

)LQDQFLDO 6WDWHPHQWV

IRU

0855\$< 67\$7( 81,9(56,7<  
\$&20321(17 81,7 2) 7+(  
&20021:(\$/7+ 2) .(178&.<

)RU WHKHU (QGHG -XQH  
ZLWK 5HSRUW RI\$XGGMSHU/GHQW

DEANDORTON

## CONTENTS

### Pages

Report of Independent Auditors .....	1-2	
.....	3-23	
 Financial Statements		
Statements of Net Position Murray State University .....	24-25	
Statements of Financial Position Murray State University Foundation, Inc. ....	26	
Statements of Revenues, Expenses and Changes in Net Position Murray State University .....	27-28	
Statements of Activities Murray State University Foundation, Inc. ....	29-30	
Statements of Cash Flows Murray State University .....	31-32	
Notes to Financial Statements.....	33-77	
Supplementary Information .....	78-85	
 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with .....		86-87

## Report of Independent Auditors

Board of Regents  
Murray State University  
Murray, Kentucky

Secretary of Finance and Administration  
Cabinet of the Commonwealth of Kentucky

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Murray State University (the University), a component unit of the Commonwealth of Kentucky, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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.

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.

Board of Regents  
Murray State University  
Report of Independent Auditors, continued

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of Murray State University as of June 30, 2020 and 2019, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the Unit

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

June 30, 2020

Introduction

activities of Murray State University (University) for the year ended June 30, 2020. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section. The financial statements and related notes and this discussion and analysis are the responsibility of management.

The University is a comprehensive public institution of higher learning located in western Kentucky and primarily serves students in Kentucky, Illinois, Missouri, Tennessee and Indiana. Founded in 1922, the University has study centers in four other cities where it offers a diverse range of degree programs from associate to doctoral levels, is composed of four academic colleges and two schools. The University contributes to the region and state through related research and public service programs. The University is a charter member of the Ohio Valley Conference and a Division I member of the NCAA. The University serves as a residential, regional university offering core programs in the liberal arts, humanities, sciences and selected high-quality professional programs for approximately 9,500 students. For the 2020-21 academic year, tuition and fees did not increase for full-time resident undergraduate students. Tuition and fees at the University continue to be less than the national average.

the quality and value of its academic programs. Once again, the University among the top schools in the country. consecutive years with the release of the 2021 Regional Uni

list. Murray State was ranked 26<sup>th</sup> -ranked regional public university in Kentucky. 30



MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

, continued

June 30, 2020

- ¾ The University invests approximately 9.6% of its endowment funds with the Murray State University Foundation, Inc. (Foundation). The value of these funds is as follows:

Historical Value	\$18.3million
Market Value	\$21.9million

These funds experienced an unrealized gain of \$3,646 in fiscal year 2020. This allowed for most program spending to remain constant during the year. The Foundation operated with a 4.0% cap on endowment spending for the fiscal year 2020.

- ¾ J. H. Richmond Residence Hall was completed and reopened for occupancy in August 2019 with 279 beds.
- ¾ The University invested in a significant number of asset preservation campus enhancement projects in 2020. Total expenditures for these projects were \$9.2 million.
- ¾ In July 2015, significant moisture issues, air pressurization issues, and the discovery of hidden water damages were identified in the Biology Building. During fiscal year 2019, the University engaged an architect and engineering firm to recommend appropriate repairs and prepare bid documents. Final bid documents for repairs were issued in Fall 2019 and the project is currently 75% complete. Final completion date has been set for January 2021.
- ¾ The University experienced additional changes in the pension liability in fiscal year 2020, overall adjustments related to pensions/OPEB were a (\$8.9 million) reduction to liabilities and a (\$8.2 million) reduction to operating expenses.

resulted in a (\$10.1 million) reduction in pension liability and (\$2.6 million) reduction in operating expenses.





MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

, continued

June 30, 2020

of \$30.1 million for the four -year institutions included the one percent stop-loss contribution, which totaled \$433,100 from Murray State University. Murray State University did not obtain any funds from the performance funding model and thus, in total, the \$433,100 contributed.

The three basic components of the funding model include:

- x Student Success 35% of the model ties the distribution of allocable funding directly to degree production and progression toward a degree or credential;

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

, continued

June 30, 2020

Assets

Total assets at the end of the fiscal year 2020 were \$435.1 million, of which capital assets, net of depreciation, represented the largest portion. Capital assets totaled approximately \$236.1 million or 54% of total assets and were primarily comprised of University -owned land, buildings, equipment, and library holdings. Cash and cash equivalents amounted to \$156.6 million or 36% of total assets. Total assets decreased by (\$5.2 million) during the 2020 fiscal year. This decrease in gross total assets is due primarily to the following items:

- x (\$3.5 million) - Decrease in net capital assets. Primarily due to \$7 million in new additions to construction - in-progress (CIP), largely related to renovation and repairs to J. H. Richmond Residence Hall and Sodexo dining additions offset by \$10.5 million in current year depreciation.
- x (\$0.9 million) - Decrease in net accounts receivable. Primarily due to a (\$0.8 million) decrease in grants and contracts receivables, \$0.3 million increase in student tuition and fees, and (\$0.4 million) decrease in revenues from the third-party dining services contract.
- x (\$0.6 million) - Decrease in prepaid expenses. This change is the result of a decrease in insurance related prepaid expenses due to a change in workers compensation insurance vendors 000912 0 612 792 re W\* n BT /F9 9.9.

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

, continued

June 30, 2020

Deferred Outflows of Resources

Deferred outflows consisted of the amortization of bond refunding loss from the 2011 refunding of housing and dining bond Series M, N, O, P, and Q which totaled \$1.3 million for fiscal year 2020, \$1.6 million for fiscal year 2019, and \$1.7 million for 2018. Also included is a bond refunding loss from the refunding of 2007 general receipts bonds Series A which totaled \$0.7 million for fiscal year 2020, \$0.7 million and \$0.7 million for fiscal years 2019 and 2018 respectively. Deferred outflows also consisted of \$25.9 million for fiscal year 2020, \$40.1 million and \$51.3 million for fiscal years 2019 and 2018 respectively, related to reporting requirements specified in GASB Statements No. 68 and No. 75 -

Liabilities

Total liabilities at the end of the fiscal year 2020 were \$289.6 million, a decrease of (\$24 million). This change was due to the following:

x (\$18.9 million) Decrease in net pension/OPEB liability.



MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

, continued

June 30, 2020

Condensed Statements of Net Position

	June 30, 2020	June 30, 2019	June 30, 2018
<b>Assets</b>			
Current assets	\$ 111,465,152	\$ 108,932,836	\$ 116,557,371
Noncurrent assets	87,461,028	91,658,940	80,169,828
Capital assets	236,141,853	239,660,043	233,647,333
<b>Total assets</b>	<b>435,068,033</b>	<b>440,251,819</b>	<b>430,374,532</b>
<b>Deferred Outflows</b>	<b>28,005,023</b>	<b>42,402,028</b>	<b>53,839,367</b>
<b>Liabilities</b>			
Current liabilities	26,231,492	27,086,955	22,447,918
Noncurrent liabilities	263,357,628	286,518,165	342,364,235
<b>Total liabilities</b>	<b>289,589,120</b>	<b>313,605,120</b>	<b>364,812,153</b>
<b>Deferred Inflows</b>	<b>87,520,624</b>	<b>104,772,664</b>	<b>73,205,305</b>
<b>Net Position</b>			
Invested in capital assets, net of related debt	171,536,241	170,681,775	159,215,284
Restricted for			
Nonexpendable	22,741,965	22,517,317	22,285,087
Expendable			
Scholarships, research, instruction and other	5,166,678	7,183,574	6,979,462
Loans	2,959,167	3,646,465	3,469,792
Capital	15,424,874	14,567,160	17,812,615
Debt service	526,963	365,424	287,315
Unrestricted	(132,392,576)	(154,685,652)	(163,853,114)
<b>Total net position</b>	<b>\$ 85,963,312</b>	<b>\$ 64,276,063</b>	<b>\$ 46,196,441</b>

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

, continued

June 30, 2020



MURRAY STATE UNIVERSITY



MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

, continued

June 30, 2020

Operating expenses by program, excluding Pension/OPEB are reflected in the following chart:

University Operating Expenses  
Excluding Pension/OPEB  
(In Millions)

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

, continued

June 30, 2020

The net loss from operations for the year ended June 30, 2020 was (\$55.9 million ) including pension/OPEB adjustments. Nonoperating revenues, net of expenses, of \$7.6million , state capital appropriations of \$1 million, and other insurance proceeds of \$0.6 million resulted in an increase in net position of \$23.5million for the year operations o

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

, continued

June 30, 2020

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2020	2019	2018
Operating revenues			
Student tuition and fees, net	\$ 56,894,223	\$ 60,456,045	\$ 68,175,108
Grants and contracts	5,979,202	6,886,581	6,650,616
Other	15,533,405	16,015,020	12,453,726
Auxiliary, net	23,148,502	26,928,253	31,779,351
Total operating revenues	101,555,332	110,285,899	119,058,801
Operating expenses			
Instruction	57,728,949	61,064,980	62,572,485
Other educational and general	72,887,245	77,435,333	89,344,602
Depreciation	8,858,236	9,154,634	9,330,382
Auxiliary enterprises	14,521,531	18,599,020	22,608,719
Auxiliary depreciation	3,501,019	2,693,821	2,757,883
Total operating expenses	157,496,980	168,947,788	186,614,071
Operating loss	(55,941,648)	(58,661,889)	(67,555,270)
Nonoperating revenues			
State appropriations	44,581,400	45,572,300	45,344,100
Other nonoperating revenues	31,127,146	27,485,929	25,496,375
Total nonoperating revenues	75,708,546	73,058,229	70,840,475
Other revenues			
State capital appropriations and other	1,920,351	3,683,282	8,831,567
Increase in net assets	21,687,249	18,079,622	12,116,772
Net position, beginning of year	64,276,063	46,196,441	66,220,772
Restatement of 2018 beginning net position for OPEB liability			(32,141,103)
Net position, beginning of year	64,276,063	46,196,441	34,079,669
Net position, end of year	\$ 85,963,312	\$ 64,276,063	\$ 46,196,441





MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

, continued

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

, continued

June 30, 2020

Infrastructure Assets





MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

, continued

June 30, 2020

- ¾ The University developed a Racer Restart plan to move forward with a phased process for a safe and effective restart of the Fall 2020 semester. The Fall 2020 Racer Restart Committee, as well as seven subcommittees comprised of various areas of the institution, used a shared-governance approach to address all areas in adherence to state and federal guidelines, including the development of a set of guiding principles to assist the University. As the COVID-19 situation continues to evolve with new information updated information from state, local, and federal authorities. The University will develop contingency plans for potential COVID -19 scenarios as new data and information becomes available.

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Statements of Net Position

June 30, 2020 and 2021 0 01T9TJ ET Q q 0.00000912 0 612 792 re W\* n BT

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Statements of Net Position

June 30, 2020 and 2019

	2020	2019
Liabilities		
Current Liabilities		
Accounts payable	\$ 8,077,055	\$ 11,431,746
Accrued payroll	6,007,415	

MURRAY STATE UNIVERSITY FOUNDATION, INC.

Statements of Financial Position

June 30, 2020 and 2019

Liabilities And Net Assets

	2020	2019
<b>Liabilities</b>		
Accounts payable	\$ 107,820	\$ 128,367
Due to Murray State University (MSU)	257,746	319,944
Accrued expenses	56,743	59,122
Deferred revenue	54,008	57,438
Assets held for others	27,822,164	27,628,298
Capital lease obligation	50,202	74,283
Annuities and trusts payable	5,466,737	5,208,773
Other liabilities	323,819	328,203
<b>Total Liabilities</b>	<b>34,139,239</b>	<b>33,804,428</b>
<b>Net Assets</b>		
Without donor restrictions	22,207,010	21,400,371
With donor restrictions	85,231,508	82,849,444
<b>Total Net Assets</b>	<b>107,438,518</b>	<b>104,249,815</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 141,577,757</b>	<b>\$ 138,054,243</b>

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2020 and 2019

	Ended June 30,	
	2020	2019
Operating Revenues		
Tuition and fees	\$ 101,798,652	\$ 101,710,114
Less: Discounts and allowances	(44,904,429)	(41,254,069)
Net tuition and fees	56,894,223	60,456,045
Federal grants and contracts	4,815,317	5,857,082
State grants and contracts	820,584	640,649
Private grants and contracts	343,301	388,850
Total grants and contracts	5,979,202	6,886,581
Sales and services of educational activities	6,954,451	6,793,655

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Statements of Revenues, Expenses, and Changes in Net Position, continued

Years ended June 30, 2020 and 2019

	Ended June 30,	
	2020	2019
Nonoperating Revenues (Expenses)		
State appropriations	\$ 44,581,400	\$ 45,572,300
Restricted student fees	1,600,701	595,887
Federal grants and contracts	16,053,394	13,719,413
State grants and contracts	9,441,939	8,958,465
Local and private grants and contracts	569,002	634,072
Gifts	1,336,768	1,382,794
Investment income	5,045,773	5,363,133
Interest on capital asset-related debt	(2,432,380)	(2,540,805)
Loss on deletion and disposal of capital assets	(309,552)	(507,629)
Bond amortization	(178,499)	(119,401)
Nonoperating Revenues (Expenses), Net	75,708,546	

MURRAY STATE UNIVERSITY FOUNDATION, INC.

Statements of Activities

Year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues, Gains/(Losses) And Other Support			
Contributions	\$ 25	\$ 2,964,849	\$ 2,964,874
Revenues from operations of the Frances E. Miller Memorial Golf Course	405,901		405,901
Fees and rental income	45,601	31,330	76,931
Investment return, net	1,711,419	2,951,548	4,662,967
Other		20,325	20,325
Change in value of annuities payable		(338,263)	(338,263)
Net assets released from restrictions	3,431,851	(3,431,851)	
Total Revenues, Gains/(Losses) And Other Support	5,594,797	2,197,938	7,792,735
Expenses:			
Program services expenses:			
Support provided to MSU, including scholarships	3,601,553		3,601,553
Frances E. Miller Memorial Golf Course	550,531		550,531
Total Program Services Expense	4,152,084		4,152,084
Supporting services expenses:			
Management and general	409,228		409,228

MURRAY STATE UNIVERSITY FOUNDATION, INC.

Statements of Activities

Year ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues, Gains/(Losses) And Other Support			
Contributions	\$ 3,500	\$ 3,722,551	\$ 3,726,051
Revenues from operations of the Frances E. Miller Memorial Golf Course	414,298		414,298
Fees and rental income	45,605	37,920	83,525
Investment return, net	1,588,327	3,502,129	5,090,456
Other	(31,692)	22,987	(8,705)
Change in value of annuities payable		31,829	31,829
Net assets released from restrictions	3,174,935	(3,174,935)	
Total Revenues, Gains/(Losses) And Other Support	5,194,973	4,142,481	9,337,454
Expenses:			
Program services expenses:			
Support provided to MSU, including scholarships	3,191,890		3,191,890









MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

Accounts Receivable

Accounts receivable consists of tuition and fee charges, other operational activities and auxiliary enterprise services and amounts due from component units. Accounts receivable also include amounts due from the federal government, state and local governments or private sources, for nonexchange type agreements defined in accordance with GASB No. 33 or in connection with reimbursement of allowable expenditures

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

The University capitalizes interest costs as a component of construction in progress, based on interest costs



MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of discounts and allowances, (2) federal, state and local grants and contracts (excluding Pell and similarly funded federal and state grants for student financial aid) and (3) sales and services of auxiliary enterprises, net of discounts and allowances.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions. In a nonexchange transaction, the University receives value without directly giving equal value back, such as a gift or grant for which there is no return requirement. Additionally, certain significant revenues relied upon for operations, such as state appropriations, Pell and similarly funded federal and state grants for student financial aid, investment income and endowment income, are recorded as nonoperating revenues, in accordance with GASB No. 35,

Š — Š • Ž — Ž — • œ 1 ' œ Œ ž œ œ ' ~ — 1 Š — • 1 — Š • ø œ ' œ 1 • ~ > 1 ž ( • ' Œ 1 ~ • • Ž • Ž œ 1 Š — • 1

Tuition Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of discounts and allowances. Discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is payable by students. Certain grants, including federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues,

extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a discount and allowance. Financial aid expense represents payments made to students.

Income Taxes

The University is a component of the Commonwealth of Kentucky and is not subject to federal income tax as described in section 115 of the Internal Revenue Code. However, the University is subject to federal income tax on any unrelated business taxable income.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pension/OPEB, and pension/OPEB expense, information about the fiduciary net position of the K





MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

4. Loans Receivable

Student loans made through the Federal Perkins Loan Program (Program) comprise substantially all of the loans receivable at June 30, 2020 and 2019. The Program provides for service cancellation of a loan at rates of 12.5% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. Effective September 30, 2017, universities were no longer permitted to issue new loans under the Perkins program and the balances noted below are loans issued prior to that time.

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

The University also maintains cash deposits with the Commonwealth of Kentucky, as o(s)-7(ty) 38u631.396 Tn21(ksi)-y In(s)-7st Commission (631.Commission) 7631..Commission is chargu631.d with the o(s)-7(ty) 3ight of the

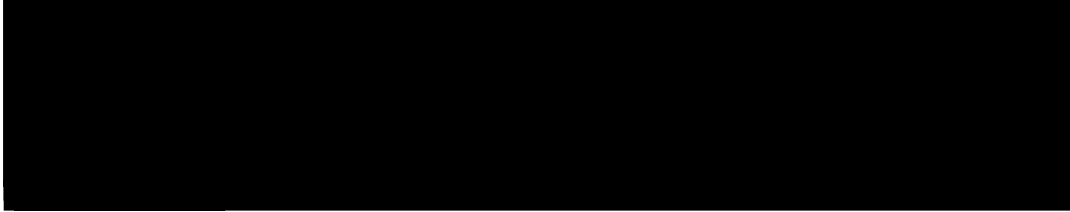
categorized into two di -Tu631.rm Pool con3its primarily of General Fund cash bsilances. The IntermediateTu631.rm Pool and the Limited Tu631.rm Pool presu631.396 t Agency fund in(s)-7stments, 3tate held component unit and fiduciary fund accounts held fdthe bsit of othe(ty) 3 bsithe 3tate. Shareof each pool represu631.396 t a di(s)-isibsie inter7st in the unde(ty) lying securities and are not fede(ty) insured or guaranteed bsi the U.S. Go(s)-7(ty) nment, Fede(ty) al Deposit Insurance Corporation or any fede(ty) al agency. The poo share within the pool3 ma indirectsiy expose it to risks associated with fixed income in(s)-7stments; howe(s)-7(ty), specific information aut any such transaction3 is not avai3 to the University.

mat bsireturned to the niversity. The niversity does not havsia formal deposit policy for custodial credit risk othe(ty) than compliance with the pro(s)-ision3 of 3tate law.

Curre396 t and nurre39-7(t c)] TJ ET Q q 0.00000912 0 612 792 re W\* n BT /F1 9.96 Tf 1 0 0 1 206.45 447.67 T

	2020	2019
Depository accounts:		
Local bank deposits, letter of credit in the University's name	\$ 18,901,207	\$ 11,459,865
Cash on hand	15,168	80,912
State Investment Pool - collateral required by KRS 41.240	137,688,516	144,871,606
Total deposits	\$ 156,604,891	\$ 156,412,383

Curre396 t and nurre39-7(t c)] TJ ET Q q 0.00000912 0 612 792 re W\* n BT /F1 9.96 Tf 1 0 0 1 206.45 290.21 T as of June 30ty include:



MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

Investments

Investments carried at fair value as of June 30 consisted of:

	2020	2019
Money market funds restricted for debt service purposes	\$ 300,830	\$ 319,317
Restricted assets held by the Foundation	26,581,904	26,403,725
Total investments	\$ 26,882,734	\$ 26,723,042

Restricted investments for debt service purposes are comprised of amounts invested for sinking fund and debt service reserves. Investments in U.S. Government securities and the collateral for repurchase agreements are registered in the name of Murray S agents and trustees. The University may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in equity securities.

University investments held by the MSU Foundation are comprised of private donations received directly by the University and state endowment matching funds. These consist of endowment funds, as well as expendable restricted funds. Assets held by the MSU Foundation are invested primarily in an investment pool managed by the MSU Foundation and are carried at fair value.

The assets in the MSU Foundation investment pool are invested as of June 30 as follows:

	2020	2019
Percentage of pool invested in:		
Certificates of deposit and money market mutual funds	2%	1%
Mutual funds	63%	65%
Fixed income securities	35%	34%
Total investments	100%	100%

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University does not, within its investment policy, formally limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The money market mutual funds are investments with a maturity of less than one year because they are redeemable in full immediately. In addition, the funds held in the State Investment Pool have a maturity of less than one year because they are redeemable in full immediately.



MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

7. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019			Deletions/ Retirements	Balance June 30, 2020
Land	\$ 10,442,742	\$ 443,721	\$	\$	\$ 10,886,463
Construction in progress	18,831,090	10,593,540	(23,508,045)	(3,555,580)	2,361,005
Museum and collectibles	694,737				

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

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

	Balance June 30, 2018			Deletions/ Retirements	Balance June 30, 2019
Land	\$ 10,176,698	\$ 266,044	\$		\$ 10,442,742
Construction in progress	6,264,350	17,024,208	(4,077,985)	(379,483)	18,831,090
Museum and collectibles	694,737				694,737
 Total capital assets not being depreciated	 17,135,785	 17,290,252	 (4,077,985)	 (379,483)	 29,968,569
 Buildings	 372,149,804		 2,742,190	 (2,335,674)	 372,556,320
Nonbuilding improvements	17,172,063		1,335,795		18,507,858
Equipment	35,280,560	2,079,499		(1,495,885)	

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

8. Accounts Payable

Accounts payable at June 30 consisted of:

	2020	2019
Current accounts payable:		
Vendors	\$ 5,989,551	\$ 8,883,532
Payroll benefits and withholdings	1,993,849	2,478,824
MSU Foundation	61,699	43,396
Loans	31,956	25,994
Total current accounts payable	\$ 8,077,055	\$ 11,431,746

9. University Health Self -Insurance Program

The University maintains a self -  
ended June 30, 2020, the University paid approximately 88% of total plan expenses for permanent full-time

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

10. Unearned Revenue

Unearned revenue as of June 30 consisted of:

	<u>2020</u>	<u>2019</u>
Current unearned revenue:		
Prepaid tuition and fees	\$ 2,713,870	\$ 2,594,061
CARES institutional funds	1,852,603	
Custodial and grounds contract	967,742	
Grants and contracts	458,000	321,920
Auxiliary enterprises	19,672	4,182
Total current unearned revenue	<u>\$ 6,011,887</u>	<u>\$ 2,920,163</u>

11. Revenue Bonds and Notes Payable







MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

	Original Issue	Balance Due June 30, 2020	Interest Expense, Current Year	Bonds and Notes Maturing 2020-2021
Series A 2019 bonds dated July 23, 2019, with an interest rate of 2.00% to 5.00%; final principal				

The revenue bond indentures require the University to maintain a reserve balance as a percentage of outstanding balances. As of June 30, 2020 and 2019, the sinking fund and reserve fund requirements have been funded as required.

12. Deposits

The deposits held as of June 30 consisted of:

	2020	2019
Current:		
Horse stall rentals	\$ 13,035	\$ 13,969
Housing rental/pet deposits		

Noncurrent housing deposit additions were \$144,607 and \$113,400 for the years ended June 30, 2020 and 2019, respectively. Noncurrent housing deposit deductions were \$112,354 and \$113,700 for the years ended June 30, 2020 and 2019, respectively.

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

13. Service Concession Arrangement

The University contracted with a third-party to manage campus dining services starting in fiscal year 2019. This is currently the only service concession arrangement the University has. The term of the arrangement is ten years and five and a half months, commencing on December 15, 2018, and continuing through June 30, 2029. The arrangement provides the third-party the exclusive right to manage and operate dining



MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

\_\_\_\_\_ Under the provisions of Kentucky Revised Statute Section 161.250, the Board of Trustees (the Board) of Teacher (TRS) administers the Teacher (TRS). All employees required to hold a degree and occupying full-time positions, defined as seven-tenths (7/10) of normal full-time service on a daily or weekly basis, are required by state law to participate in the TRS or an optional retirement plan, as allowed by KRS 161.567. TRS

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

\_\_\_\_\_ If the member is receiving a monthly benefit based on at least four (4) years of creditable service, the retirement system will pay a \$5,000 death benefit payment to the beneficiary named by the member specifically for this benefit. Disability benefits are also provided at various levels depending on participation dates and circumstances.

Insurance benefits are available to members who have completed 189(m)3(em)8( )24(pd)-2(m 0 n)4( )-2(pa)5(rti)-11(ci)ivpr(spec)-3( ) re W\* n t14(n)

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements







MURRAY STATE UNIVERSITY

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

	June 30, 2020		June 30, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 881,168	\$ 3,115,037	\$ 1,446,165	\$ 6,272,837
Change in assumptions	7,864,244	25,999,918	15,512,893	46,989,857
Net difference between projected and actual earnings on investments	350,416	1,036,658	1,004,497	2,370,667
Change in proportionate share	3,642,858	44,922,123	7,675,911	41,054,088
Contributions subsequent to the measurement date	8,137,763		9,494,344	
<b>Total</b>	<b>\$ 20,876,449</b>	<b>\$ 75,073,736</b>	<b>\$ 35,133,810</b>	<b>\$ 96,687,449</b>

In the years ended June 30, 2020 and 2019 deferred outflows of resources of \$8,137,763 and \$9,494,344 respectively, related to pensions resulting from the University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended June 30, 2020 and 2019, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2020 will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	\$ 7,879,321	\$ 46,383,351
2022	4,952,703	24,482,073
2023	(224,214)	4,367,648

The total pension liability in the June 30, 2019 and 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2019		June 30, 2018	
	KERS	TRS	KERS	TRS
Inflation	2.30%	3.0%	2.30%	3.0%
Salary increases	3.55%	3.5% to 7.3% including inflation	3.05%	3.5% to 7.3% including inflation
Investment rate of return	5.25% - nh 6.25% - h	7.50%	5.25% - nh 6.25% - h	7.50%

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

As of June 30, 2019 and 2018, mortality rates for KERS were based on the RP2000 Combined Mortality Table projected with scale BB to 2013 for all active and healthy retired members with a setback of 1 year for females.

As of June 30, 2019, and 2018, mortality rates for TRS were based on the RP2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale BB to 2025, set forward two years for males and one year for females.

The actuarial assumptions used in the June 30, 2019 valuations were based on a new study for the period ending June 30, 2018 for KERS. Updated assumptions include change in rates of salary increases, new post-retirement mortality assumption, updated mortality assumptions for members during employment and disabled retirees, rates or retirement changes, change in rates in which active members are assumed inactive, and updated rates of disability incidence. The assumed increase in future health care costs was increased since the June 30, 2018 valuation to better reflect expectations related to anticipated medical costs for post-age 65 retirees. The actuarial assumptions used in the June 30, 2018 valuations were based on the results of actuarial experience study for the period July 1, 2008 to June 30, 2013 for KERS and July 1, 2010 to June 30, 2015 for TRS. As a result of the actuarial experience studies, the expectation of life after disability was adjusted in the July 30, 2015 actuarial valuations to more closely reflect actual experience.

For KERS the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for KERS. The most recent analysis, performed for the period covering fiscal years 2014 through 2018, is outlined in a report dated April 12, 2019. Several factors are considered in evaluating the long-term rate of return assumption including long term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense, and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

KERS-nh	June 30, 2019		KERS-h	June 30, 2019	
	Long-Term Expected			Long-Term Expected	
Asset Class	Target Allocation	Real Rate of Return	Asset Class	Target Allocation	Real Rate of Return
Growth	53.50%		Growth	62.50%	
U.S Equity	15.75%	4.30%	U.S Equity	18.75%	4.30%
International Equity	15.75%	4.98%	International Equity	18.75%	4.98%
<del>Private Equity</del>	7.00%	6.65%	Private Equity	10.00%	6.65%
Specialty Credit/High Yield	15.00%	2.60%	Specialty Credit/High Yield	15.00%	2.60%
Liquidity	23.50%		Liquidity	14.50%	
Core Bonds	20.50%	1.35%	Core Bonds	13.50%	1.35%
Cash	3.00%	0.20%	Cash	1.00%	0.20%
Diversifying Strategies	23.00%		Diversifying Strategies	23.00%	
Real Estate	5.00%	4.85%	Real Estate	5.00%	4.85%
Opportunistic	3.00%	2.97%	Opportunistic	3.00%	2.97%
Real Return	15.00%	4.10%	Real Return	15.00%	4.10%
	100%			100%	

KERS-nh	June 30, 2018		KERS-h	June 30, 2018	
	Long-Term			Long-Term	
Asset Class	Target Allocation		Asset Class	Target Allocation	

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

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

TRS	June 30, 2019		TRS	June 30, 2018	
	Long-Term Expected			Long-Term Expected	
Asset Class	Target Allocation	Real Rate of Return	Asset Class	Target Allocation	Real Rate of Return
U.S. Equity	40%	4.20%	U.S. Equity	40%	4.20%
Non U.S. Equity	22%	5.20%	Non U.S. Equity	22%	5.20%
Fixed Income	15%	1.20%	Fixed Income	15%	1.20%
Additional Categories	7%	3.30%	Additional Categories	8%	3.30%
Real Estate	7%	3.80%	Real Estate	6%	3.80%
Private Equity	7%	6.30%	Private Equity	7%	6.30%
Cash	2%	0.90%	Cash	2%	0.90%
Total	<u>100%</u>		Total	<u>100%</u>	

For KERS the discount rates used to measure the total pension liability as of the Measurement Date (June 30, 2019) and Prior Measurement Date (June 30, 2018) were 5.25% for nonhazardous and 6.25% for hazardous. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 3.52% for KERS-nh and 3.89% for KERS-h for the year ending June 30, 2019 and 5.13% for KERS-nh and 6.09% for KERS-h for the year ending June 30, 2018. The long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

For TRS the discount rates used to measure the TPL as of the Measurement Date and Prior Measurement Date were 7.5% and 7.5%, respectively. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. It was assumed that Plan member contributions will be made at the current contribution rates and that Employer contributions will be made at statutorily required rates.

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky





MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

	June 30, 2019		June 30, 2018	
	KERS	TRS	KERS	TRS
Inflation	2.30%	3.0%	3.25%	3.0%
Salary increases	3.55% to 15.55%-nr 3.55% to 19.55%-h	3.5% to 7.2% including inflation	4.00%	3.5% to 7.2% including inflation
Investment rate of return	6.25%	8.00%(Med) 7.50%(Life)	7.50%	8.00%(Med) 7.50%(Life)

As of June 30, 2018, mortality rates for KERS were based on the RP2000 Combined Mortality Table projected to 2013 with scale BB with a one year setback for females. As of June 30, 2017 mortality rates for KERS were based on the RP2000 Combined Mortality Table projected with scale BB to 2013 for all active and healthy retired members and the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 for disabled members.

As of June 30, 2018, mortality rates for TRS for death after service retirement and beneficiaries were based on the RP-2000 Combined Mortality Table projected to 2025 using scale BB (set forward two years for males and one year for females) and rates for death after disability retirement were based on the RP-2000 Disabled Mortality Table (set forward two years for males and seven years for females). As of June 30, 2017 mortality rates for TRS were based on the RP2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale BB to 2025 with a setback of 1 year for females.

MURRAY STATE UNIVERSITY

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

TRS-Med	June 30, 2019	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	58.0%	5.10%
Fixed Income	9.0%	1.20%
Real Estate	6.5%	3.80%
Private Equity	8.5%	6.30%
Other Additional Categories	17.0%	3.20%
Cash (LIBOR)	1.0%	0.90%
Total	100%	

TRS-Life June 30, 2019

Asset Class

For KERS the discount rates used to measure the total OPEB liability as of the Measurement Date (June 30, 2019) was 5.73% for nonhazardous and 5.66

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

	June 30, 2019		
	1% Decrease	Discount Rate	1% Increase
University's proportionate share - KERS-nh	\$ 21,993,233 4.73%	\$ 18,470,843 5.73%	\$ 15,570,921 6.73%
University's proportionate share - KERS-h	180,072 4.66%	(107,192) 5.66%	(339,606) 6.66%
University's proportionate share - TRS-medical	13,969,387 7.00%	11,792,493 8.00%	9,969,374 9.00%
University's proportionate share - TRS-life	414,835 6.50%	280,825 7.50%	170,966 8.50%

	June 30, 2018		
	1% Decrease	Discount Rate	1% Increase
University's proportionate share - KERS-nh	\$ 24,726,227 4.86%	\$ 21,074,088 5.86%	\$ 18,035,205 6.86%
University's proportionate share - KERS-h	137,404 4.88%	(136,530) 5.88%	(356,166) 6.88%
University's proportionate share - TRS-medical	17,002,709 7.00%	14,500,008 8.00%	12,414,907 9.00%
University's proportionate share - TRS-life	407,239 6.50%	267,498 7.50%	152,875 8.50%

Detailed information about the OPEB  
available in the separately issued KERS and TRS financial reports.

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

16. Component Units

Murray State University Foundation, Inc.

Murray State University Foundation, Inc. (Foundation) is a Kentucky nonprofit corporation formed to receive, invest and expend funds for the enhancement and improvement of the University. It is a legally separate, tax-exempt component unit of the University. The Foundation is a Kentucky nonprofit corporation with a tax identification number of 14-0190024-663BDC. The Foundation is a 501(c)(3) organization with a fiscal year ending on June 30 of each year.



MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements



MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

Net Assets Released from Restriction

	2020	2019
Satisfaction of purpose restrictions:		
Scholarships	\$ 1,899,420	\$ 1,765,478
Instruction and institutional support	1,101,692	1,026,674
Chairs, professorships, academic stipends and seminars	30,533	175,308
Change in realizable value of prior year receivable		100,000
Distributions (proceeds are not restricted by donors):		
Net changes in annuities and split-interest agreements:	400,206	107,475
	\$ 3,431,851	\$ 3,174,935

17. Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omission; employee injuries and illnesses; natural disasters and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other , and employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. Effective June 30, 2018, Murray State withdrew from the Kentucky Personnel Cabinet's Workers' Compensation Program and entered into a full insurance contract with BrickStreet Insurance Company for the period July 1, 2018 through June 30, 2020 Effective July 1, 2020 the University entered into a new insurance contract with Liberty Mutual Insurance Company. The size of the company and scope of resources and support continue Compensation program.

Claims and Litigation

The University is a defendant in various lawsuits. It is the opinion of management and its legal counsel, based in part on the doctrine of sovereign immunity and other statutory provisions, that the ultimate outcome of litigation is not expected to have a material effect on the future operations or financial position of the University.

Commitments

The University has outstanding commitments under construction contracts of \$5,390,623 and \$8,809,347 as of June 30, 2020 and 2019, respectively.

Government Grants

The University is currently participating in numerous grants from various departments and agencies of the federal and state governments. The expenditures of grant proceeds must be for allowable and eligible purposes. Single Audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting department or agency, the grants are considered closed.

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

18. Fair Value Measurement

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

The University has the following recurring fair value measurements as of June 30, 2020

- x Cash equivalents with a value of \$137,688,516 held by the Commonwealth of Kentucky in an intermediate investment pool; fair value hierarchy level 2.
- x Restricted investments for debt reserves with a value of \$300,831 held by US Bank in money market accounts; fair value hierarchy level 1.
- x Restricted quasi-endowment and endowment investments with a value of \$26,581,903 held by the MSU Foundation in an investment pool ; fair value hierarchy levels 1, 2, or 3

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

19. Natural Expense Classifications w

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

Fund Classification	Compensation			Noncapitalized		Total
	and Benefits	Operations	Utilities	Equipment	Scholarships	
Instruction	\$53,346,041	\$ 7,310,718	\$ 268	\$ 407,953	\$ /	\$ 61,064,980
Research	1,386,830	793,881	243	77,147	/	2,258,101
Public service	4,185,736	1,358,514	358,049	74,943	/	5,977,242
Libraries	1,766,640	1,610,502	/	14,333	/	3,391,475
Academic support	4,187,473	2,220,942	76,221	215,223	/	6,699,859
Student services	9,761,944	5,711,500	10,114	146,208	(92,275)	15,537,491
Institutional support	18,618,324	(506,834)	89,529	91,204	/	18,292,223
Operations and maintenance	7,416,132	6,322,728	6,210,115	7,249	/	19,956,224
Financial aid	/	/	/	/	12,649,543	12,649,543
Depreciation	/	9,154,634	/			

\$

20. Segment Information

A segment is an identifiable activity reported as a stand-alone entity for which one or more revenue bonds are outstanding. A segment has a specifically identifiable revenue stream pledged in support of revenue bonds and has related expenses, gains and losses and assets and liabilities that are required by an external party to be accounted for separately. The Susan E. Bauernfeind Student Recreation and Wellness Center is an identifiable segment.

Susan E. Bauernfeind Student Recreation and Wellness Center

The University entered into an agreement with the City of Murray, Kentucky on December 30, 2002, to finance the construction of a student recreation/wellness center. The University established a \$3.00 per credit hour student fee, effective for the Fall 2002 semester, to be designated as the Wellness Center Fee. A portion of the revenues from this fee will be used to fund all debt and debt related expenses according to the terms and provisions of the Memorandum of Agreement between the University and the City of Murray.

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

The City of Murray refinanced the original bonds in the Spring of 2012 to take advantage of an overall decrease in net interest costs. The terms of original agreement between the University and the City of Murray remained unchanged, with the exception of changes in the amount of debt and interest payments.

Condensed financial information as of and for the years ended June 30 of the University

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

Wellness Center- Condensed Statements of Revenues, Expenses  
and Changes in Net Position

	2020	restated* 2019
Operating revenues	\$ 73,470	\$ 93,813
Operating expenses	(630,250)	(556,216)
Depreciation expense	(268,715)	(268,715)
Operating loss	(825,495)	(731,118)
 Nonoperating revenues	 894,061	 762,395
Change in net position	68,566	31,277
Net position, beginning of year	2,558,940	2,527,663
 Net position, end of year	 \$ 2,627,506	 \$ 2,558,940

\*Nonoperating revenues was restated for fiscal year 2019, it was previously reported as \$731,954

Wellness Center- Condensed Statements of Cash Flows

	2020	2019
Cash flows from		
Operating activities	\$ (656,780)	\$ (562,853)
Noncapital financing activities	507,959	461,271
Capital and related financing activities	68,439	2,466
Investing activities	22,418	24,783
Net increase in cash	(57,964)	(74,333)
Cash, beginning of year	2,611,037	2,685,370
 Cash, end of year	 \$ 2,553,073	 \$ 2,611,037

21. Risk and Uncertainties

The University invests in various investment securities. Investment securities are exposed to various risks

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Notes to the Financial Statements

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Schedules of Required Supplementary Information

Years ended June 30, 2019, 2018, 2017, 2016, 2015, and 2014

Proportionate Share of the Net Pension and OPEB Liabilities

KERS-Non-Hazardous Pension Plan	2019	2018	2017	2016	2015	2014
University's proportion of the net pension liability	0.830936%	0.889474%	0.858544%	0.836194%	0.854037%	0.882259%
University's proportionate share of the net pension liability	\$ 117,353,108	\$ 121,002,044	\$ 114,944,760	\$ 95,321,852	\$ 85,676,061	\$ 79,154,689
University's covered-employee payroll	\$ 12,346,496	\$ 13,430,657	\$ 13,757,275	\$ 12,787,487	\$ 13,188,333	\$ 13,917,604
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	950.50%	900.94%	835.52%	745.43%	649.64%	568.74%
Plan fiduciary net position as a percentage of the total pension liability	13.66%	12.84%	13.00%	14.80%	18.83%	22.32%
KERS-Hazardous Pension Plan	2019	2018	2017	2016	2015	2014
University's proportion of the net pension liability	0.399507%	0.411530%	0.389490%	0.396922%	0.388584%	0.405301%
University's proportionate share of the net pension liability	\$ 2,182,483	\$ 2,078,740	\$ 1,936,158	\$ 1,554,497	\$ 1,332,707	\$ 1,035,001
University's covered-employee payroll	\$ 641,608	\$ 629,378	\$ 695,282	\$ 585,712		

These schedules will ultimately present ten years of data when available.



MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Schedules of Required Supplementary Information

Years ended June 30, 2019, 2018, 2017, 2016, 2015, and 2014

Proportionate Share of the Net Pension and OPEB Liabilities (Continued)

	2019	2018	2017
	0.830936%	0.888860%	0.858544%
OPEB liability	18,470,846	16,066,000	15,640,000

(b)(2)(t4)

KERS-Hazardous OPEB Plan

	2019	2018	2017
University's proportion of the net OPEB liability	0.399241%	0.411632%	0.389490%
University's proportionate share of the net OPEB liability	\$ (107,192)	\$ (136,532)	\$ 23,490
University's covered-employee payroll	\$ 604,643	\$ 783,406	\$ 666,367
University's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	-17.73%	-17.43%	3.53%
Plan fiduciary net position as a percentage of the total OPEB liability	105.29%	106.83%	98.80%

These schedules will ultimately present ten years of data when available.



MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Schedules of Required Supplementary Information

Years ended June 30, 2019, 2018, 2017, 2016, 2015, and 2014

Proportionate Share of the Net Pension and OPEB Liabilities (Continued)

TRS OPEB - Life	2019	2018	2017
University's proportion of the net OPEB liability	0.903787%	0.948638%	0.970240%
University's proportionate share of the net OPEB liability	\$ 280,825	\$ 267,497	\$ 213,055
University's covered-employee payroll	\$ 31,607,384	\$ 32,781,704	\$ 33,137,887
University's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.89%	0.82%	0.64%
Plan fiduciary net position as a percentage of the total OPEB liability	73.40%	74.97%	79.99%

These schedules will ultimately present ten years of data when available.

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Schedules of Required Supplementary Information

Years ended June 30, 2019, 2018, 2017, 2016, 2015, and 2014

Schedules of Murray State University Contributions

KERS-Non-Hazardous Pension Plan	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,990,354	\$ 5,577,805	\$ 5,341,635	\$ 4,290,378	\$ 4,420,027	\$ 3,912,372
Contributions in relation to the contractually required contribution	(4,990,354)	(5,577,805)	(5,341,635)	(4,290,378)	(4,420,027)	(3,912,372)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll	\$ 12,346,496	\$ 13,430,657	\$ 13,757,275	\$ 12,787,487	\$ 13,188,333	\$ 13,917,604
Contributions as a percentage of covered-employee payroll	40.42%	41.53%	38.83%	33.55%	33.51%	28.11%
 KERS-Hazardous Pension Plan	 2019	 2018	 2017	 2016	 2015	 2014

These schedules will ultimately present ten years of data when available.

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Schedules of Required Supplementary Information

Years ended June 30 2019, 2018, 2017, 2016, 2015, and 2014

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

Schedules of Required Supplementary Information

Years ended June 30, 2019, 2018, 2017, 2016, 2015, and 2014

Schedules of Murray State University Contributions (Continued)

TRS Pension Plan

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 3,996,612	\$ 5,349,835	\$ 5,326,832	\$ 5,555,229	\$ 5,684,344	\$ 5,519,075
Contributions in relation to the contractually required contribution	(3,996,612)	(5,349,835)	(5,326,832)	(5,555,229)	(5,684,344)	(5,519,075)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll	\$ 11,945,441	\$ 14,824,781	\$ 13,804,356	\$ 23,671,557	\$ 24,966,648	\$ 24,460,052
Contributions as a percentage of covered-employee payroll	33.46%	36.09%	38.59%	23.47%	22.77%	22.56%

TRS-Medical OPEB Plan

	2019	2018	2017
Contractually required contribution	\$ 701,586	\$ 744,415	\$ 759,751
Contributions in relation to the contractually required contribution	(701,586)	(744,415)	(759,751)
Contribution deficiency	\$ -	\$ -	\$ -
University's covered-employee payroll	\$ 14,090,248	\$ 14,441,272	\$ 15,145,665
Contributions as a percentage of covered-employee payroll	4.98%	5.15%	5.02%

These schedules will ultimately present ten years of data when available.

MURRAY STATE UNIVERSITY  
A Component Unit of the Commonwealth of Kentucky

# DEANDORTON



### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material