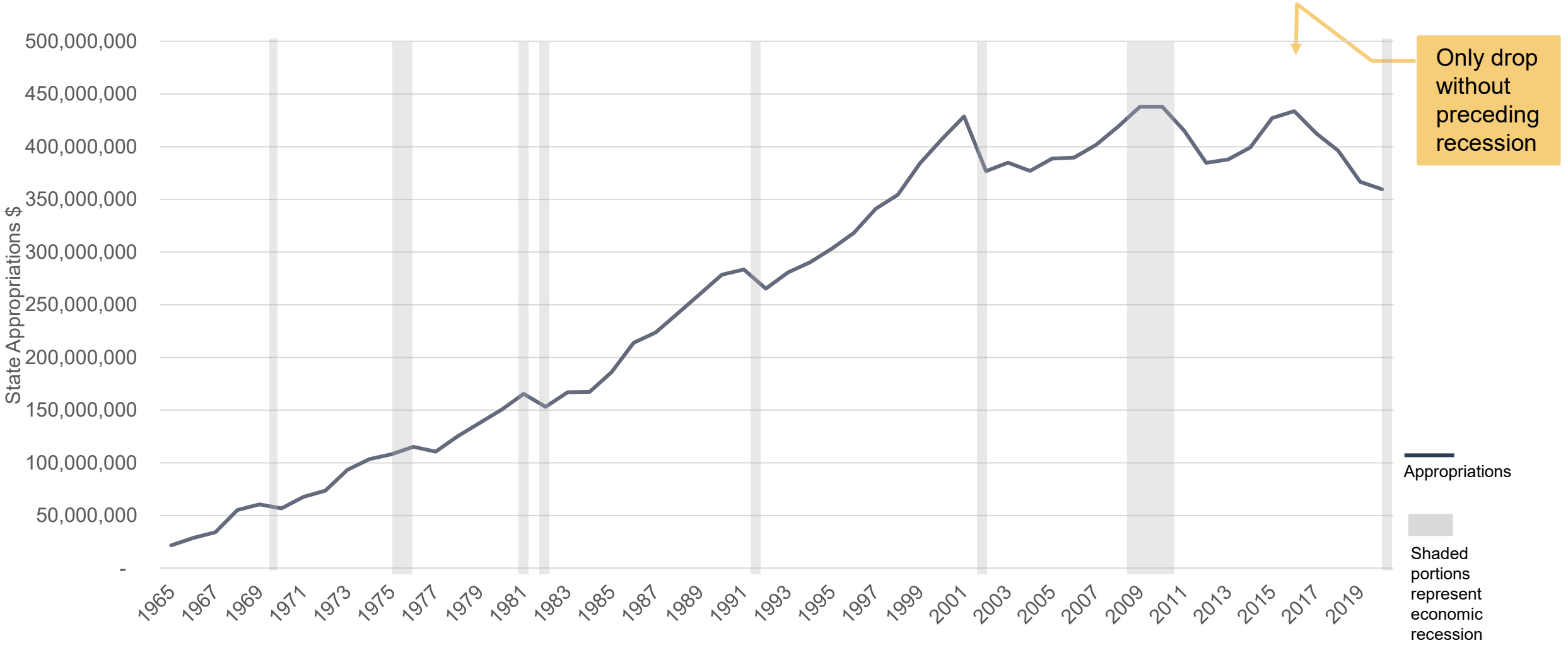
UMKC Financial Status Update

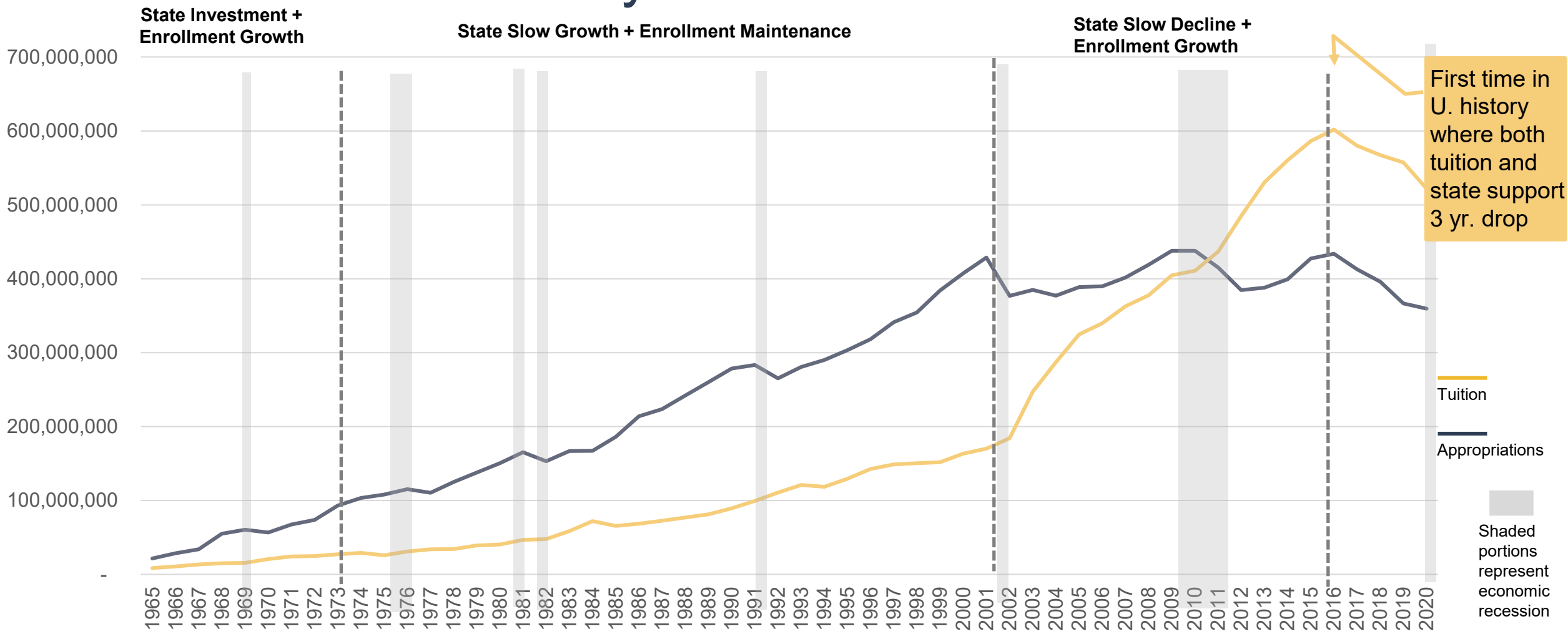
1

Higher Education Funding Environment

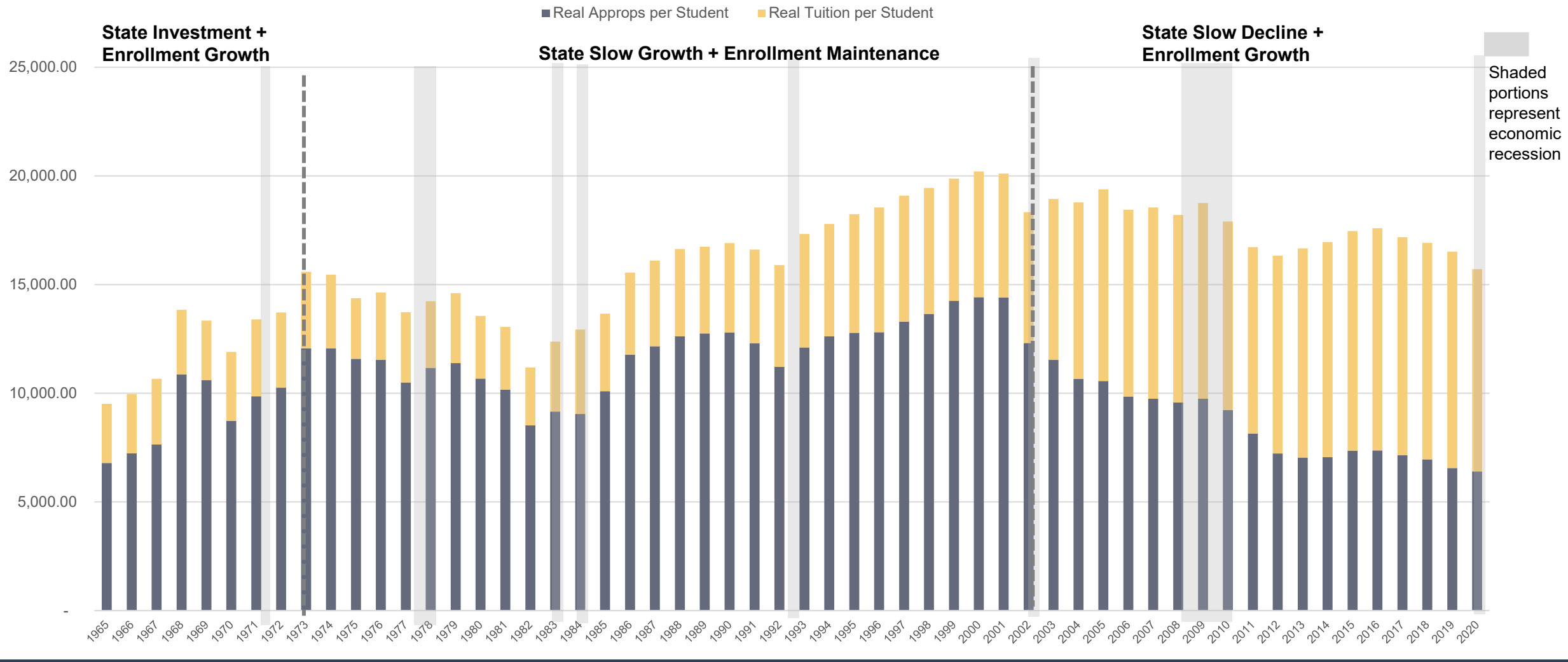
State Support is Changing Significantly



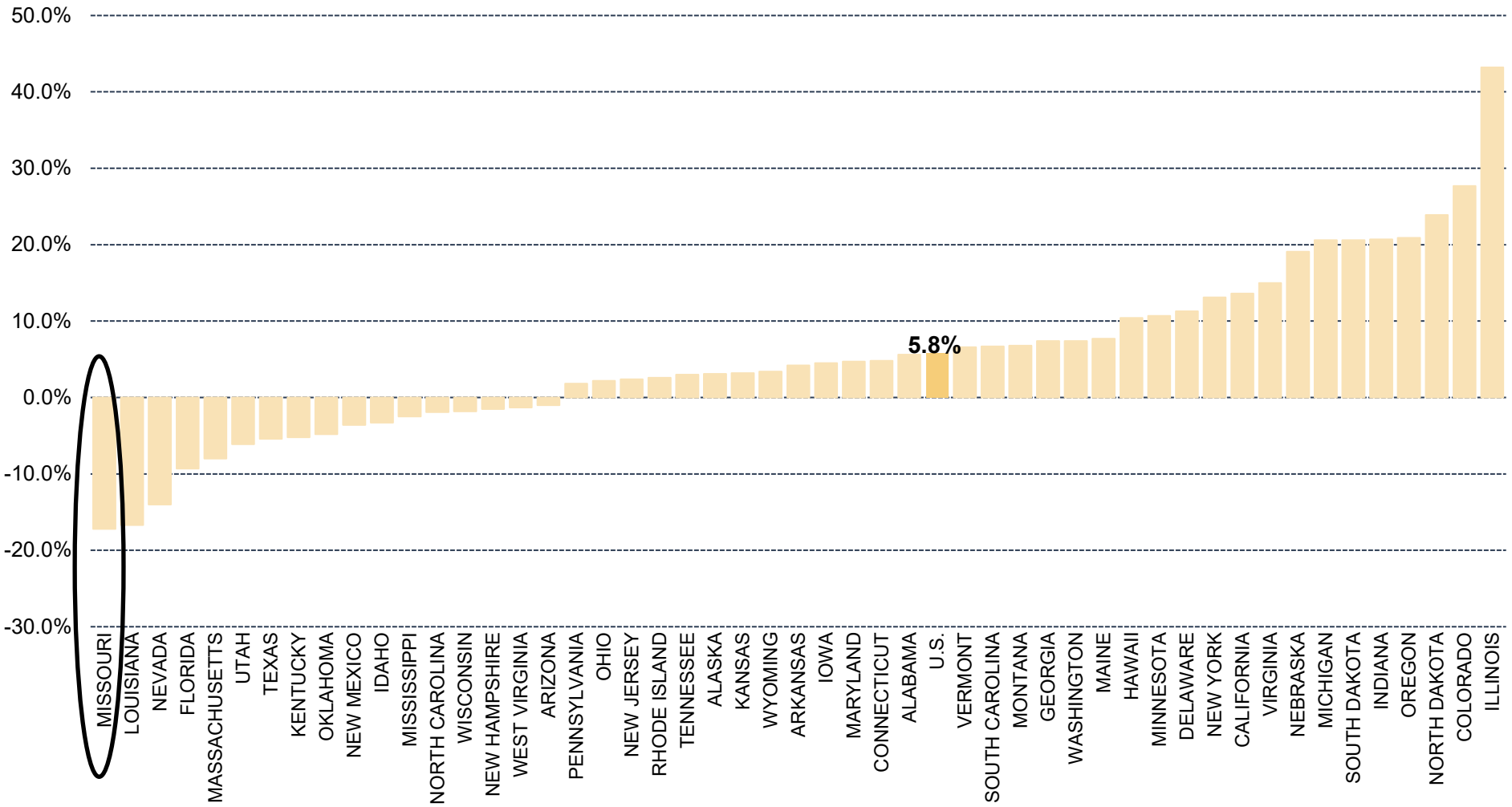
Tuition Replaces State Support as Primary Revenue Source



Real Resources per Student has Changed in Proportion and is Declining



Missouri Ranks Last in Revenue per FTE Student Growth Since the Great Recession (through 2017)



- Over this timeframe, Missouri ranks 50th in growth in tuition per student and 42nd in growth in state support per student.
- Missouri was one of two states to see a decline in both state support and tuition.
- From 2016 to 2017, Missouri saw the largest annual drop in total revenues per student at 8.4%.

Source: SHEEO

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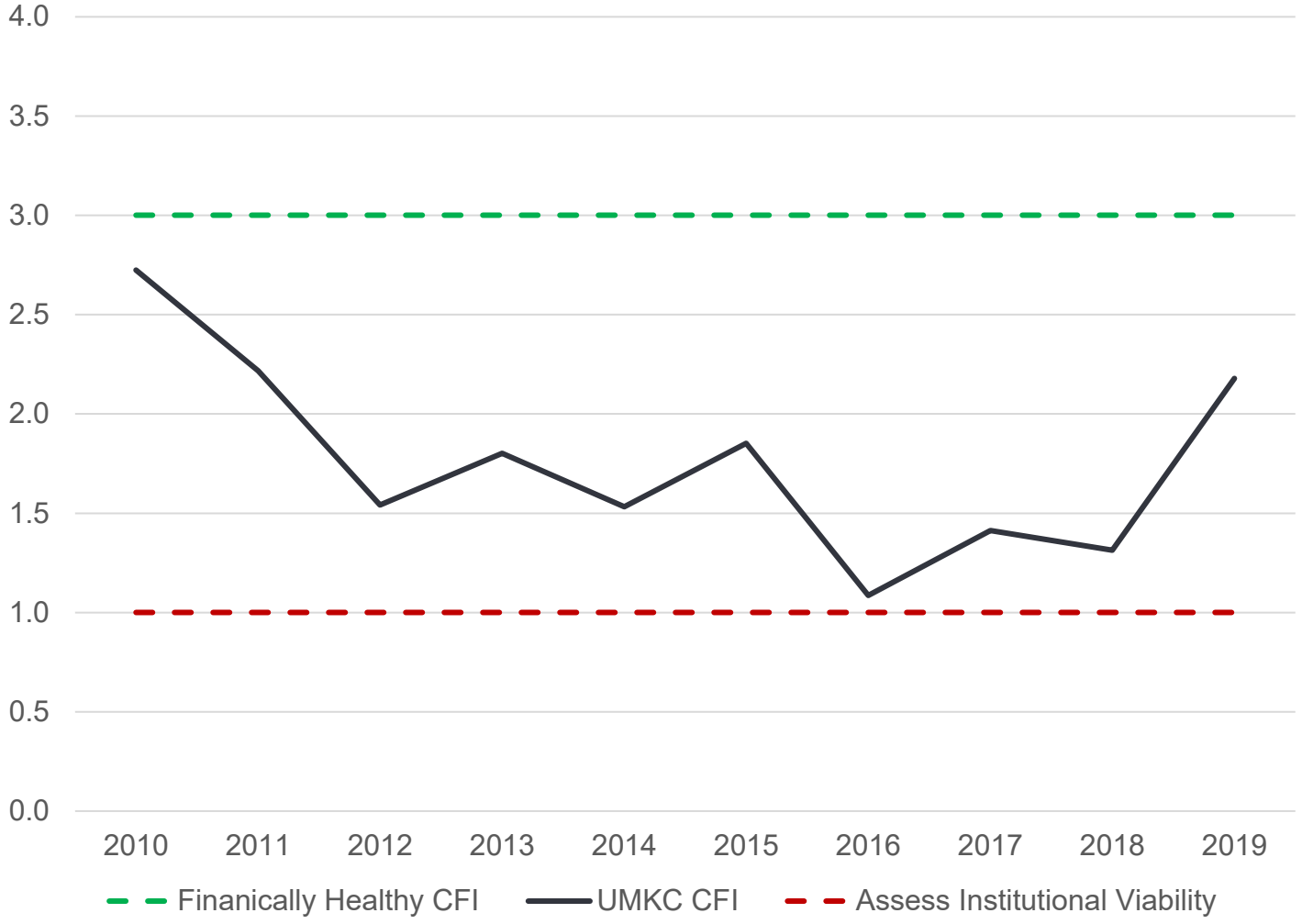
UMKC Financial Status Update

UMKC's Financial Status Eroded Over last Decade improved FY19 with $25M capital gift



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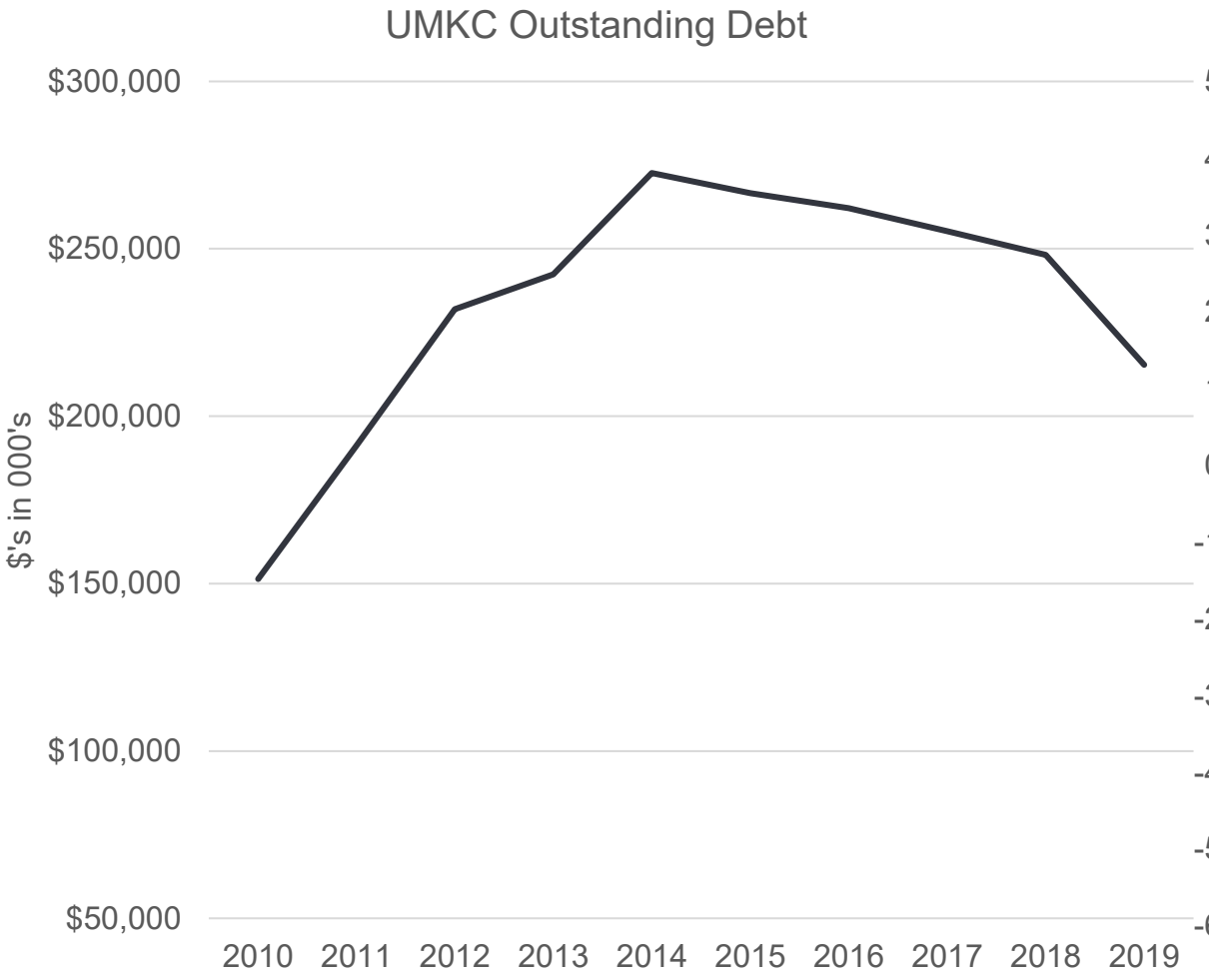
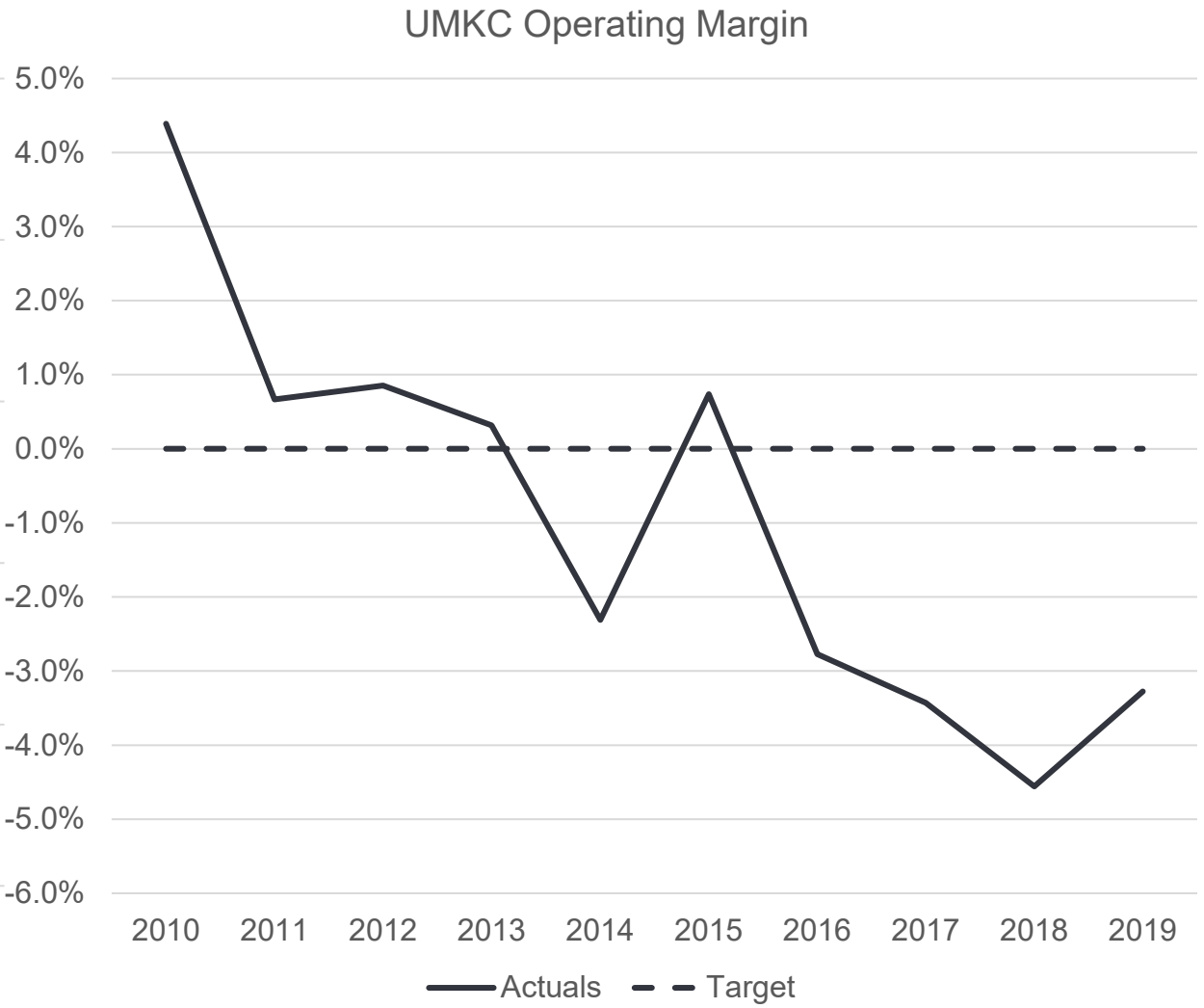
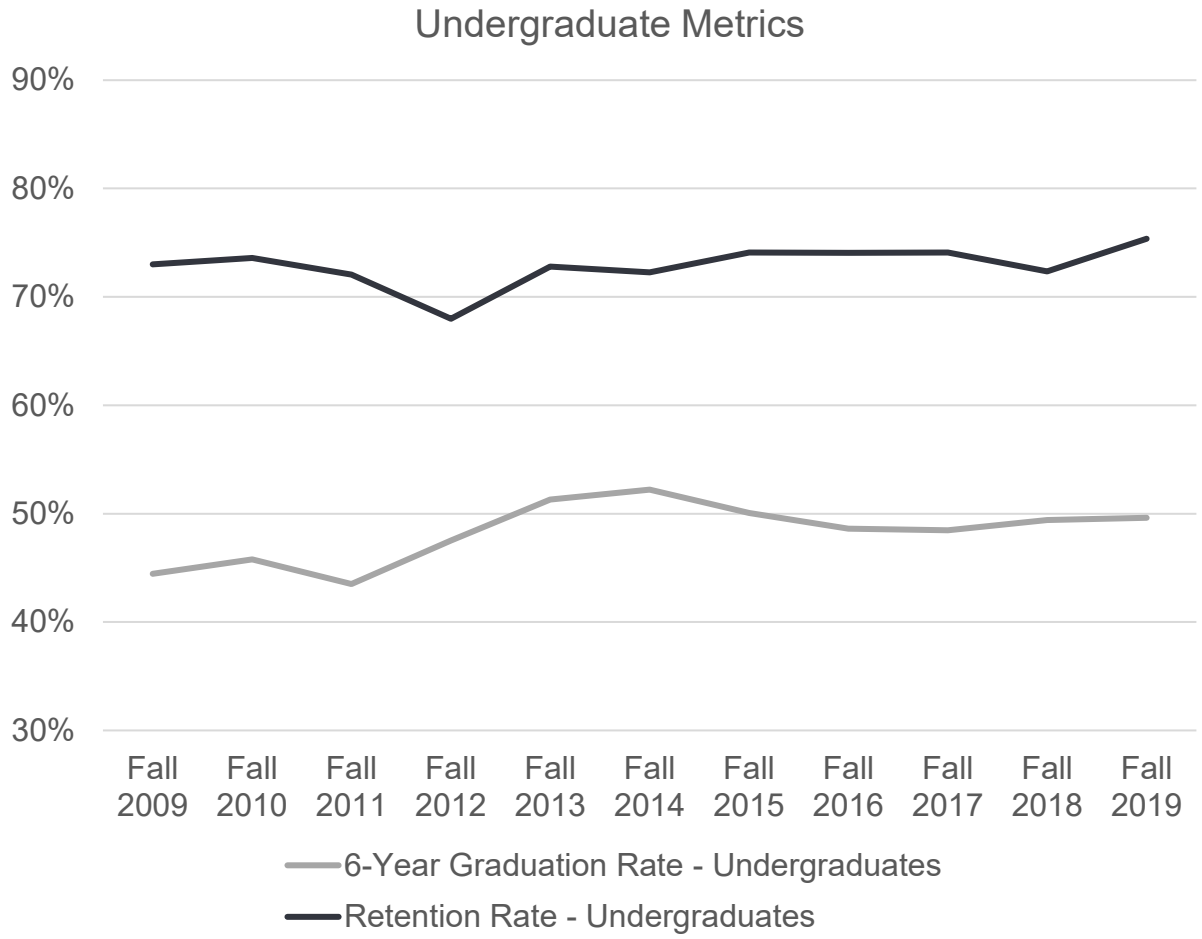
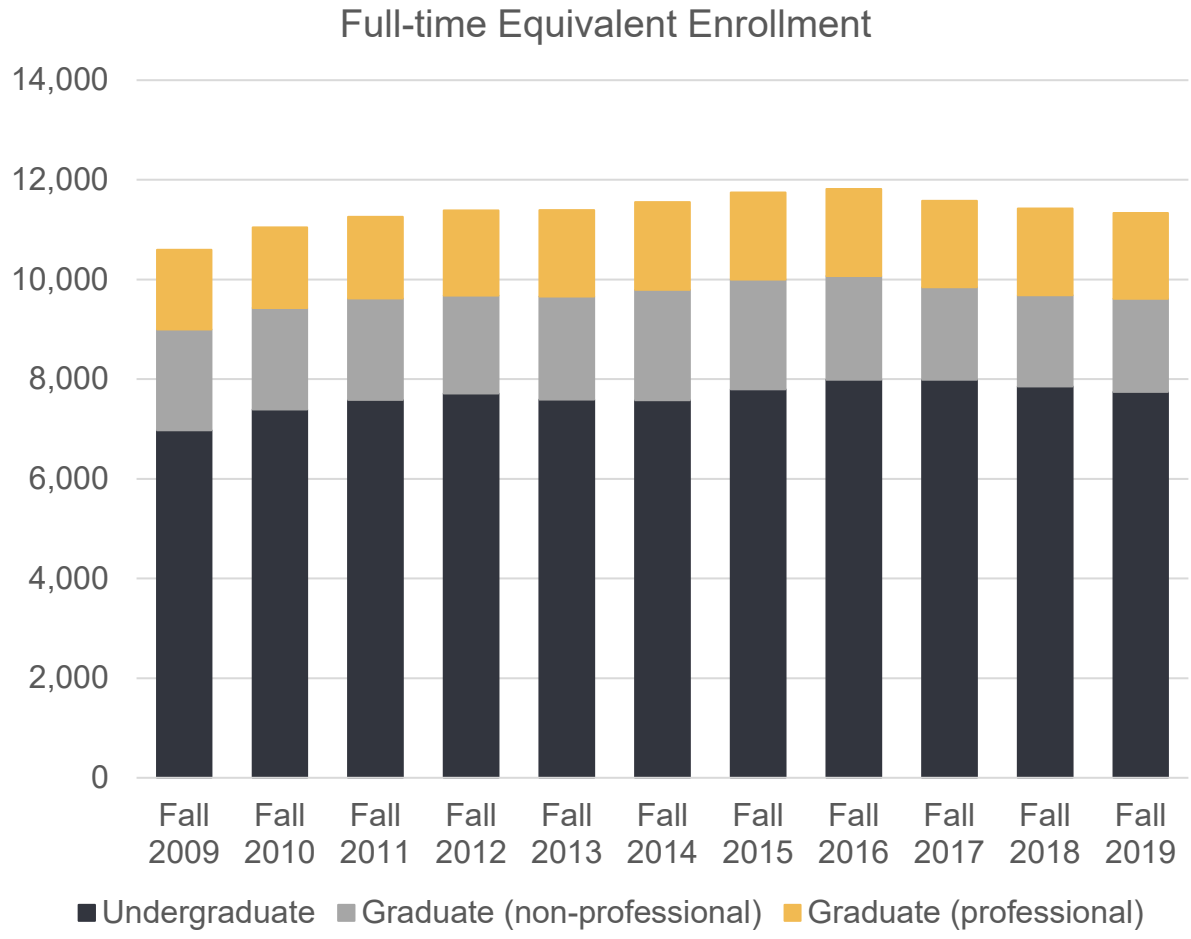
Increasing Debt, Negative Margins



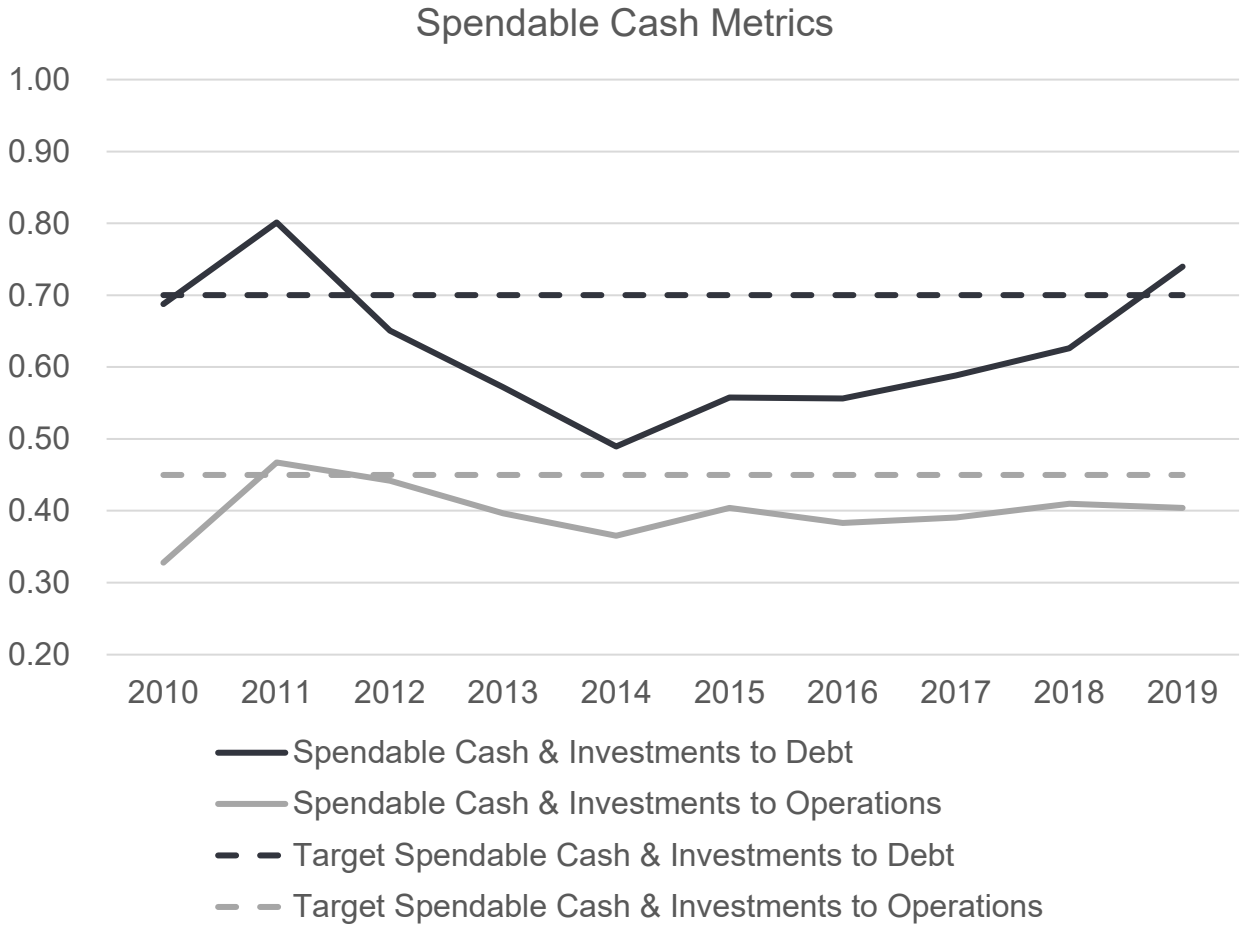


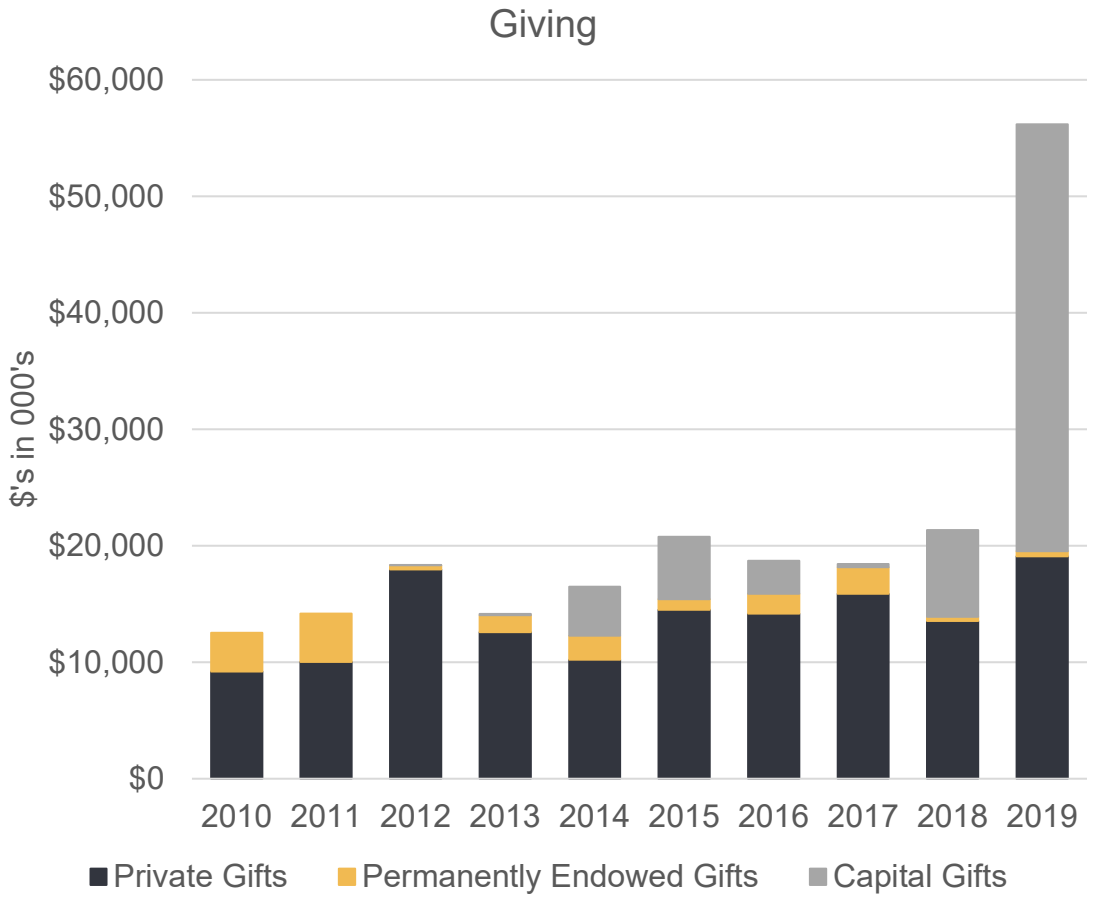
Enrollment grew until 2015, graduation rates improved from 2009-2014, then flattened



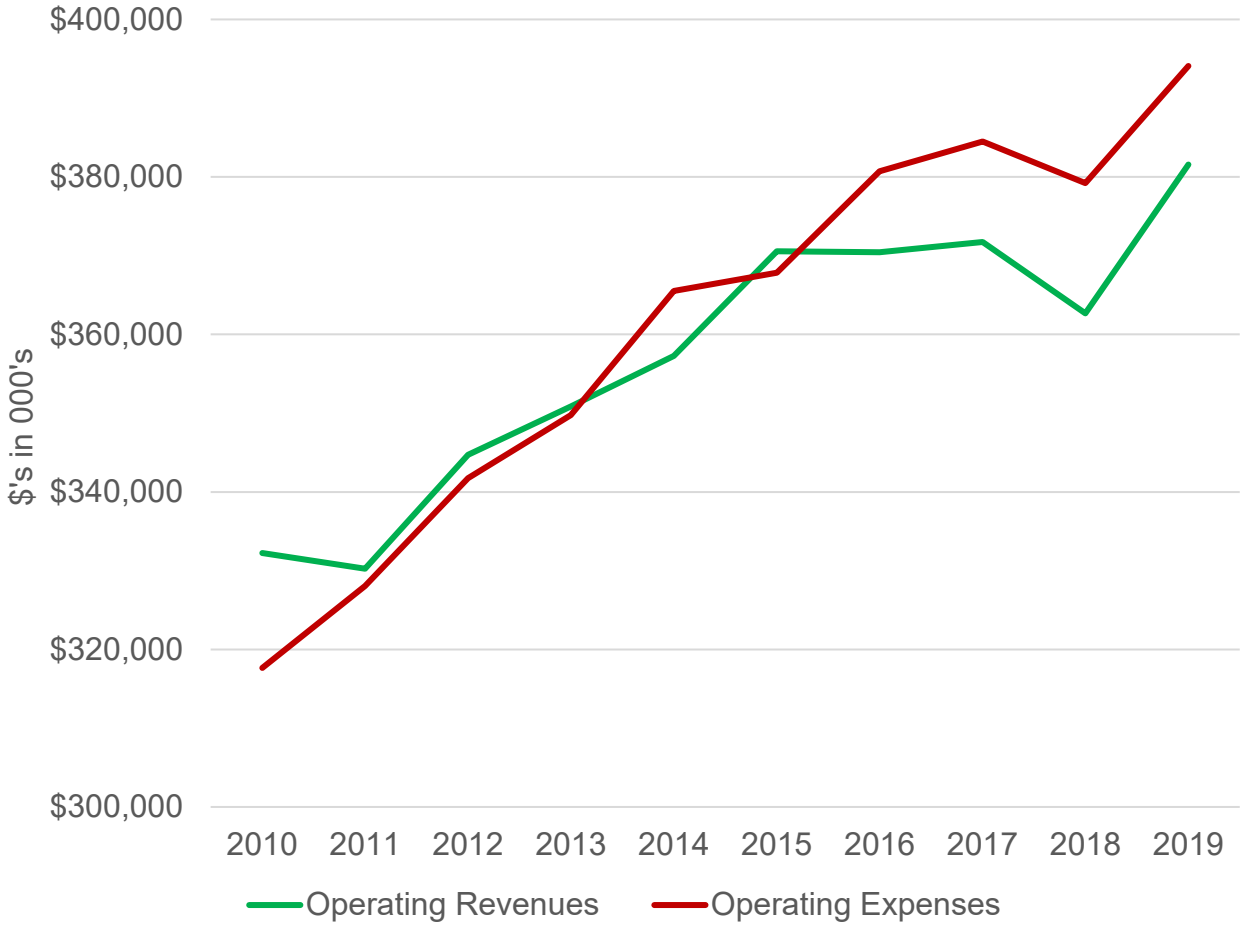


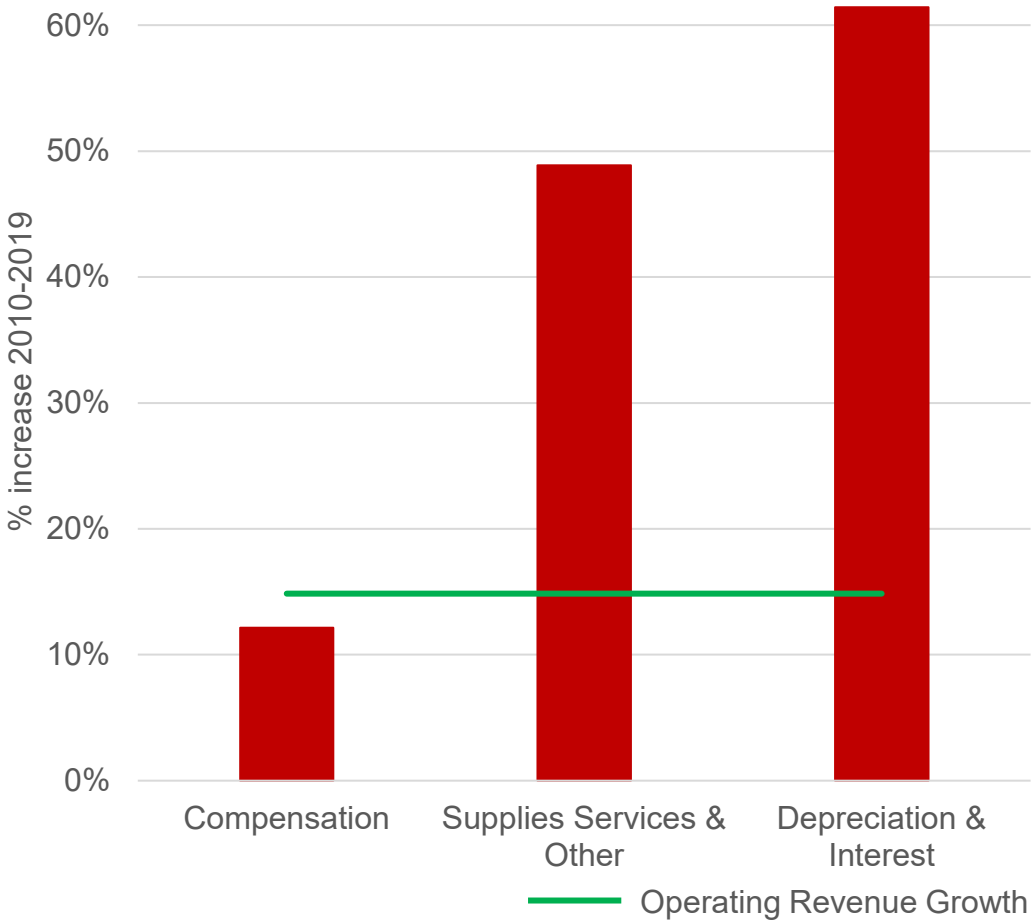
Balance sheet remains weaker than peers, cash improved with capital gift





Operating Expenses Growing while Revenues Flatten





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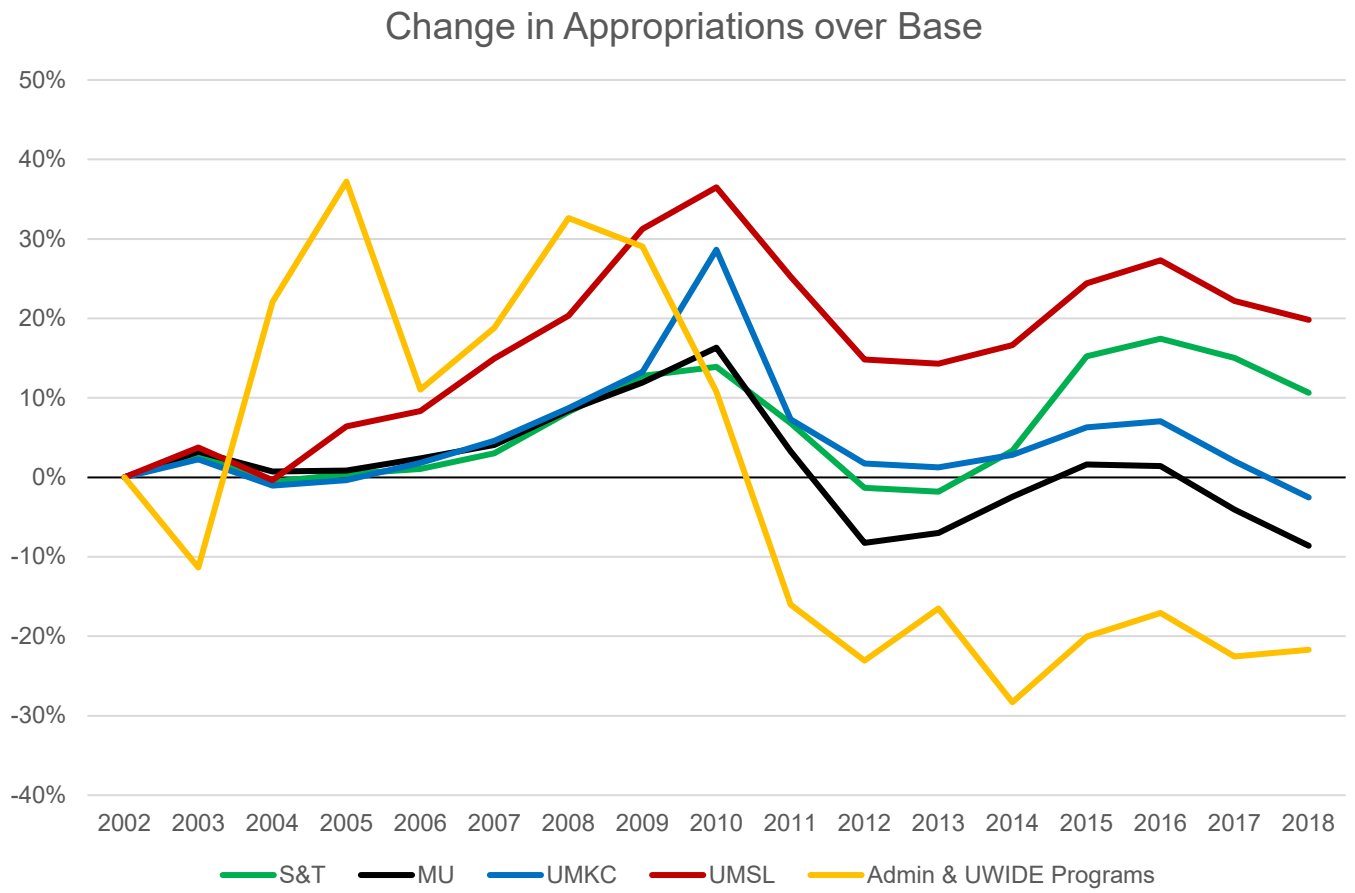

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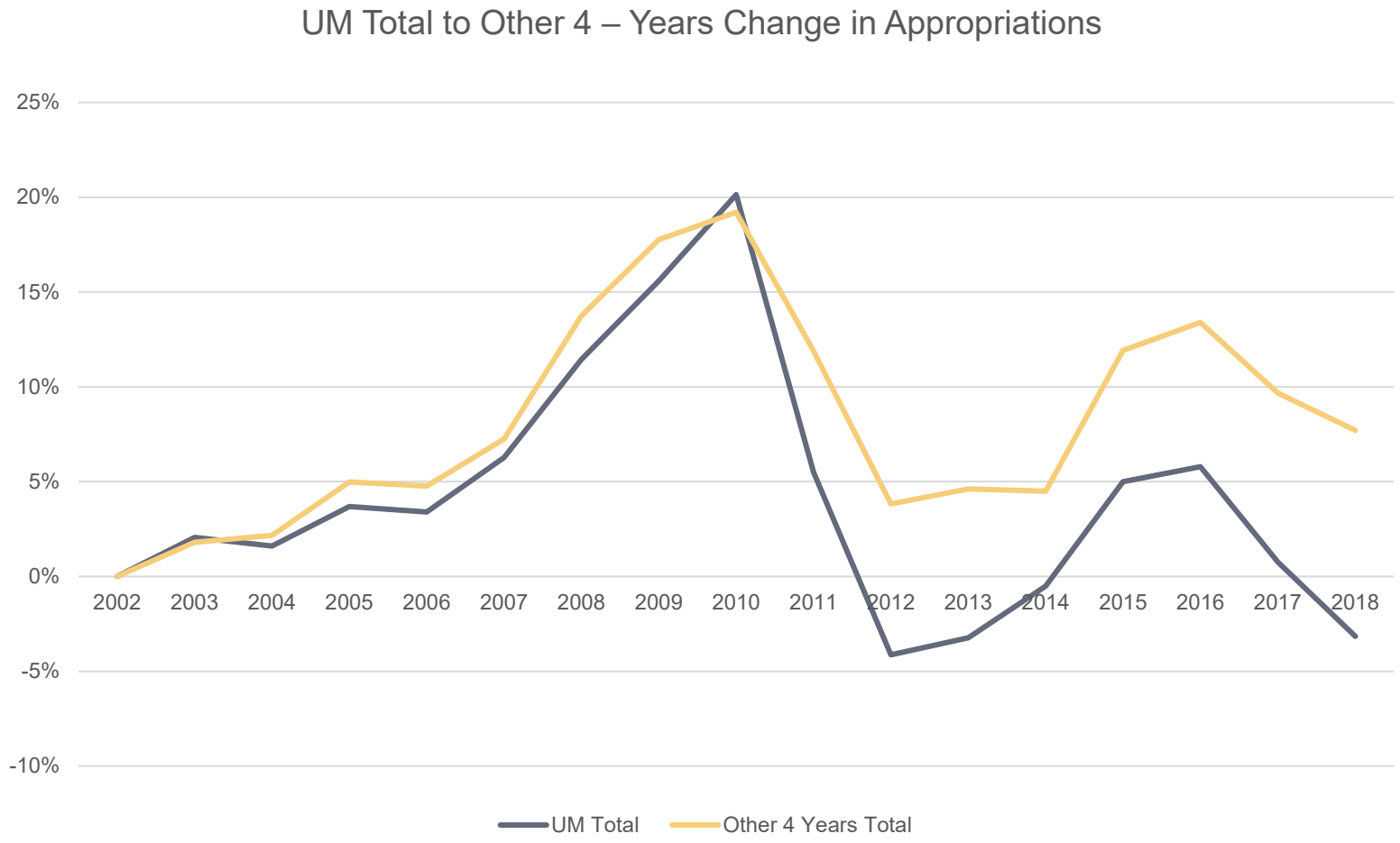

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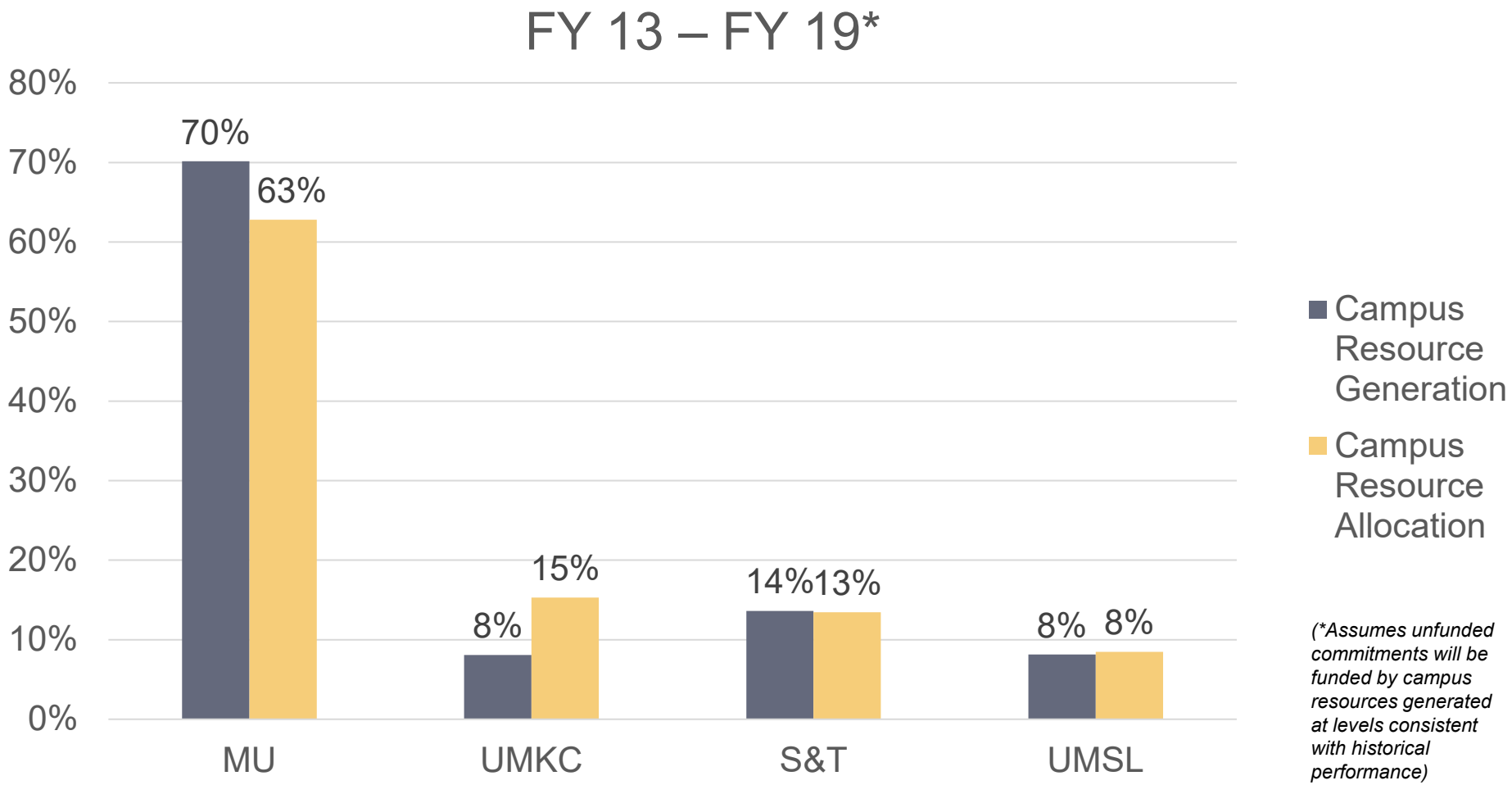

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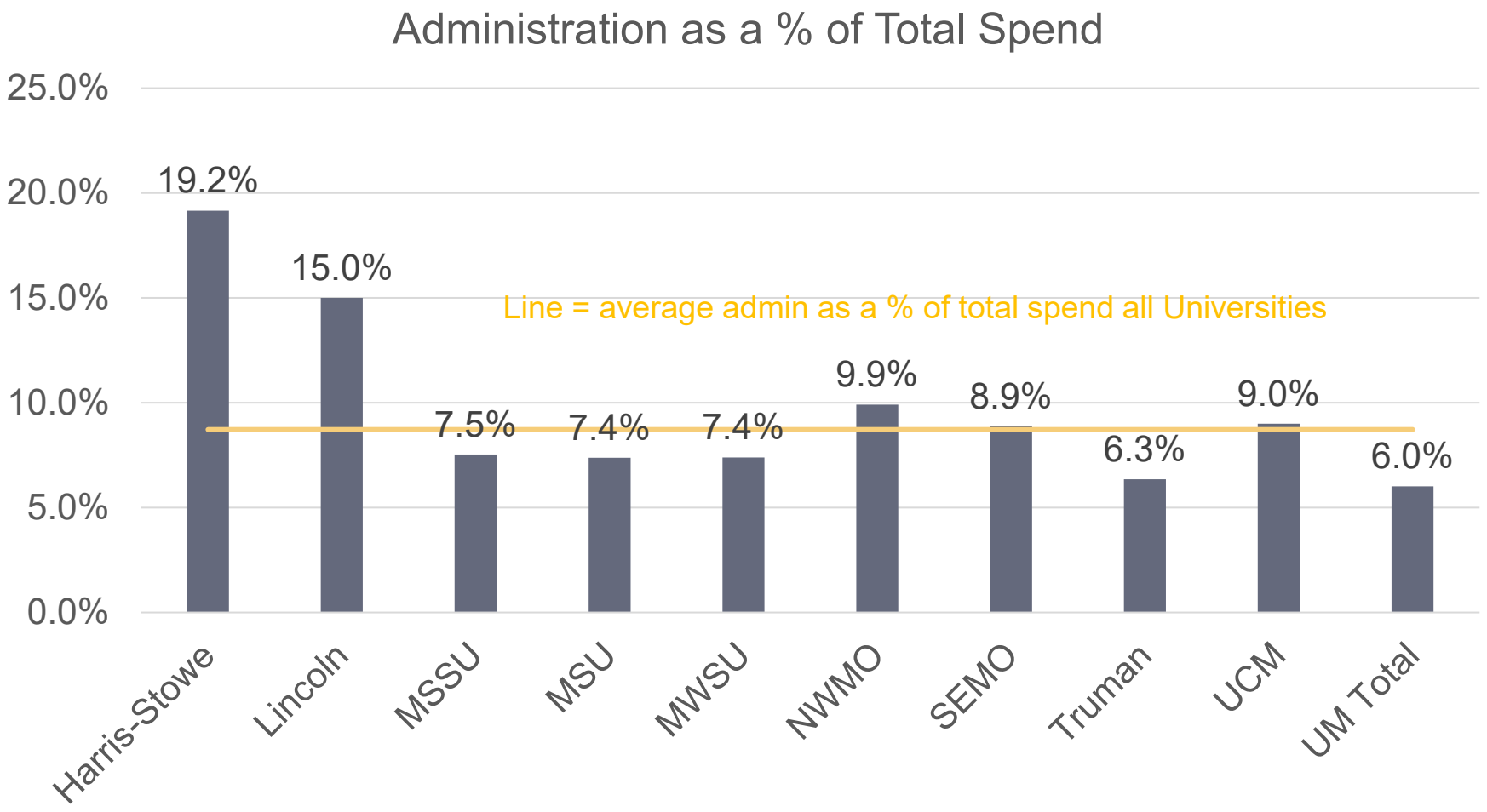

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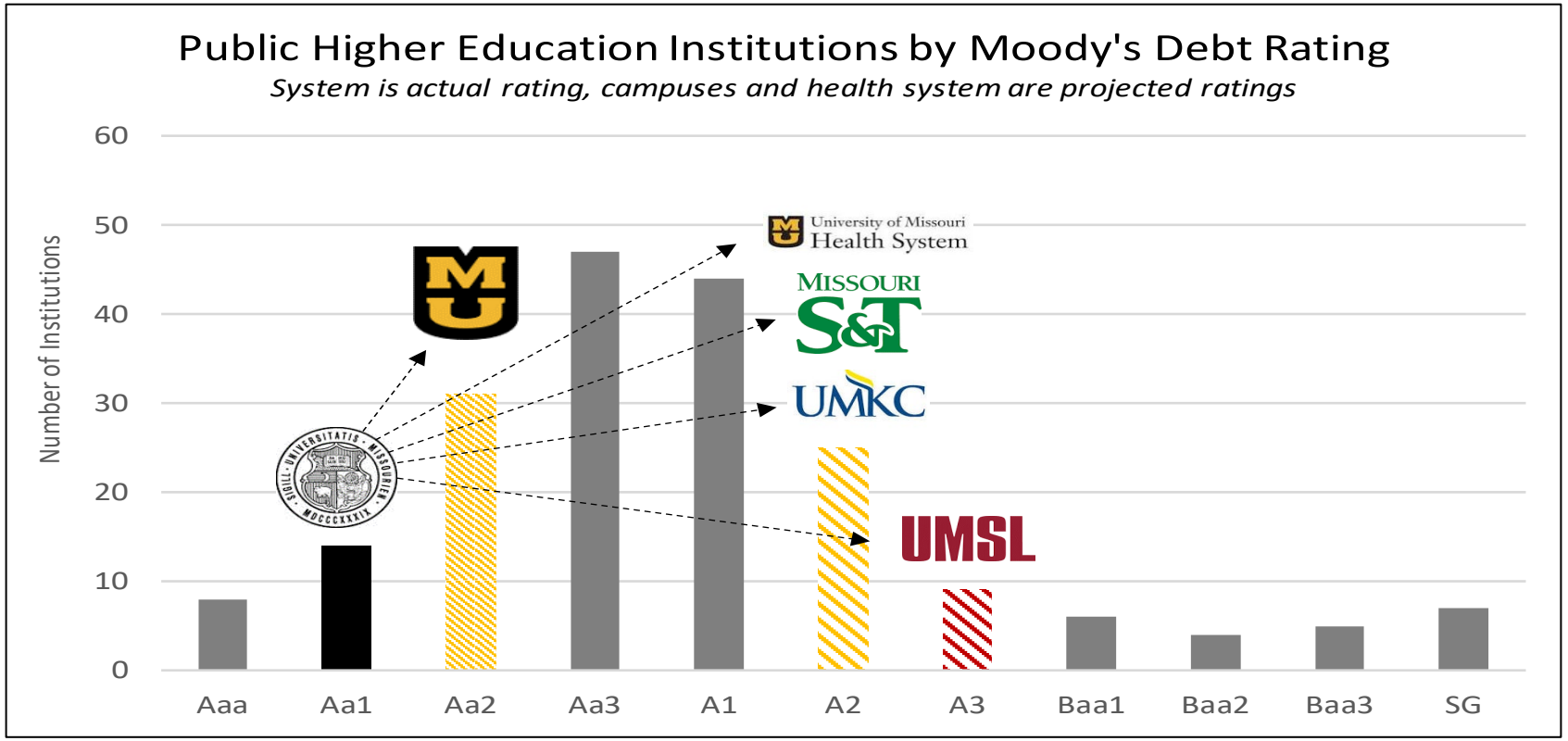
Remaining Together Leverages Collective Strength and Generates Scale



The **University of Missouri System** bond rating is in the **TOP 11%** of higher education institutions as rated by Moody's. *Without the combined strength of the System*, **three** of the System's **campuses** would be rated **in the LOWEST 28%** of higher education institutions.

UMSL Financial Status Update

1

Higher Education Funding Environment

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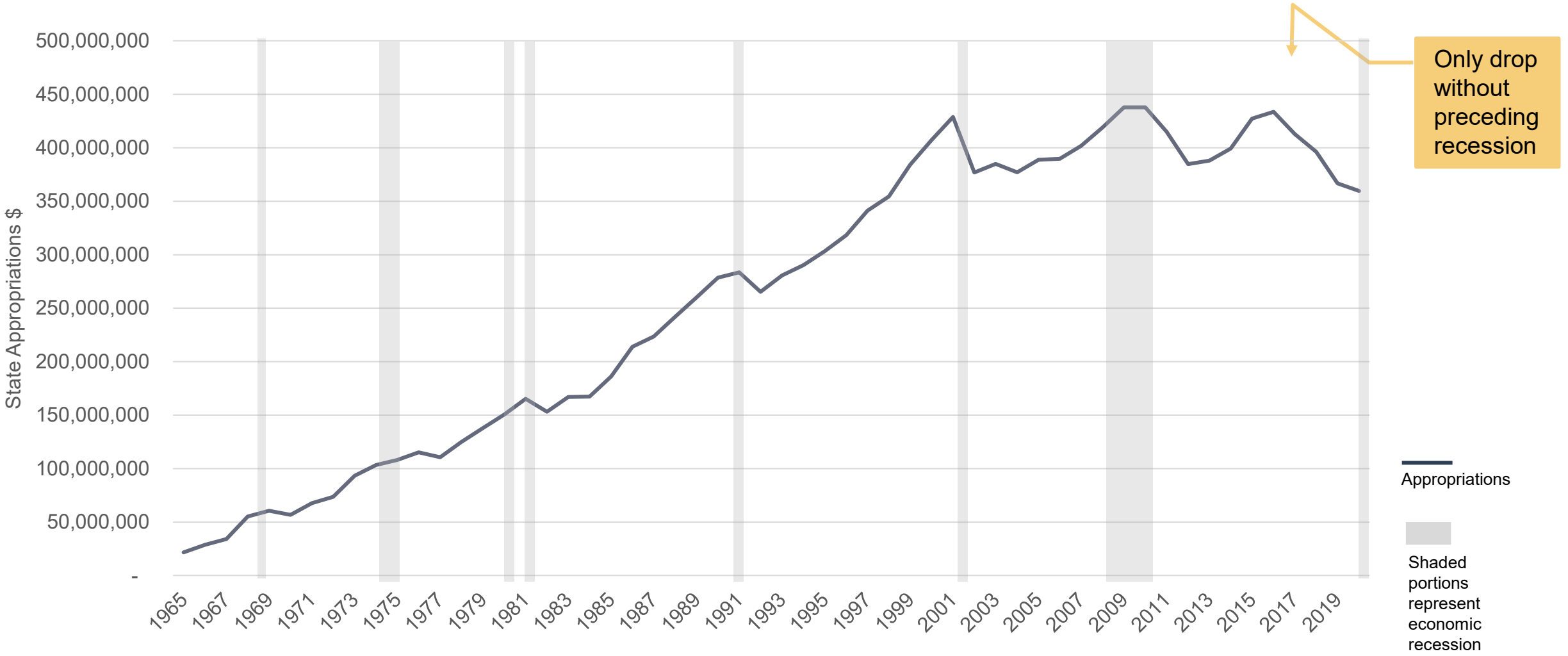

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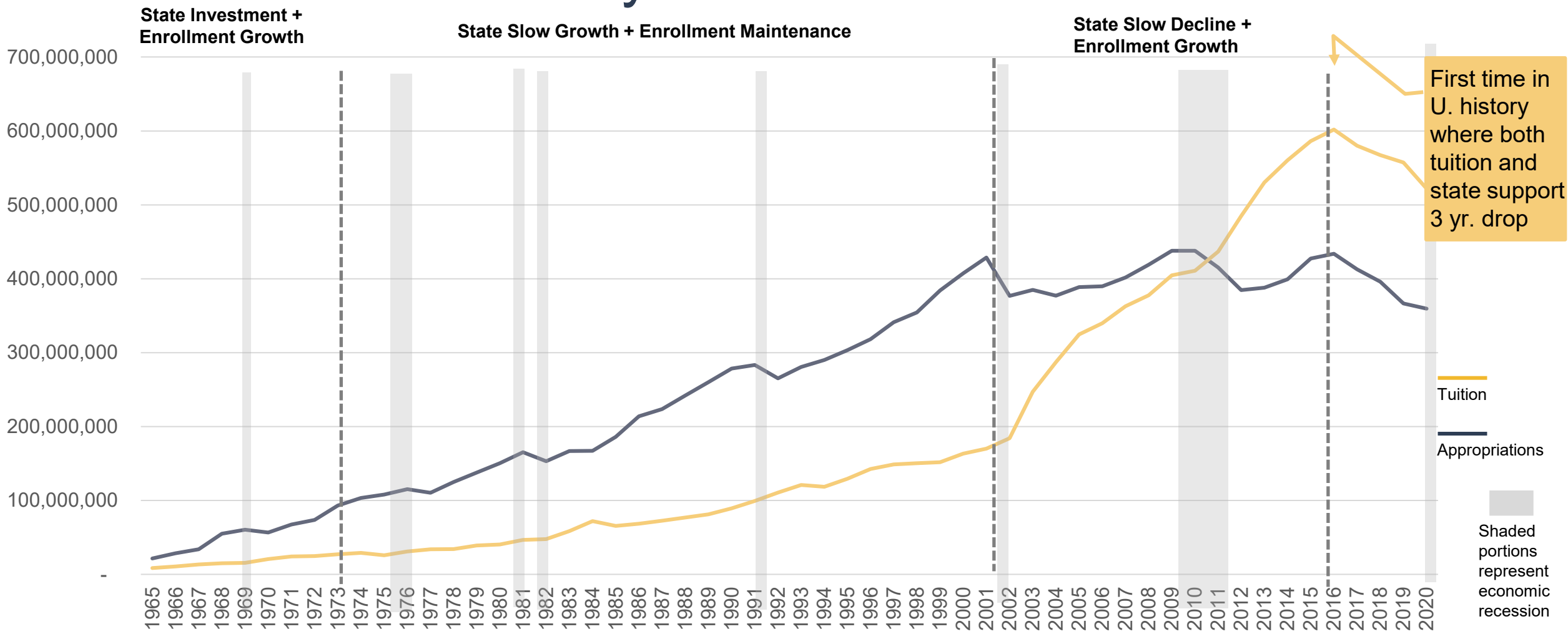

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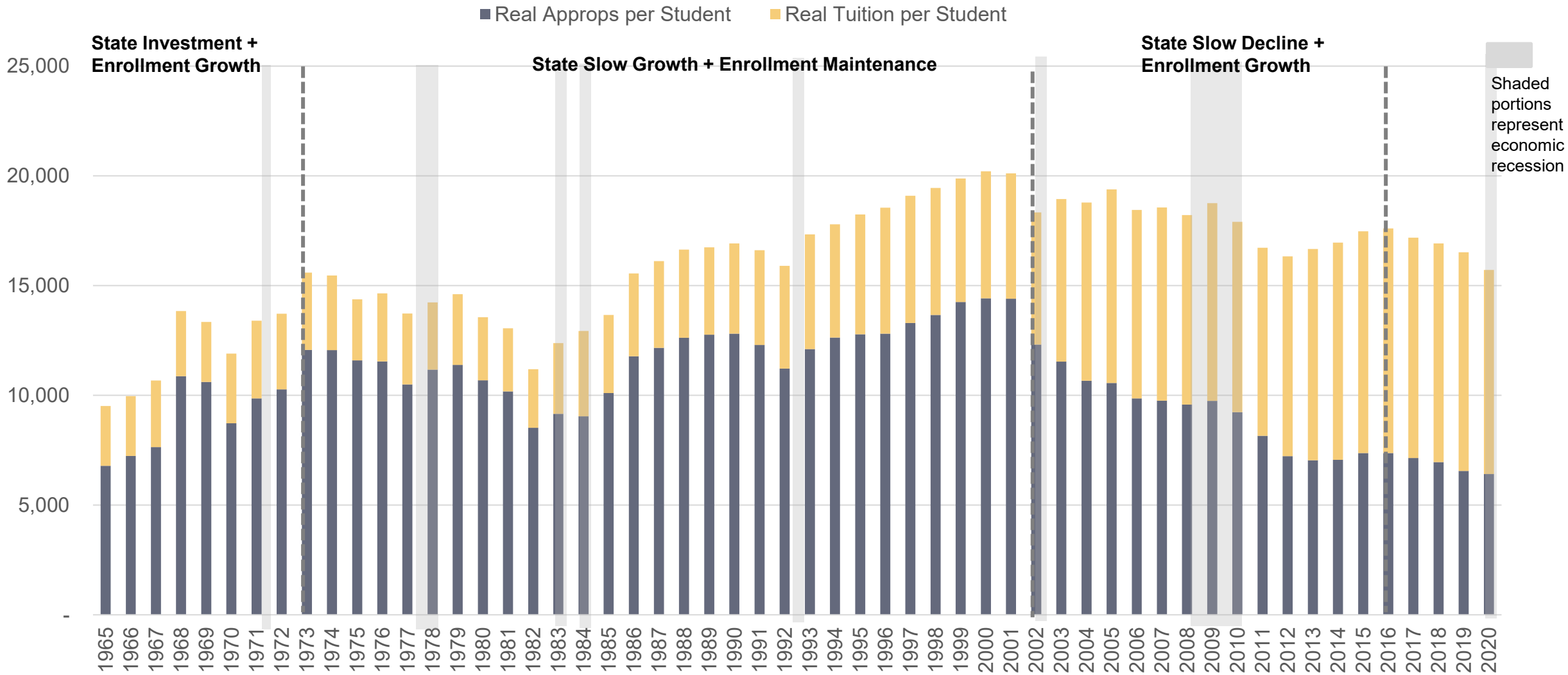

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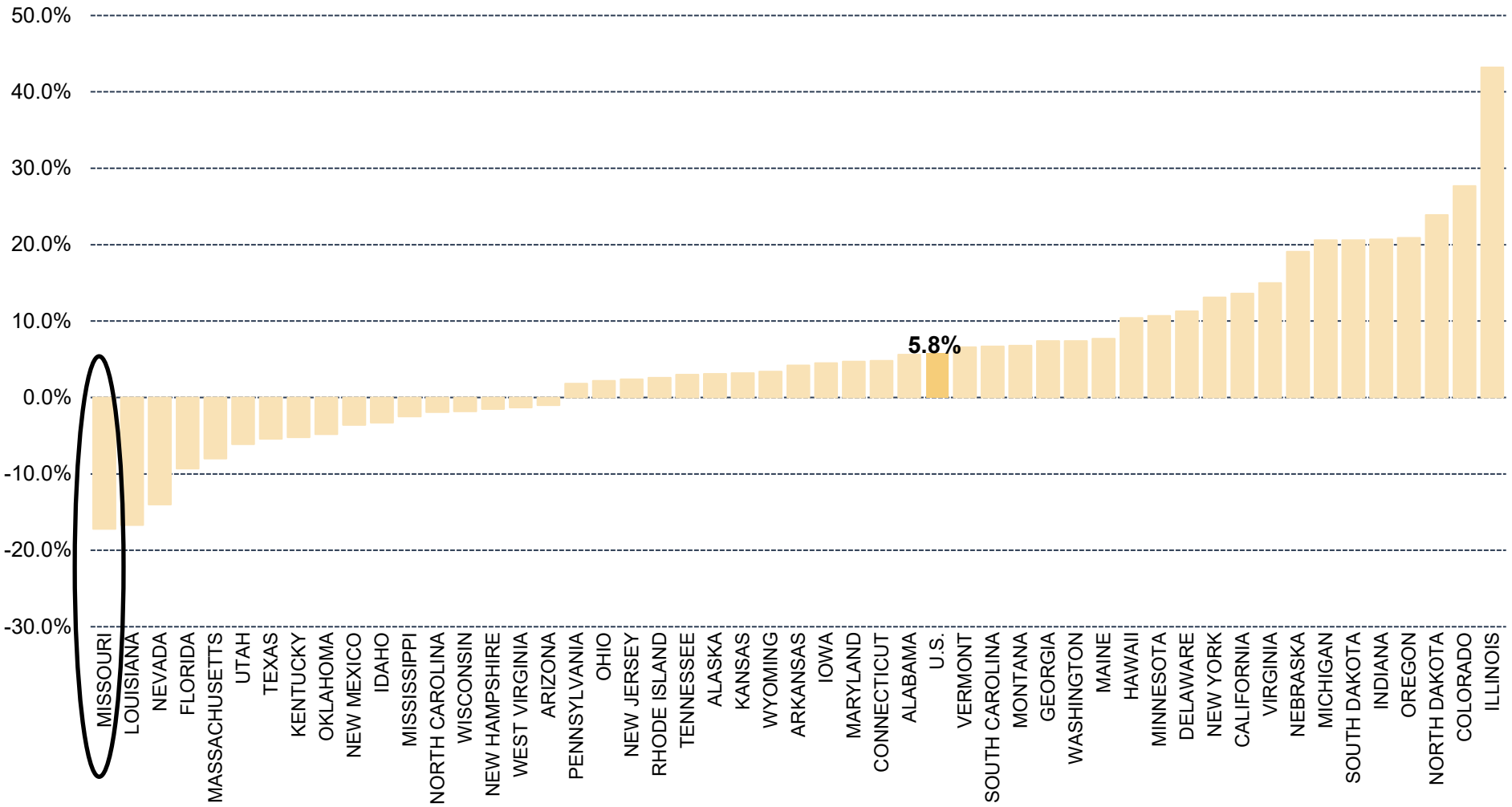

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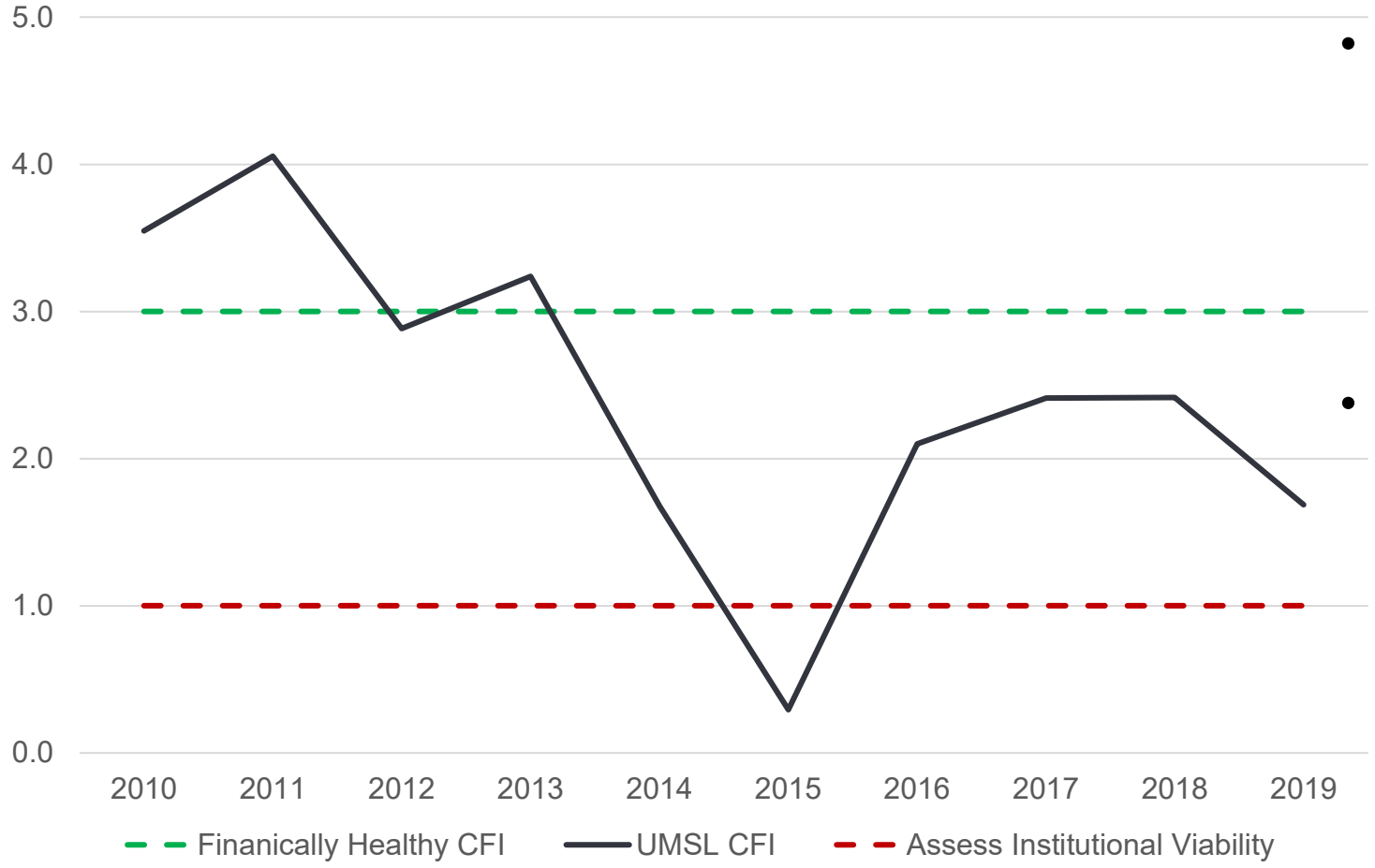
UMSL Financial Status Update

UMSL's Composite Financial Index trended below the "healthy" level over the past 5 years



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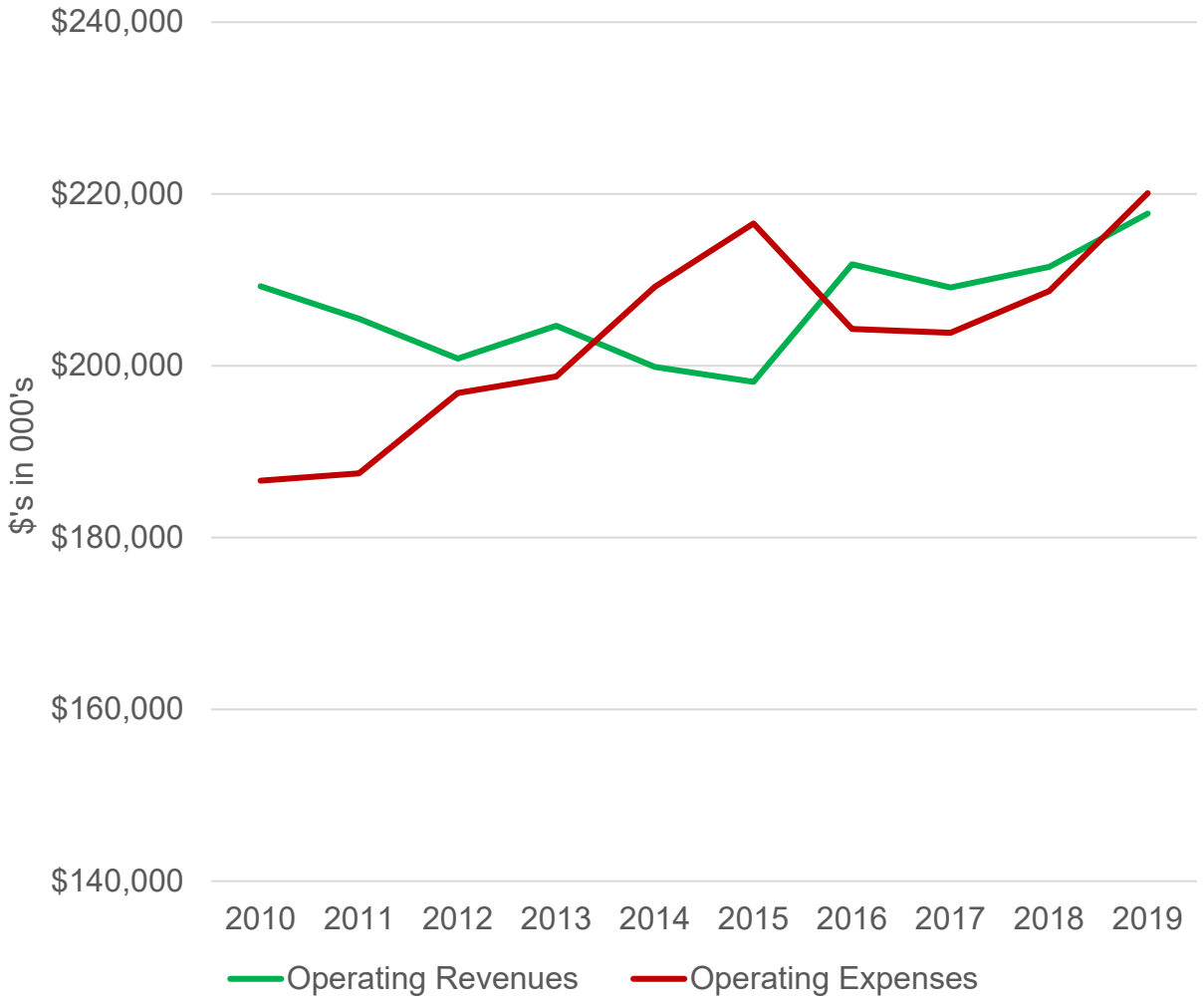
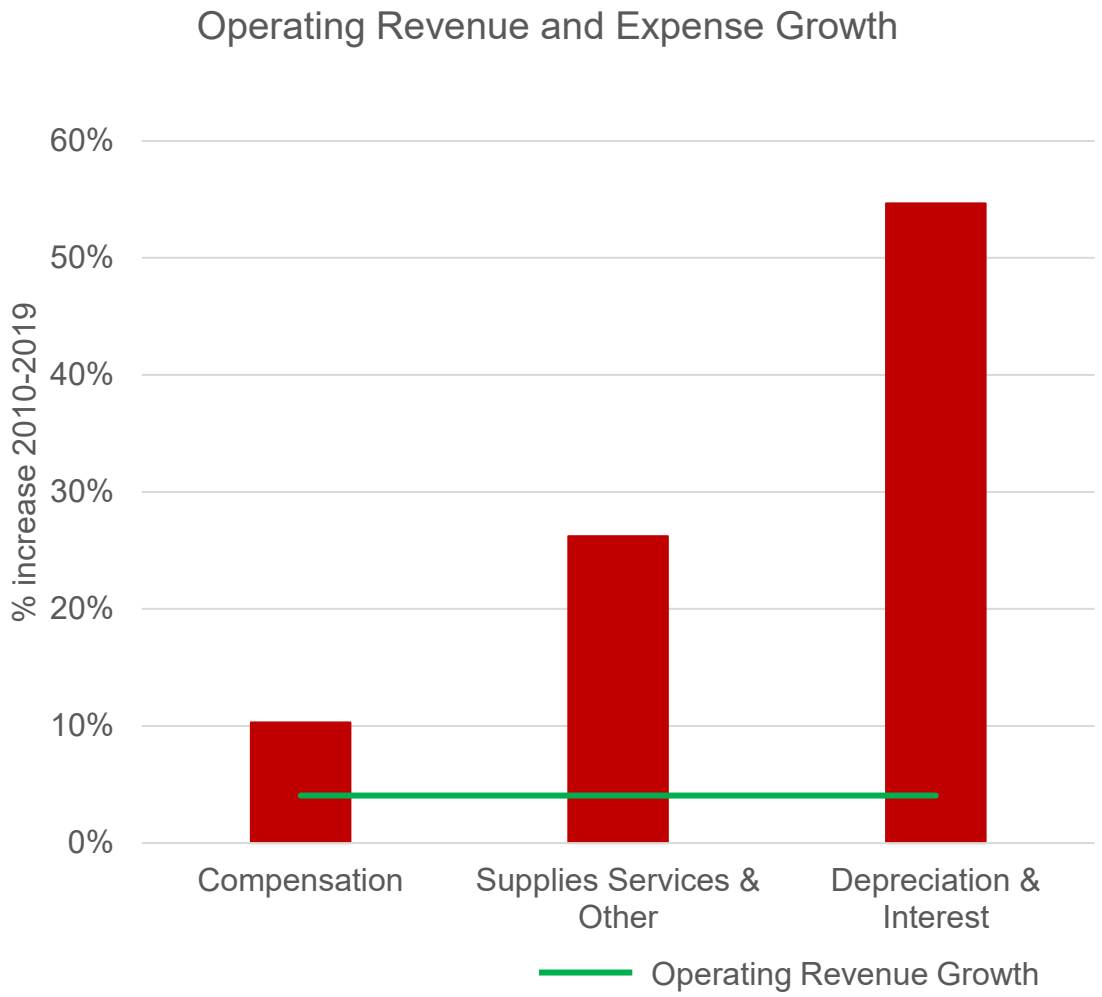
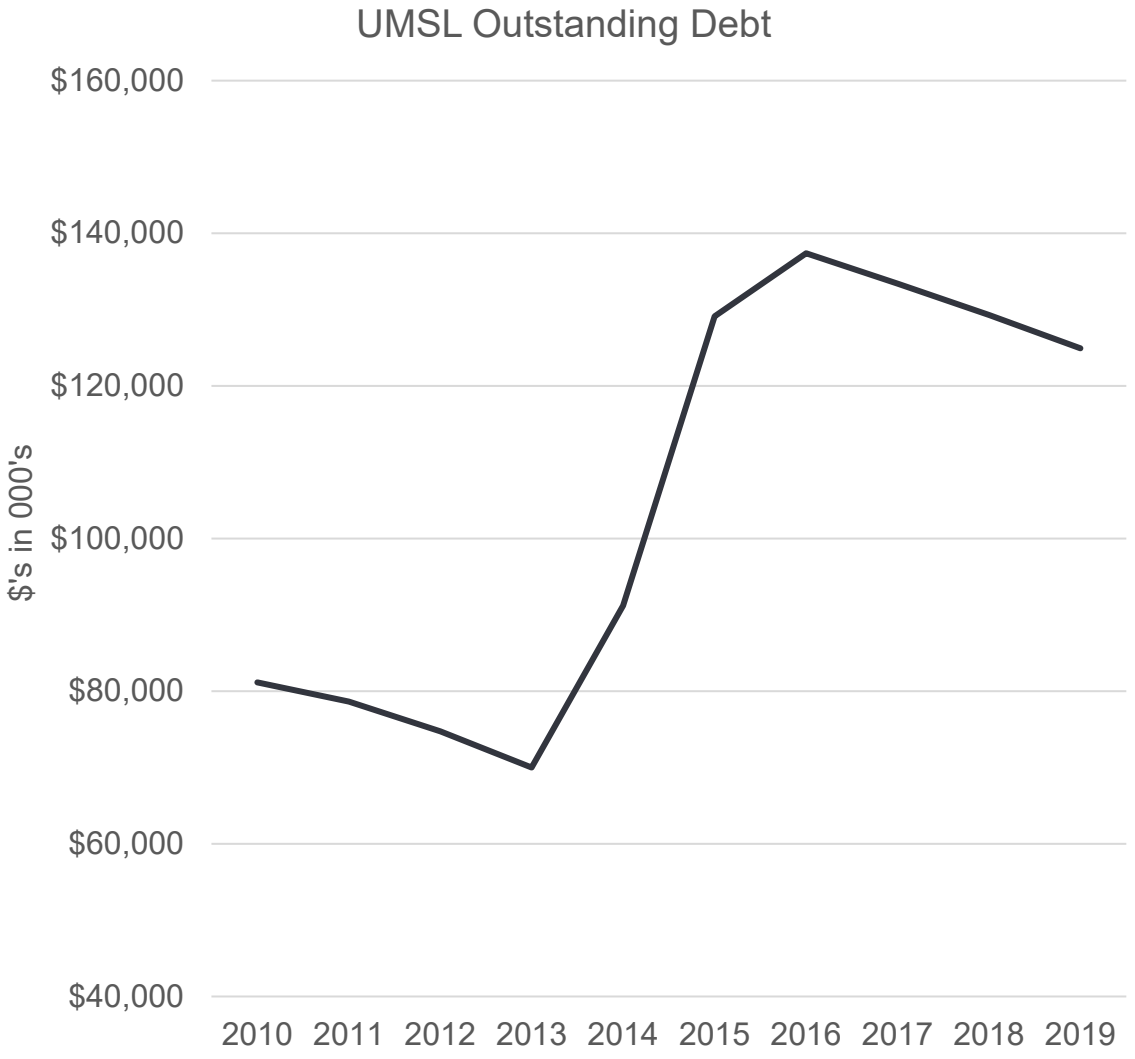
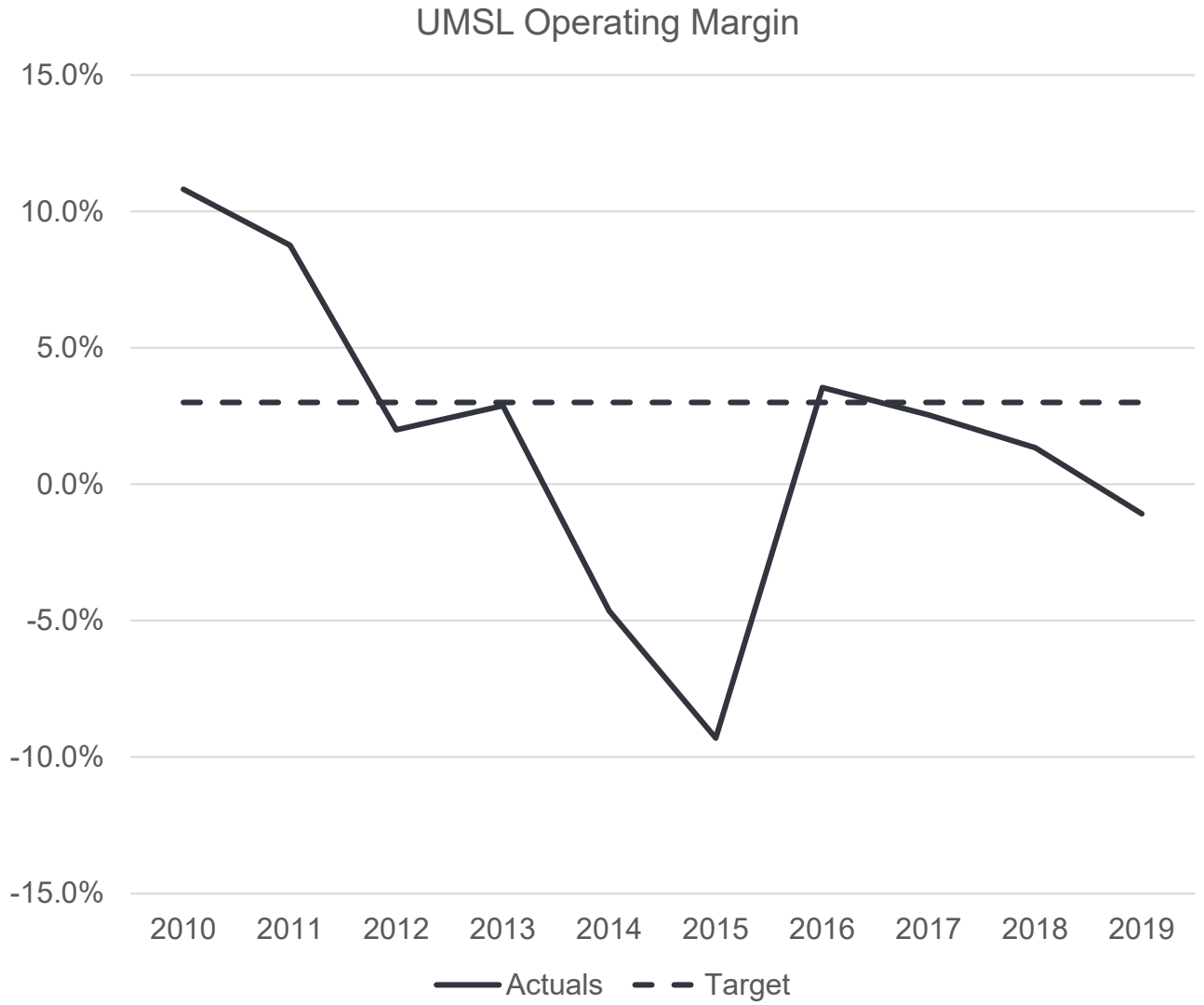


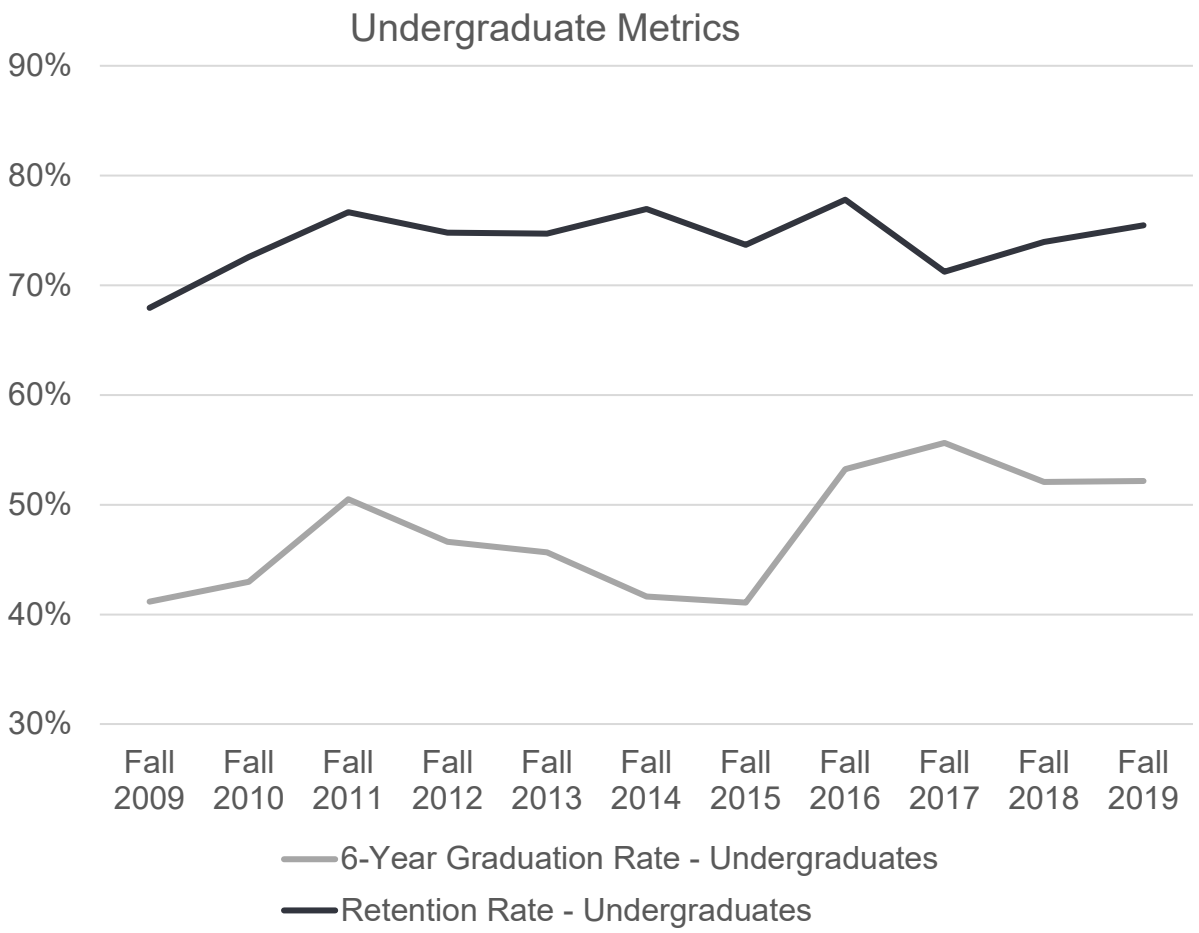


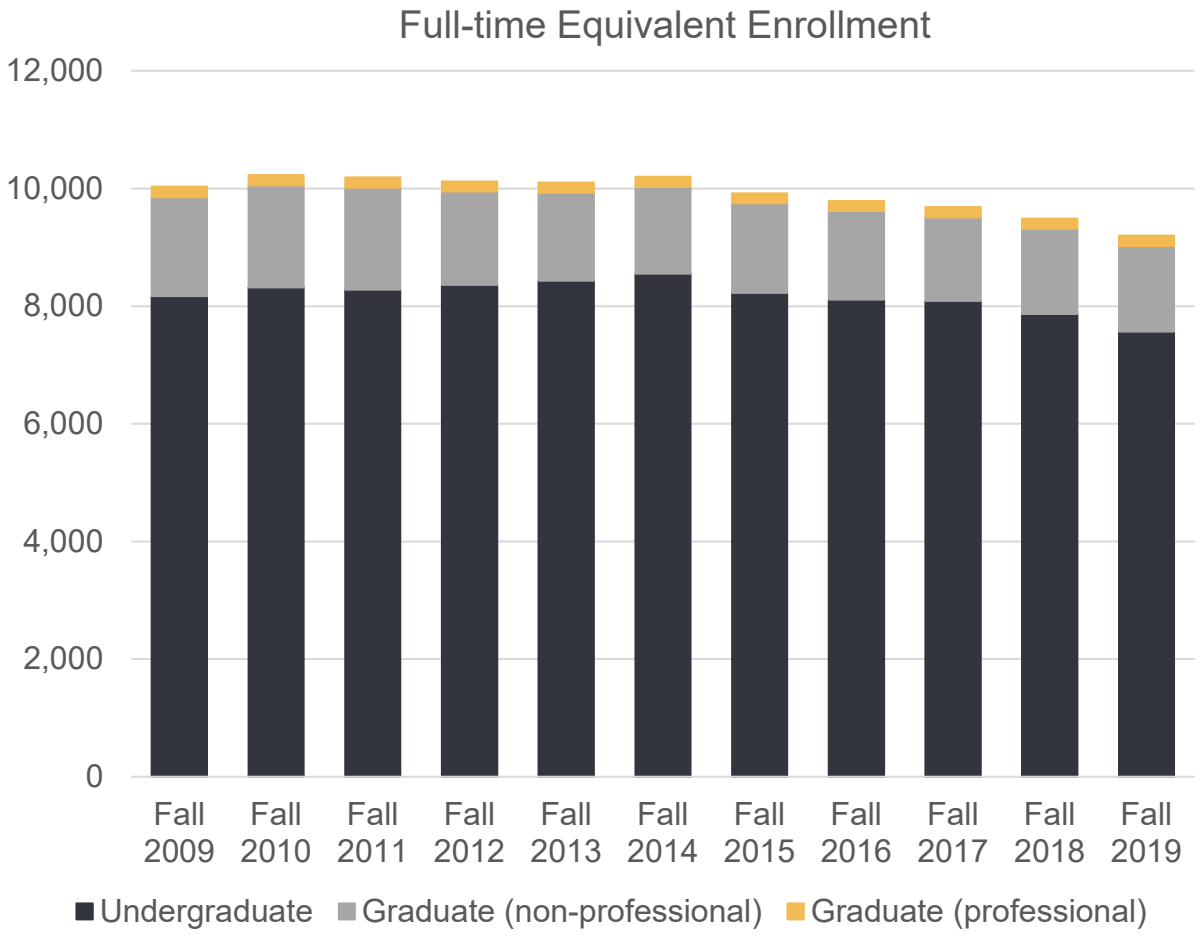
Increasing Debt, margin trends below breakeven



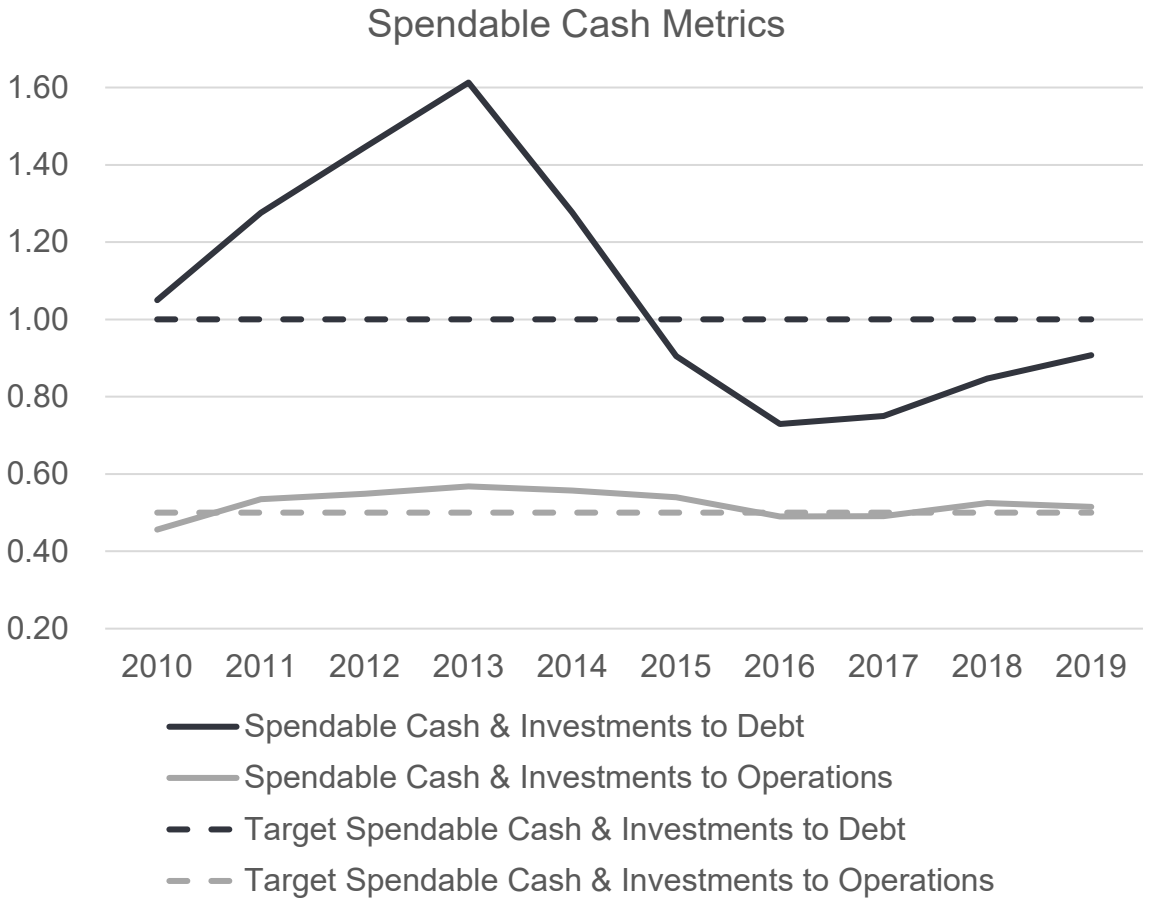


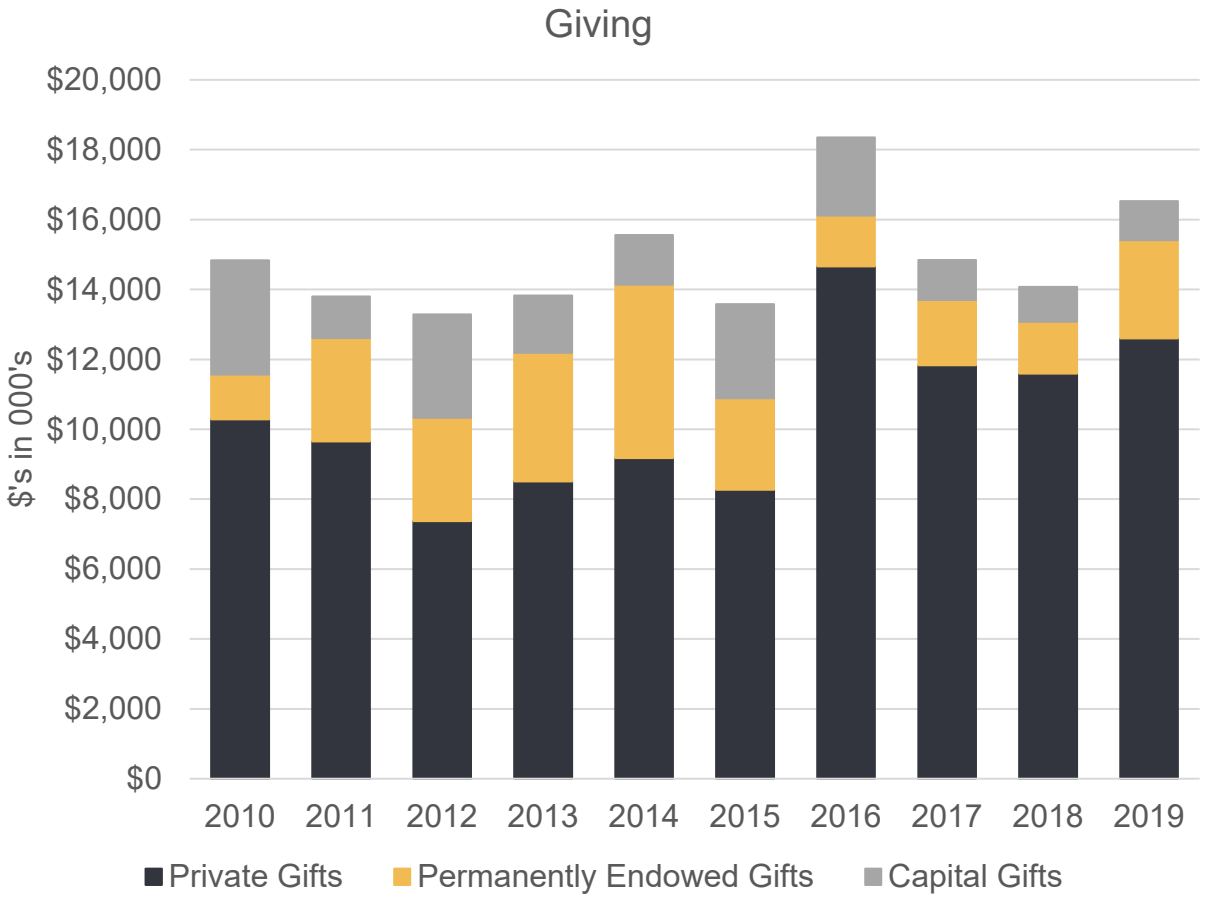
Graduation Improves while Enrollment Declines





Balance sheet leverage increases on increasing debt, giving grows moderately





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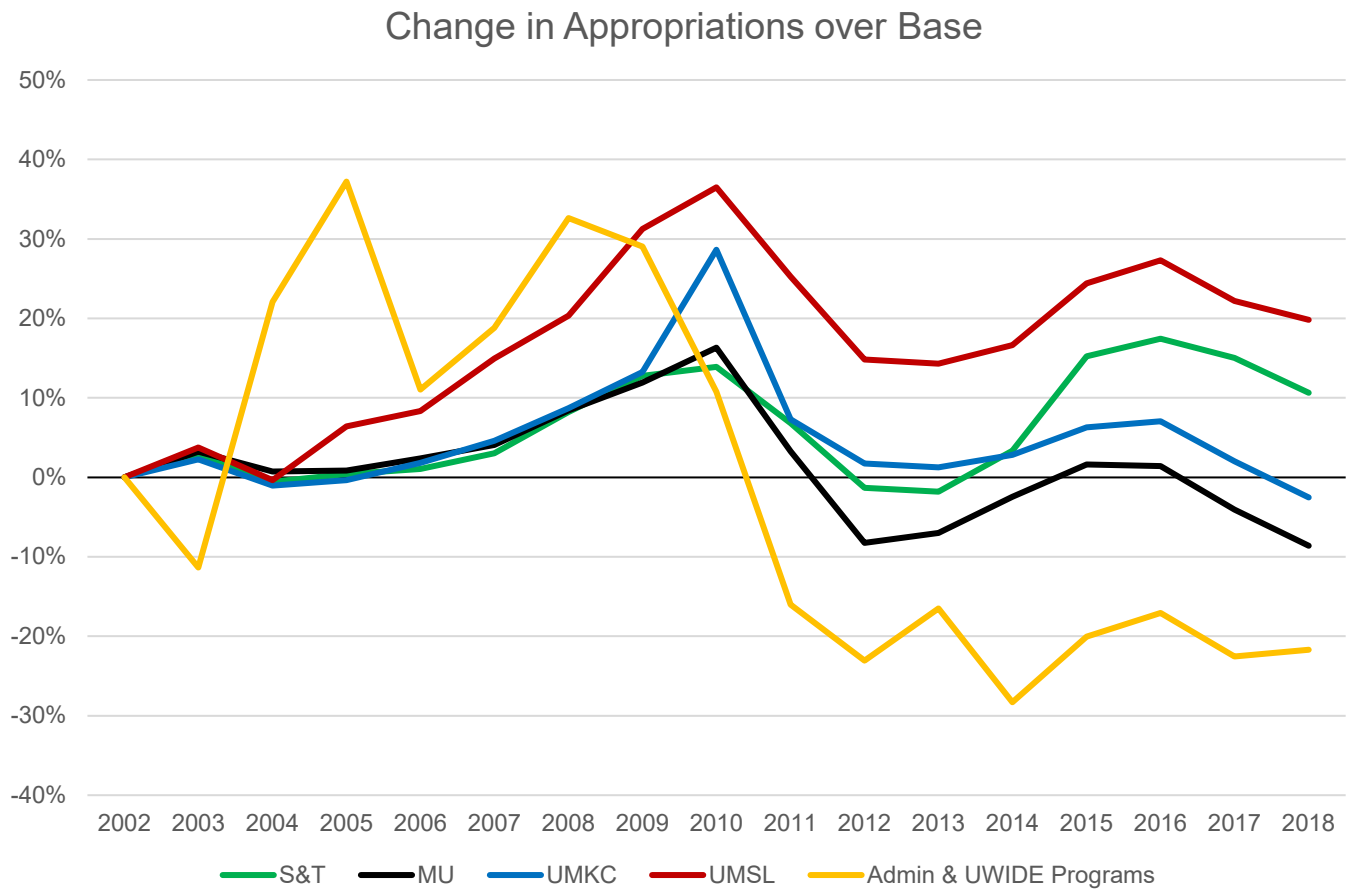

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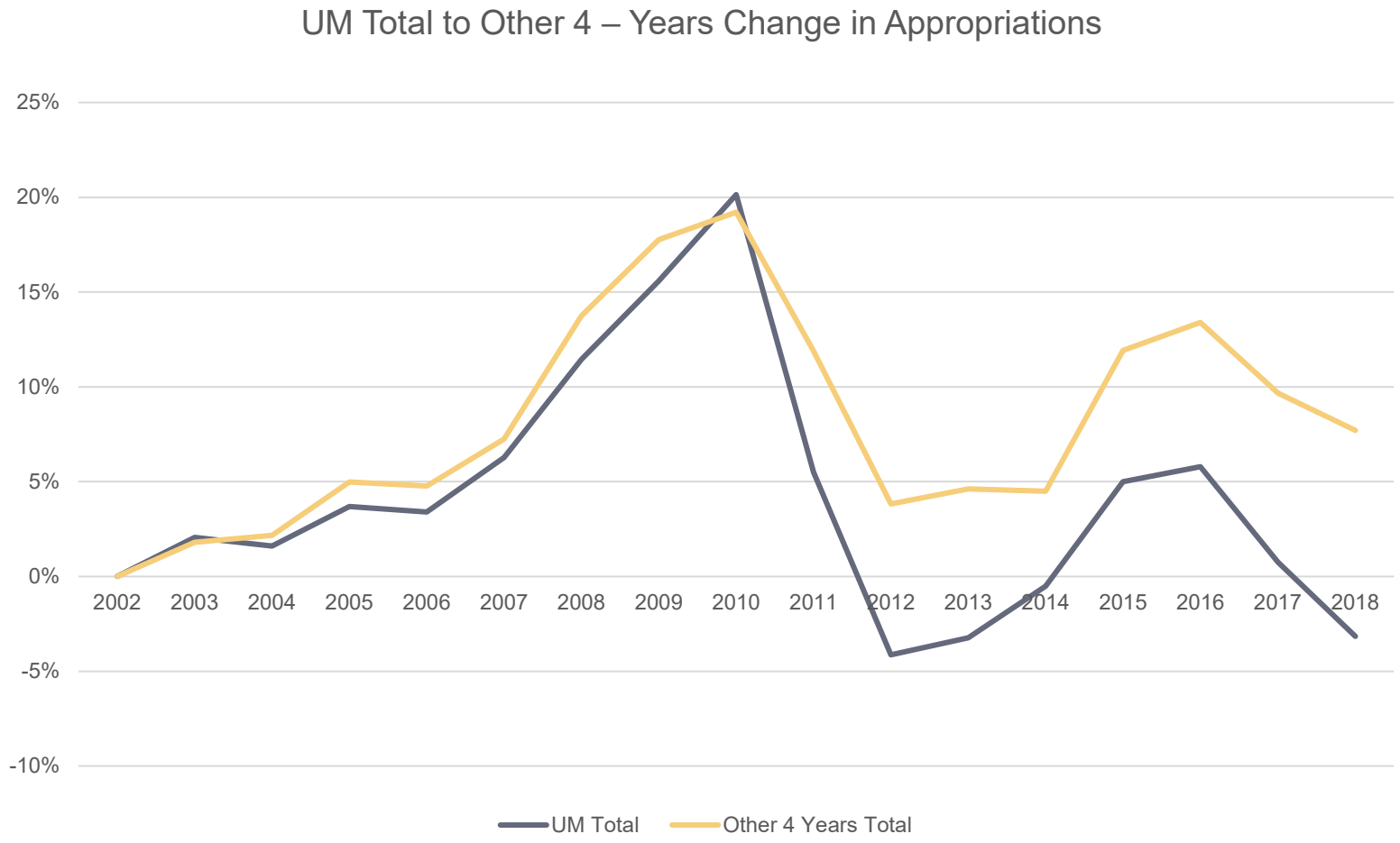

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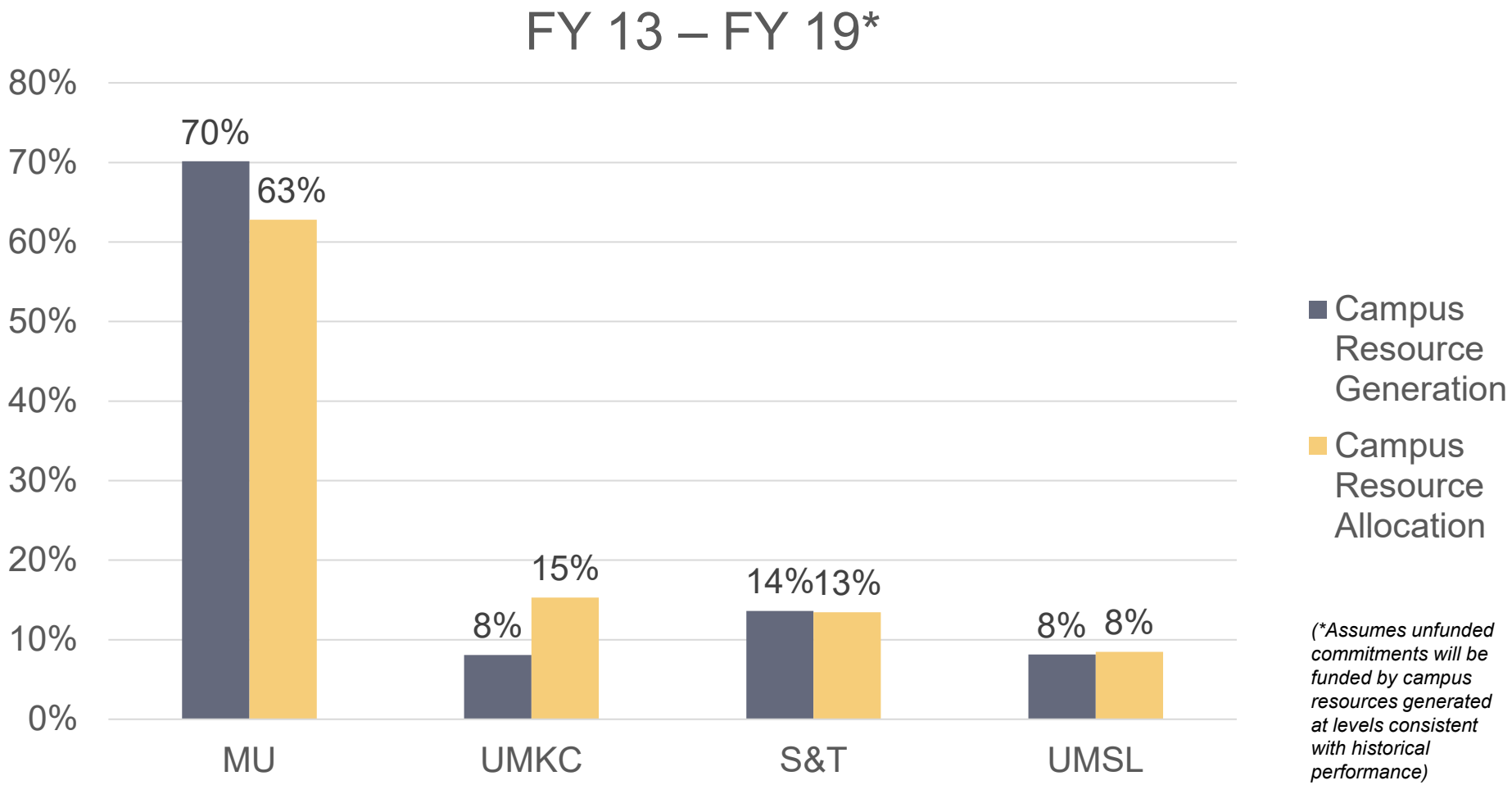

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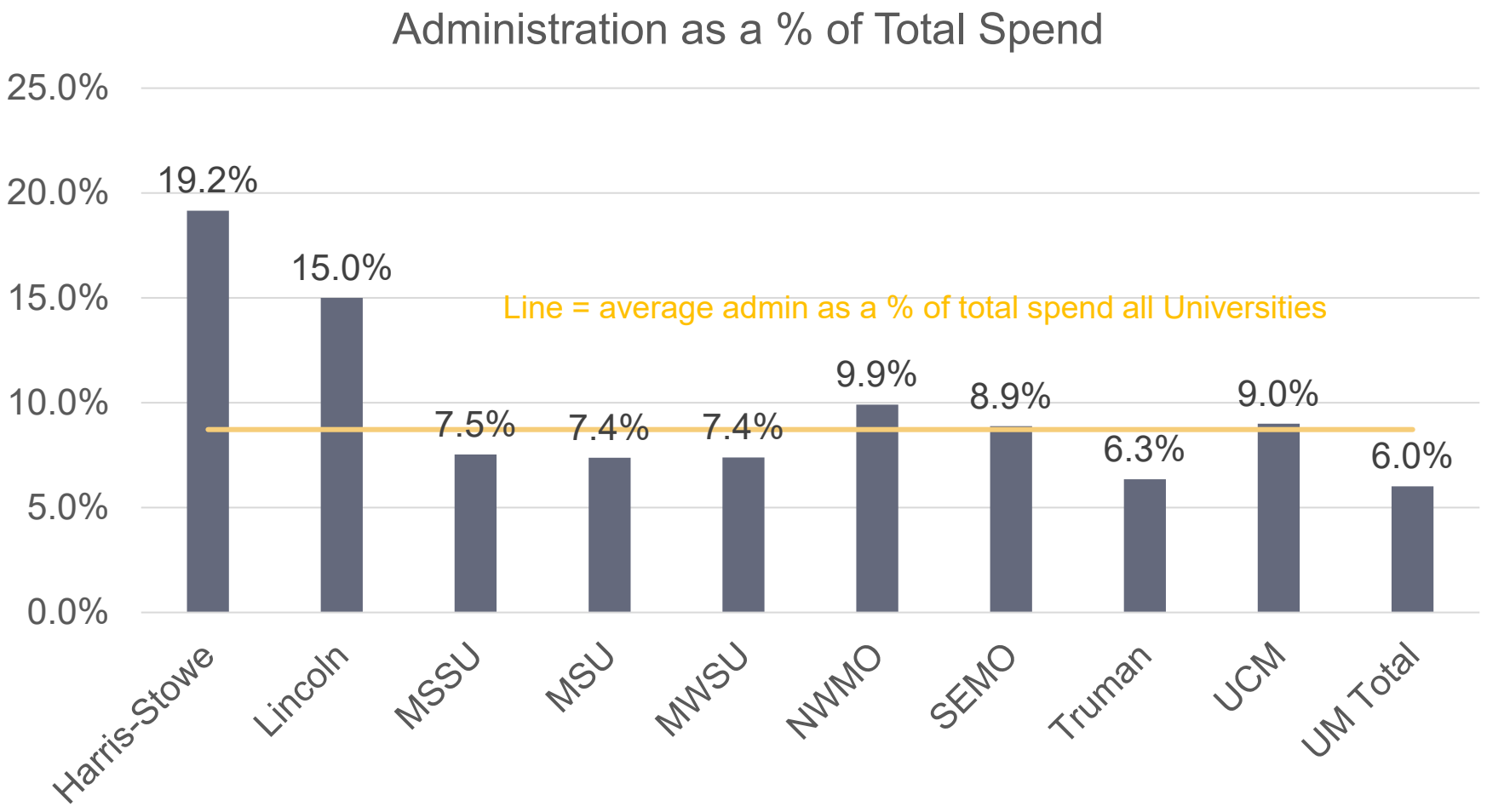

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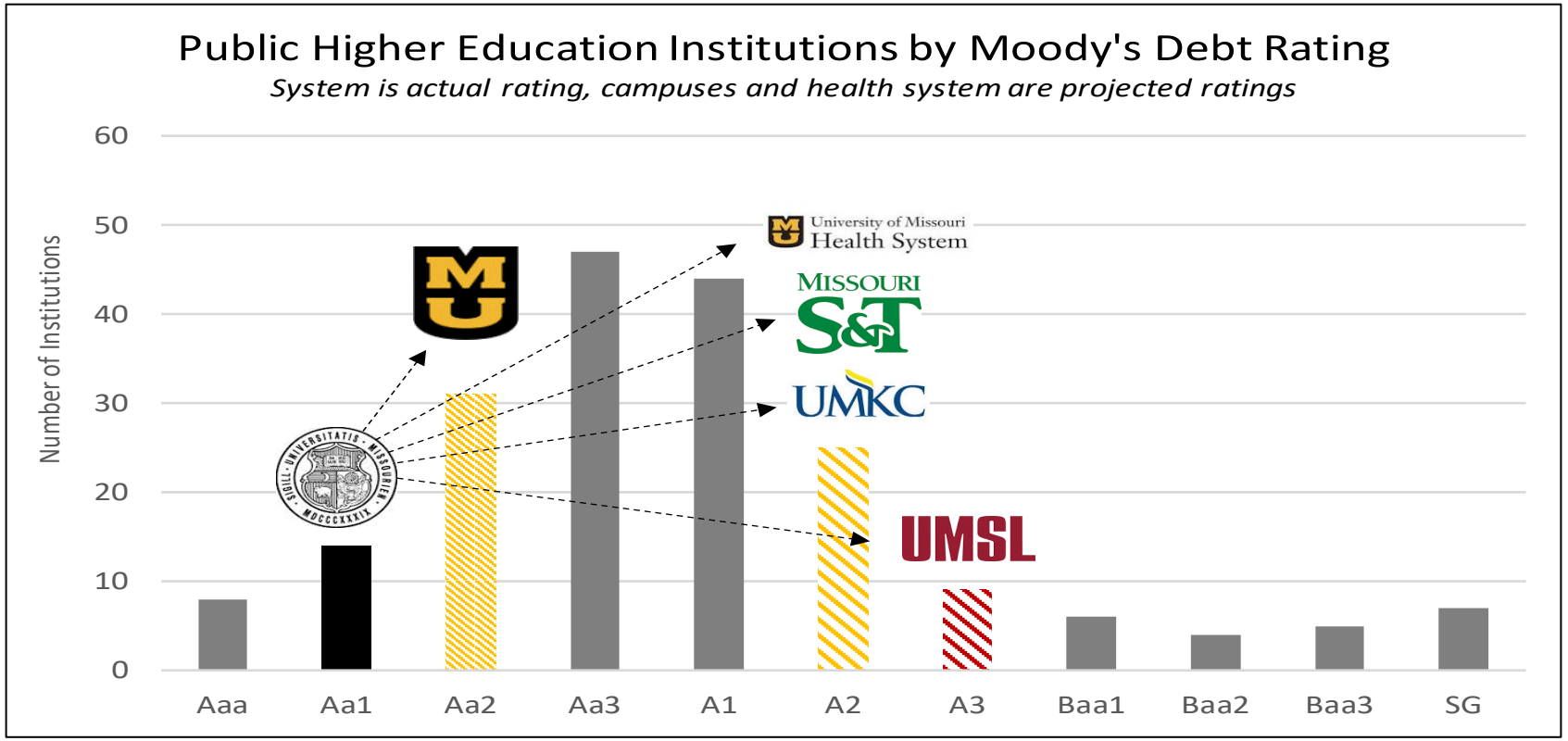

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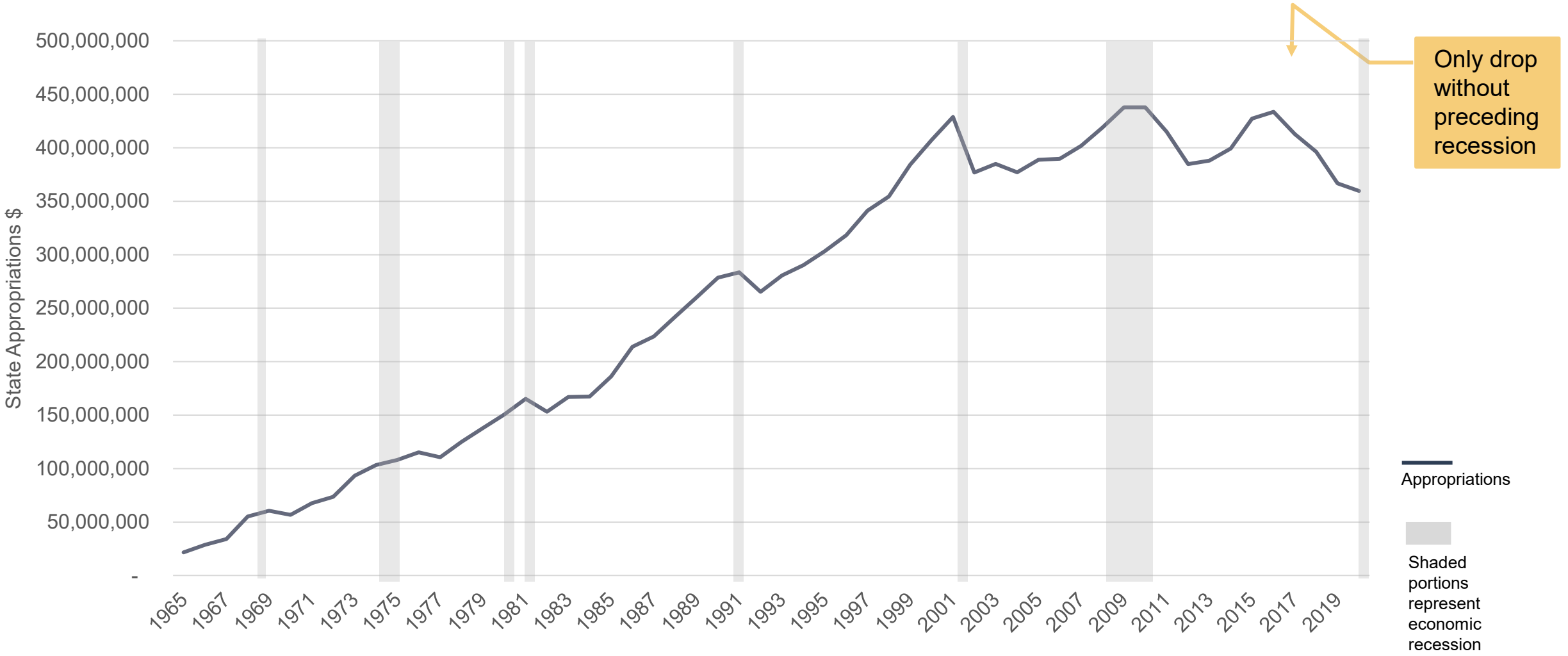
MU Financial Status Update

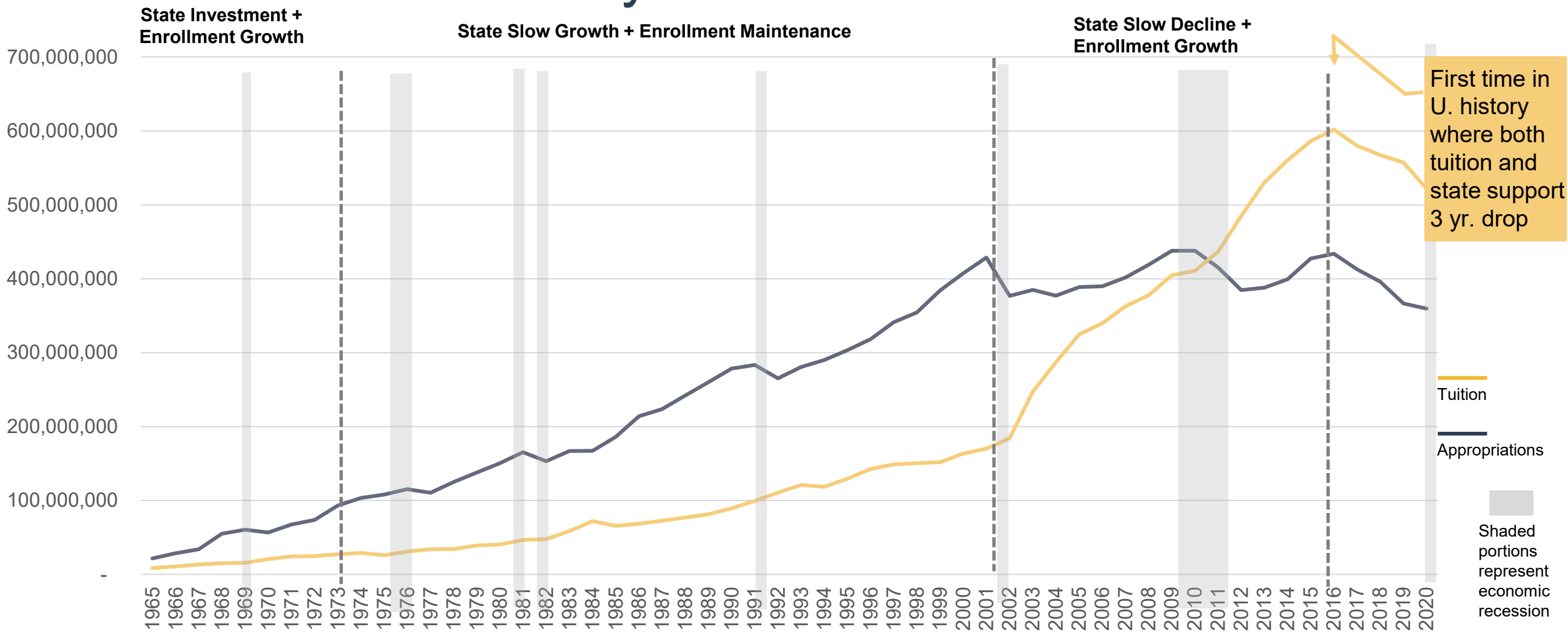
1

Higher Education Funding Environment

State Support is Changing Significantly



Tuition Replaces State Support as Primary Revenue Source



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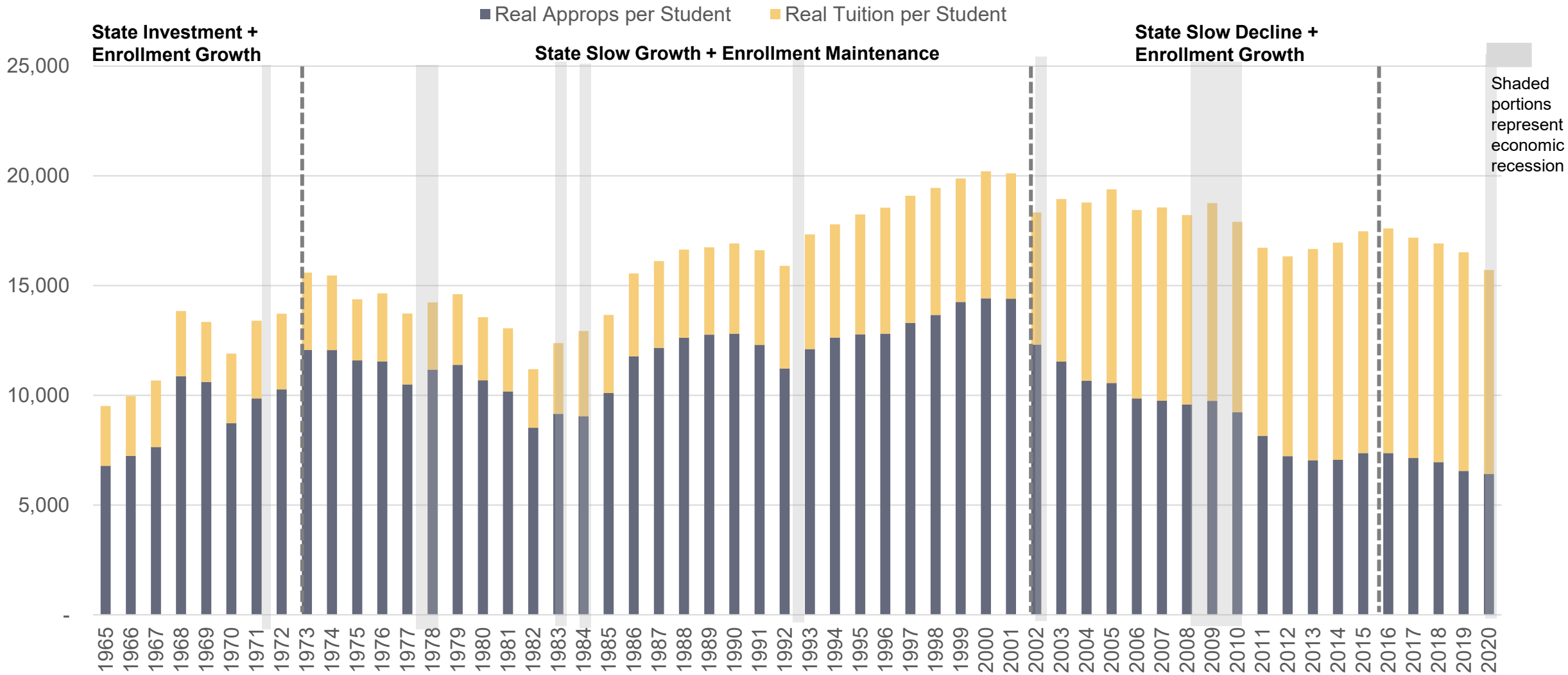
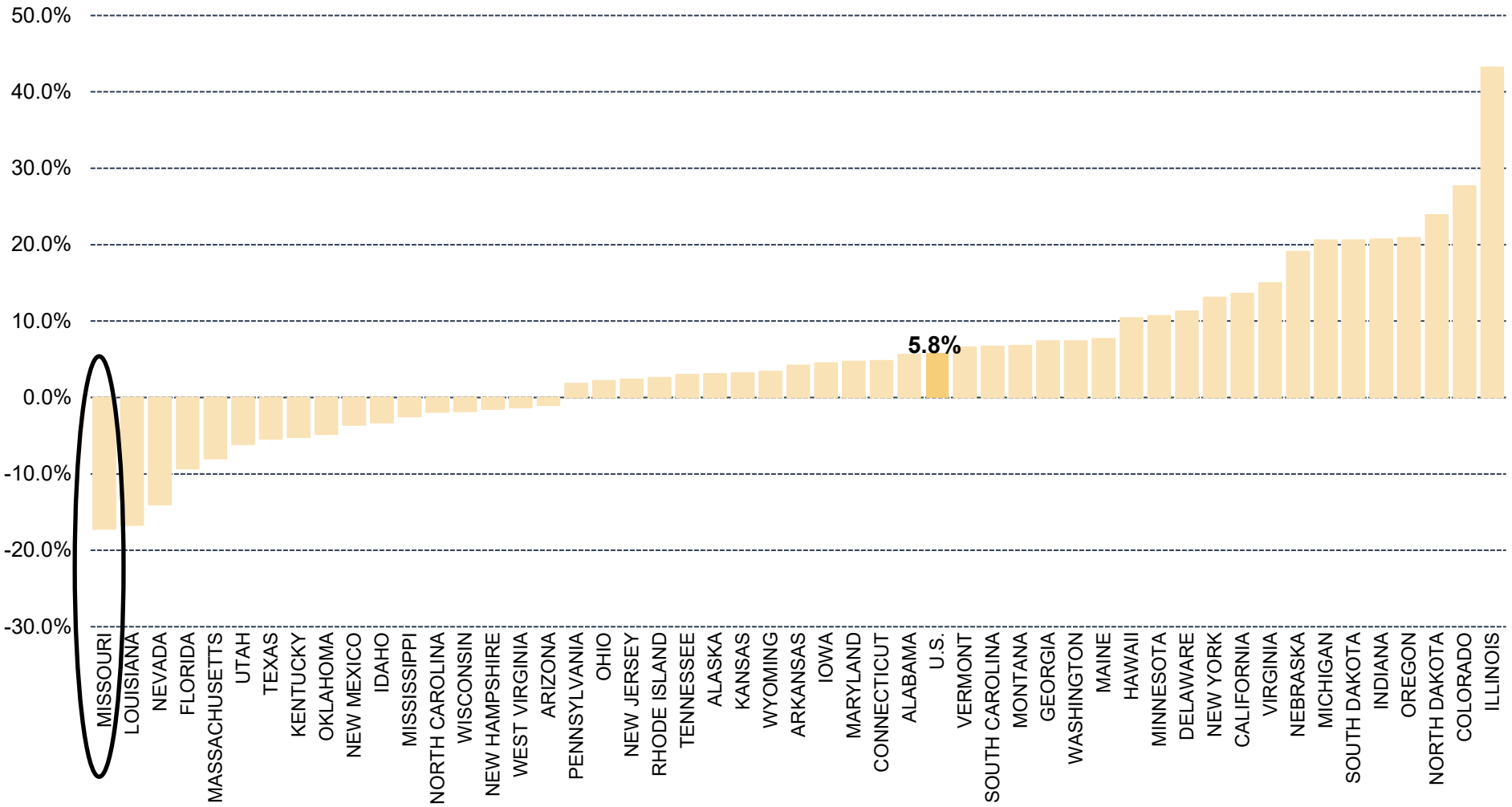


Missouri Ranks Last in Revenue per FTE Student Growth Since the Great Recession (through 2017)



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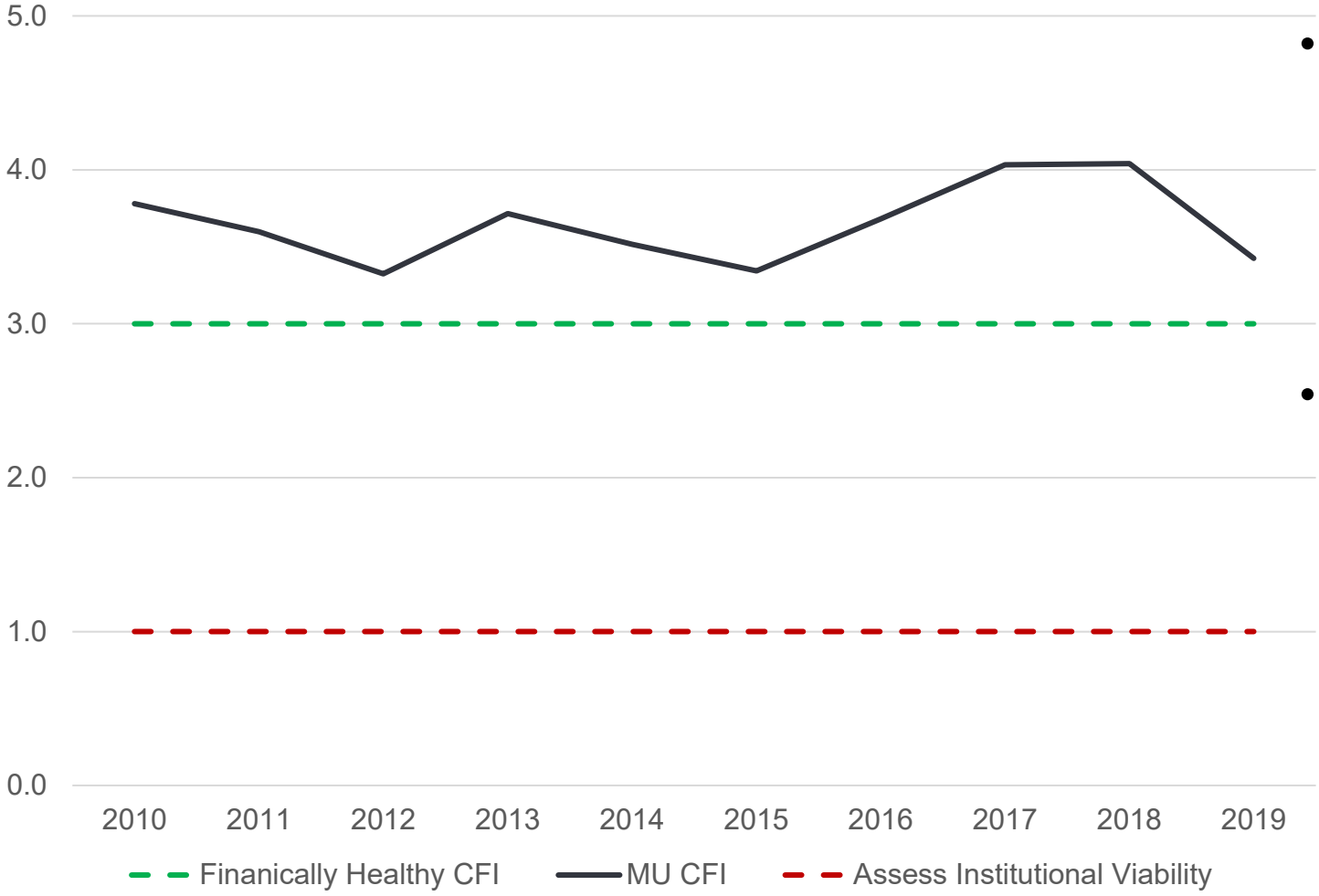
MU Financial Status Update

MU's Composite Financial Index Healthy Over Past Decade in the face of significant challenges



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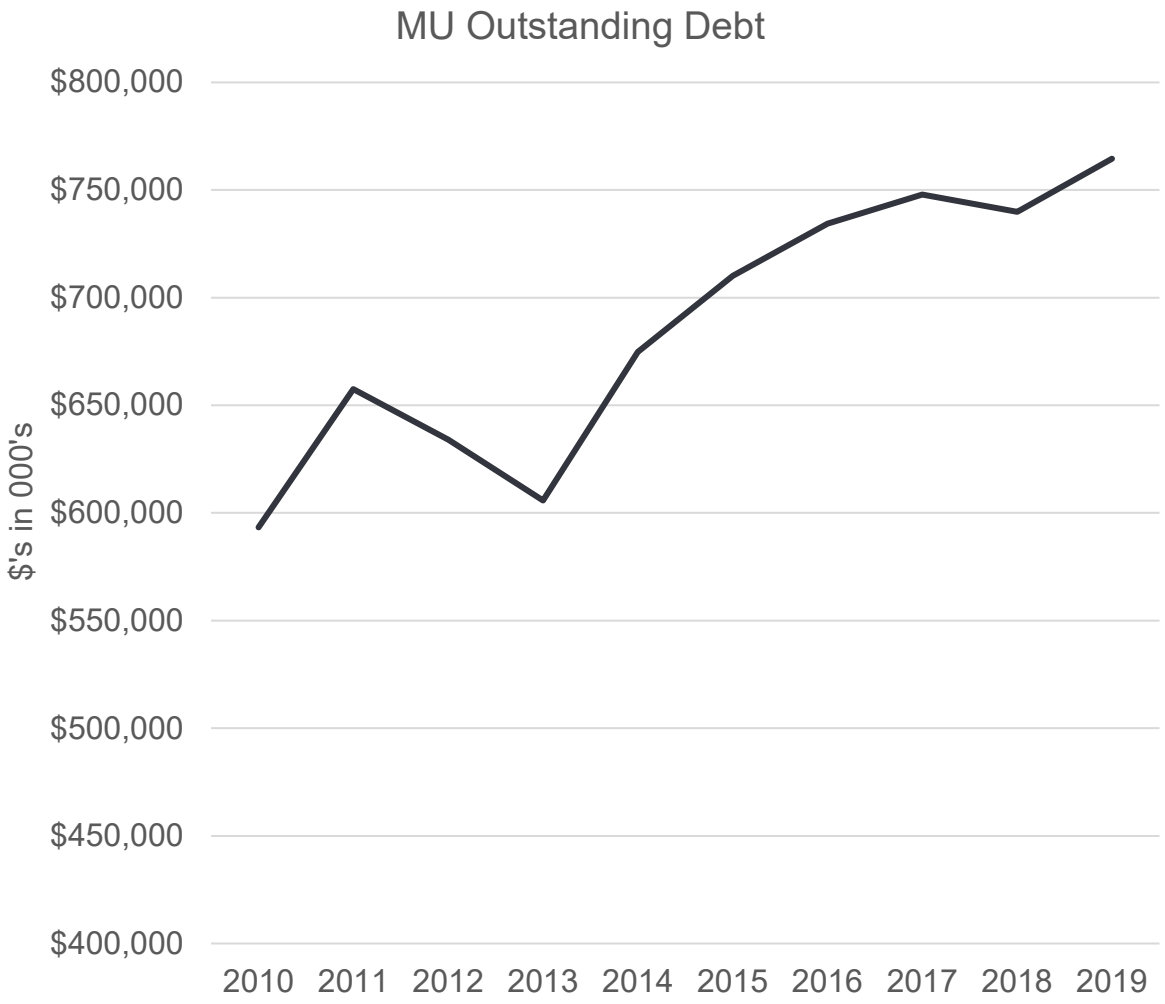
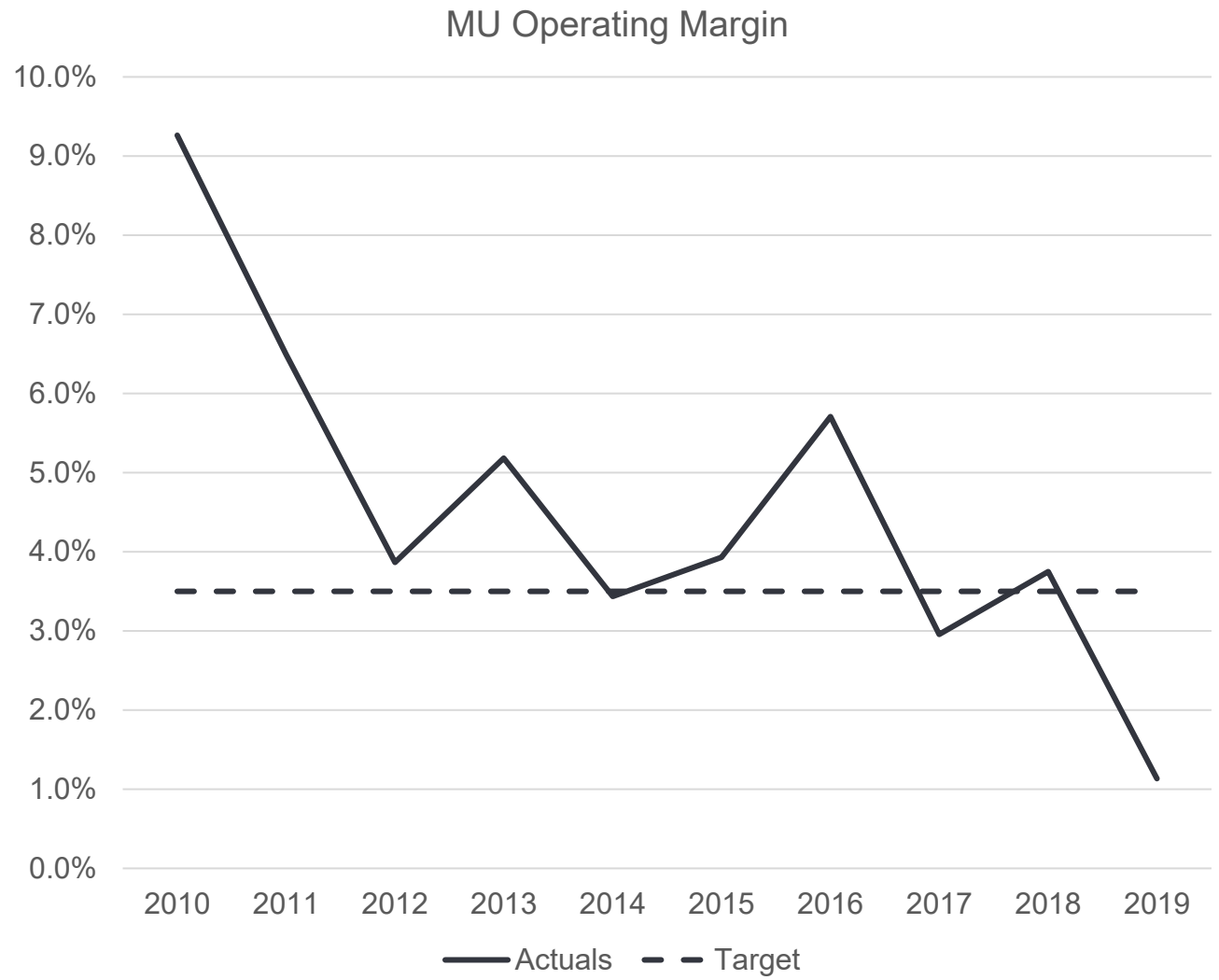
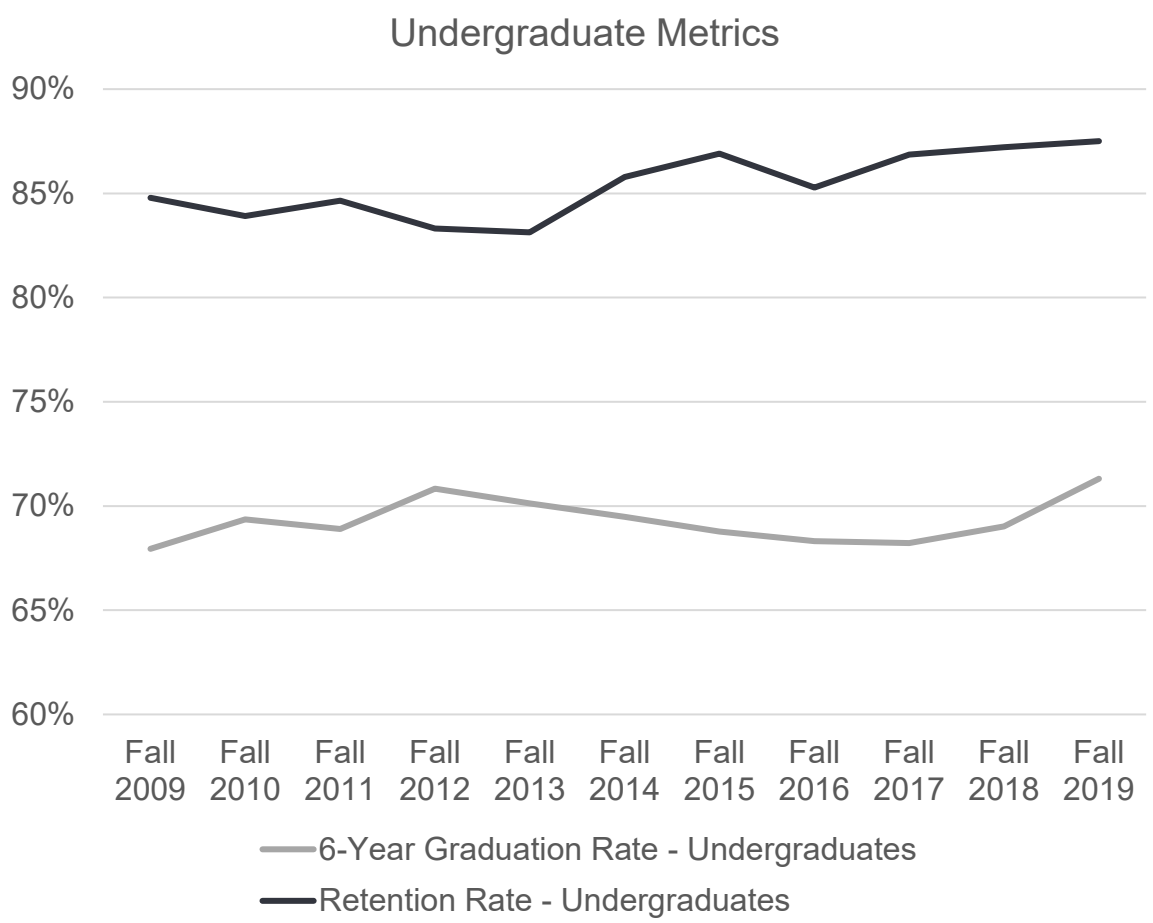
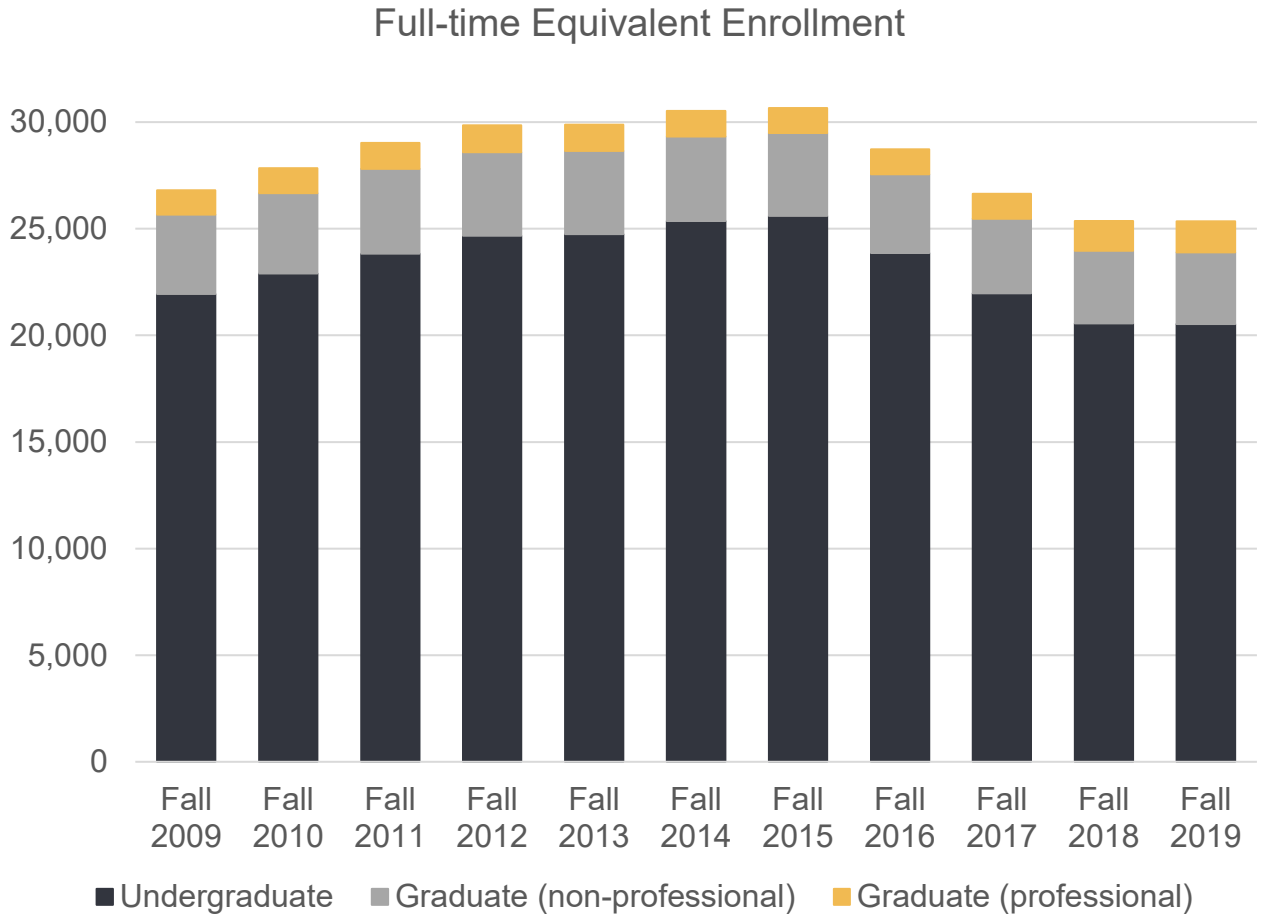
Debt grew, margins fell but hovered around 3%



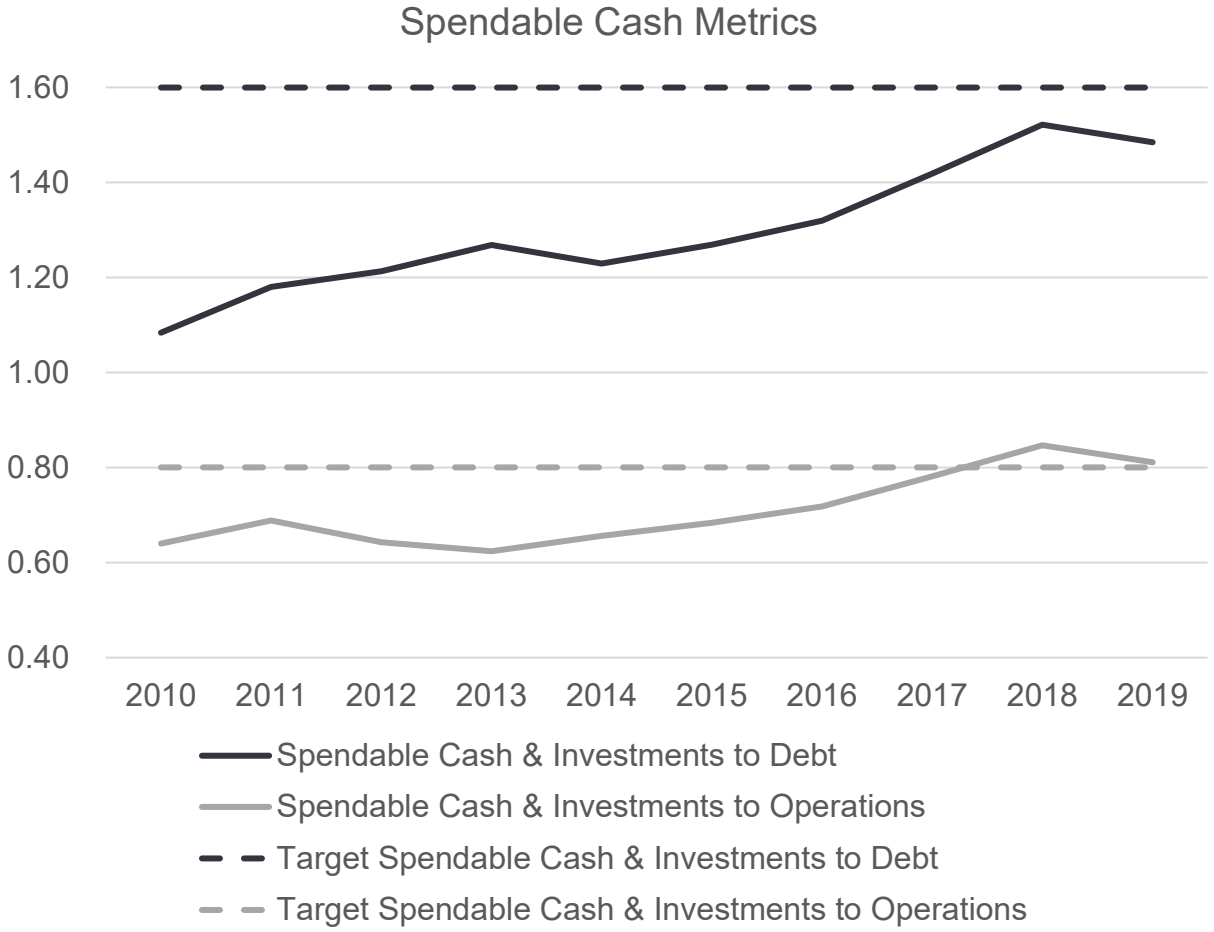


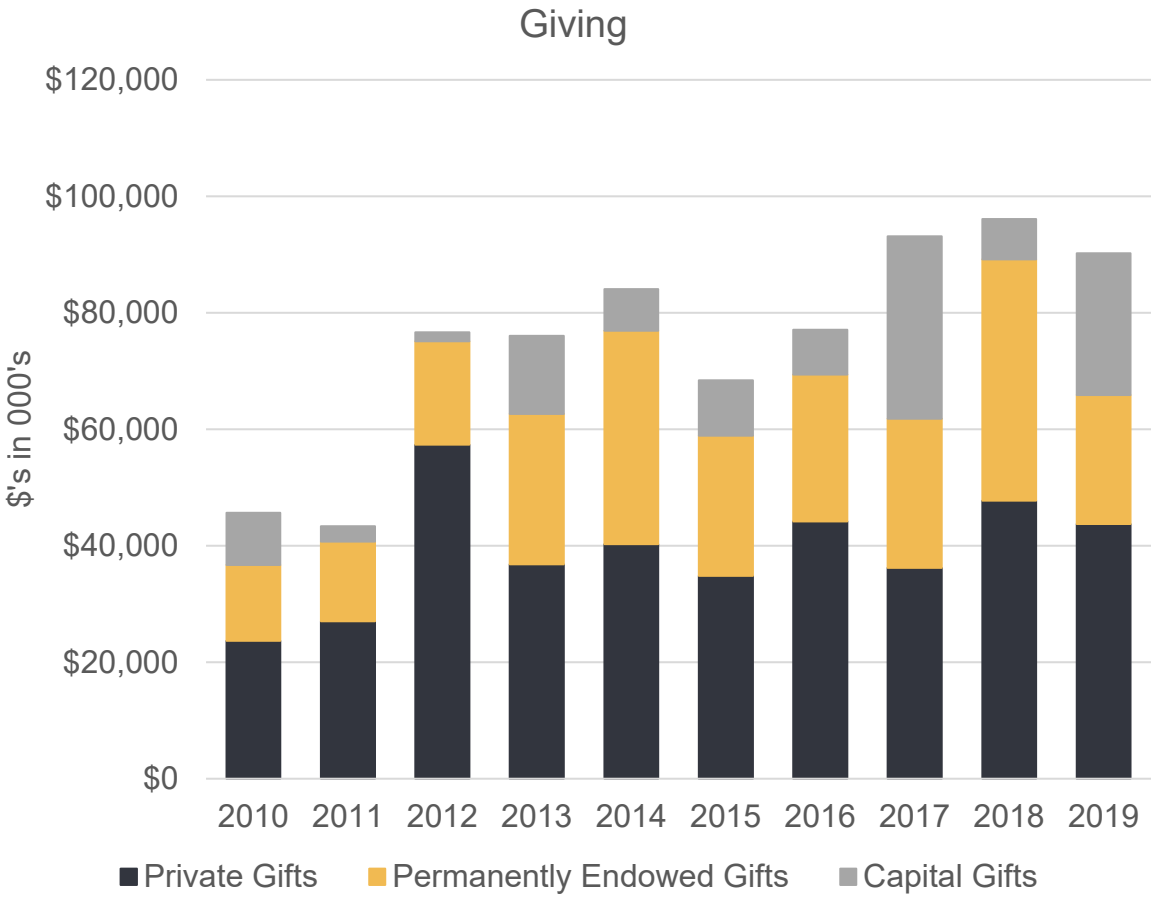
Enrollment fell significantly, graduation rate trends upwards





Balance sheet power increased, giving continues upward trajectory





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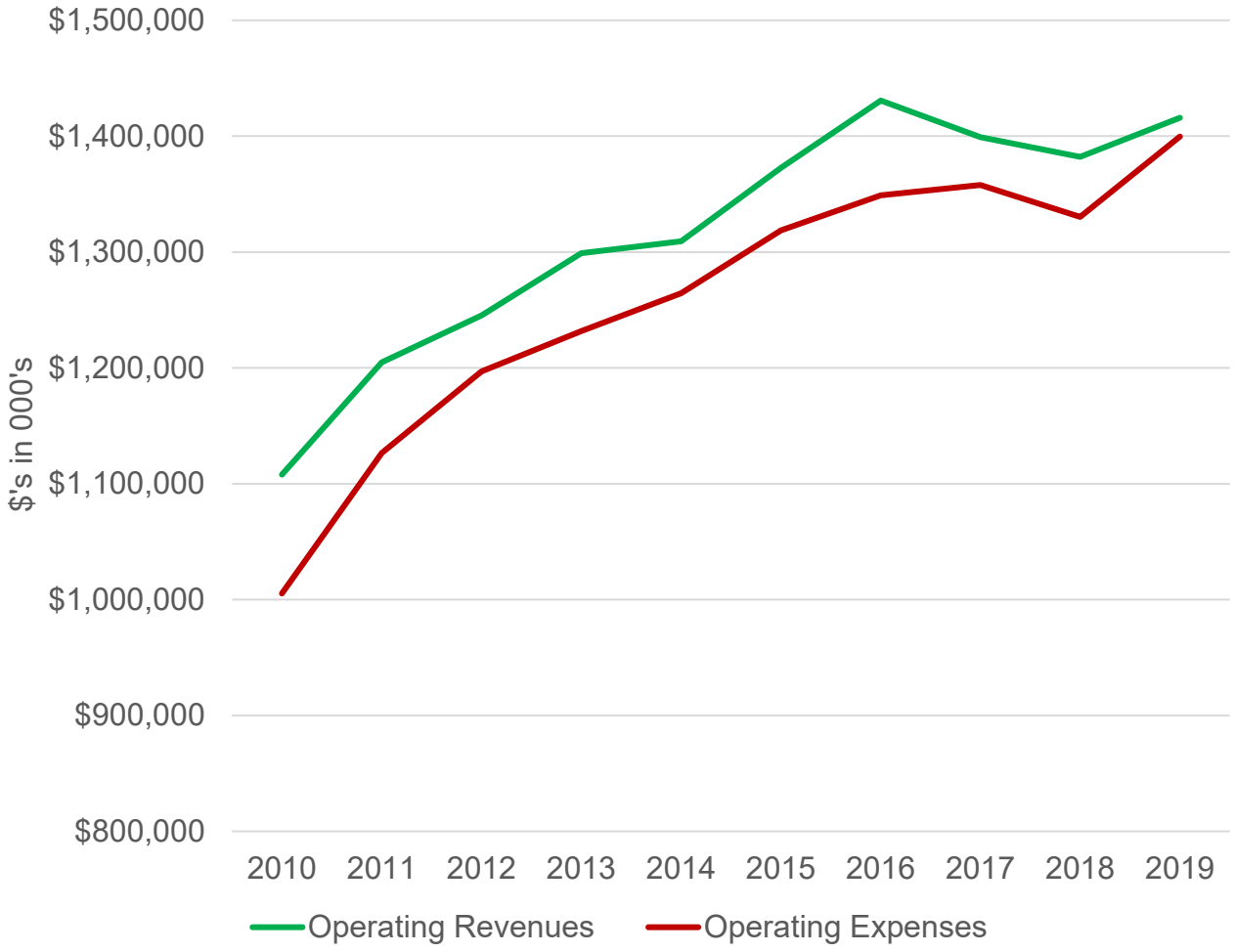

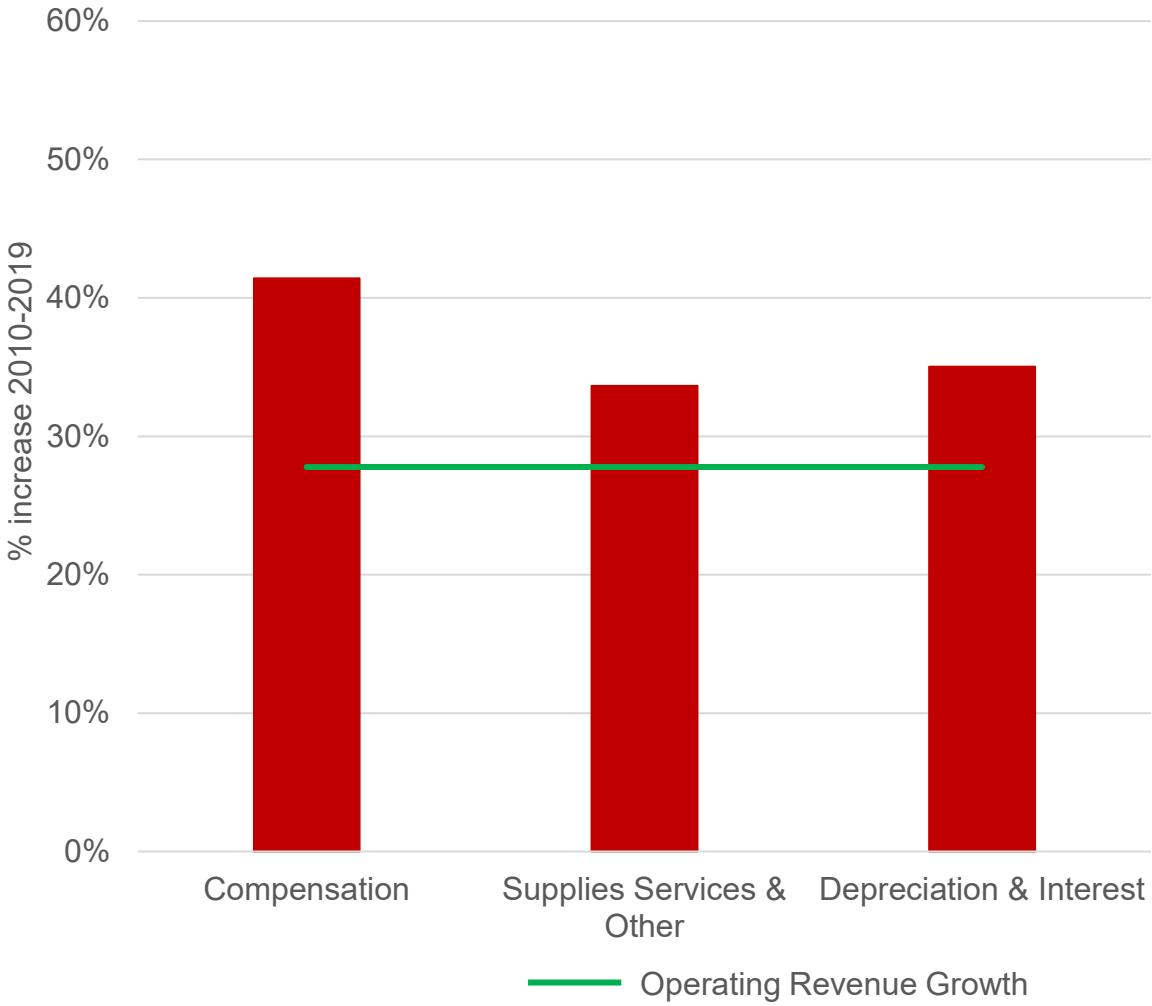

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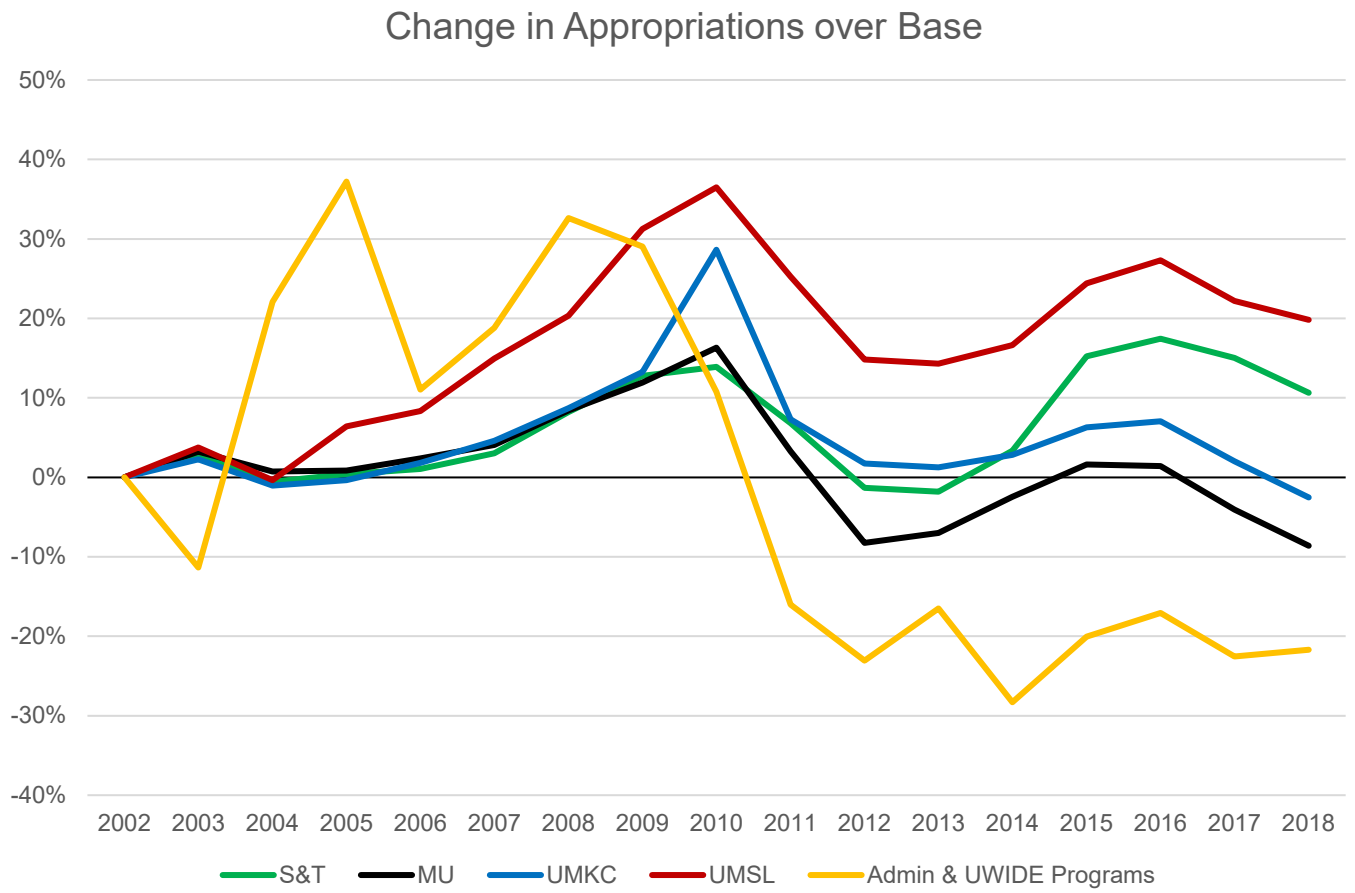

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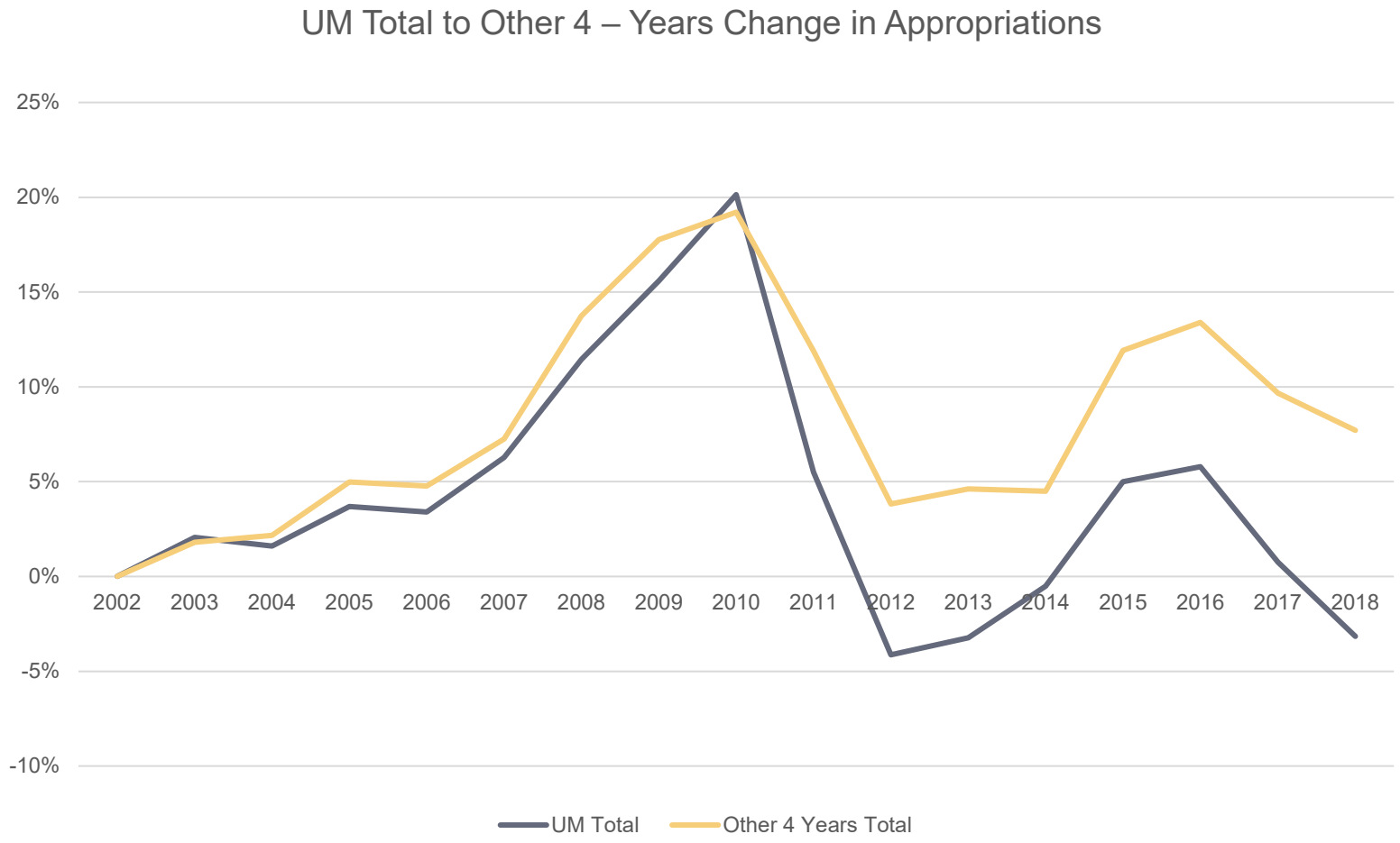

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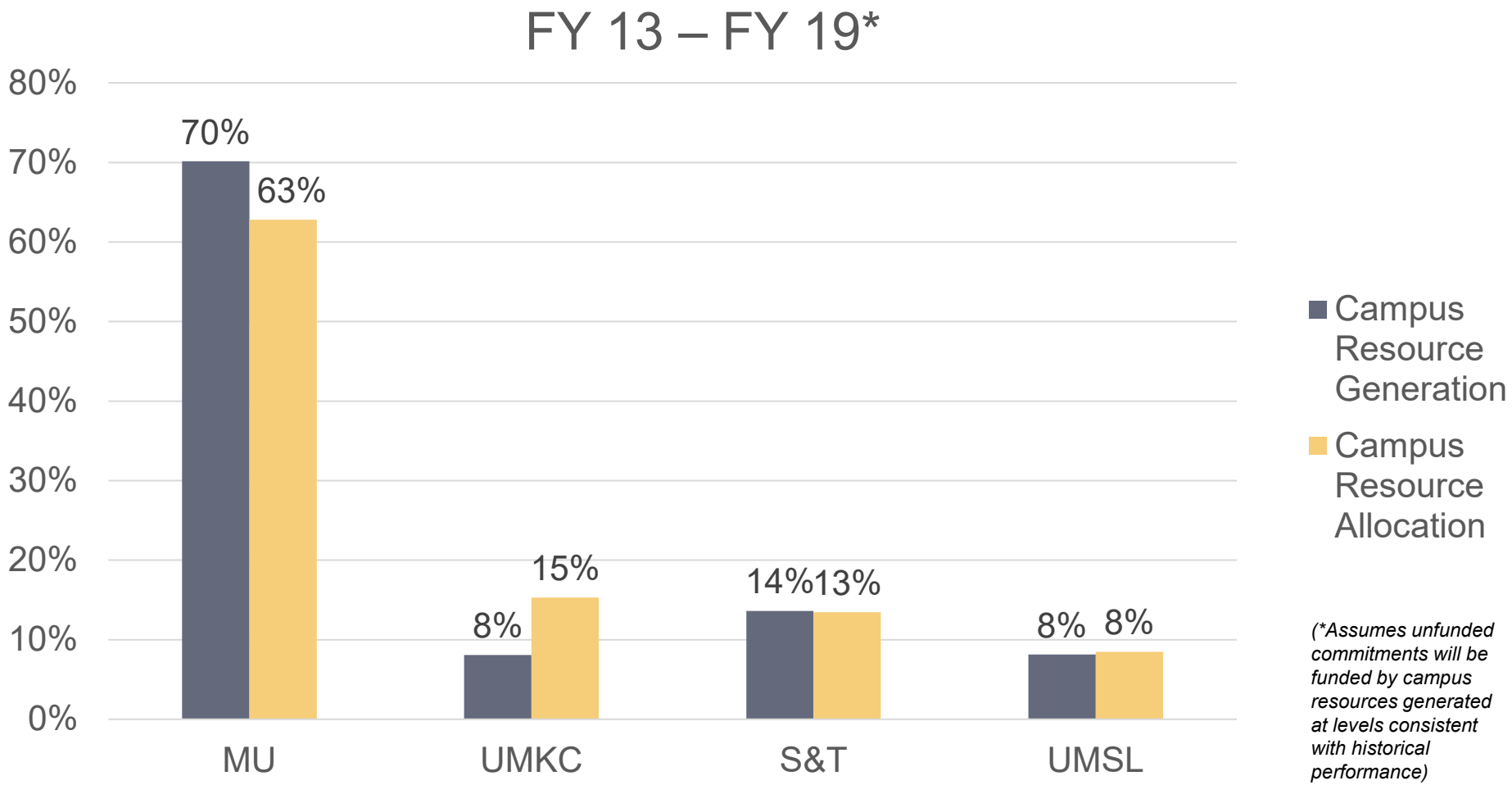

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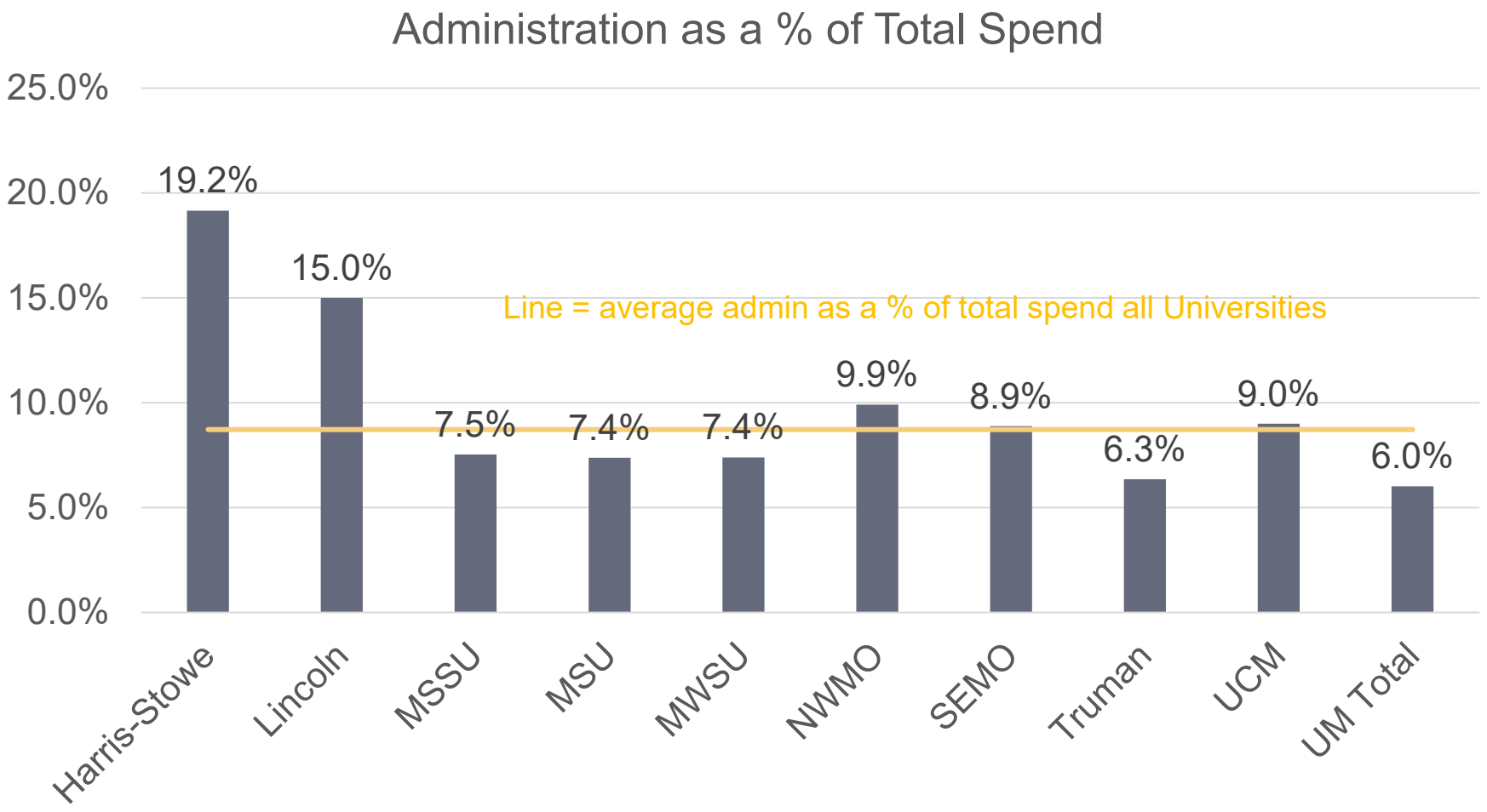

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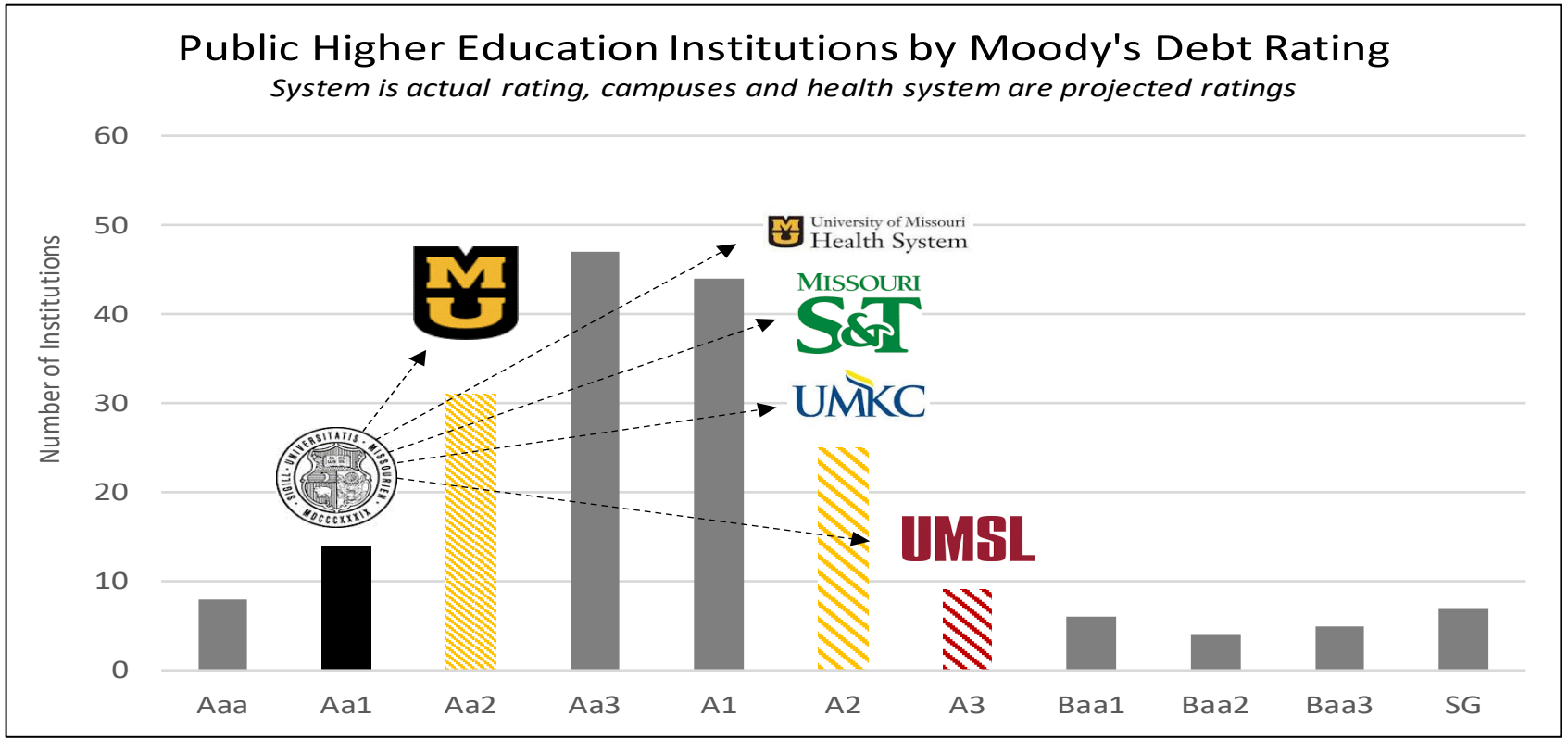
Remaining Together Leverages Collective Strength and Generates Scale



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Missouri S&T
Financial Status Update

1

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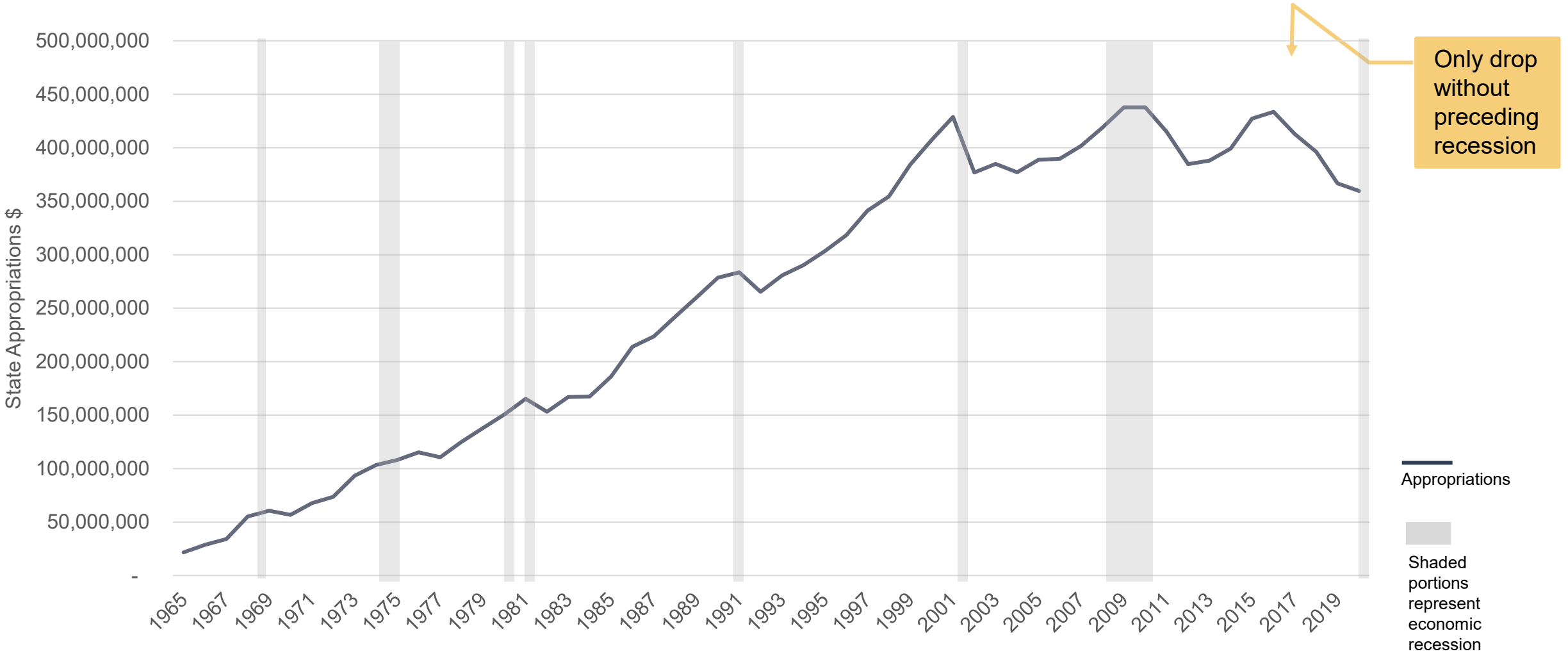

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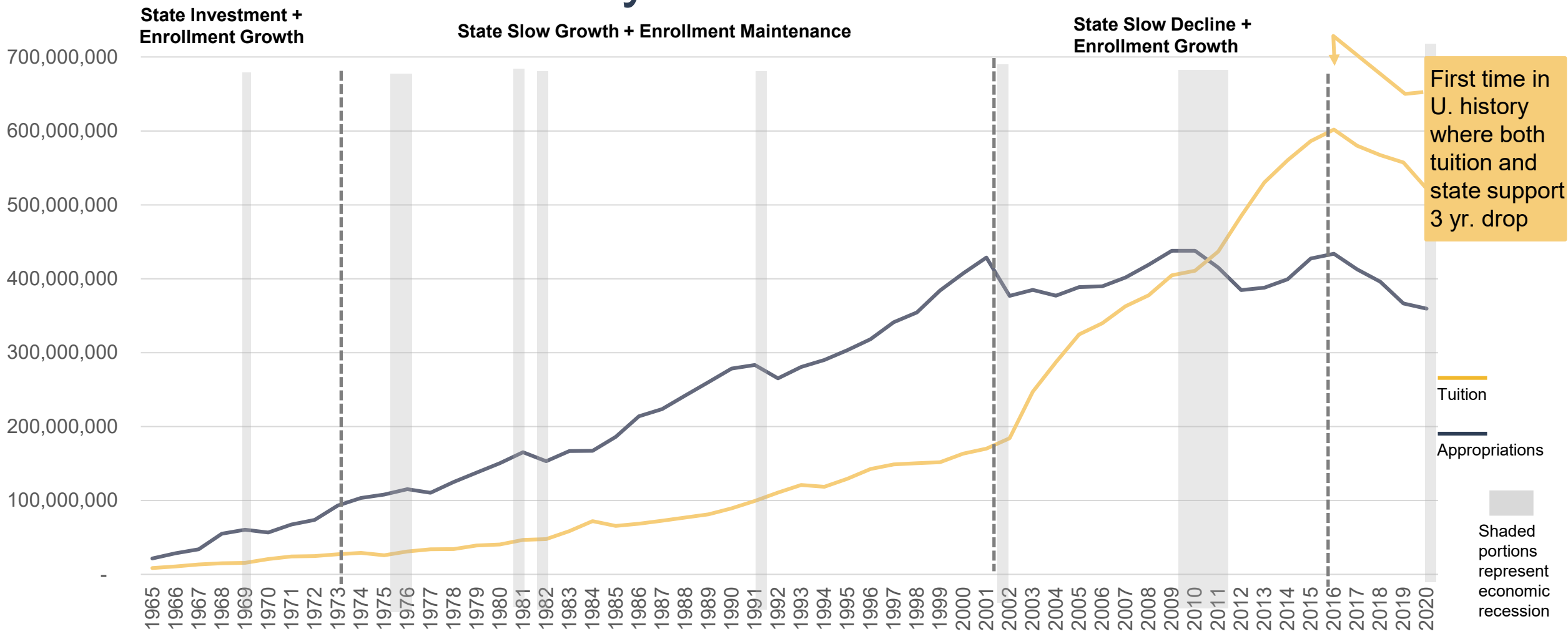

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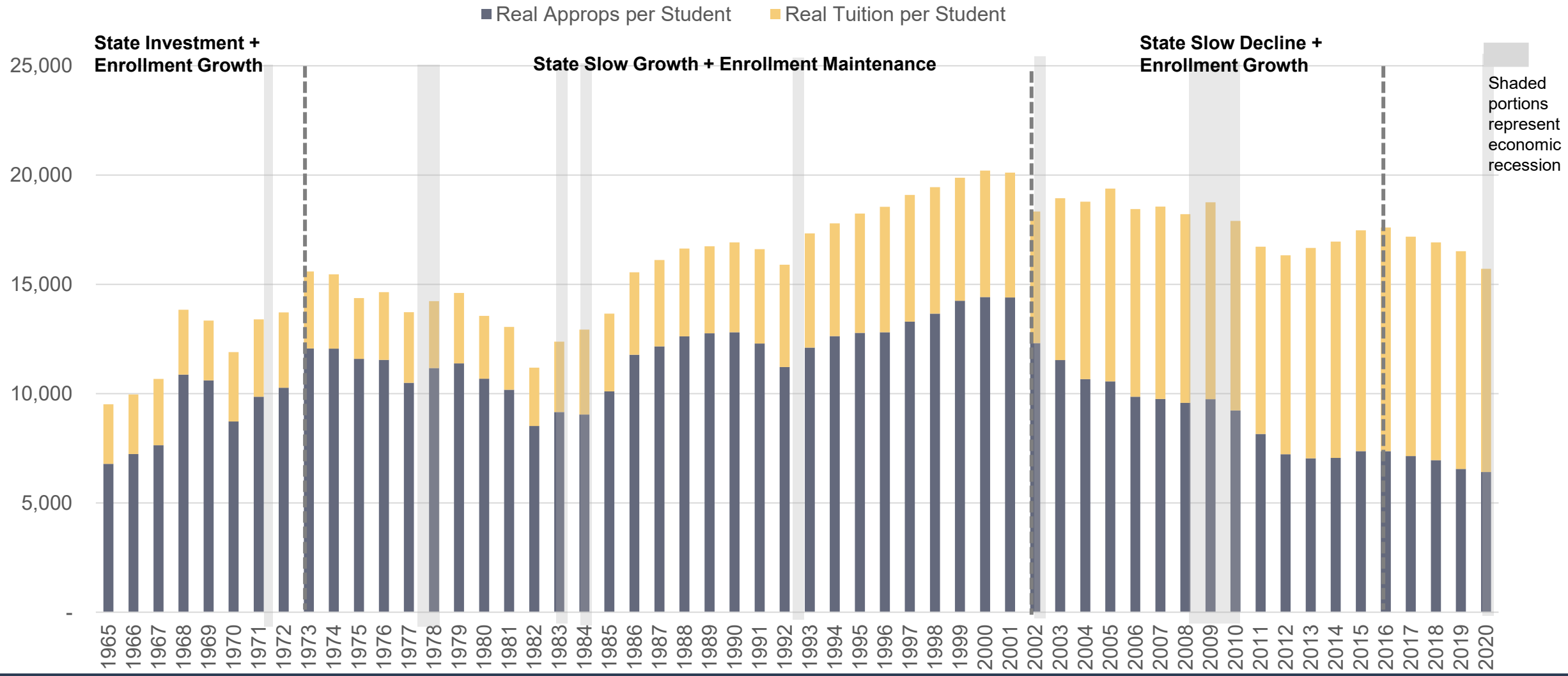

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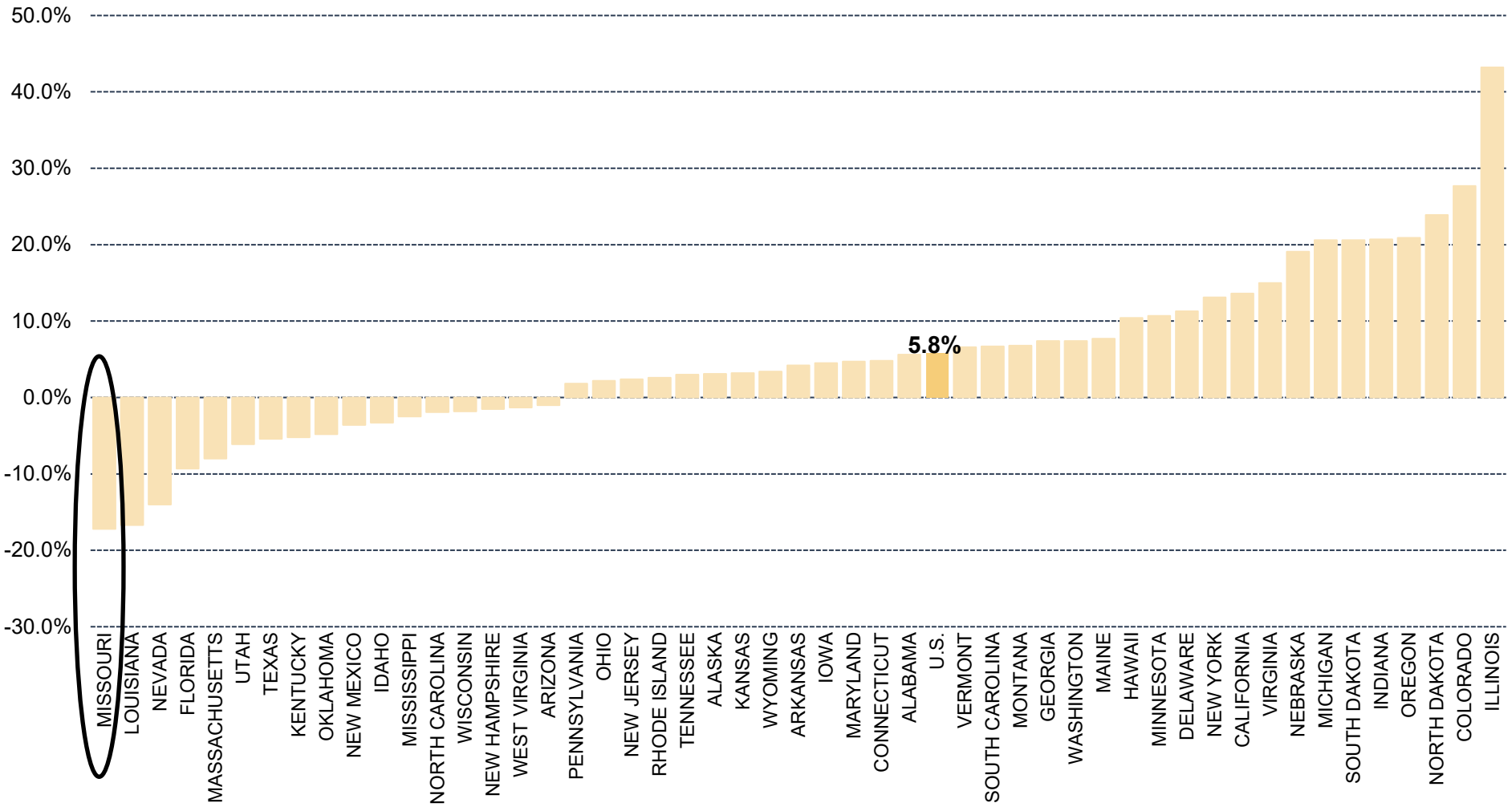

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S&T Financial Status Update

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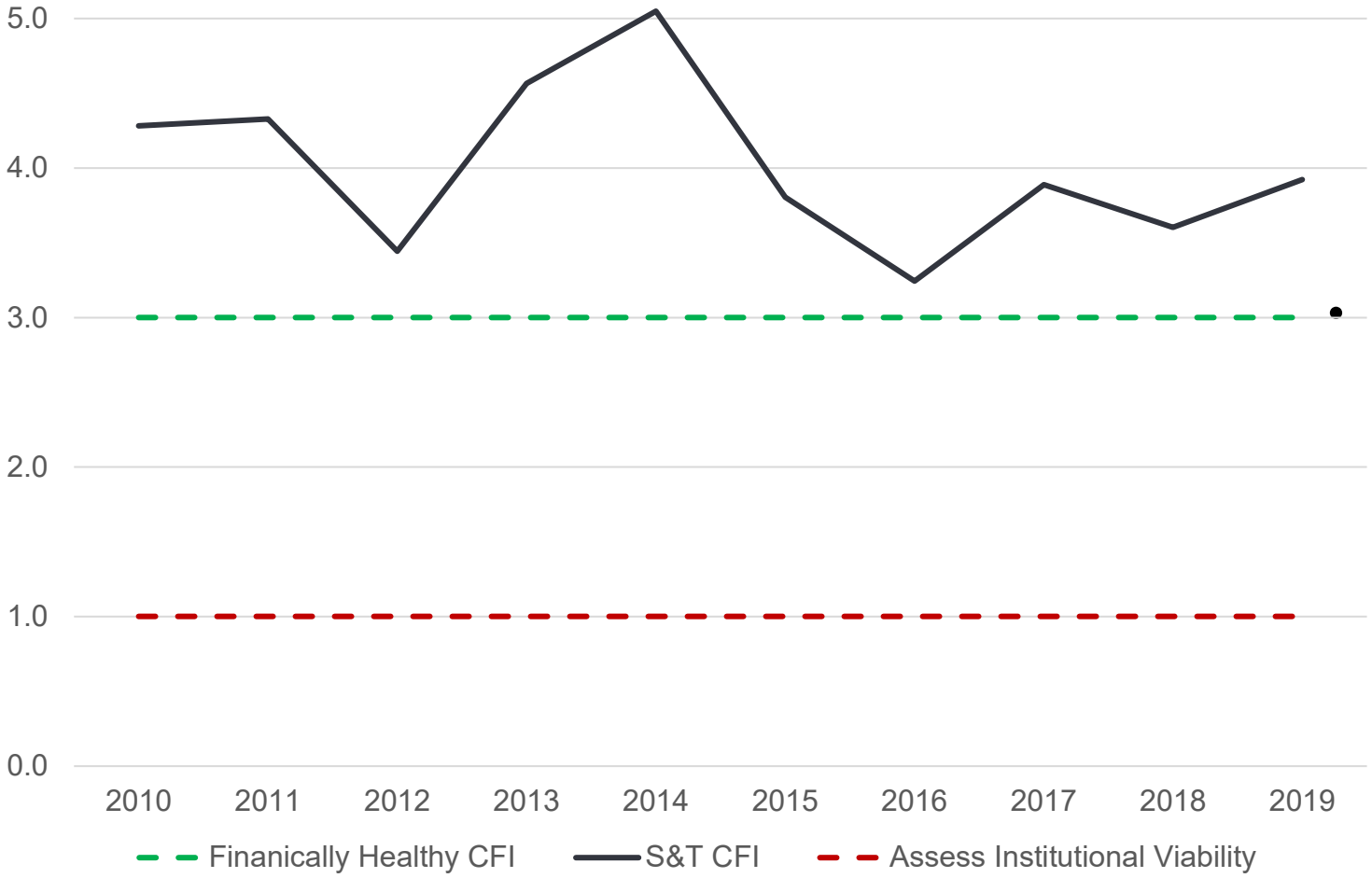

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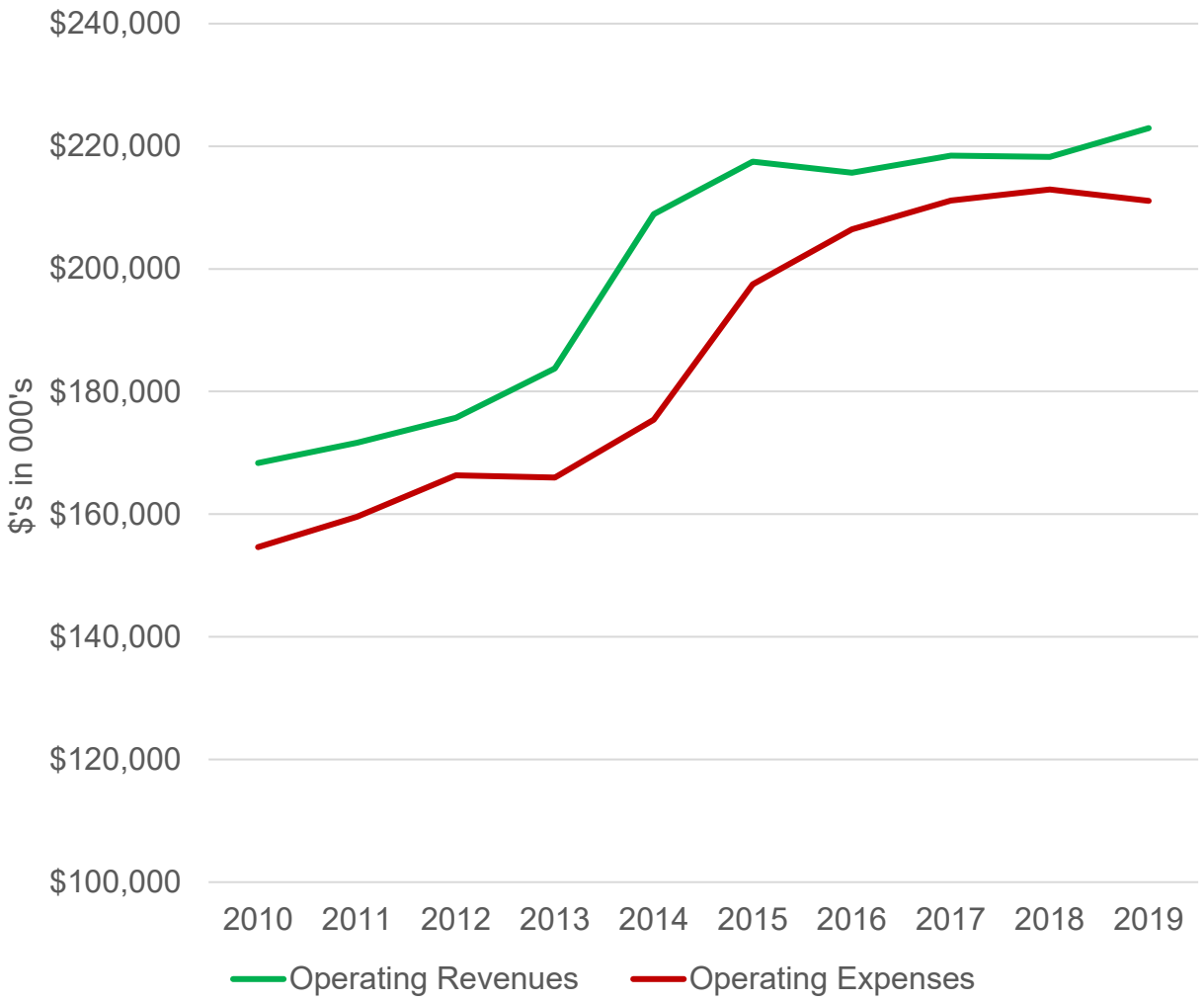

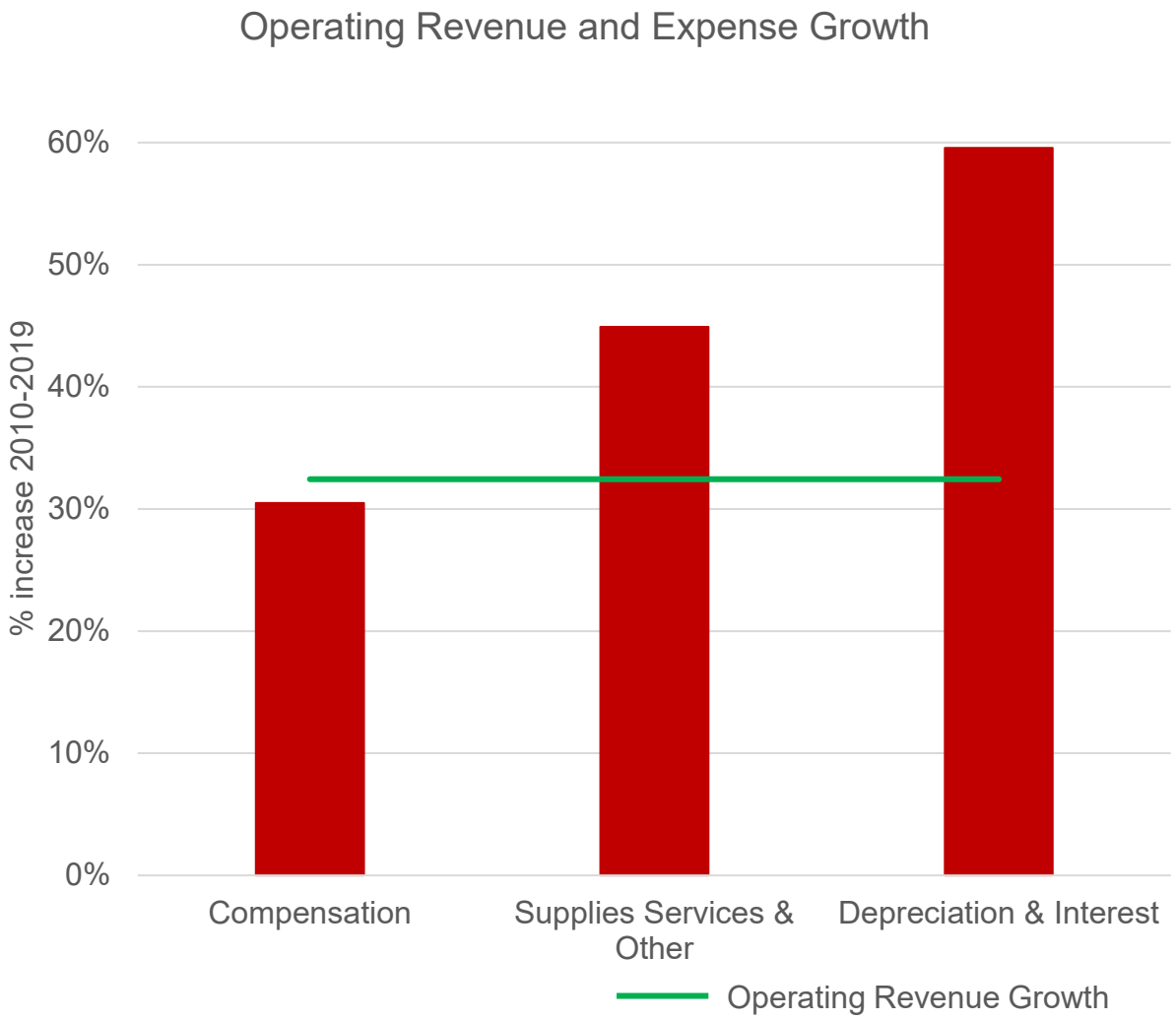

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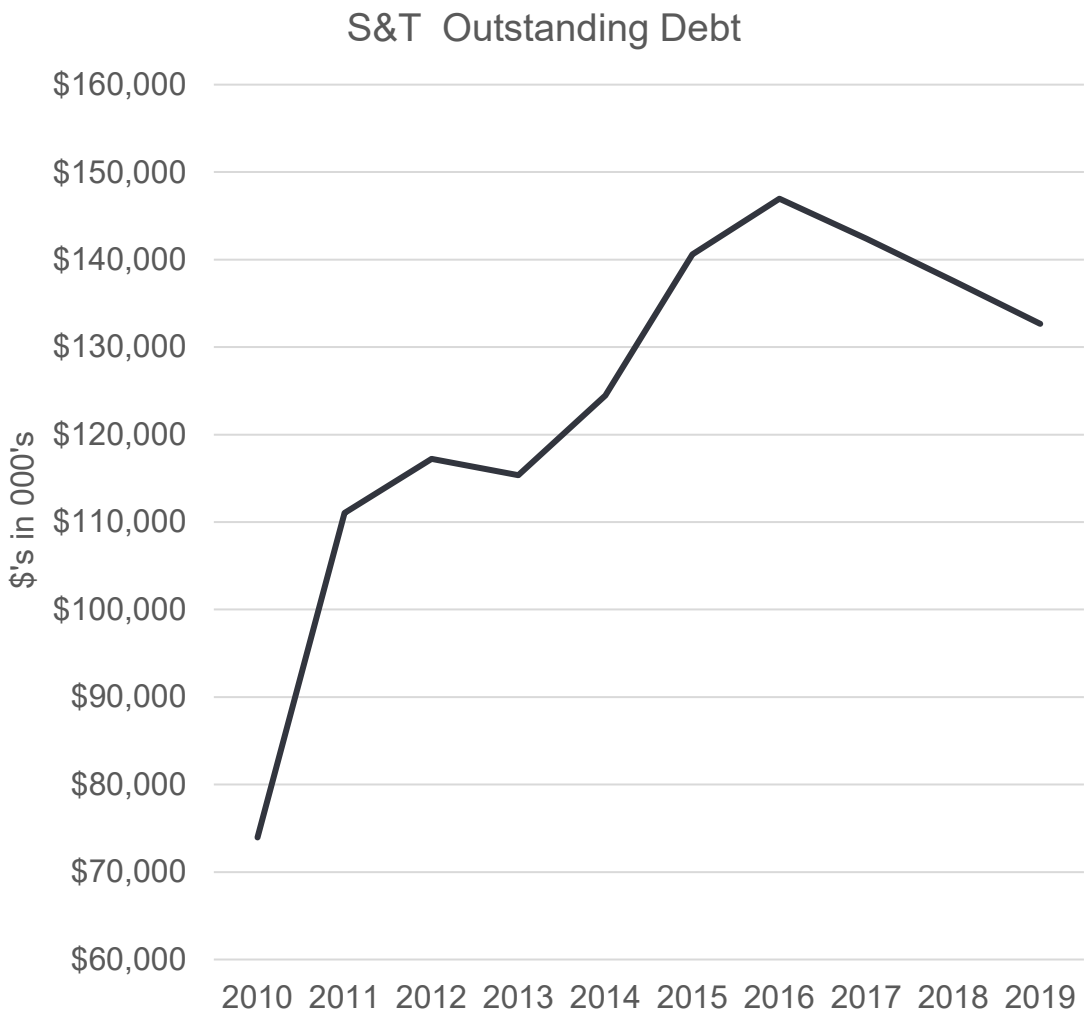

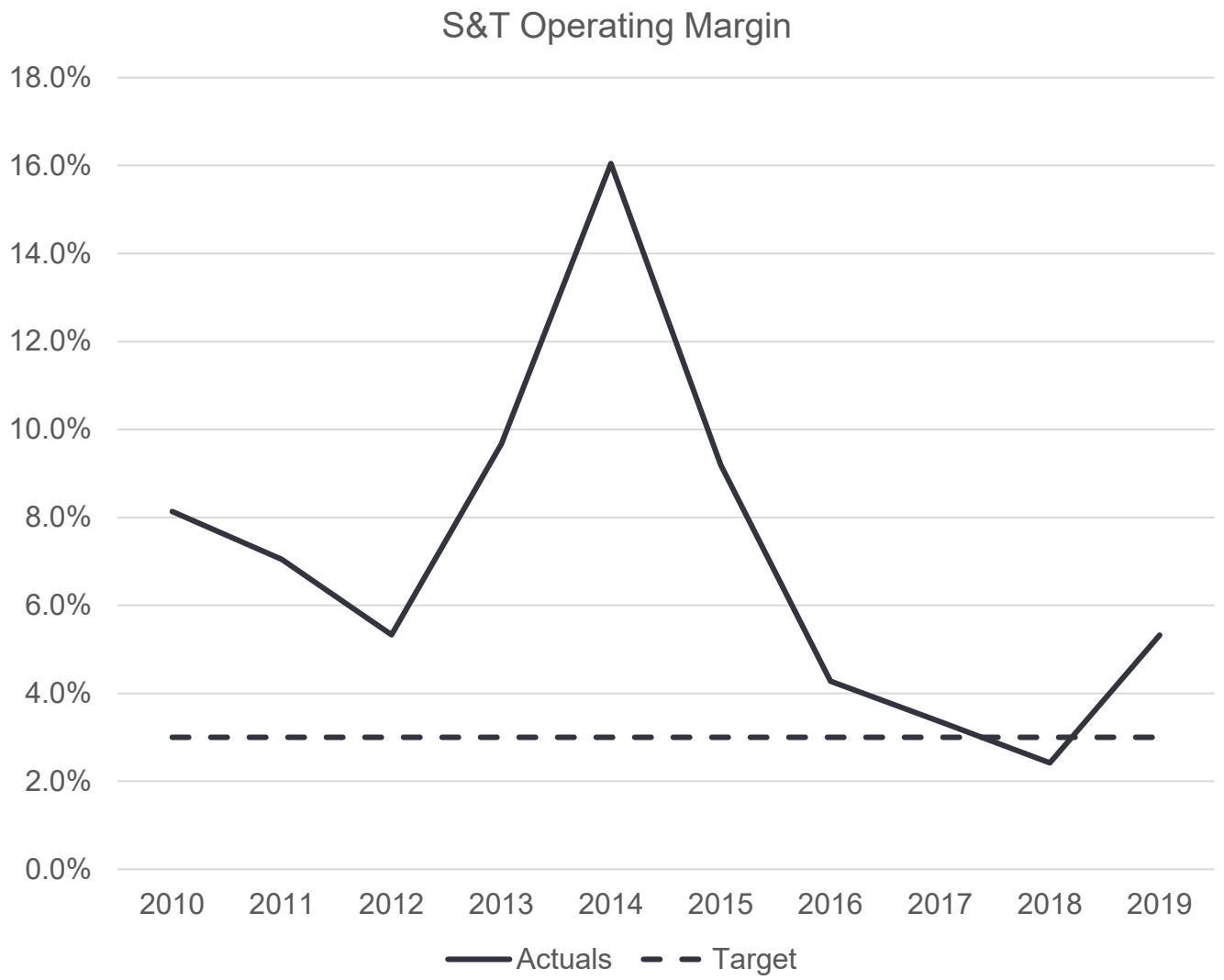

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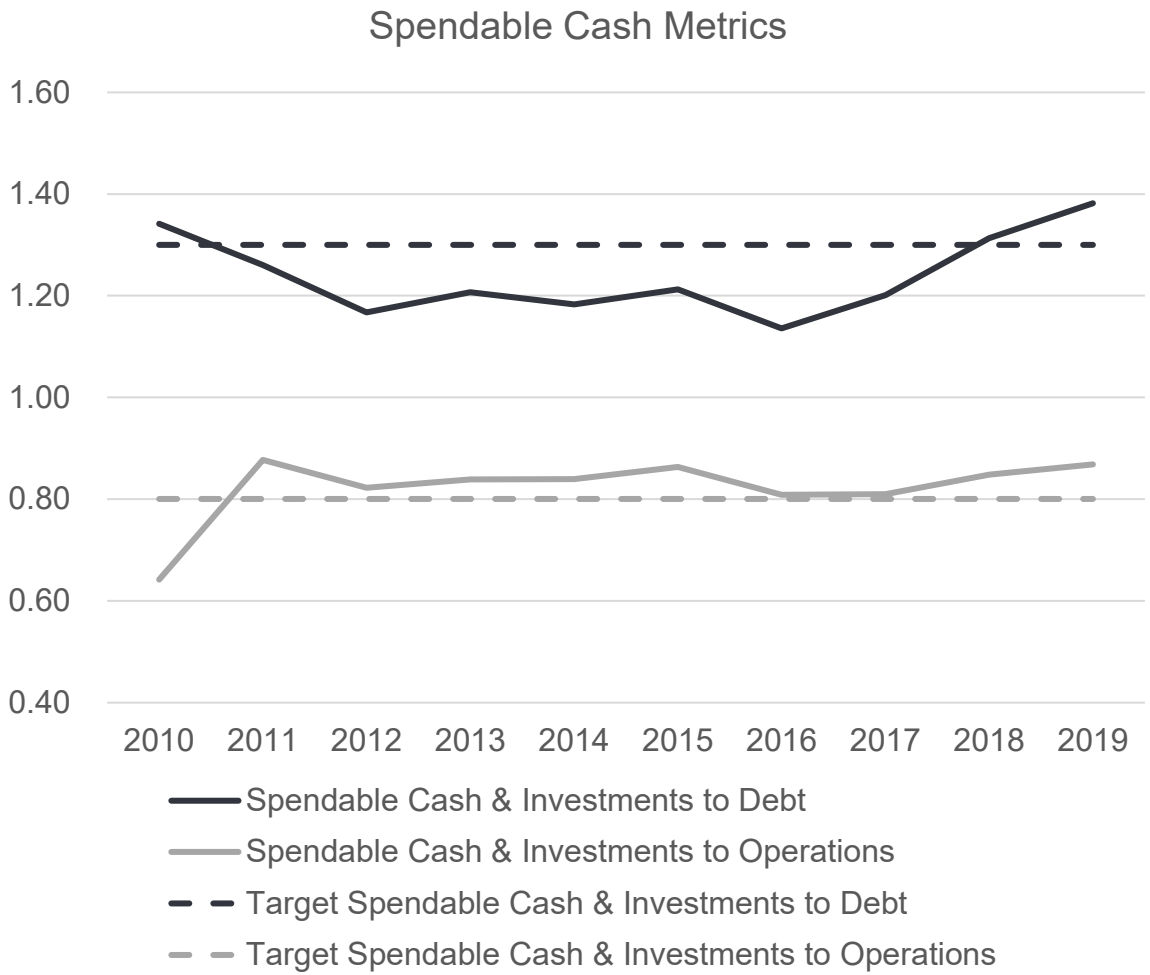

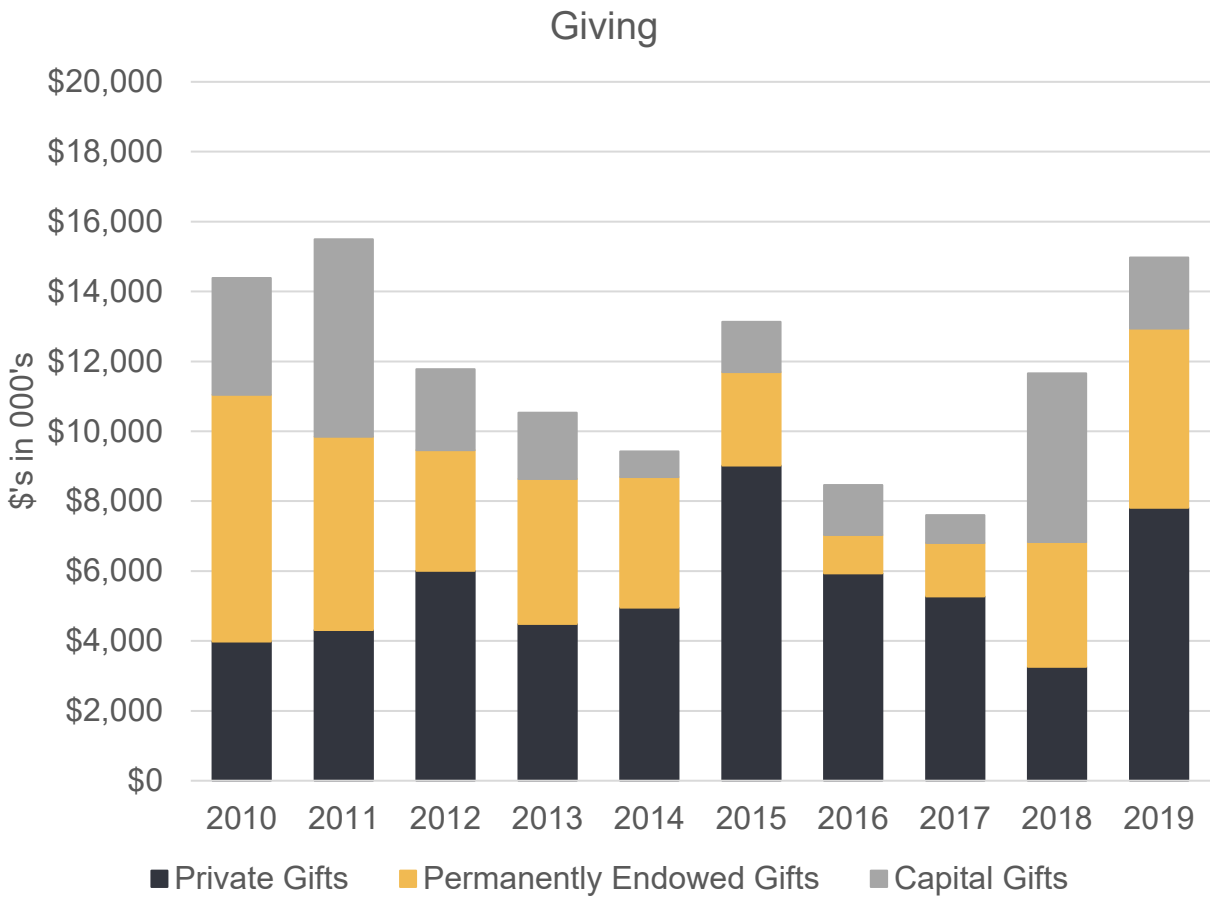

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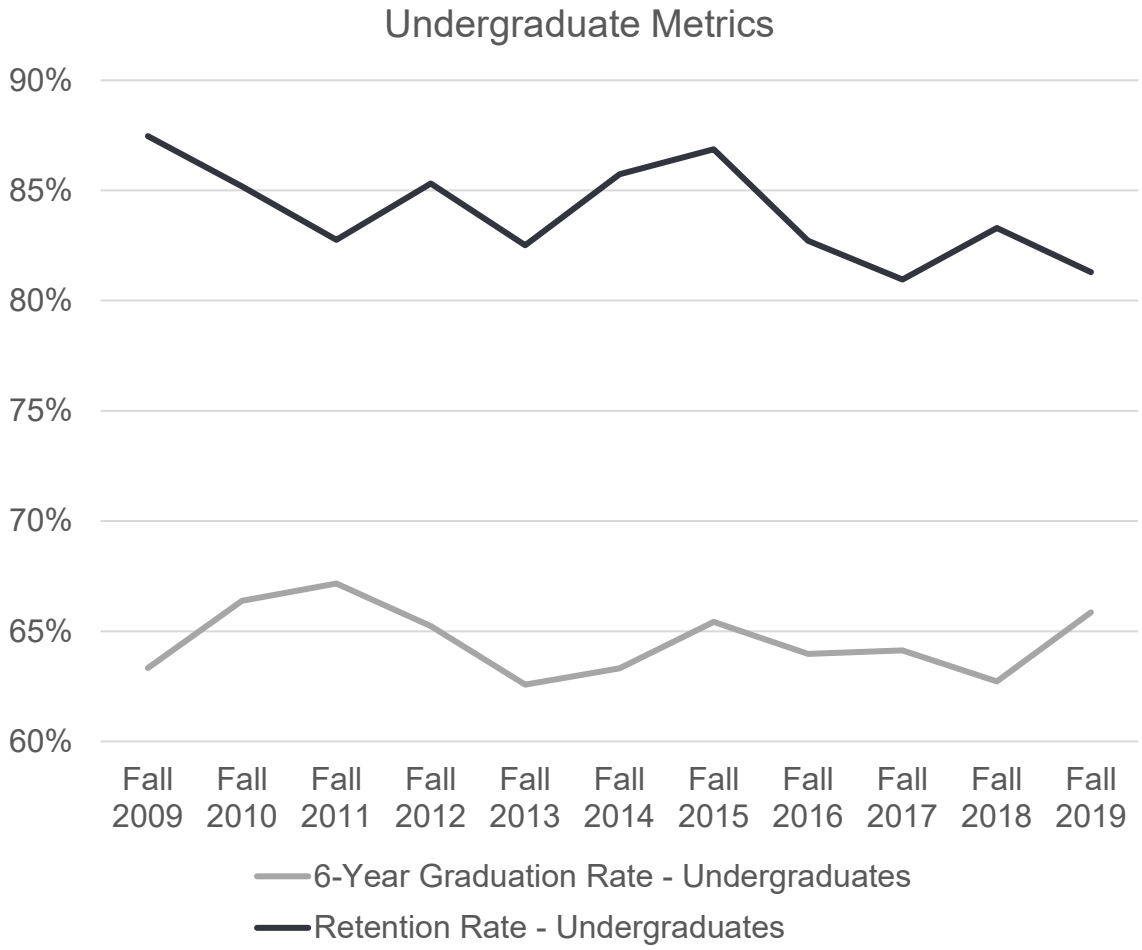

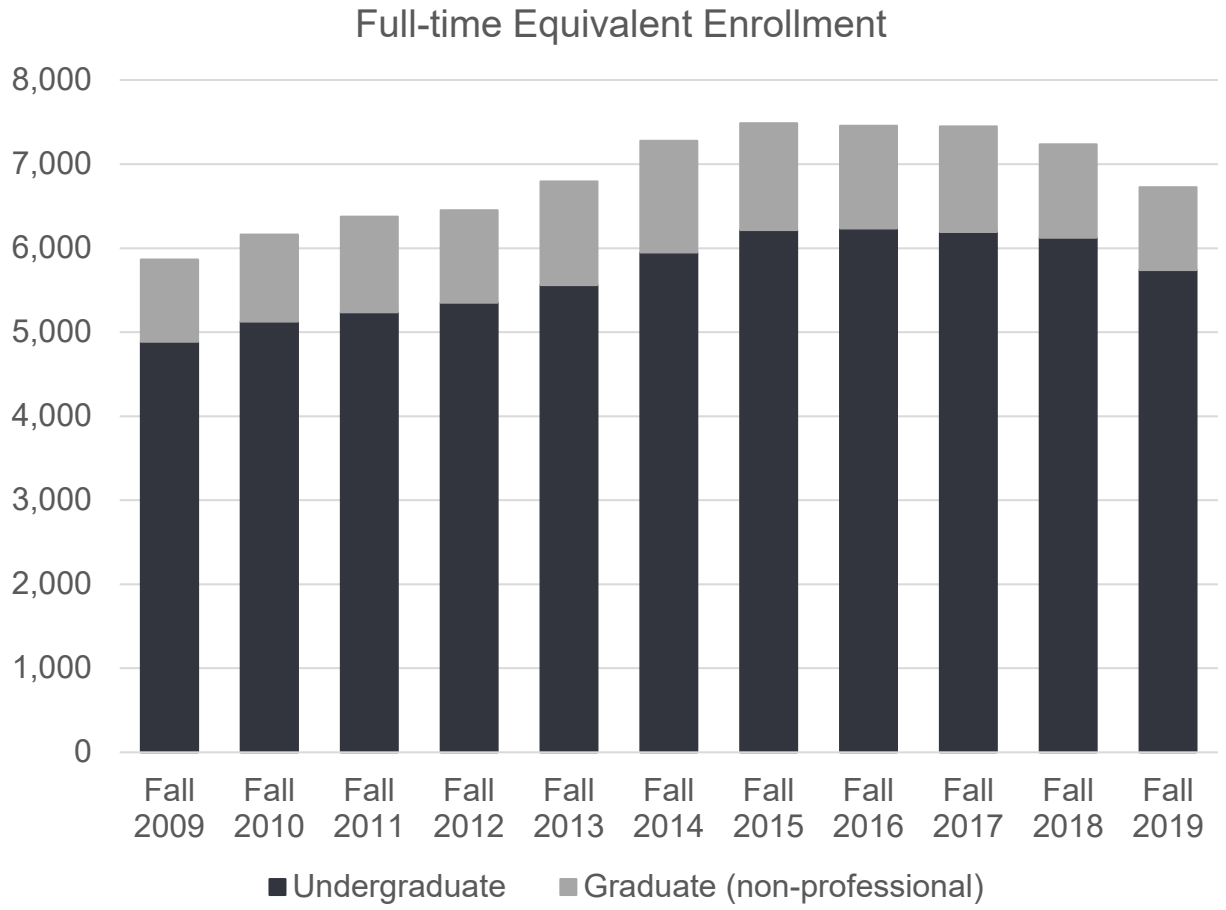

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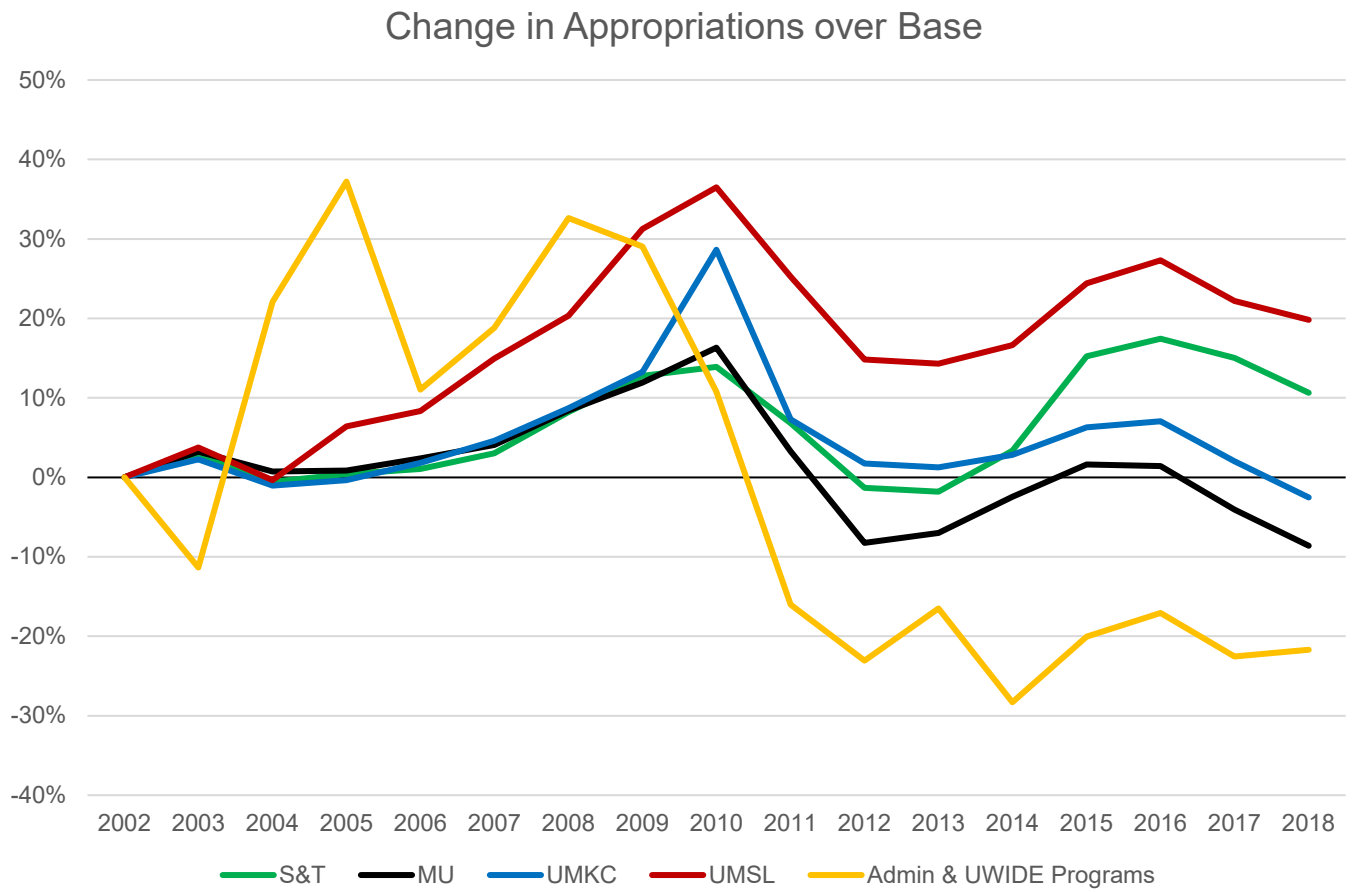

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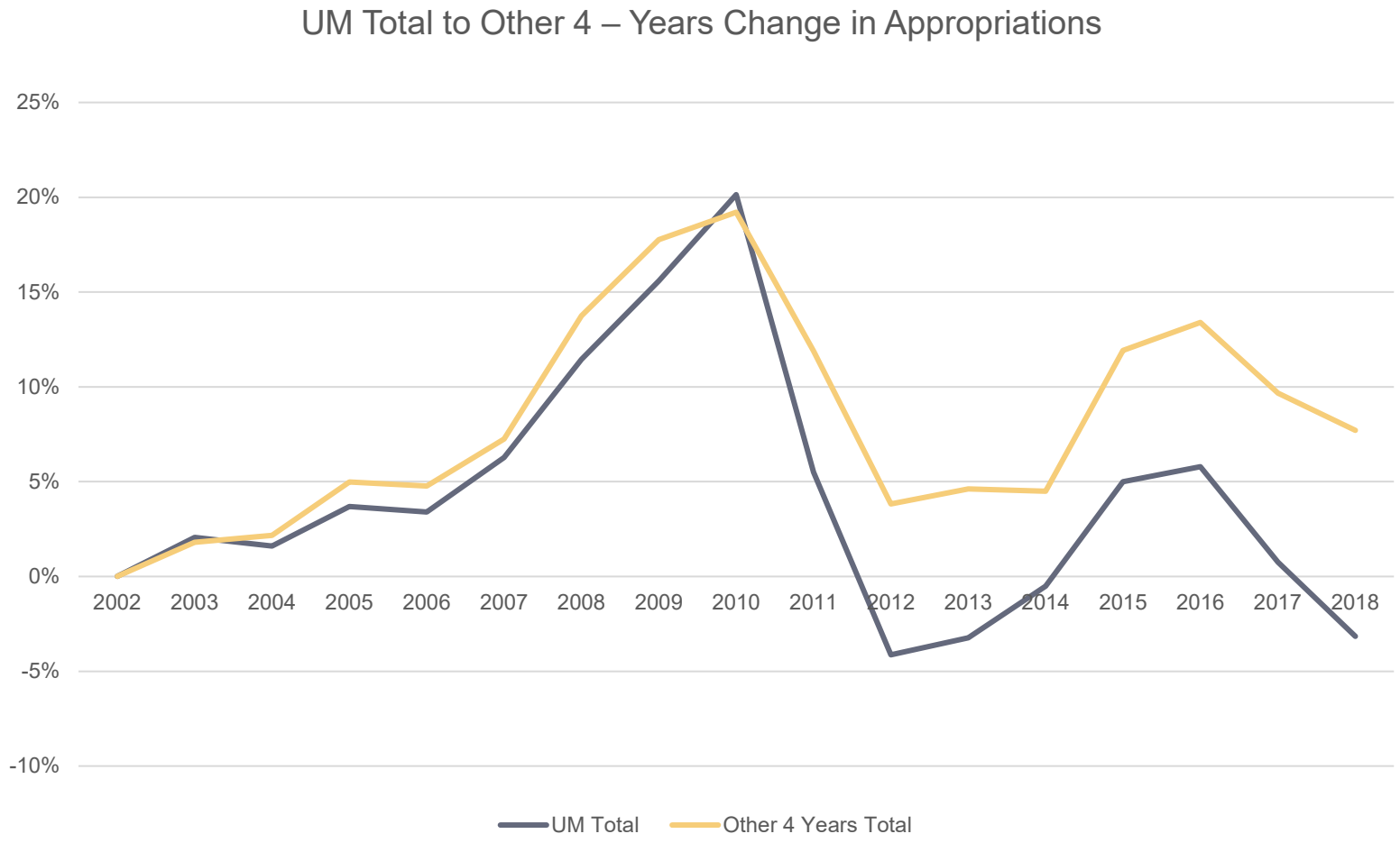

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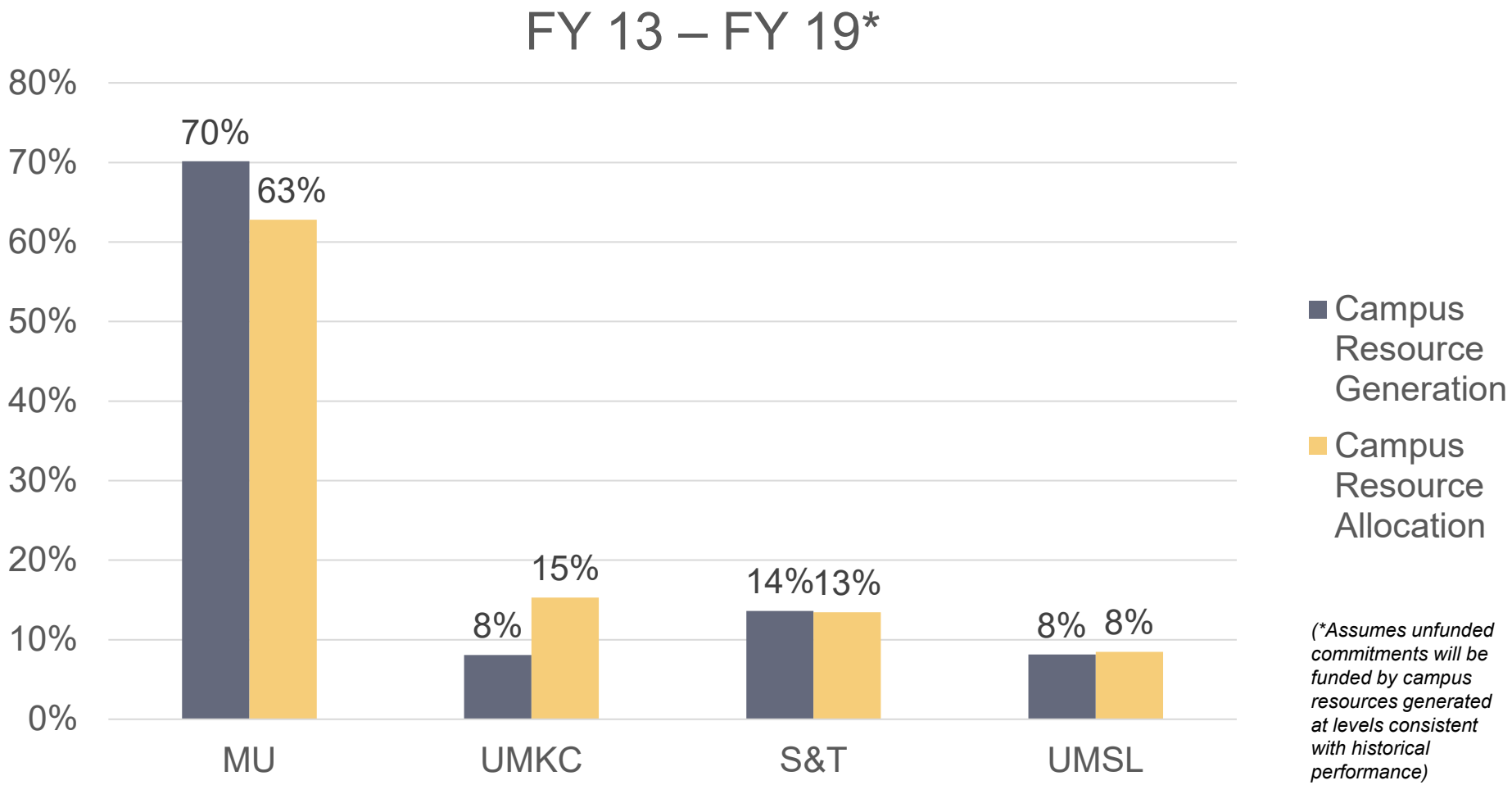

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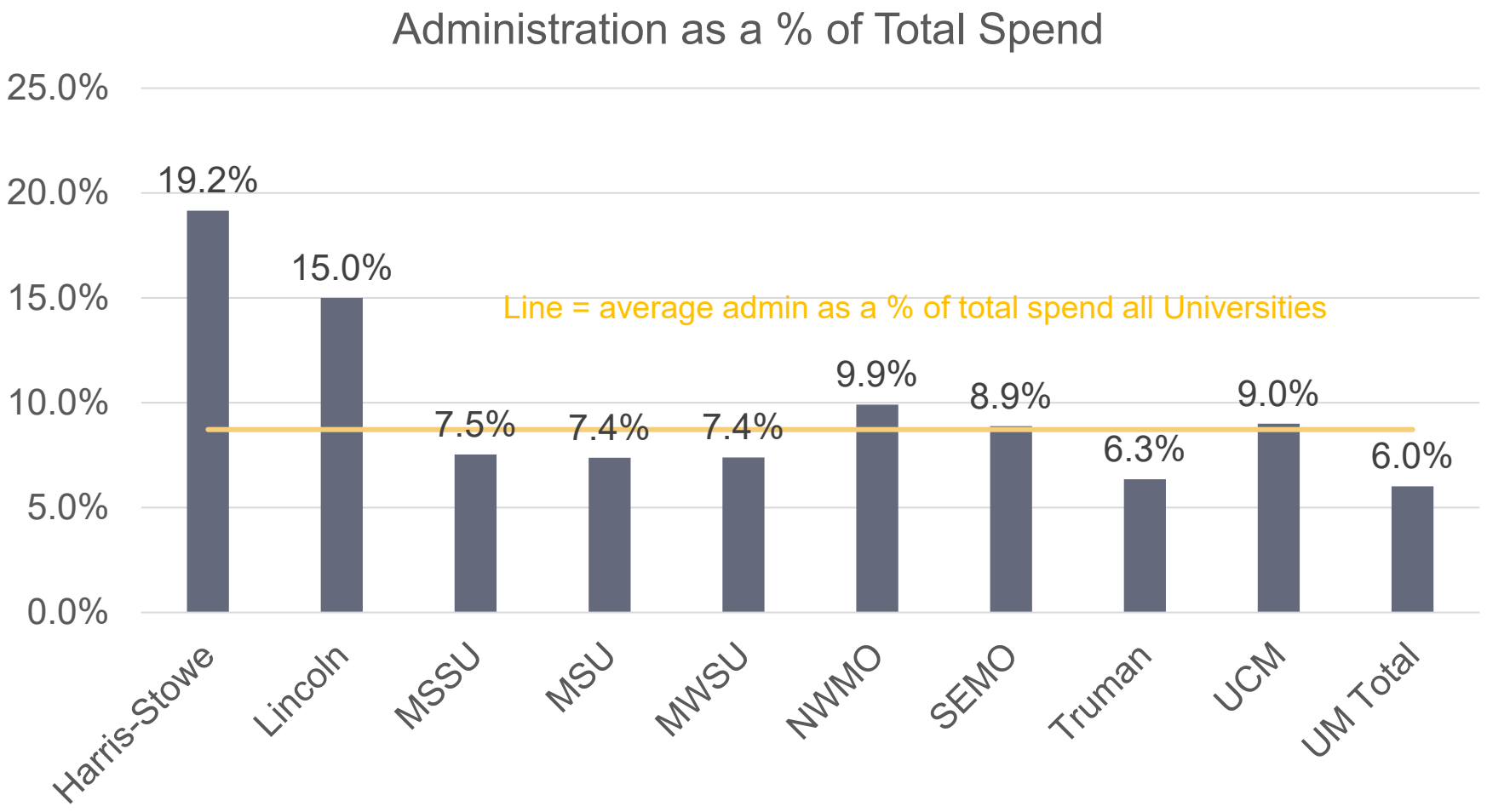
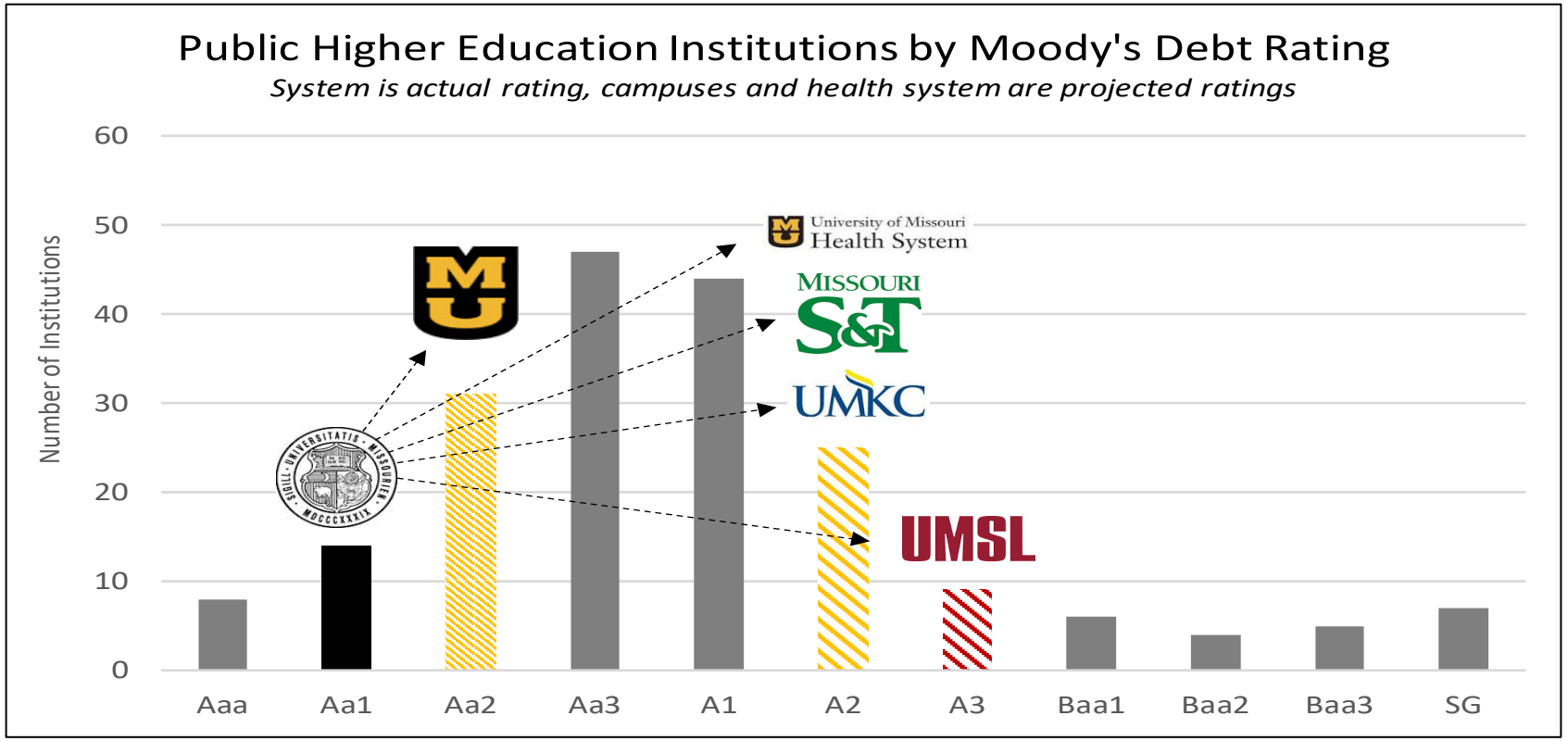


- Being part of the system provides scale to administration:
  - One payroll office instead of four
  - One accounts payable function
  - Shared administrative IT systems instead of four instances
  - One Treasury & Investments function
- This results in lower administrative resource consumption

Remaining Together Leverages Collective Strength and Generates Scale



The **University of Missouri System** bond rating is in the **TOP 11%** of higher education institutions as rated by Moody's. *Without the combined strength of the System*, **three** of the System's **campuses** would be rated **in the LOWEST 28%** of higher education institutions.