26,774,304</u>	<u>\$ 30,738,541</u>	<u>\$ 29,905,925</u>	<u>\$ 29,775,412</u>	<u>\$ 28,817,232</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 52,901	\$ 52,217	\$ 50,081	\$ 50,291	\$ 45,990
Restricted	4,889	5,630	9,675	6,303	7,949
Unrestricted	183,705	(117,891)	(344,734)	(485,576)	(437,995)
Total Business-Type Activities Net Position	<u>\$ 241,495</u>	<u>\$ (60,044)</u>	<u>\$ (284,978)</u>	<u>\$ (428,982)</u>	<u>\$ (384,056)</u>
Primary Government					
Net Investment in Capital Assets	\$ 28,538,228	\$ 28,218,507	\$ 27,923,574	\$ 26,645,843	\$ 25,896,777
Restricted	3,795,054	3,793,929	3,908,015	4,345,906	3,915,069
Unrestricted	(5,317,483)	(1,333,939)	(2,210,642)	(1,645,319)	(1,378,670)
Total Primary Government Net Position	<u>\$ 27,015,799</u>	<u>\$ 30,678,497</u>	<u>\$ 29,620,947</u>	<u>\$ 29,346,430</u>	<u>\$ 28,433,176</u>

*Fiscal year 2018 amounts have been restated.

**STATE OF MISSOURI
CHANGES IN NET POSITION
FISCAL YEARS 2010-2019
(In Thousands of Dollars)**

	2019	2018*	2017	2016
Governmental Activities:				
Expenses				
General Government	\$ 1,336,971	\$ 1,265,947	\$ 1,176,204	\$ 1,081,421
Education	7,142,264	7,053,444	7,086,927	6,902,930
Natural and Economic Resources	1,056,172	1,079,318	1,074,411	1,039,408
Transportation and Law Enforcement	1,997,540	1,974,321	2,157,349	1,913,379
Human Services	14,449,527	14,339,926	13,682,277	13,086,606
Interest on Debt (Excluding Direct Expense)	109,740	120,206	128,108	138,426
Total Expenses	26,092,214	25,833,162	25,305,276	24,162,170
Program Revenues				
Charges for Services:				
General Government	682,173	588,246	671,875	579,457
Transportation and Law Enforcement	215,099	227,643	228,039	230,685
Human Services	554,385	559,544	498,348	475,055
Other Activities	351,603	325,333	343,363	327,275
Operating Grants and Contributions	10,757,841	10,811,591	10,403,733	10,178,230
Capital Grants and Contributions	949,652	1,020,653	923,748	917,255
Total Program Revenues	13,510,753	13,533,010	13,069,106	12,707,957
Total Governmental Activities Net Program (Expense) Revenue	(12,581,461)	(12,300,152)	(12,236,170)	(11,454,213)
General Revenues and Other Changes in Net Position				
Taxes:				
Sales and Use	3,405,745	3,235,110	3,267,442	3,112,912
Individual Income	6,991,197	6,796,359	6,648,918	6,324,548
Corporate Income	479,632	403,771	392,438	411,139
County Foreign Insurance	268,100	272,497	254,685	218,083
Alcoholic Beverage	34,649	32,602	32,764	30,913
Corporate Franchise	1,475	1,968	2,490	17,197
Fuel	673,625	640,767	667,639	640,934
Miscellaneous Taxes	688,972	684,578	680,885	663,797
Grants and Contributions not Restricted to Specific Programs	58,534	59,233	62,173	58,971
Unrestricted Investment Earnings	79,604	26,308	12,626	26,468
Special Items	—	—	—	—
Extraordinary Items	—	—	—	—
Transfers	304,529	331,631	289,683	304,320
Total General Revenues and Other Changes in Net Position	12,986,062	12,484,824	12,311,743	11,809,282
Total Governmental Activities Change in Net Position	\$ 404,601	\$ 184,672	\$ 75,573	\$ 355,069
Business-Type Activities:				
Expenses				
State Lottery	\$ 1,168,030	\$ 1,086,927	\$ 1,070,595	\$ 1,025,086
Unemployment Compensation	264,370	294,271	318,782	312,295
Petroleum Storage Tank Insurance	20,346	21,298	19,392	16,205
State Fair Fees	4,531	4,880	4,726	4,369
State Parks and DNR	12,950	9,829	14,025	8,395
Historic Preservation	532	725	1,248	577
Missouri Veterans' Homes	125,213	123,095	115,078	100,771
Surplus Property	2,591	2,416	2,523	2,590
Revenue Information	9	12	12	14
Inmate Canteen Fund	28,526	46,474	—	—
Total Expenses	1,627,098	1,589,927	1,546,381	1,470,302
Program Revenues				
Charges for Services:				
State Lottery	1,484,529	1,418,409	1,361,996	1,327,852
Other Activities	86,690	104,320	61,228	56,005
Operating Grants and Contributions	431,609	466,750	553,591	677,118
Total Program Revenues	2,002,828	1,989,479	1,976,815	2,060,975
Total Business-Type Activities Net Program (Expense) Revenue	375,730	399,552	430,434	590,673
General Revenues and Other Changes in Net Position				
Unrestricted Investment Earnings	26,449	18,338	13,156	11,420
Adjustments to Claims Reserve	—	—	—	2,500
Special Items	—	—	—	—
Extraordinary Items	—	—	(153)	—
Capital Contributions	173	11,463	920	—
Transfers	(304,529)	(331,631)	(289,683)	(304,320)
Total General Revenues and Other Changes in Net Position	(277,907)	(301,830)	(275,760)	(290,400)
Total Business-Type Activities Change in Net Position	\$ 97,823	\$ 97,722	\$ 154,674	\$ 300,273
Total Primary Government Change in Net Position	\$ 502,424	\$ 282,394	\$ 230,247	\$ 655,342

*Fiscal year 2018 amounts have been restated

2015	2014	2013	2012	2011	2010
\$ 1,064,771	\$ 1,030,327	\$ 1,063,418	\$ 1,029,012	\$ 1,089,731	\$ 1,129,030
6,680,646	6,430,861	6,368,472	6,373,757	6,536,907	6,815,521
910,502	874,033	933,019	1,053,949	935,078	1,082,526
1,861,116	1,823,578	1,924,306	2,021,423	2,529,791	2,699,070
12,800,735	12,623,617	12,335,625	12,299,493	11,713,021	11,740,145
139,112	157,707	161,386	207,906	199,948	196,413
<u>23,456,882</u>	<u>22,940,123</u>	<u>22,786,226</u>	<u>22,985,540</u>	<u>23,004,476</u>	<u>23,662,705</u>
581,008	540,427	698,300	883,228	705,914	875,161
228,093	232,176	250,898	239,684	267,875	319,941
503,290	504,443	554,365	459,517	550,690	653,463
327,169	333,898	351,193	285,725	314,375	380,133
9,960,965	9,649,655	9,702,624	9,889,453	9,802,842	9,489,240
838,354	933,814	1,039,043	1,096,052	1,814,207	1,454,811
<u>12,438,879</u>	<u>12,194,413</u>	<u>12,596,423</u>	<u>12,853,659</u>	<u>13,455,903</u>	<u>13,172,749</u>
(11,018,003)	(10,745,710)	(10,189,803)	(10,131,881)	(9,548,573)	(10,489,956)
3,142,387	2,925,867	2,883,852	2,705,002	2,570,243	2,572,491
6,418,379	5,718,801	5,833,306	5,116,876	4,878,166	4,840,809
490,131	427,320	429,797	378,444	394,389	360,764
222,828	180,779	175,212	167,969	182,679	171,497
32,101	30,370	30,294	28,652	27,247	27,657
29,982	54,670	51,444	61,389	70,743	82,182
656,893	629,105	648,989	620,074	1,833	233
668,955	605,247	630,228	623,414	1,210,758	1,207,501
76,276	73,637	120,380	244,859	889,742	1,301,531
24,721	35,040	(15,858)	21,525	23,281	28,870
—	—	—	(120)	—	—
—	(132)	—	—	—	—
275,997	291,421	290,900	300,608	255,908	258,947
<u>12,038,650</u>	<u>10,972,125</u>	<u>11,078,544</u>	<u>10,268,692</u>	<u>10,504,989</u>	<u>10,852,482</u>
\$ 1,020,647	\$ 226,415	\$ 888,741	\$ 136,811	\$ 956,416	\$ 362,526
\$ 873,502	\$ 894,137	\$ 876,290	\$ 835,526	\$ 755,410	\$ 724,915
391,508	568,787	858,697	1,280,157	1,714,276	2,216,078
14,705	13,244	18,101	22,171	13,940	13,925
4,390	4,419	3,968	3,963	3,700	3,843
8,264	9,417	9,179	10,659	12,278	9,042
741	334	388	340	509	1,145
92,501	97,674	97,012	76,598	76,033	70,884
3,169	2,528	3,017	3,065	2,293	2,542
13	—	32	72	1,199	1,513
—	—	—	—	—	—
<u>1,388,793</u>	<u>1,590,540</u>	<u>1,866,684</u>	<u>2,232,551</u>	<u>2,579,638</u>	<u>3,043,887</u>
1,144,604	1,171,580	1,156,235	1,109,108	1,011,055	984,187
59,199	57,836	57,009	56,538	55,153	56,659
<u>693,657</u>	<u>999,516</u>	<u>1,172,524</u>	<u>1,507,428</u>	<u>1,725,481</u>	<u>1,823,732</u>
<u>1,897,460</u>	<u>2,228,932</u>	<u>2,385,768</u>	<u>2,673,074</u>	<u>2,791,689</u>	<u>2,864,578</u>
<u>508,667</u>	<u>638,392</u>	<u>519,084</u>	<u>440,523</u>	<u>212,051</u>	<u>(179,309)</u>
3,591	2,029	(3,138)	4,312	(1,050)	2,533
—	17,223	—	—	—	—
—	—	—	(224)	—	—
—	—	—	—	—	—
—	—	35	—	—	—
<u>(275,997)</u>	<u>(291,421)</u>	<u>(290,900)</u>	<u>(300,608)</u>	<u>(255,908)</u>	<u>(258,947)</u>
<u>(272,406)</u>	<u>(272,169)</u>	<u>(294,003)</u>	<u>(296,520)</u>	<u>(256,958)</u>	<u>(256,414)</u>
\$ 236,261	\$ 366,223	\$ 225,081	\$ 144,003	\$ (44,907)	\$ (435,723)
\$ 1,256,908	\$ 592,638	\$ 1,113,822	\$ 280,814	\$ 911,509	\$ (73,197)

**STATE OF MISSOURI
FUND BALANCES - GOVERNMENTAL FUNDS
FISCAL YEARS 2010-2019
(In Thousands of Dollars)**

	2019	2018*	2017	2016	2015
General Fund					
Nonspendable	\$ 47,543	\$ 48,944	\$ 52,969	\$ 58,712	\$ 53,809
Restricted	555,916	485,578	341,052	488,180	292,758
Committed	655,262	617,661	590,697	589,956	545,765
Assigned	98,635	86,662	154,634	78,096	158,390
Unassigned	769,967	457,634	294,901	238,735	349,901
Total General Fund	<u>2,127,323</u>	<u>1,696,479</u>	<u>1,434,253</u>	<u>1,453,679</u>	<u>1,400,623</u>
All Other Governmental Funds					
Nonspendable	98,229	95,438	97,723	97,027	1,243,039
Restricted	1,387,720	1,489,673	1,517,114	1,699,763	1,512,228
Committed	1,799,432	1,787,795	1,614,390	1,543,913	377,527
Assigned	377,248	410,182	422,122	430,901	425,256
Unassigned	—	—	(17,628)	—	—
Total All Other Governmental Funds	<u>3,662,629</u>	<u>3,783,088</u>	<u>3,633,721</u>	<u>3,771,604</u>	<u>3,558,050</u>
Total Fund Balances, Governmental Funds	<u>\$ 5,789,952</u>	<u>\$ 5,479,567</u>	<u>\$ 5,067,974</u>	<u>\$ 5,225,283</u>	<u>\$ 4,958,673</u>

Continues Below

	2014	2013	2012	2011	2010
General Fund					
Nonspendable	\$ 50,504	\$ 56,048	\$ 61,207	\$ 42,906	\$ 44,158
Restricted	289,266	285,878	340,205	475,205	186,737
Committed	560,141	506,778	504,569	512,623	534,620
Assigned	73,625	67,277	63,484	59,783	51,734
Unassigned	244,821	530,431	195,193	325,123	423,227
Total General Fund	<u>1,218,357</u>	<u>1,446,412</u>	<u>1,164,658</u>	<u>1,415,640</u>	<u>1,240,476</u>
All Other Governmental Funds					
Nonspendable	1,170,054	1,126,253	1,077,138	1,016,981	986,201
Restricted	1,544,139	1,636,550	1,745,287	2,137,789	2,021,223
Committed	345,465	337,874	291,723	284,455	219,557
Assigned	400,668	370,090	367,261	339,192	355,202
Total All Other Governmental Funds	<u>3,460,326</u>	<u>3,470,767</u>	<u>3,481,409</u>	<u>3,778,417</u>	<u>3,582,183</u>
Total Fund Balances, Governmental Funds	<u>\$ 4,678,683</u>	<u>\$ 4,917,179</u>	<u>\$ 4,646,067</u>	<u>\$ 5,194,057</u>	<u>\$ 4,822,659</u>

*Fiscal year 2018 amounts have been restated.

**STATE OF MISSOURI
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEARS 2010-2019
(In Thousands of Dollars)**

	2019	2018*	2017	2016
Revenues:				
Taxes	\$ 12,465,631	\$ 12,151,078	\$ 11,877,303	\$ 11,550,222
Licenses, Fees, and Permits	710,776	675,447	678,037	685,115
Sales	8,587	9,527	9,035	9,002
Leases and Rentals	138	157	158	71
Services	121,249	148,653	122,531	116,133
Contributions and Intergovernmental	11,765,170	11,890,439	11,395,032	11,157,654
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	9,766	(15,384)	(10,530)	5,975
Interest	93,129	60,189	34,080	25,534
Penalties and Unclaimed Properties	85,832	69,907	96,568	72,435
Cost Reimbursement/Miscellaneous	488,523	513,741	564,390	492,593
Total Revenues	<u>25,748,801</u>	<u>25,503,754</u>	<u>24,766,604</u>	<u>24,114,734</u>
Expenditures:				
Current:				
General Government	964,166	909,941	884,641	886,172
Education	7,117,049	7,031,232	7,071,710	6,893,120
Natural and Economic Resources	822,854	869,568	896,485	913,667
Transportation and Law Enforcement	1,455,190	1,483,225	1,473,797	1,475,500
Human Services	14,066,072	14,012,219	13,629,856	13,037,667
Capital Outlay:				
General Government	1,242	1,320	14,057	2,474
Education	12	106	348	29
Natural and Economic Resources	629	3,549	2,027	246
Transportation and Law Enforcement	834,991	854,707	712,716	690,269
Human Services	32,605	64,467	54,915	37,384
Debt Service:				
Principal	334,138	333,480	436,938	292,521
Interest	134,110	144,976	159,977	166,000
Bond Issuance Costs	370	356	336	755
Underwriter's Discount	—	985	972	1,231
Arbitrage	—	—	—	—
Total Expenditures	<u>25,763,428</u>	<u>25,710,131</u>	<u>25,338,775</u>	<u>24,397,035</u>
Excess Revenues (Expenditures)	<u>(14,627)</u>	<u>(206,377)</u>	<u>(572,171)</u>	<u>(282,301)</u>
Other Financing Sources (Uses):				
Proceeds from Notes/Capital Leases/Financed				
Purchases	1,612	6,934	1,542	14,782
Debt Issuance	—	—	—	—
Proceeds from General Obligation/Other Bonds	102,705	124,905	97,225	193,800
Issuance of Refunding Bonds	—	—	—	—
Payments to Escrow Agent	(111,483)	—	—	—
Bond Premium	9,148	9,751	5,877	17,810
Proceeds from Capital Asset Sale	15,300	18,034	20,305	18,394
Transfers In	323,846	342,979	297,229	310,842
Transfers Out	(16,541)	(9,177)	(5,598)	(6,010)
Total Other Financing Sources (Uses)	<u>324,587</u>	<u>493,426</u>	<u>416,580</u>	<u>549,618</u>
Net Change in Fund Balances	309,960	287,049	(155,591)	267,317
Increase (Decrease) in Reserve for Inventory	425	(154)	(1,716)	(707)
Net Change in Fund Balances	<u>\$ 310,385</u>	<u>\$ 286,895</u>	<u>\$ (157,307)</u>	<u>\$ 266,610</u>
Debt Service as a Percentage of Non-Capital Expenditures	1.88%	1.94%	2.45%	1.96%

*Fiscal year 2018 amounts have been restated.

	2015	2014	2013	2012	2011	2010
\$	11,302,267	\$ 10,549,046	\$ 10,557,831	\$ 9,956,574	\$ 9,398,840	\$ 8,987,066
	653,218	654,416	647,233	647,130	630,944	637,078
	11,905	12,308	10,261	8,827	10,131	8,917
	497	480	1,212	313	665	934
	105,066	111,280	115,219	119,076	155,498	243,998
	10,871,669	10,652,830	10,860,366	11,230,111	12,500,062	12,265,891
	2,006	6,737	(25,606)	6,392	(53)	1,734
	29,911	50,251	27,839	33,068	34,496	44,954
	131,384	74,642	112,951	51,591	54,812	60,284
	525,729	507,763	687,609	745,602	662,070	963,030
	<u>23,633,652</u>	<u>22,619,753</u>	<u>22,994,915</u>	<u>22,798,684</u>	<u>23,447,465</u>	<u>23,213,886</u>
	869,266	844,854	884,342	886,309	883,953	889,467
	6,673,331	6,419,231	6,351,934	6,363,447	6,525,986	6,809,217
	833,441	831,495	856,133	934,767	832,855	974,260
	1,558,694	1,350,588	1,406,509	1,627,620	1,758,410	1,814,485
	12,761,134	12,447,706	12,162,029	12,320,259	11,627,776	11,632,371
	—	34	8	—	1	5
	—	—	—	—	—	—
	—	—	—	—	—	—
	714,550	852,832	963,001	1,115,457	1,253,100	1,409,557
	1,354	—	—	—	—	4
	285,627	256,221	216,017	212,483	242,497	227,307
	166,672	187,123	189,920	208,518	225,858	209,428
	831	1,545	920	606	1,552	8,101
	2,260	4,075	2,423	2,074	437	—
	—	—	—	—	42	374
	<u>23,867,160</u>	<u>23,195,704</u>	<u>23,033,236</u>	<u>23,671,540</u>	<u>23,352,467</u>	<u>23,974,576</u>
	<u>(233,508)</u>	<u>(575,951)</u>	<u>(38,321)</u>	<u>(872,856)</u>	<u>94,998</u>	<u>(760,690)</u>
	1,819	1,400	712	1,776	6,300	6,675
	—	—	—	—	—	1,085,000
	129,465	—	—	—	—	—
	108,930	995,555	441,690	163,145	312,960	—
	(121,020)	(1,177,908)	(486,904)	(168,589)	(351,599)	—
	18,622	195,638	48,276	7,944	40,468	30,631
	11,137	13,867	19,310	16,864	14,703	12,938
	285,468	304,688	312,595	300,699	255,959	259,810
	(9,547)	(12,763)	(21,846)	(144)	—	(738)
	<u>424,874</u>	<u>320,477</u>	<u>313,833</u>	<u>321,695</u>	<u>278,791</u>	<u>1,394,316</u>
	191,366	(255,474)	275,512	(551,161)	373,789	633,626
	4,928	153	(4,402)	4,135	(2,389)	(279)
\$	<u>196,294</u>	<u>(255,321)</u>	<u>271,110</u>	<u>(547,026)</u>	<u>371,400</u>	<u>633,347</u>
	1.99%	2.02%	1.85%	1.89%	2.14%	1.99%

**STATE OF MISSOURI
REVENUE BASE - TAXABLE SALES BY INDUSTRY
FISCAL YEARS 2010-2019**

Taxable Sales by Industry

	2019*	2018	2017	2016	2015
Agricultural/Forestry, Fishing, and Other	\$ 160,462,181	\$ 243,431,996	\$ 259,105,220	\$ 245,772,867	\$ 240,000,494
Mining	353,489,366	453,466,663	110,484,032	106,659,795	87,523,595
Construction	998,174,516	801,058,193	1,788,629,305	1,677,123,560	950,357,972
Manufacturing	3,395,360,423	4,543,245,262	4,758,144,850	4,686,174,181	4,512,551,497
Transportation and Public Utilities	6,704,044,793	7,431,439,993	7,991,327,737	7,941,221,199	8,150,393,880
Wholesale Trade	8,580,382,365	37,375,445,863	9,478,033,276	9,258,220,896	8,772,153,165
Retail Trade	44,832,734,671	26,306,855,209	52,013,596,266	50,710,170,965	48,945,156,057
Finance, Insurance, and Real Estate	1,700,974,266	2,244,925,706	675,498,078	639,535,606	459,394,721
Services	14,558,550,695	8,557,460,947	10,958,489,216	10,508,298,419	10,167,703,650
State and Local Government	229,536,272	248,500,694	137,361,580	130,923,934	149,553,253
Non-Classifiable	—	—	13,251,530	12,784,255	12,193,479
Total Taxable Sales	\$ 81,513,709,548	\$ 88,205,830,526	\$ 88,183,921,090	\$ 85,916,885,677	\$ 82,446,981,763
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%	4.225%

Continues Below

Taxable Sales by Industry

	2014	2013	2012	2011	2010
Agricultural/Forestry, Fishing, and Other	\$ 236,474,690	\$ 215,327,746	\$ 221,013,601	\$ 201,234,995	\$ 202,810,606
Mining	76,102,321	72,364,854	74,803,209	73,001,501	85,194,876
Construction	903,053,231	837,805,800	861,403,612	794,578,753	786,022,254
Manufacturing	4,452,723,181	4,122,180,876	3,761,027,682	2,916,005,779	2,994,039,718
Transportation and Public Utilities	8,296,512,631	7,865,266,716	7,836,415,362	8,377,819,035	8,347,862,197
Wholesale Trade	8,355,874,187	8,201,088,643	8,205,030,046	7,636,707,697	5,708,391,048
Retail Trade	46,883,720,342	45,955,834,897	45,578,697,317	43,451,150,211	42,667,031,160
Finance, Insurance, and Real Estate	428,174,408	555,096,635	577,095,000	573,590,035	562,957,084
Services	9,615,517,898	9,242,131,446	9,239,885,195	8,712,983,898	8,676,719,865
State and Local Government	196,281,904	164,729,390	167,737,492	150,984,890	135,174,330
Non-Classifiable	13,389,207	19,041,853	15,869,773	13,130,346	14,230,874
Total Taxable Sales	\$ 79,457,824,000	\$ 77,250,868,856	\$ 76,538,978,289	\$ 72,901,187,140	\$ 70,180,434,012
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%	4.225%

Source: Missouri Department of Revenue

* During fiscal year 2018 the State replaced the Standard Industrial Classification System with the more consistent North American Industry Classification System to classify revenues.

**STATE OF MISSOURI
REVENUE BASE - PERSONAL INCOME BY INDUSTRY
CALENDAR YEARS 2009-2018**

Personal Income by Industry (In Thousands of Dollars)	2018	2017	2016	2015	2014
Farm Earnings	\$ 266,645	\$ 1,062,184	\$ 829,415	\$ 722,021	\$ 3,786,857
Agricultural/Forestry, Fishing, and Other	482,308	424,552	457,108	451,862	394,686
Mining	336,767	241,988	320,915	345,512	450,247
Construction/Utilities	14,235,375	13,819,650	12,748,129	11,973,872	12,039,804
Manufacturing	22,730,105	21,229,515	20,542,795	20,483,723	19,405,898
Transportation and Public Utilities	7,511,308	7,189,504	6,957,284	6,937,566	6,632,242
Wholesale Trade	11,056,910	10,826,692	10,831,422	11,063,357	10,168,424
Retail Trade	11,993,104	11,749,093	11,785,062	11,618,585	11,353,713
Finance, Insurance, and Real Estate	19,493,630	17,761,199	15,456,673	15,873,119	14,637,085
Services	86,806,984	82,115,017	78,239,644	77,566,750	75,021,866
Federal, Civilian	6,078,280	5,843,242	5,677,270	5,566,826	5,370,947
Military	2,000,240	1,912,463	1,879,387	1,889,251	1,906,989
State and Local Government	22,440,186	22,264,323	22,256,414	21,860,748	21,611,208
Total Personal Income	\$ 205,431,842	\$ 196,439,422	\$ 187,981,518	\$ 186,353,192	\$ 182,779,966
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%

Continues Below

Personal Income by Industry (In Thousands of Dollars)	2013	2012	2011	2010	2009
Farm Earnings	\$ 1,626,591	\$ 1,257,121	\$ 2,321,629	\$ 1,523,983	\$ 1,591,091
Agricultural/Forestry, Fishing, and Other	397,546	319,736	297,657	333,875	276,120
Mining	531,506	533,997	504,777	395,522	388,211
Construction/Utilities	11,722,352	11,021,154	10,551,329	10,588,278	11,331,673
Manufacturing	18,638,481	18,223,989	17,303,819	16,746,171	17,442,057
Transportation and Public Utilities	6,641,733	6,329,830	5,957,783	5,732,126	5,809,413
Wholesale Trade	9,614,681	9,401,253	8,969,791	8,721,745	8,658,427
Retail Trade	11,045,743	10,981,844	10,654,925	10,506,522	10,416,435
Finance, Insurance, and Real Estate	13,981,286	13,577,510	12,587,314	12,244,442	11,816,812
Services	73,357,863	70,695,009	67,723,434	65,813,475	64,334,920
Federal, Civilian	5,170,204	5,326,901	5,399,812	5,440,528	5,151,679
Military	2,165,907	2,087,494	2,151,087	2,185,296	2,318,306
State and Local Government	21,013,029	20,951,836	20,783,859	21,026,890	20,830,621
Total Personal Income	\$ 175,906,922	\$ 170,707,674	\$ 165,207,216	\$ 161,258,853	\$ 160,365,765
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%

Source: Bureau of Economic Analysis

**STATE OF MISSOURI
PERSONAL INCOME TAX REVENUE
FISCAL YEARS 2010-2019**

Personal Income Tax Revenue	2019	2018	2017	2016	2015
Personal Income Tax Revenue	\$ 7,654,451,494	\$ 7,737,588,498	\$ 7,331,004,490	\$ 7,182,257,124	\$ 6,904,280,506
Personal Income (Federal AGI)	\$ 314,827,907,242	\$ 304,938,141,965	\$ 308,516,717,209	\$ 295,120,344,327	\$ 272,999,790,569
Taxable Income	\$ 235,907,363,855	\$ 228,943,859,159	\$ 233,037,149,447	\$ 223,319,685,253	\$ 204,984,460,785
Average Effective Rate:					
Federal Adjusted Gross Taxable Income	2.43%	2.54%	2.38%	2.43%	2.53%
	3.24%	3.38%	3.15%	3.22%	3.37%

Continues Below

Personal Income Tax Revenue	2014	2013	2012	2011	2010
Personal Income Tax Revenue	\$ 6,421,723,597	\$ 6,374,093,816	\$ 5,851,270,707	\$ 5,641,812,271	\$ 5,495,341,696
Personal Income (Federal AGI)	\$ 286,579,465,435	\$ 238,522,413,855	\$ 232,336,289,876	\$ 206,107,657,668	\$ 214,909,582,160
Taxable Income	\$ 215,915,208,076	\$ 176,397,991,056	\$ 170,827,410,945	\$ 147,407,200,244	\$ 124,489,765,954
Average Effective Rate:					
Federal Adjusted Gross Taxable Income	2.24%	2.67%	2.52%	2.74%	2.56%
	2.97%	3.61%	3.43%	3.83%	4.41%

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated.

Source: Missouri Department of Revenue

**STATE OF MISSOURI
PERSONAL INCOME TAX RATES
FISCAL YEARS 2010-2019**

**Ranges of Tax Rates
on the Portion of
Taxable Income
(In Thousands of Dollars)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Tax Rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Income Levels	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2
Tax Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Income Levels	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3
Tax Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Income Levels	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4
Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Income Levels	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5
Tax Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Income Levels	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6
Tax Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Income Levels	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7
Tax Rate	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Income Levels	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8
Tax Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Income Levels	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9
Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Income Levels	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated

Source: Missouri Department of Revenue

**STATE OF MISSOURI
REVENUE PAYERS BY INDUSTRY
FISCAL YEARS 2010-2019**

Sales Tax	2019*	%	2018	%	2017	%
Agricultural	\$ 6,779,527	0.20%	\$ 10,285,002	0.28%	\$ 10,947,196	0.29%
Mining	14,934,926	0.43%	19,158,966	0.51%	4,667,950	0.13%
Construction	42,172,873	1.23%	33,955,810	0.91%	75,569,588	2.03%
Manufacturing	143,453,978	4.16%	191,952,112	5.15%	201,031,620	5.40%
Transportation & Utilities	283,245,892	8.22%	313,978,340	8.43%	337,633,597	9.06%
Wholesale Trade	362,521,155	10.53%	1,579,112,588	42.37%	400,446,906	10.75%
Retail Trade	1,894,183,040	55.00%	1,111,464,633	29.82%	2,197,574,442	58.98%
Finance, Insurance, & Real Estate	71,866,163	2.09%	94,848,111	2.55%	28,539,794	0.77%
Services	615,098,767	17.86%	361,552,725	9.70%	462,996,169	12.43%
Government	9,697,907	0.28%	10,499,154	0.28%	5,803,527	0.16%
Non-Classifiable	—	—%	—	—%	559,877	0.01%
Total	\$ 3,443,954,228	100.00%	\$ 3,726,807,441	100.00%	\$ 3,725,770,666	100.00%
	2016	%	2015	%	2014	%
Agricultural	\$ 10,383,904	0.36%	\$ 10,140,021	0.29%	\$ 9,991,056	0.30%
Mining	4,506,376	0.16%	3,697,872	0.11%	3,215,323	0.09%
Construction	37,780,540	1.31%	40,152,624	1.15%	38,153,999	1.14%
Manufacturing	192,230,237	6.67%	190,655,301	5.47%	188,127,554	5.60%
Transportation & Utilities	330,960,635	11.49%	344,354,141	9.89%	350,527,659	10.44%
Wholesale Trade	261,477,270	9.07%	370,623,471	10.64%	353,035,684	10.52%
Retail Trade	1,568,702,724	54.44%	2,067,932,843	59.37%	1,980,837,184	59.00%
Finance, Insurance, & Real Estate	25,446,129	0.88%	19,409,427	0.56%	18,090,369	0.54%
Services	443,975,608	15.41%	429,585,479	12.33%	406,255,631	12.10%
Government	5,531,536	0.19%	6,318,625	0.18%	8,292,910	0.25%
Non-Classifiable	540,135	0.02%	515,174	0.01%	565,694	0.02%
Total	\$ 2,881,535,094	100.00%	\$ 3,483,384,978	100.00%	\$ 3,357,093,063	100.00%
	2013	%	2012	%	2011	%
Agricultural	\$ 9,097,597	0.28%	\$ 9,337,825	0.29%	\$ 8,502,179	0.27%
Mining	3,057,415	0.09%	3,160,435	0.10%	3,084,313	0.10%
Construction	35,397,295	1.08%	36,394,303	1.13%	33,570,952	1.09%
Manufacturing	174,162,142	5.34%	158,903,420	4.91%	123,201,244	4.00%
Transportation & Utilities	332,307,519	10.18%	331,088,549	10.24%	353,962,854	11.49%
Wholesale Trade	346,495,995	10.62%	346,662,519	10.72%	322,650,900	10.48%
Retail Trade	1,941,634,024	59.49%	1,925,699,962	59.55%	1,835,811,096	59.60%
Finance, Insurance, & Real Estate	23,452,833	0.72%	24,382,264	0.75%	24,234,179	0.79%
Services	390,480,054	11.96%	390,385,149	12.07%	368,123,570	11.95%
Government	6,959,817	0.21%	7,086,909	0.22%	6,379,112	0.21%
Non-Classifiable	804,518	0.03%	670,498	0.02%	554,757	0.02%
Total	\$ 3,263,849,209	100.00%	\$ 3,233,771,833	100.00%	\$ 3,080,075,156	100.00%
	2010	%				
Agricultural	\$ 8,568,748	0.29%				
Mining	3,599,484	0.12%				
Construction	33,209,440	1.12%				
Manufacturing	126,498,178	4.27%				
Transportation & Utilities	352,697,178	11.90%				
Wholesale Trade	241,179,522	8.13%				
Retail Trade	1,802,682,066	60.80%				
Finance, Insurance, & Real Estate	23,784,937	0.80%				
Services	366,591,414	12.36%				
Government	5,711,115	0.19%				
Non-Classifiable	601,254	0.02%				
Total	\$ 2,965,123,336	100.00%				

Source: Missouri Department of Revenue

* During fiscal year 2018 the State replaced the Standard Industrial Classification System with the more consistent North American Industry Classification System to classify revenues.

**STATE OF MISSOURI
PERSONAL INCOME TAX FILERS/LIABILITY
FISCAL YEARS 2010 AND 2019**

Personal Income*

	2019			
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
\$50,000 and under	2,110,831	48.29%	\$ 549,459,459	8.36%
\$50,000 - \$100,000	1,158,323	26.50%	1,322,457,553	20.11%
\$100,000 - \$250,000	887,681	20.31%	2,277,798,892	34.64%
\$250,000 - \$1,000,000	180,588	4.13%	1,366,775,627	20.79%
\$1,000,000 and over	33,773	0.77%	1,058,262,902	16.10%
Total	4,371,196	100.00%	\$ 6,574,754,433	100.00%

	2010			
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
\$50,000 and under	3,317,753	77.59%	\$ 1,316,171,481	26.34%
\$50,000 - \$100,000	710,262	16.61%	1,426,186,805	28.54%
\$100,000 - \$250,000	190,933	4.47%	919,084,565	18.39%
\$250,000 - \$1,000,000	45,785	1.07%	647,958,606	12.96%
\$1,000,000 and over	11,057	0.26%	688,049,159	13.77%
Total	4,275,790	100.00%	\$ 4,997,450,616	100.00%

*Federal Adjusted Gross Income

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available.
The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

Source: Missouri Department of Revenue

STATE OF MISSOURI
RATIOS OF OUTSTANDING DEBT
FISCAL YEARS 2010-2019
(In Thousands of Dollars Except Per Capita)

	2019	2018*	2017	2016
Governmental Activities				
General Obligation Bonds	\$ 66,120	\$ 104,695	\$ 154,830	\$ 208,880
Other Bonds	2,523,955	2,807,240	2,943,825	3,207,400
Leasehold Revenue Bonds	24,170	25,775	27,310	28,770
Certificates of Participation	—	13,525	26,770	39,770
Financed Purchases	31,525	24,848	—	—
Capital Leases	13,549	15,812	45,736	61,846
Total Governmental Activities	<u>\$ 2,659,319</u>	<u>\$ 2,991,895</u>	<u>\$ 3,198,471</u>	<u>\$ 3,546,666</u>
Business-Type Activities				
Capital Leases	\$ —	\$ —	\$ 128	\$ 304
Total Business-Type Activities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 128</u>	<u>\$ 304</u>
Total Primary Government	<u>\$ 2,659,319</u>	<u>\$ 2,991,895</u>	<u>\$ 3,198,599</u>	<u>\$ 3,546,970</u>
Personal Income	\$ 285,704,000	\$ 266,920,797	\$ 261,547,770	\$ 257,338,334
Debt as a Percentage of Personal Income ¹	0.9%	1.1%	1.2%	1.4%
Debt Per Capita ¹	\$ 425	\$ 489	\$ 526	\$ 583
Legal Debt Margin Calculation for Fiscal Year 2019:				
General Obligation Bonds Authorized (Legislative Debt Limit)	\$ 1,726,395			
Unforeseen Emergency or Casual Deficiency	1,000			
Less: General Obligation Issued	(1,489,494)			
Legal Debt Margin	<u>\$ 237,901</u>			
Legal Debt Margin Summary by Fiscal Year:				
Legislative Debt Limit	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395
Total Net Debt Applicable to Limit	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)
Legal Debt Margin	<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>
Legal Debt Margin to Debt Limit Ratio	13.78%	13.78%	13.78%	13.78%

¹ These ratios are calculated using personal income and population for the calendar year.
See *Demographic Indicators* for personal income and population data.

*Fiscal year 2018 amounts have been restated.

2015	2014	2013	2012	2011	2010
\$ 266,275	\$ 323,395	\$ 378,150	\$ 432,765	\$ 487,090	\$ 528,910
3,226,430	3,303,700	3,562,775	3,735,920	3,880,975	4,060,855
30,170	31,515	32,995	32,780	33,880	34,935
52,560	65,160	76,910	76,910	76,910	87,550
—	—	—	—	—	—
51,729	66,270	75,535	78,455	103,543	97,423
<u>\$ 3,627,164</u>	<u>\$ 3,790,040</u>	<u>\$ 4,126,365</u>	<u>\$ 4,356,830</u>	<u>\$ 4,582,398</u>	<u>\$ 4,809,673</u>
<u>\$ 477</u>	<u>\$ 215</u>	<u>\$ 284</u>	<u>\$ 356</u>	<u>\$ 66</u>	<u>\$ 116</u>
<u>\$ 477</u>	<u>\$ 215</u>	<u>\$ 284</u>	<u>\$ 356</u>	<u>\$ 66</u>	<u>\$ 116</u>
<u>\$ 3,627,641</u>	<u>\$ 3,790,255</u>	<u>\$ 4,126,649</u>	<u>\$ 4,357,186</u>	<u>\$ 4,582,464</u>	<u>\$ 4,809,789</u>
\$ 252,482,438	\$ 245,771,389	\$ 235,153,679	\$ 228,218,407	\$ 218,778,293	\$ 216,049,019
1.4%	1.5%	1.8%	1.9%	2.1%	2.2%
\$ 598	\$ 627	\$ 685	\$ 725	\$ 764	\$ 807
\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395
(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)
<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>
13.78%	13.78%	13.78%	13.78%	13.78%	13.78%

**STATE OF MISSOURI
PLEGGED REVENUE COVERAGE
FISCAL YEARS 2010-2019
(In Thousands of Dollars)**

Fiscal Year	Gross Revenues ¹	Less: Operating Expenses ²	Net Available Revenues	Debt Service		Coverage ³
				Principal	Interest	
Missouri Road Fund						
2019	\$ 1,955,445	\$ 389,546	\$ 1,565,899	\$ 209,355	\$ 80,032	5.4
2018	2,000,651	383,969	1,616,682	200,185	89,422	5.6
2017	1,852,570	388,116	1,464,454	190,770	103,917	5.0
2016	1,831,126	372,800	1,458,326	168,470	111,751	5.2
2015	1,721,615	373,739	1,347,876	169,550	114,878	4.7
2014	1,773,033	348,537	1,424,496	162,050	130,641	4.9
2013	1,822,318	333,327	1,488,991	153,525	135,511	5.2
2012	1,761,382	342,240	1,419,142	133,190	140,202	5.2
2011	2,237,700	305,649	1,932,051	137,015	146,326	6.8
2010	1,760,497	281,320	1,479,177	88,285	128,851	6.8

N/A = not available

¹ Revenues for Missouri Road Fund consist of a portion of the taxes and fees received by the State from the motor fuel tax, sales tax on motor vehicles, use tax on motor vehicles, revenue derived from motorists for their usage of the highways of the State, federal grants, and bond proceeds.

² Operating Expenses do not include depreciation/amortization.

³ Coverage equals net available revenue divided by debt service.

Source: Missouri Department of Transportation

**STATE OF MISSOURI
DEMOGRAPHIC INDICATORS
CALENDAR YEARS 2009-2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Population					
Missouri (In Thousands)	6,043	6,114	6,093	6,084	6,064
Change	0.3%	0.4%	0.1%	0.3%	0.3%
National (In Thousands)	327,167	325,719	323,128	321,419	318,857
Change	0.6%	0.7%	0.5%	0.8%	0.9%
Total Personal Income					
Missouri					
(In Thousands of Dollars)	\$ 285,704,000	\$ 266,920,797	\$ 261,547,770	\$ 257,338,334	\$ 252,482,438
Change	6.6%	2.1%	1.6%	1.9%	2.7%
National					
(In Thousands of Dollars)	\$ 17,572,929,000	\$ 16,413,550,863	\$ 15,912,777,000	\$ 15,463,981,000	\$ 14,683,147,000
Change	6.6%	3.1%	2.9%	5.3%	3.8%
Per Capita Personal Income					
Missouri	\$ 46,635	\$ 43,661	\$ 42,926	\$ 42,300	\$ 41,639
Change	6.4%	1.7%	1.5%	1.6%	2.4%
National	\$ 53,712	\$ 50,392	\$ 49,246	\$ 48,112	\$ 46,049
Change	6.2%	2.3%	2.4%	4.5%	2.9%
Resident Civilian Labor Force and Employment					
Civilian Labor Force					
(In Thousands)	3,052	3,051	3,112	3,114	3,058
Employed (In Thousands)	2,955	2,936	2,971	2,958	2,871
Unemployed (In Thousands)	98	115	141	156	187
Unemployment Rate	3.2%	3.8%	4.5%	5.0%	6.1%
National Unemployment Rate	3.9%	4.4%	4.9%	5.3%	6.2%

Continues Below

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Population					
Missouri (In Thousands)	6,044	6,022	6,011	5,996	5,961
Change	0.4%	0.2%	0.3%	0.6%	0.6%
National (In Thousands)	316,129	313,914	311,592	309,330	306,772
Change	0.7%	0.7%	0.7%	0.8%	0.9%
Total Personal Income					
Missouri					
(In Thousands of Dollars)	\$ 245,771,389	\$ 235,153,679	\$ 228,218,407	\$ 218,778,293	\$ 216,049,019
Change	4.5%	3.0%	4.3%	1.3%	(3.4)%
National					
(In Thousands of Dollars)	\$ 14,151,427,000	\$ 13,401,868,693	\$ 12,949,905,000	\$ 12,308,496,000	\$ 11,916,808,000
Change	5.6%	3.5%	5.2%	3.3%	(4.3)%
Per Capita Personal Income					
Missouri	\$ 40,663	\$ 39,049	\$ 37,969	\$ 36,406	\$ 36,243
Change	4.1%	2.8%	4.3%	0.4%	(4.0)%
National	\$ 44,765	\$ 42,693	\$ 41,560	\$ 39,791	\$ 38,846
Change	4.9%	2.7%	4.4%	2.4%	(5.1)%
Resident Civilian Labor Force and Employment					
Civilian Labor Force					
(In Thousands)	3,018	2,993	3,022	3,053	3,051
Employed (In Thousands)	2,821	2,785	2,767	2,767	2,768
Unemployed (In Thousands)	197	207	255	286	283
Unemployment Rate	6.5%	6.9%	8.4%	9.4%	9.3%
National Unemployment Rate	7.4%	8.1%	8.9%	9.6%	9.3%

Sources: Bureau of Economic Analysis, Missouri Economic Research and Information Center, Bureau of Labor Statistics

**STATE OF MISSOURI
ECONOMIC INDICATORS
CALENDAR YEARS 2009-2018**

	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
School Enrollment (In Thousands)					
Elementary and Secondary Education	881	884	884	885	886
Higher Education - Private Institutions	87	87	92	93	95
Total Enrollment (In thousands)	968	971	976	978	981
% Change from Prior Year	(0.3)%	(0.5)%	(0.2)%	(0.3)%	0.3%
Higher Education					
Public Community Colleges					
Number of Campuses	22	19	19	19	19
Number of Students (FTE*)	52,927	55,418	57,568	57,247	61,671
State Technical College					
Number of Campuses	1	1	1	1	1
Number of Students (FTE)	1,467	1,242	1,226	1,273	1,276
State Colleges/Universities					
Number of Campuses	14	14	14	14	14
Number of Students (FTE)	112,020	115,374	119,127	121,827	121,358

Continues Below

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
School Enrollment (In Thousands)					
Elementary and Secondary Education	888	888	886	890	892
Higher Education - Private Institutions	90	91	98	95	93
Total Enrollment	978	979	984	985	985
% Change from Prior Year	(0.1)%	(0.5)%	(0.1)%	0.0%	0.3%
Higher Education					
Public Community Colleges					
Number of Campuses	19	19	19	19	20
Number of Students (FTE*)	65,773	67,721	70,964	70,320	65,034
State Technical College					
Number of Campuses	1	1	1	1	1
Number of Students (FTE)	1,325	1,236	1,161	1,133	1,116
State Colleges/Universities					
Number of Campuses	14	14	14	14	14
Number of Students (FTE)	118,669	118,055	117,609	114,655	112,539

*FTE is Full-Time Equivalent.

Sources: Missouri Department of Elementary and Secondary Education and Missouri Department of Higher Education

**STATE OF MISSOURI
PRINCIPAL EMPLOYERS
CALENDAR YEARS 2009 AND 2018**

2018

Employer	Number of Employees	Percent of Total State Employment
State of Missouri ¹	54,000+	1.83%
Wal-Mart Associates, Inc.	20,000+	0.68%
Mercy Health Systems	20,000+	0.68%
Washington University	20,000+	0.68%
US Post Office	15,000-20,000	0.51%-0.68%
Boeing Corporation	12,500-15,000	0.42%-0.51%
Cerner Corporation	10,000-12,500	0.34%-0.42%
Barnes-Jewish Hospitals	10,000-12,500	0.34%-0.42%
U.S. Department of Veterans Affairs	10,000-12,500	0.34%-0.42%
Schnuck Markets, Inc.	7,500-10,000	0.25%-0.34%
SSM Health Care	7,500-10,000	0.25%-0.34%
Total	<u>186,500-206,500</u>	<u>6.31%-6.99%</u>
Total Missouri Employment		2,954,808

2009

Employer	Number of Employees	Percent of Total State Employment
State of Missouri ¹	63,000	2.29%
Wal-Mart Associates, Inc.	40,000-45,000	1.45% - 1.63%
University of Missouri	20,000 - 25,000	0.73% - 0.91%
US Post Office	15,000 - 20,000	0.54% - 0.73%
Washington University	10,000 - 15,000	0.36% - 0.54%
Boeing Corporation	10,000 - 15,000	0.36% - 0.54%
U.S. Department of Defense	7,500 - 10,000	0.27% - 0.36%
Barnes-Jewish Hospitals	7,500 - 10,000	0.27% - 0.36%
Schnuck Markets, Inc.	7,500 - 10,000	0.27% - 0.36%
City of St. Louis	7,500 - 10,000	0.27% - 0.36%
Total	<u>188,000-223,000</u>	<u>6.81% - 8.08%</u>
Total Missouri Employment		2,753,762

All figures are based on a calendar-year average.

¹Number of state employees includes only full-time personnel and does not include college or university employees.

Sources: Missouri Economic Research and Information Center, State of Missouri CAFR-Fiscal Year 2009, State Employee Headcount report

**STATE OF MISSOURI
STATE EMPLOYEES BY FUNCTION
FISCAL YEARS 2010-2019
FULL-TIME EQUIVALENTS***

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Legislature	652	665	663	670	667	671	670	683	703	725
Judiciary	3,430	3,551	3,558	3,543	3,519	3,530	3,470	3,369	3,393	3,626
Public Defender	605	578	579	577	573	575	565	595	578	570
Governor	33	30	18	21	22	23	26	28	32	33
Lt. Governor	8	7	6	7	6	5	5	6	6	6
Secretary of State	223	220	217	235	233	228	244	244	253	261
State Auditor	116	111	109	108	113	113	111	116	116	119
State Treasurer	46	46	46	45	46	49	48	49	50	49
Attorney General	347	351	351	359	373	376	363	350	371	408
Office of Administration	1,846	1,859	1,907	1,881	1,871	1,933	2,132	2,161	2,139	2,040
Revenue	1,297	1,283	1,289	1,283	1,288	1,347	1,344	1,364	1,383	1,421
Total General Government	<u>8,603</u>	<u>8,701</u>	<u>8,743</u>	<u>8,729</u>	<u>8,711</u>	<u>8,850</u>	<u>8,978</u>	<u>8,965</u>	<u>9,024</u>	<u>9,258</u>
Education										
Elementary and Secondary Education	2,512	2,620	2,555	2,663	2,639	2,678	2,631	2,714	2,635	2,662
Higher Education	58	56	55	57	57	57	64	61	65	75
Total Education	<u>2,570</u>	<u>2,676</u>	<u>2,610</u>	<u>2,720</u>	<u>2,696</u>	<u>2,735</u>	<u>2,695</u>	<u>2,775</u>	<u>2,700</u>	<u>2,737</u>
Natural and Economic Resources										
Agriculture	431	483	476	495	495	464	456	467	535	617
Insurance, Financial Institutions and Professional Registration	744	733	762	770	765	762	759	755	744	734
Conservation	1,835	1,871	1,898	1,871	1,895	1,896	1,901	1,872	1,894	1,982
Economic Development	793	800	812	800	810	786	822	891	947	1,019
Labor and Industrial Relations	657	701	742	796	827	881	967	998	987	924
Natural Resources	1,830	1,842	1,981	2,023	1,974	2,075	2,047	2,042	1,934	1,903
Total Natural and Economic Resources	<u>6,290</u>	<u>6,430</u>	<u>6,671</u>	<u>6,755</u>	<u>6,766</u>	<u>6,864</u>	<u>6,952</u>	<u>7,025</u>	<u>7,041</u>	<u>7,179</u>
Transportation and Law Enforcement										
Transportation	5,497	5,471	5,545	5,444	5,591	5,502	5,410	5,804	6,399	6,970
Public Safety	5,490	5,449	5,316	5,240	5,193	5,220	5,320	5,309	5,281	5,336
Total Transportation and Law Enforcement	<u>10,987</u>	<u>10,920</u>	<u>10,861</u>	<u>10,684</u>	<u>10,784</u>	<u>10,722</u>	<u>10,730</u>	<u>11,113</u>	<u>11,680</u>	<u>12,306</u>
Human Services										
Health and Senior Services	1,794	1,825	1,831	1,825	1,830	1,793	1,798	1,753	1,706	1,826
Mental Health	7,704	7,836	7,728	7,605	7,742	8,076	8,101	8,089	8,256	8,961
Social Services	6,537	6,670	6,735	6,952	7,147	7,145	7,244	7,371	7,562	8,138
Corrections	10,179	10,568	10,866	10,929	11,051	11,069	10,880	10,864	10,990	11,175
Total Human Services	<u>26,214</u>	<u>26,899</u>	<u>27,160</u>	<u>27,311</u>	<u>27,770</u>	<u>28,083</u>	<u>28,023</u>	<u>28,077</u>	<u>28,514</u>	<u>30,100</u>
State Total	<u>54,664</u>	<u>55,626</u>	<u>56,045</u>	<u>56,199</u>	<u>56,727</u>	<u>57,254</u>	<u>57,378</u>	<u>57,955</u>	<u>58,959</u>	<u>61,580</u>

*Based on a four quarter average.

Source: Office of Administration, Division of Accounting, Statewide Indirect Cost Allocation Plan

**STATE OF MISSOURI
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2010-2019**

	2019	2018	2017	2016
General Government				
Individual Income Tax Returns Processed (In Thousands)	3,102	3,103	3,060	3,098
Sales and Use Tax Returns Processed (In Thousands)	765	694	707	707
Driver Licenses Processed (In Thousands)	1,324	1,183	1,487	1,123
Motor Vehicle Registrations Processed (In Thousands)	5,930	4,221	3,770	3,993
Audit Reports Issued	155	155	147	135
Statewide Court Filings (In Thousands)	1,902	1,923	2,098	2,370
Archives Website Hit				
Secretary of State Web Page (In Thousands)	24,998	29,498	28,714	18,232
Checks Issued (In Thousands)	1,332	1,537	1,592	1,697
Unclaimed Property Returned (In Thousands)	\$ 45,083	\$ 44,697	\$ 44,369	\$ 42,038
Education				
High School Drop Out Rate	2.2%	2.4%	2.4%	2.5%
Accredited Elementary and Secondary School Districts*	508	512	512	518
Clients Achieving Employment after Receiving Vocational Rehabilitation Services	53.1%	56.2%	60.1%	60.9%
Student Loan Recovery Rate	31.0%	25.5%	26.0%	23.3%
Scholarships/Grants Awarded to Eligible Missouri Residents (In Thousands)	\$ 128,967	\$ 121,753	\$ 129,623	\$ 119,948
Natural and Economic Resources				
Job Placement Rate of Unemployed Individuals that Registered on Great Hires Web Page**	70.7%	71.6%	64.9%	65.7%
Insurance Policies Filed Electronically	100.0%	100.0%	100.0%	99.7%
Initial Unemployment Claims (In Thousands)	184	217	239	259
International Export Certificates Issued	6,802	7,619	8,110	6,773
Hunting License Holders (In Thousands)	561	596	603	607
Visitors to Missouri State Parks and Historic Sites (In Thousands)	21,107	21,559	21,273	19,205
Transportation and Law Enforcement				
Methamphetamine Labs Seized	2	8	11	7
State - Licensed Fire Safety Inspections	13,543	17,903	18,459	19,459
Buildings Served by Missouri Capitol Police	72	71	71	74
Alcohol Licenses Issued	34,028	32,972	32,319	31,404
Missouri Major Roads Rated in Good Condition	91.5%	91.6%	90.0%	90.4%
Difference Between Awarded and Actual Transportation Construction Costs	1.50%	0.02%	0.1%	1.1%
Human Services				
Medicaid Enrollees	858,077	971,143	983,835	982,776
Food Stamp Recipients	682,299	727,131	754,062	782,374
Doses of Vaccine Issued by Vaccines for Children Providers (In Thousands)	1,162	1,208	1,243	1,226
Incarcerated Offenders	28,172	31,726	32,537	32,837
Individuals Served in State Comprehensive Psychiatric Service Facilities	1,607	1,611	1,652	1,683

*Department of Elementary and Secondary Education presented no accreditation classifications to the Board of Education during fiscal year 2013. Charter schools are not included in the statistics.

** In Fiscal Year 2019 the web page changed from MissouriCareerSource to Great Hires.

Sources: State agencies

	2015	2014	2013	2012	2011	2010
	3,058	2,848	2,945	2,969	2,917	2,877
	705	703	730	760	773	785
	1,600	1,415	1,308	1,208	1,160	1,090
	4,479	4,215	4,050	3,905	3,828	3,844
	143	150	146	123	168	151
	2,624	2,652	2,685	2,565	2,525	2,359
	72,045	87,436	98,233	91,257	70,384	53,835
	1,550	1,363	1,722	1,971	2,216	2,465
\$	41,720	\$ 40,042	\$ 39,509	\$ 38,239	\$ 36,373	\$ 35,014
	2.5%	2.8%	3.0%	3.5%	4.0 %	4.1 %
	507	507		506	510	510
	61.7%	60.0%	62.7%	61.0%	56.0 %	61.0 %
	26.4%	31.2%	34.2%	36.5%	30.0 %	28.2 %
\$	111,342	\$ 107,413	\$ 104,265	\$ 97,077	\$ 91,146	\$ 98,593
	60.7%	56.0%	55.4%	55.2%	58.2 %	57.9 %
	99.5%	99.4%	99.4%	99.5%	96.0 %	96.0 %
	295	355	364	427	502	582
	7,926	6,453	7,819	7,821	6,301	4,924
	610	612	606	593	588	592
	18,568	17,468	18,093	17,846	16,363	15,891
	70	129	244	274	340	245
	13,434	15,348	15,680	15,177	11,487	10,603
	72	72	72	72	73	75
	31,400	30,743	30,723	30,498	29,960	29,051
	89.2%	89.7%	88.5%	88.1%	85.8 %	86.5 %
	0.6%	0.8%	0.5%	0.2%	(0.4)%	(1.9)%
	944,257	825,974	868,226	889,159	897,306	892,691
	844,851	839,734	927,927	943,835	949,136	909,139
	1,174	1,192	1,385	1,354	1,420	1,384
	32,284	31,905	31,408	31,057	30,771	30,418
	1,628	1,649	1,694	1,716	2,170	4,120

**STATE OF MISSOURI
CAPITAL ASSET STATISTICS
BY FUNCTION
FISCAL YEARS 2010-2019**

	2019	2018	2017	2016	2015
General Government					
Parcels of Land	23	23	21	21	20
Land Improvements	70	70	61	61	59
Square Footage of Buildings	1,130,336	1,062,507	1,066,968	1,068,854	1,032,098
Equipment	41,941	41,961	39,396	36,159	34,548
Software	2,940	2,940	2,717	2,260	1,961
Education					
Parcels of Land	31	31	31	31	31
Land Improvements	55	55	55	56	54
Square Footage of Buildings	165,291	158,235	157,190	156,710	136,074
Equipment	4,211	4,212	4,249	4,357	5,039
Trademarks	1	1	1	1	1
Natural and Economic					
Parcels of Land	885	888	880	847	835
Land Improvements	476	478	456	427	426
Temporary Easements	1	1	1	1	1
Square Footage of Buildings	561,296	583,682	582,846	582,847	574,076
Equipment	14,664	14,671	14,535	15,168	26,859
Software	318	96	91	80	68
State Parks and Historic	91	91	91	88	87
State Conservation Areas	1,217	1,197	1,198	1,190	1,186
Transportation and Law					
Parcels of Land	617	617	620	623	628
Land Improvements	495	495	486	476	474
Permanent Easements	751	719	674	638	593
Temporary Easements	602	593	542	654	797
Square Footage of Buildings	189,651	185,777	183,676	181,743	179,183
Equipment	72,773	72,869	72,030	67,114	67,103
Software	870	870	798	710	616
Miles of State Highway	33,838	33,859	33,856	33,873	33,892
State-Owned Bridges and	10,384	10,385	10,394	10,394	10,376
Highway Patrol Stations	9	9	9	9	9
Human Services					
Parcels of Land	80	80	81	81	81
Land Improvements	171	171	178	174	175
Square Footage of Buildings	862,583	920,530	916,936	917,901	926,098
Equipment	35,441	35,446	36,481	41,777	43,545
Software	89	89	86	82	70
Correctional Facilities	28	29	29	29	30

Source: State of Missouri capital asset records by agency.

2014	2013	2012	2011	2010
20	20	20	20	20
58	50	40	38	38
1,035,704	1,014,621	1,006,449	1,013,314	1,011,732
35,055	36,050	35,651	35,316	35,333
1,625	826	293	213	168
31	31	31	31	31
54	54	46	43	43
136,203	140,159	136,465	136,465	133,494
6,286	6,175	6,102	5,984	5,911
1	1	1	1	—
826	826	826	825	824
408	386	328	324	323
1	1	1	1	1
575,485	602,174	611,550	616,729	622,181
34,028	35,159	35,064	36,097	36,881
57	51	36	20	12
87	87	85	85	85
1,189	1,197	1,193	1,196	1,179
650	682	790	805	819
439	420	349	307	264
548	467	382	254	221
867	875	833	961	1,086
181,880	180,140	175,664	175,138	164,119
66,095	65,813	66,994	67,649	67,959
529	429	358	202	146
33,890	33,885	33,845	33,702	33,639
10,371	10,364	10,405	10,405	10,335
9	9	9	9	9
81	81	83	83	83
173	168	161	157	154
924,164	919,900	900,749	924,380	932,827
44,712	46,221	50,229	63,442	70,684
59	32	28	13	10
30	30	30	30	30

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