FINANCIAL STATEMENTS AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

WITH REPORTS OF INDEPENDENT AUDITORS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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INDEPENDENT AUDITORS' REPORT

Board of Regents of the University of Oklahoma
Cameron University
Norman, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities and aggregate discretely presented component unit of Cameron University (the University) an organizational unit of the Board of Regents of the University of Oklahoma (the Regents), which is a component unit of the state of Oklahoma, which comprise the statement of net position as of June 30, 2018, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements which collectively comprise the entity'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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the University's aggregate discretely presented component unit, Cameron University Foundation, as described in Note 1 of the financial statements. The Foundation's financial statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditor. 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 Foundation were audited by other auditors and 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University as of June 30, 2018, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, in 2018 the University adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

As discussed in Note 1, the financial statements of the University's reporting entity are intended to present the financial position, changes in financial position, and cash flows of only the activities of the University and Foundation. They do not purport to, and do not, present fairly the financial position of the Regents as of June 30, 2018, the changes in its financial position or its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is 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 and the required supplementary information, 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cameron University's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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 auditing 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. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2018, on our consideration of the University'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. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
October 11, 2018

This section of Cameron University's (the University) financial statements presents management's discussion and analysis of the University's financial performance during the year ended June 30, 2018. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and current known facts, it should be read in conjunction with the University's basic financial statements and footnotes. The overview of the financial statements and financial analysis is presented for fiscal year 2018, with fiscal year 2017 data presented for comparative purposes.

Financial Analysis of the University as a Whole

The basic financial statements of the University are the statement of net position; statement of revenues, expenses, and changes in net position; and statement of cash flows. The statement of net position presents the financial position of the University at June 30, 2018. The statement of revenues, expenses, and changes in net position summarizes the University's financial activity for the year ended June 30, 2018. The statement of cash flows, presented using the direct method, reflects the effects on cash that result from the University's operating activities, investing activities, and capital and noncapital financing activities for the year ended June 30, 2018.

The following schedules are prepared from the University's basic financial statements. With the exception of the statement of cash flows, the statements are presented on an accrual basis of accounting whereby revenues are recognized when earned and expenses are recorded when incurred and assets are capitalized and depreciated.

Statement of Net Position

This statement is presented in categories, namely assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The assets are classified between current and noncurrent assets. Current assets include cash and cash equivalents, short-term investments, accounts receivable, and other assets. Noncurrent assets include cash, cash equivalents, and investments that are restricted for long-term purposes, such as investment in capital assets, or have scheduled maturities exceeding one year. Noncurrent assets also include receivables restricted for investment in capital assets as well as capital assets. Capital assets include land, buildings and improvements, infrastructure, equipment, library materials, and construction in progress. Capital assets, with the exception of land and construction in progress, are shown net of depreciation.

Deferred outflows of resources are consumptions of net position that are applicable to a future period. It includes costs associated with pensions. Deferred inflows of resources are acquisitions of net position that are applicable to a future period. It includes credits associated with debt restructure and pensions.

Liabilities are also classified between current and noncurrent. Current liabilities include accounts payable, accrued expenses, unearned revenue, and the portion of noncurrent liabilities expected to be paid in the upcoming fiscal year. These liabilities represent obligations due within one year. Noncurrent liabilities include the portion of accrued compensated absences, capital lease obligation, and net pension obligation expected to be paid in fiscal year 2020 or thereafter.

At June 30, 2018, the University had approximately $17 million in outstanding capital leases. Additional information related to the University's long-term debt is presented in Note 5 to the financial statements.

Total net position increased to $19.1 million in fiscal year 2018 from $16.6 million in fiscal year 2017.

Financial Analysis of the University as a Whole (Continued)

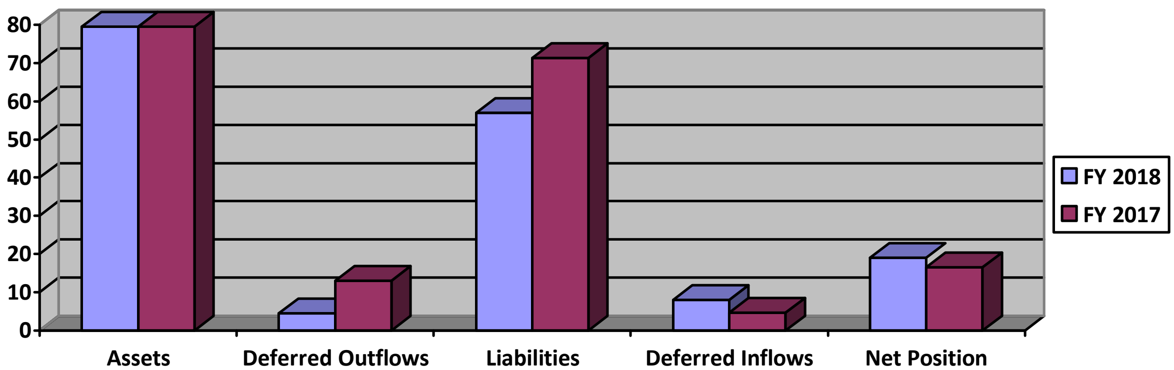
Following is a comparison of the summarized financial position, net position, and capital assets of the University at June 30:

Condensed Statements of Net Position

	2018 (in Millions)	2017 (in Millions)
ASSETS		
Current Assets	$ 15.6	$ 15.5
Noncurrent Assets:		
Capital Assets, Net of Depreciation	59.9	60.8
Other	4.0	3.2
Total Assets	79.5	79.5
DEFERRED OUTFLOWS OF RESOURCES	4.5	13.1
LIABILITIES		
Current Liabilities	4.6	6.0
Noncurrent Liabilities	52.4	65.3
Total Liabilities	57.0	71.3
DEFERRED INFLOWS OF RESOURCES	8.0	4.7
NET POSITION		
Net Investment in Capital Assets	41.5	40.2
Restricted - Expendable	4.5	4.2
Restricted - Nonexpendable	0.1	0.1
Unrestricted	(27.0)	(27.9)
Total Net Position	$ 19.1	$ 16.6

Financial Analysis of the University as a Whole (Continued)

Analysis of Net Position (in Millions)



	2018 (in Millions)	2017 (in Millions)
CAPITAL ASSETS, NET		
Land	$ 0.4	$ 0.4
Buildings and Improvements	101.5	100.7
Infrastructure	9.6	9.3
Equipment	13.7	13.2
Library Materials	10.9	10.8
Construction in Progress	0.8	0.0
Total Capital Assets	136.9	134.4
Less Accumulated Depreciation	(77.0)	(73.6)
Net Capital Assets	$ 59.9	$ 60.8

In 2018, the University added $2.8 million in assets due to the costs associated with various construction projects and acquisitions of equipment and library materials. The University disposed of approximately $.4 million in partially depreciated equipment.

Financial Analysis of the University as a Whole (Continued)

Statement of Revenues, Expenses, and Changes in Net Position

This statement reflects the effect of operating and nonoperating activities on net position. The statement is classified between operating and nonoperating revenues and expenses.

Following is a comparison of revenues, expenses, and other changes in net position for the years ended June 30:

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

	2018 (In Millions)	2017 (In Millions)
OPERATING REVENUES		
Tuition and Fees, Net	$ 18.9	$ 19.0
Grants and Contracts	2.7	2.5
Sales and Services	0.7	0.6
Auxiliary Enterprises	4.0	3.8
Other	0.2	0.5
Total Operating Revenues	26.5	26.4
Less Operating Expenses	56.6	58.4
Operating Loss	(30.1)	(32.0)
NONOPERATING REVENUES		
State Appropriations	16.6	17.9
Federal and State Grants	10.9	11.1
Onbehalf Payments	3.0	3.1
Endowment Income	0.1	0.3
Investment Income	0.1	0.1
Private Donations	1.4	0.5
Capital Appropriations	1.2	1.2
Total Nonoperating Revenues	33.3	34.2
Less Nonoperating Expenses	0.7	1.2
Net Nonoperating Revenue	32.6	33.0
CHANGE IN NET POSITION	2.5	1.0
Net Position - Beginning of Year	16.6	17.4
Restatement - Implementation of GASB 82	-	(1.8)
Net Position - Beginning of Year, as Restated	16.6	15.6
NET POSITION - END OF YEAR	$ 19.1	$ 16.6

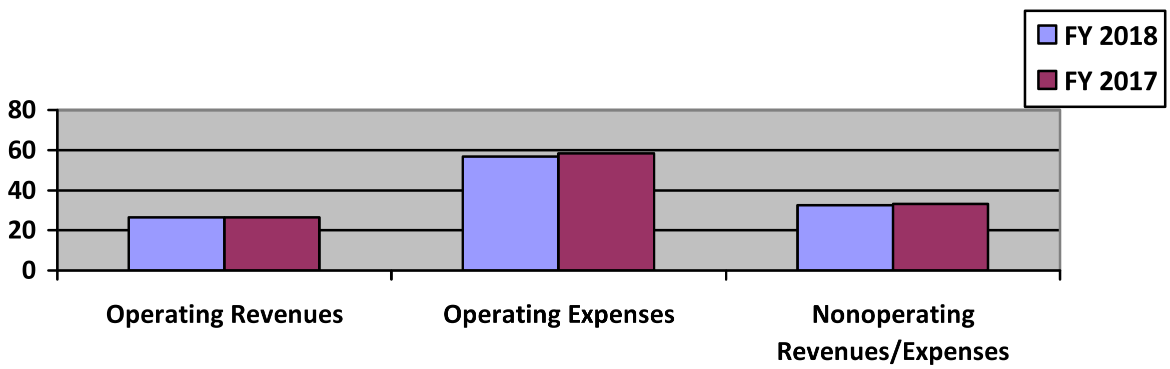
Financial Analysis of the University as a Whole (Continued)

Operating revenues includes tuition and fees net of scholarship discounts and allowances, grants and contracts, sales and services, auxiliary enterprises, and other. These revenues increased by $.1 million in 2018. Tuition and fees revenue decreased by $.1 million from 2017 to 2018. Grants and contracts and auxiliary enterprises had a combined increase of $.4 million in 2018.

The majority of nonoperating revenues are made up of state appropriations and Pell grant revenues. There was a significant decrease of $1.3 million in state appropriations in fiscal year 2018 as compared to fiscal year 2017.

The University's operating expenses are classified by natural classification, including employee compensation, scholarships, contractual services, etc. In fiscal year 2018, operating expenses decreased by $1.8 million primarily due to decreases in compensation, supplies and materials, scholarships, and depreciation expense. Compensation decreased due to vacancies in full-time faculty and staff. Conserative spending resulted in a decrease in supplies and materials. The scholarship decrease was due to the reduction in Oklahoma's Promise scholarships and reduced funding for Oklahoma Tuition Aid Grant recipients.

Analysis of Revenues and Expenses (in Millions)



	2018 (In Millions)		2017 (In Millions)	
OPERATING EXPENSES				
Compensation	$	31.7	$	33.8
Contractual Services		5.3		4.4
Supplies and Materials		3.4		3.6
Depreciation		3.8		4.4
Utilities		1.5		1.4
Communications		0.3		0.3
Scholarships and Fellowships		8.4		8.6
Other Operating Expenses		2.2		1.9
Total Operating Expenses	$	56.6	$	58.4

Financial Analysis of the University as a Whole (Continued)

Statement of Cash Flows

This statement is used to determine the University's ability to meet its obligations and to determine if external financing is needed. It is presented using the direct method with four major classifications: operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

Following is a comparison of cash flows for the years ended June 30:

	2018 (In Millions)	2017 (In Millions)
CASH PROVIDED (USED) BY		
Operating Activities	$ (25.8)	$ (25.1)
Noncapital Financing Activities	27.5	29.0
Capital and Related Financing Activities	(1.7)	(8.4)
Investing Activities	0.1	0.1
Net Change in Cash	0.1	(4.4)
Cash - Beginning of Year	14.4	18.8
CASH - END OF YEAR	$ 14.5	$ 14.4

Foundation

Cameron University Foundation, Inc. (the Foundation), is a legally separate, Oklahoma nonprofit corporation organized for the purpose of receiving and administering gifts intended for the University. Because the restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the University's management believes that presenting the Foundation's financial statements as part of the University reporting entity provides users relevant and timely information about resources available to the University. The most recent financial statements of the Foundation are included under the heading "Foundation."

Economic Outlook

The Oklahoma economy appears to be making a turn in the right direction and is gradually stabilizing. The reduction in state appropriations for fiscal year 2019 is only .1% compared to 6% and 16% in previous years. However, the University continues to see a decline in enrollment due to a decreasing population in southwest Oklahoma. Even with the positive future of the economy, the University continues to look for cost saving measures. Significant savings were realized when the University outsourced custodial services in fiscal year 2018. Management continues to monitor expenditures to ensure resources are used in the most effective and efficient manner. The University remains fully committed to increasing and improving student success and student learning inside and outside the classroom while continuing to be an engaged partner with common education, business, industry, civic and government organizations.

CAMERON UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2018

	University June 30, 2018	Foundation June 30, 2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 10,729,684	$ 421,844
Accrued Interest Receivable	7,715	84,207
Accounts Receivable, Net	1,636,367	5,517
Receivables from OSRHE	969,326	-
Prepaid Expenses and Other Assets	2,273,534	-
Total Current Assets	15,616,626	511,568
NONCURRENT ASSETS		
Restricted Cash and Cash Equivalents	3,822,338	-
Investments	-	26,867,083
Prepaid Bond Insurance Costs	999	-
Other Assets	227,940	541,218
Capital Assets, Net	59,854,344	238,000
Total Noncurrent Assets	63,905,621	27,646,301
Total Assets	79,522,247	28,157,869
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for Pensions	4,512,108	-
Total Assets and Deferred Outflows of Resources	$ 84,034,355	$ 28,157,869

See accompanying Notes to Financial Statements.

CAMERON UNIVERSITY
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2018

	University June 30, 2018	Foundation June 30, 2018
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 588,156	$ 31,004
Accrued Payroll	1,002,682	-
Unearned Revenues	1,149,280	-
Notes Payable	-	682,768
Deposits Held in Custody for Others	128,456	-
Current Portion of Noncurrent Liabilities	1,692,567	-
Total Current Liabilities	4,561,141	713,772
NONCURRENT LIABILITIES, NET OF CURRENT PORTION		
Accrued Compensated Absences	379,872	-
Capital Lease Payable, Net of Premium	17,071,871	-
Net Pension Liability	34,984,309	-
Total Noncurrent Liabilities	52,436,052	-
Total Liabilities	56,997,193	713,772
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for Pensions	7,701,354	-
Deferred Credit on OCIA Lease Restructure	260,116	-
Total Deferred Inflows of Resources	7,961,470	-
Total Liabilities and Deferred Inflows of Resources	64,958,663	713,772
NET POSITION		
Net Investment in Capital Assets	41,479,979	-
Restricted for:		
Nonexpendable:		
Scholarships and Fellowships	66,000	12,002,032
Expendable:		
Educational Programs	707,335	9,127,990
Capital Projects	3,678,592	-
Other	160,153	-
Unrestricted	(27,016,367)	6,314,075
Total Net Position	$ 19,075,692	$ 27,444,097

See accompanying Notes to Financial Statements.

CAMERON UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2018

	University Year Ended June 30, 2018	Foundation Year Ended June 30, 2018
OPERATING REVENUES		
Student Tuition and Fees, Net of Scholarship Allowance of $8,250,943	$ 18,908,897	$ -
Federal Grants and Contracts	1,990,022	-
State Grants and Contracts	154,126	-
Nongovernmental Grants and Contracts	577,577	-
Sales and Services of Educational Departments	700,457	-
Auxiliary Enterprises	3,933,703	-
Gifts and Contributions	-	1,752,626
Other Operating Revenues	230,810	116,141
Total Operating Revenues	26,495,592	1,868,767
OPERATING EXPENSES		
Compensation and Benefits	31,690,580	-
Contractual Services	5,273,323	-
Supplies and Materials	3,418,074	-
Depreciation	3,812,443	-
Utilities	1,502,296	-
Communications	282,713	-
Scholarships and Fellowships	8,404,578	323,495
Other Operating Expenses	2,202,494	2,469,787
Total Operating Expenses	56,586,501	2,793,282
OPERATING INCOME (LOSS)	(30,090,909)	(924,515)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	16,600,117	-
Federal and State Grants	10,909,711	-
OTRS On-Behalf Contributions	1,458,994	-
Oklahoma State Regents for Higher Education Endowment Income	118,930	-
Investment Income	130,393	896,470
Net Depreciation on Investments	-	472,918
Interest Expense	(695,883)	-
Other Nonoperating Expense	(44,675)	-
Net Nonoperating Revenues	28,477,587	1,369,388
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, OR GAINS (LOSSES)	(1,613,322)	444,873
OTHER REVENUES, EXPENSES, OR GAINS (LOSSES)		
On-Behalf State Appropriations Restricted for Debt Service	1,551,610	-
Private Donations Restricted for Capital Purposes	1,365,000	-
State Appropriations Restricted for Capital Purposes	1,205,645	-
Total Other Revenues, Expenses, or Gains (Losses)	4,122,255	-
CHANGE IN NET POSITION	2,508,933	444,873
Net Position - Beginning of year	16,566,759	26,999,224
NET POSITION - END OF YEAR	$ 19,075,692	$ 27,444,097

See accompanying Notes to Financial Statements.

CAMERON UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	$ 18,551,118
Grants and Contracts	2,549,262
Payments to Employees	(30,539,190)
Payments to Vendors	(12,788,659)
Payments for Scholarships and Fellowships	(8,404,578)
Sales and Services of Educational Departments	629,806
Auxiliary Enterprises	3,976,652
Other Operating Receipts	230,810
Net Cash Used by Operating Activities	(25,794,779)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	16,600,117
Federal and State Grants	10,909,712
Direct Loans Received	13,649,378
Direct Loans Disbursed	(13,649,378)
Agency Transactions	3,667
Net Cash Provided by Noncapital Financing Activities	27,513,496
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Appropriations	1,205,645
Private Donations Restricted for Capital Purposes	1,365,000
Payments on Bonds and Lease Payable	(5,656,122)
Proceeds from Capital Lease Obligations	5,079,752
Interest Paid on Capital Debt and Leases	(849,151)
Purchases of Capital Assets	(2,828,472)
Net Cash Used by Related Financing Activities	(1,683,348)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	128,625
NET CHANGE IN CASH AND CASH EQUIVALENTS	163,994
Cash and Cash Equivalents - Beginning of Year	14,388,028
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 14,552,022

See accompanying Notes to Financial Statements.

CAMERON UNIVERSITY
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2018

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (30,090,909)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	3,812,443
OTRS On-Behalf Contributions	1,458,994
Changes in Assets and Liabilities:	
Accounts Receivable	(313,621)
Prepaid Expenses and Other Assets	(165,862)
Deferred Outflows for Pensions	8,538,944
Accounts Payable and Accrued Expenses	(128,066)
Net Pension Liability	(12,130,216)
Unearned Revenues	(77,310)
Deferred Inflows for Pensions	3,300,824
Net Cash Used by Operating Activities	$ (25,794,779)
NONCASH CAPITAL AND RELATED FINANCING ITEMS	
Principal and Interest Paid by Other State Agencies	$ 1,551,610
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION	
Current Assets:	
Current Cash and Cash Equivalents	$ 10,729,684
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	3,822,338
Total Reconciliation of Cash and Cash Equivalents to the Statements of Net Position	$ 14,552,022

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Cameron University (the University) is a regional University operating under the jurisdiction of the Board of Regents of the University of Oklahoma (the Board of Regents) and the Oklahoma State Regents for Higher Education.

Reporting Entity

The University is one of four institutions of higher education in Oklahoma that comprise the Regents of the University of Oklahoma, which in turn is part of the Higher Education Component Unit of the state of Oklahoma.

The Board of Regents has constitutional authority to govern, control, and manage the Regents of the University of Oklahoma, which consists of Cameron University, Rogers State University, University of Oklahoma-Norman Campus and University of Oklahoma Health Sciences Center. This authority includes but is not limited to the power to designate management, the ability to significantly influence operations, acquire and take title to real and personal property in its name, and appoint or hire all necessary officers, supervisors, instructors, and employees for member institutions.

Accordingly, the University is considered an organizational unit of the Board of Regents of the University of Oklahoma reporting entity for financial reporting purposes due to the significance of its legal, operational and financial relationships with the Board of Regents, as defined in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

In prior years, the University reported itself as a component unit of the state of Oklahoma. Based on an evaluation performed by management during 2015, it was determined that the University is not a legally separate entity. Therefore, it is not a component unit of the State. The University is an organizational unit with the Board of Regents as mentioned above.

Cameron University Foundation

Cameron University Foundation, Inc. (the Foundation), is a legally separate, Oklahoma nonprofit corporation organized for the purpose of receiving and administering gifts intended for the University. Because the restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the University's management believes that presenting the Foundation's financial statements as part of the University reporting entity provides users relevant and timely information about resources available to the University. The Foundation reports under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information for these differences. The Foundation prepares separate, standalone financial statements that may be obtained by contacting the Foundation's management.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to public sector institutions of higher education. The University applies all applicable GASB pronouncements.

Basis of Accounting

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. GAAP. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Cash Equivalents

For purposes of the statement of cash flows, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State Treasurer's OK Invest cash management investment policy are considered cash equivalents.

Investments

The University accounts for its investments at fair market value based on quoted market prices. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net position.

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the state of Oklahoma. Accounts receivable also include amounts due from the federal, state, and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. The University determines its allowance by considering a number of factors, including the length of time accounts receivable are past due, the University's previous loss history, and the condition of the general economy and the industry as a whole. The University writes off specific accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Restricted Cash and Investments

Cash and investments that are externally restricted for debt service payments, maintain sinking or reserve funds, long-term student loans, or to purchase capital or other noncurrent assets are classified as noncurrent assets in the statement of net position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The University's capitalization policy is all items with a unit cost of $5,000 or more and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Costs incurred during construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service. The University capitalizes interest as a component of capital assets constructed for its own use. There was no capitalized interest in 2018.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 years for buildings, 25 years for infrastructure and land improvements, and 7 years for library materials and equipment, or the duration of the lease term for capital leases.

Unearned Revenues

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Compensated Absences

Employee vacation pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued expenses in the statement of net position and as a component of compensation and benefit expense in the statement of revenues, expenses, and changes in net position.

Noncurrent Liabilities

Noncurrent liabilities include (1) principal amounts of capital lease obligations with contractual maturities greater than one year; (2) amounts for accrued compensated absences; (3) net pension liability; and other liabilities that will not be paid within the next fiscal year. Bond discounts and premiums are amortized over the life of the bonds using the straight line method, which is not significantly different from the effective interest method. Bond issuance costs are expensed as incurred regardless of whether they are included in bond proceeds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

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 of the Oklahoma Teachers' Retirement System (OTRS) and additions to/deductions from OTRS's fiduciary net position have been determined on the same basis as reported by OTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by OTRS are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of Oklahoma Teacher's Retirement System (OTRS) and additions to/deductions from OTRS's fiduciary net position have been determined on the same basis as they are reported by OTRS. For this purpose, OTRS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Net Position

The University's net position is classified as follows:

Net Investment in Capital Assets

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position – Expendable

Restricted expendable net position includes resources in which the University is legally or contractually obligated to spend said resources in accordance with restrictions imposed by external third parties or through enabling legislation.

Restricted Net Position – Nonexpendable

Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Unrestricted Net Position

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

Classification of Revenues

The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating Revenues

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of educational departments and of auxiliary enterprises, and (3) certain federal, state, and nongovernmental grants and contracts that relate specifically to revenues used for student financial assistance.

Nonoperating Revenues

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB, such as state appropriations, certain governmental grants, and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

Deferred outflows are the consumption of net position by the University that are applicable to a future reporting period. At June 30, 2018, the University's deferred outflows of resources were comprised of deferred outflows related to pensions.

Deferred Inflows of Resources

Deferred inflows are the acquisition of net position by the University that are applicable to a future reporting period. At June 30, 2018, the University's deferred inflows of resources were comprised of credits realized on an OCIA lease restructure and deferred inflows related to pensions, and deferred inflows related to other post employment benefits.

Income Taxes

As a state institution of higher education, the income of the University is generally exempt from federal income taxes under Section 115(1) of the Internal Revenue Code (IRC), as amended. However, the University may be subject to income taxes on unrelated business income under IRC Section 511(a)(2)(B). Such amounts have historically been insignificant.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, the University has evaluated events and transactions for potential recognition or disclosure through October 11, 2018, the date the financial statements were available to be issued.

New Accounting Pronouncements Adopted in Fiscal Year 2018

The University adopted the following new accounting pronoucements during the year ended June 30, 2018:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements Adopted in Fiscal Year 2018 (Continued)

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB No. 75) was issued in June 2015, became effective for the University beginning with its fiscal year ending June 30, 2018. The Statement replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.

New Accounting Pronouncements Issued Not Yet Adopted

GASB has also issued a new accounting pronouncement which will be effective for the University in a future fiscal year. A description of the new accounting pronouncement and the University's consideration of the impact of this pronouncement is described below:

Statement No. 87, Leases (GASB No. 87) was issued in June 2017, will be effective for the University beginning with its fiscal year ending June 30, 2020. The Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The University is currently evaluating the impact that this new standard will have on its financial statements.

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The University's deposit policy for custodial credit risk is described as follows:

Oklahoma Statutes require the State Treasurer to ensure that all state funds either be insured by Federal Deposit Insurance, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. The University's deposits with the State Treasurer are pooled with the funds of other state agencies and then, in accordance with statutory limitations, placed in financial institutions or invested as the State Treasurer may determine, in the state's name.

The University requires that balances on deposit with financial institutions, including trustees related to the University's bond indenture and capital lease agreements, be insured by Federal Deposit Insurance or collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations, in the University's name.

At June 30, 2018, the carrying amounts of the University's deposits were $14,552,022. This amount consisted of deposits with the State Treasurer ($14,538,947) and petty cash and change funds ($13,075) at June 30, 2018.

Some deposits with the State Treasurer are placed in the State Treasurer's internal investment pool *OK INVEST*. *OK INVEST* pools the resources of all state funds and agencies and invests them in (a) U.S. treasury securities which are explicitly backed by the full faith and credit of the U.S. government; (b) U.S. agency securities which carry an implicit guarantee of the full faith and credit of the U.S. government; (c) money market mutual funds which participate in investments, either directly or indirectly, in securities issued by the U.S. treasury and/or agency and repurchase agreements relating to such securities; (d) investments related to tri-party repurchase agreements which are collateralized at 102% and, whereby, the collateral is held by a third party in the name of the State Treasurer; (e) collateralized certificates of deposits; (f) commercial paper; (g) obligations of state and local governments; and (h) State of Israel bonds.

Of funds on deposit with the State Treasurer, amounts invested in *OK INVEST* total $4,345,770 at June 30, 2018.

For financial reporting purposes, deposits with the State Treasurer that are invested in OK INVEST are classified as cash equivalents.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

At June 30, 2018, the distributions of deposits in *OK INVEST* are as follows:

OK INVEST Portfolio	Cost	Fair Value
U.S. Agency Securities	$ 1,979,929	$ 1,970,300
Certificates of Deposit	163,373	163,373
Money Market Mutual Funds	424,172	424,172
Mortgage-Backed Agency Securities	1,716,679	1,711,560
Municipal Bonds	26,262	26,877
Foreign Bonds	15,715	15,694
U.S. Treasury Obligations	19,640	22,857
Total	$ 4,345,770	$ 4,334,834

Agencies and funds that are considered to be part of the State's reporting entity in the State's Comprehensive Annual Financial Report are allowed to participate in *OK INVEST*. Oklahoma statutes and the State Treasurer establish the primary objectives and guidelines governing the investment of funds in *OK INVEST*. Safety, liquidity, and return on investment are the objectives which establish the framework for the day to day *OK INVEST* management with an emphasis on safety of the capital and the probable income to be derived and meeting the State and its funds and agencies' daily cash flow requirements. Guidelines in the Investment Policy address credit quality requirements, diversification percentages, and specify the types and maturities of allowable investments. The specifics regarding these policies can be found on the State Treasurer's website at http://www.treasurer.state.ok.us/.

The State Treasurer, at his discretion, may further limit or restrict such investments on a day to day basis. *OK INVEST* includes a substantial investment in securities with an overnight maturity as well as in U.S. government securities with a maturity of up to ten years. *OK INVEST* maintains an overall weighted average maturity of no more than four years.

Participants in *OK INVEST* maintain an interest in its underlying investments and, accordingly, may be exposed to certain risks. As stated in the State Treasurer information statement, the main risks are interest rate risk, credit/default risk, liquidity risk, and U.S. government securities risk. Interest rate risk is the risk that during periods of rising interest rates, the yield and market value of the securities will tend to be lower than prevailing market rates; in periods of falling interest rates, the yield will tend to be higher. Credit/default risk is the risk that an issuer or guarantor of a security, or a bank or other financial institution that has entered into a repurchase agreement, may default on its payment obligations.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Liquidity risk is the risk that *OK INVEST* will be unable to pay redemption proceeds within the stated time period because of unusual market conditions, an unusually high volume of redemption requests, or other reasons. U.S. government securities risk is the risk that the U.S. government will not provide financial support to U.S. government agencies, instrumentalities or sponsored enterprises if it is not obligated to do so by law. Various investment restrictions and limitations are enumerated in the State Treasurer's Investment Policy to mitigate those risks; however, any interest in *OK INVEST* is not insured or guaranteed by the State, the FDIC or any other government agency.

Interest Rate Risk

The University does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

All United States government obligations are held by the Federal Reserve Bank in the name of the University. Title 70, Section 4306, of the Oklahoma statutes directs, authorizes, and empowers the University's Board of Regents to hold, invest, or sell donor-restricted endowments in a manner which is consistent with the terms of the gift as stipulated by the donor and with the provision of any applicable laws.

The Board of Regents has authorized short-term funds to be invested in any security currently available through the Oklahoma State Treasurer's Office. Generally, these include direct obligations of the United States government and its agencies, certificates of deposit, and demand deposits. The board has authorized endowment and similar funds to be invested in direct obligations of the United States government and its agencies, certificates of deposit, prime commercial paper, bankers' acceptances, demand deposits, corporate debt (no bond below a Single A rating by Moody's Investors Service or Standard & Poor's Corporation may be purchased), convertible securities, and equity securities.

Concentration of Credit Risk

The University places no limit on the amount the University may invest in any one issuer. However, the majority of the investments are investments guaranteed by the U.S. government.

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2018:

Student Tuition and Fees	$ 1,234,143
Auxiliary Enterprises and Other Operating Activities	698,330
Federal and State Agencies	519,586
Total Accounts Receivable	2,452,059
Less Allowance for Doubtful Accounts	(815,692)
Accounts Receivable, Net	$ 1,636,367

NOTE 4 CAPITAL ASSETS, NET

Following are the changes in capital assets for the year ended June 30, 2018:

	Balance June 30, 2017	Additions	Transfers	Retirements	Balance June 30, 2018
Capital Assets not Being Depreciated:					
Land	$ 421,978	$ -	$ -	$ -	$ 421,978
Construction in Progress	47,425	1,803,504	(1,028,697)	-	822,232
Total Capital Assets not Being Depreciated	$ 469,403	$ 1,803,504	$ (1,028,697)	$ -	$ 1,244,210
Capital Assets Being Depreciated:					
Nonmajor Infrastructure Networks	$ 9,264,781	$ -	$ 363,539	$ -	$ 9,628,320
Building	100,717,499	-	665,158	-	101,382,657
Furniture, Fixtures, and Equipment	13,177,877	948,156	-	(424,913)	13,701,120
Library Materials	10,837,841	89,144	-	-	10,926,985
Total Capital Assets Being Depreciated	133,997,998	1,037,300	1,028,697	(424,913)	135,639,082
Less Accumulated Depreciation for:					
Nonmajor Infrastructure Networks	(4,954,281)	(413,019)	-	-	(5,367,300)
Building	(48,088,138)	(2,562,638)	-	-	(50,650,776)
Furniture, Fixtures, and Equipment	(10,419,412)	(640,454)	-	415,044	(10,644,822)
Library Materials	(10,169,718)	(196,332)	-	-	(10,366,050)
Total Accumulated Depreciation	(73,631,549)	(3,812,443)	-	415,044	(77,028,948)
Capital Assets Being Depreciated, Net	$ 60,366,449	$ (2,775,143)	$ 1,028,697	$ (9,869)	$ 58,610,134
Capital Asset Summary:					
Capital Assets not Being Depreciated	$ 469,403	$ 1,803,504	$ (1,028,697)	$ -	$ 1,244,210
Capital Assets Being Depreciated	133,997,998	1,037,300	1,028,697	(424,913)	135,639,082
Total Cost of Capital Assets	134,467,401	2,840,804	-	(424,913)	136,883,292
Less Accumulated Depreciation	(73,631,549)	(3,812,443)	-	415,044	(77,028,948)
Capital Assets, Net	$ 60,835,852	$ (971,639)	$ -	$ (9,869)	$ 59,854,344

NOTE 5 LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due within One year
Bonds and Capital Lease Obligations:					
OCIA Capital Lease Obligations	$ 7,066,496	$ -	$ (1,218,065)	$ 5,848,431	$ 91,297
Premium on OCIA Lease Obligations	123,281	-	(16,331)	106,949	-
ODFA Master Lease Revenue Bonds	12,564,166	4,575,000	(5,989,666)	11,149,500	954,167
Premium on ODFA Lease Obligations	582,359	504,752	(74,656)	1,012,455	-
Total Bonds and Capital Lease	20,336,302	5,079,752	(7,298,718)	18,117,335	1,045,464
Other Liabilities:					
Net Pension Liability - OTRS	45,773,344	-	(11,928,915)	33,844,429	-
Net Pension Liability - Supplemental	1,237,970	39,196	(12,557)	1,264,609	124,729
Accrued Compensated Absences	897,044	522,374	(517,173)	902,246	522,374
Total Other Liabilities	47,908,358	561,570	(12,458,645)	36,011,284	647,103
Total Long-Term Liabilities	$ 68,244,660	$ 5,641,322	$ (19,757,363)	$ 54,128,619	$ 1,692,567

Oklahoma Capital Improvement Authority Lease Obligations

The Oklahoma Capital Improvement Authority (OCIA) periodically issues bonds, which are allocated to the State Regents for Higher Education (the State Regents), to be used for specific projects at Oklahoma higher education institutions. The University has participated in these projects as discussed below. In each of the transactions, OCIA and the University have entered into a lease agreement with terms characteristic of a capital lease. As a result, the University recognizes its share of the liability and the related assets in connection with the projects being constructed or acquired, in its financial statements. Annually, the State Legislature appropriates funds to the State Regents to make the monthly lease principal and interest payments on-behalf of the University.

In September 1999, OCIA issued its OCIA Bond Issues, 1999 Series A, B, and C. Of the total bond indebtedness, State Regents allocated $1,200,000 to the University. Concurrently with the allocation, the University entered into a lease agreement with OCIA, representing the project being funded by the OCIA bonds.

Through June 30, 2018, the University has drawn its total allotment for expenditures incurred in connection with the project. The expenditures have been capitalized as investments in capital assets in accordance with University policy. The University has recorded a lease obligation payable to OCIA for the total amount of the allotment, less repayments made.

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Oklahoma Capital Improvement Authority Lease Obligations (Continued)

In 2004, the University's lease agreement with OCIA was restructured through a refunding of the 1999 Series bonds to OCIA Bond Series 2004A. During fiscal year 2015, OCIA issued Bond Series 2014B to refund Bond Series 2004A. The restructured lease agreement with OCIA secures the OCIA bond indebtedness and any future indebtedness that might be issued to refund earlier bond issues. The University's aforementioned lease agreement with OCIA was automatically restructured to secure the new bond issues. The lease restructuring resulted in a reduction of principal, thus the University has recorded a deferred inflow of resources of $31,856, which is the difference between the reacquisition price and the net carrying amount of the old debt, that is being amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. As of June 30, 2018, the unamortized credit totaled $6,371. This refinancing resulted in an aggregate difference in principal and interest between the original lease agreement and the refinanced lease agreement of $54,471, which approximates the economic savings of the transaction.

In November 2005, the OCIA issued its OCIA Bond Issues, 2005 Series F. Of the total bond indebtedness, the State Regents for Higher Education allocated $12,059,247 to the University. Through June 30, 2018, these funds have earned $1,203,081 of interest income. Concurrently with the allocation, the University entered into an individual lease agreement with OCIA, representing the six projects being funded by the OCIA bonds.

Through June 30, 2018, the University has drawn $13,262,328 for expenditures incurred in connection with the projects. The expenditures have been capitalized as investments in capital assets in accordance with University policy. The University has recorded a lease obligation payable to OCIA for the total amount of the allotment, less repayments made.

In 2011, the OCIA Series 2005F lease agreement was restructured through a partial refunding of OCIA's 2005F bond debt. OCIA issued two new bonds, Series 2010A and 2010B. The lease agreements with OCIA secure the OCIA bond debt and any future debt that might be issued to refund earlier bond issues. OCIA issued this new debt to provide budgetary relief for fiscal years 2011 and 2012 by extending and restructuring debt service. Consequently, the lease agreement with OCIA automatically restructured to secure the new bond issues.

This lease restructuring has extended certain principal payments into the future, resulting in a charge or cost on restructuring. The University has recorded a deferred outflow of resources of $1,007,459, which is the difference between the reacquisition price and the net carrying amount of the old debt that is being amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The deferred outflow has been completely amortized as of June 30, 2018. This restructuring resulted in an aggregate debt service difference for principal and interest between the original lease agreement and the restructured lease agreement of $49,791 which also approximates the economic cost of the lease restructuring. Although this restructuring resulted in a cost to the University, it is anticipated that the on-behalf payments provided to cover the original lease agreement will also cover the deferred lease restructuring charge.

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Oklahoma Capital Improvement Authority Lease Obligations (Continued)

During fiscal year 2015, the University's remaining 2005 lease agreement with OCIA was restructured through a partial refunding of the Series 2005F bonds. OCIA issued new bonds, Series 2014A, to accomplish the refunding. The restructured lease agreement with OCIA secures the OCIA bond indebtedness and any future indebtedness that might be issued to refund earlier bond issues. The University's aforementioned lease agreement with OCIA was automatically restructured to secure the new bond issues. The lease restructuring resulted in a reduction of principal, thus the University has recorded a deferred inflow of resources of $343,613 on restructuring which is the difference between the reacquisition price and the net carrying amount of the old debt, that is being amortized over the remaining life of the old debt or the new debt, whichever is shorter. As of June 30, 2018, the unamortized credit totaled $253,745. This refinancing resulted in an aggregate difference in principal and interest between the original lease agreement and the refinanced lease agreement of $802,126, which approximates the economic savings of the transaction.

During the year ended June 30, 2018, the State Regents made lease interest and principal payments totaling $1,551,610 on behalf of the University. These on-behalf payments have been recorded as on-behalf state appropriations restricted for debt service in the University's statement of revenues, expenses, and changes in net position. As stated above, the on-behalf payments are subject to annual appropriations by the State Legislature.

Future minimum lease payments under the University's obligation to the OCIA are as follows:

Years Ending June 30,	Principal	Interest	Total
2019	$ 91,297	$ 278,242	$ 369,539
2020	-	274,203	274,203
2021	-	274,203	274,203
2022	536,666	274,202	810,868
2023	563,945	248,345	812,290
2024-2028	3,168,933	827,379	3,996,311
2029-2031	1,487,590	111,208	1,598,798
Total	$ 5,848,431	$ 2,287,781	$ 8,136,213

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Oklahoma Development Finance Authority Master Lease

In May 2006, the University entered into a 15-year lease agreement with the Oklahoma Development Finance Authority (the ODFA) and the State Regents as a beneficiary of a portion of the proceeds from the ODFA State Regents for Higher Education Master Lease Revenue Bonds, Series 2006A (the Master Lease 2006A). The University received a net amount of $6,100,235 of the proceeds for implementation of an energy management system. The University makes lease payments to the State Regents, who then forwards the payments to the trustee bank.

During fiscal year 2016, the 2006 lease agreement with ODFA was restructured through a refunding of the Series 2006A bonds. The ODFA issued new bonds, Series 2016A, to accomplish the refunding. This refinancing resulted in an aggregate difference in principal and interest between the original lease agreement and the refinanced lease agreement of $228,927 which approximates the economic savings of the transaction.

The scheduled maturities of the bonds are as follows:

Years Ending June 30,	Principal	Interest	Total
2019	$ 477,167	$ 42,940	$ 520,107
2020	491,250	28,625	519,875
2021	462,916	13,887	476,803
Total	$ 1,431,333	$ 85,452	$ 1,516,785

In December 2007, the University entered into a 25-year lease agreement with the ODFA and the State Regents as a beneficiary of a portion of the proceeds from the ODFA State Regents for Higher Education Master Lease Revenue Bonds, Series 2007B (Master Lease 2007B). The University received a net amount of $7,099,000 of proceeds for the construction of the McMahon Centennial Complex.

In October 2017, the 2007 lease agreement with ODFA was restructured through a refunding of the Series 2007B bonds. The ODFA issued new bonds, Series 2017C, to accomplish the refunding. The University entered into an 15-year lease agreement with the ODFA and the State Regents as a beneficiary of a portion of the proceeds from the ODFA State Regents for Higher Education Master Real Property Lease Revenue Refunding Bonds, Series 2017C (Master Lease 2017C). The University received a net amount of $4,575,000 of proceeds to refund the 2007B Revenue Bonds. This refinancing resulted in an aggregate difference in principal and interest between the original lease agreement and the refinanced lease agreement of $665,749, which approximates the economic savings of the transaction. The University makes lease payments to the State Regents, who then forwards the payments to the trustee bank.

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Oklahoma Development Finance Authority Master Lease (Continued)

The scheduled maturities of the bonds are as follows:

Years Ending June 30,	Principal	Interest	Total
2019	$ 227,333	$ 174,938	$ 402,272
2020	241,917	170,392	412,308
2021	248,667	164,130	412,797
2022	256,083	156,670	412,753
2023	266,583	145,966	412,549
2024-2028	1,545,167	520,715	2,065,882
2029-2033	1,666,167	155,136	1,821,303
Total	$ 4,451,917	$ 1,487,947	$ 5,939,864

In June 2016, the University entered into an 18-year lease agreement with the ODFA and the State Regents as a beneficiary of a portion of the proceeds from the ODFA State Regents for Higher Education Master Real Property Lease Revenue Refunding Bonds, Series 2016B (Master Lease 2016B). The University received a net amount of $5,760,000 of proceeds to refund the 2004 Housing Revenue Bonds. This refinancing resulted in an aggregate difference in principal and interest between the original lease agreement and the refinanced lease agreement of $3,099,633, which approximates the economic savings of the transaction. The University makes lease payments to the State Regents, who then forwards the payments to the trustee bank.

The scheduled maturities of the bonds are as follows:

Years Ending June 30,	Principal	Interest	Total
2019	$ 249,667	$ 190,588	$ 440,255
2020	257,583	183,097	440,680
2021	264,917	175,150	440,067
2022	275,667	164,783	440,450
2023	283,917	156,277	440,194
2024-2028	1,599,333	601,667	2,201,000
2029-2033	1,942,833	259,754	2,202,587
2034	392,333	11,770	404,103
Total	$ 5,266,250	$ 1,743,086	$ 7,009,336

NOTE 6 RETIREMENT PLANS

The University's academic and nonacademic personnel are covered by various retirement plans depending on job classification. The plans available to University personnel include:

Name of Plan/System	Type of Plan
Oklahoma Teachers' Retirement System (OTRS)	Cost Sharing Multiple Employer Defined Benefit Plan
Cameron University Defined Contribution Plan	Defined Contribution Plan
Supplemental Retirement Annuity	Defined Benefit Plan
Cameron University President's Retirement Plan (Plan 2)	Defined Benefit Plan

Oklahoma Teachers' Retirement System

Plan Description

The University participates in the OTRS, a cost-sharing multiple-employer public employee retirement system that is self-administered. OTRS provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established and may be amended by the legislature of the state of Oklahoma. Title 70 of the Oklahoma State Statutes assigns the authority for management and operation of OTRS to the board of regents of the System. OTRS issues a publicly available annual financial report that can be obtained at www.ok.gov/TRS/.

Benefits Provided

OTRS provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O. S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature.

Benefit provisions include:

Members become 100% vested in retirement benefits earned to date after five years of credited Oklahoma service. Members who joined OTRS on June 30, 1992 or prior are eligible to retire at maximum benefits when age and years of creditable service total 80. Members joining OTRS after June 30, 1992 are eligible for maximum benefits when their age and years of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and as late as age 65 receive unreduced benefits based on their years of service. The maximum retirement benefit is equal to 2% of final compensation for each year of credited service.

NOTE 6 RETIREMENT PLANS (CONTINUED)

Oklahoma Teachers' Retirement System (Continued)

Benefits Provided (Continued)

Final compensation for members who joined OTRS prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining OTRS after June 30, 1992 is defined as the average of the highest five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to $40,000 or $25,000, depending on the member's election. Monthly benefits are 1/12 of this amount. Service credits accumulated after June 30, 1995 are calculated based on each member's final average compensation, except for certain employees of the two comprehensive universities. Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100% of interest earned through the end of the fiscal year, with interest rates varying based on time of service. A surviving spouse of a qualified member may elect to receive, in lieu of the aforementioned benefits, the retirement benefit the member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.

Upon the death of a retired member, OTRS will pay $5,000 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.

A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable years of credited service.

Upon separation from OTRS, members' contributions are refundable with interest based on certain restrictions provided in the plan, or by the IRC.

Members may elect to make additional contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the IRC under Code Section 403(b).

Contributions

The contribution requirements of OTRS are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 7% of their annual compensation. The University pays the employee contributions as a pre-tax benefit to the employees. The University's contribution rate is 8.55% for the years ended June 30, 2018 and 2017. The University's contributions to OTRS in 2018, including both the employer share and the employee share, was approximately $3,490,000, equal to the required contributions. In addition, the state of Oklahoma also contributed 5% of state revenues from sales, use and individual income taxes to OTRS. The amounts contributed on-behalf of the University and recognized in the University's statement of revenues, expenses, and changes in net position as both revenues and compensation and employee benefit expense in 2018 was $1,458,994. These on-behalf payments do not meet the definition of a special funding situation.

NOTE 6 RETIREMENT PLANS (CONTINUED)

Oklahoma Teachers' Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the University reported a liability of $33,844,429 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The University's proportion of the net pension liability was based on the University's contributions to OTRS relative to total contributions to OTRS by all participating employers for the year ended June 30, 2017. Based upon this information, the University's proportion was 0.51114353%.

For the year ended June 30, 2018, the University recognized pension expense of $1,119,363. At June 30, 2018, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 2,310,649
Changes of Assumptions	1,993,247	5,125,300
Net Difference Between Projected and Actual Investments Earnings on Pension Plan Investments	481,084	-
University Contributions Made Subsequent to the Measurement Date	1,981,725	-
Total	$ 4,456,056	$ 7,435,949

Deferred pension outflows totaling $1,981,725 resulting from the University's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. The deferred outflows totaling $481,084 resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense over five years. The deferred inflows totaling $2,310,649 resulting from differences between expected and actual experience and deferred inflows totaling $5,125,300 resulting from the changes of assumptions will be recognized in pension expense using the average expected remaining service life of the plan participants. The average expected remaining life of the plan participants is determined by taking the calculated total future service future service years of the plan divided by the number of people in the plan including retirees. The total future service years of the plan are estimated at 5.59 years at June 30, 2017 and are determined using the mortality, termination, retirement and disability assumptions associated with the plan. Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

NOTE 6 RETIREMENT PLANS (CONTINUED)

Oklahoma Teachers' Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Year Ending June 30,	Amount	Amount
2019	$ 296,490	$ (1,865,505)
2020	1,960,288	(1,865,505)
2021	1,238,877	(1,807,568)
2022	(761,267)	(1,364,419)
2023	(260,057)	(532,952)
Total	$ 2,474,331	$ (7,435,949)

Actuarial Assumptions

The total pension liability was determined based on an actuarial valuation prepared as of July 1, 2017, using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Amortization Method - Level percentage of Payroll
- Remaining Amortization Period – 20 Years
- Asset Valuation Method – 5-year smooth market
- Inflation – 2.50%
- Salary Increases - Composed of 2.50% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
- Investment Rate of Return – 7.5%
- Retirement Age - Experience-based table of rates based on age, service, and gender. Adopted by the board in May 2015 in conjunction with the five year experience study for the period ending June 30, 2014
- Mortality Rates after Retirement – Males: RP-2000 Combined Healthy mortality table for males with White Collar Adjustments. Generational mortality improvements in accordance with Scale BB from the table's base year of 2000. Females: GRS Southwest Region Teacher Mortality Table, scaled at 105%. Generational mortality improvements in accordance with Scale BB from the table's base year of 2012.
- Mortality Rates for Active Members - RP-2000 Employee Mortality tables multiplied by 60% for males and 50% for females

The long-term expected rate of return on pension plan investments was determined using a building block method 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.

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

NOTE 6 RETIREMENT PLANS (CONTINUED)

Oklahoma Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38.5%	7.5%
International Equity	19.0	8.5
Fixed Income	23.5	2.5
Real Estate**	9.0	4.5
Alternative Assets	10.0	6.1
Total	100.0%	

**The Real Estate total expected return is a combination of U.S. Direct Real Estate (unleveraged) and U.S. Value added Real Estate (unleveraged)

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by state statutes. Projected cash flows also assume the state of Oklahoma will continue contributing 5.0% of sales, use and individual income taxes, as established by statute. Based on these assumptions, OTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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

The following table presents the net pension liability of the University calculated using the discount rate of 7.5%, as well as what the University's net pension liability would be if OTRS calculated the total pension liability using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	$ 48,144,571	$ 33,844,429	$ 23,154,497

NOTE 6 RETIREMENT PLANS (CONTINUED)

Defined Contribution Plan

Plan Description

The plan is a Section 401(a) defined contribution plan that became effective January 1, 2015, for certain FLSA nonexempt employees. The purpose of the plan is to provide retirement benefits for the participants and to distribute the funds accumulated to the participants or the eligible beneficiaries. All nonexempt employees hired after the effective date are allowed a one-time election between participation in OTRS or the defined contribution plan.

Funding Policy

The required contribution rate is 9.0% of pensionable compensation. The University contributes the required amounts for participating members. The University's contributions for the year ended June 30, 2018 were approximately $168,000.

Supplemental Retirement Plan – Plan 1

Plan Description

The University maintains a supplemental retirement plan (Plan 1) for certain retired employees. The plan is in substance a single-employer, defined benefit plan administered by the University. Plan 1 has four participants, all of whom are retired and currently receiving benefits. Plan 1 guarantees the participants a level of retirement benefits when considering social security, OTRS and other retirement assets. The authority to establish and amend benefit provisions rests with the Board of Regents. The plan does not issue a separate financial report, nor is it included in the financial report of another entity.

Funding Policy

The University has been funding the benefits of Plan 1 on a "pay-as-you-go" basis. Benefits are not distributed to the participants until their retirement. During the year ended June 30, 2018, the University contributed and paid benefits of $137,286 under Plan 1.

Annual Pension Cost and Net Pension Obligation

The annual required contributions for the year ended June 30, 2018, were determined as part of annual actuarial valuations as of the aforementioned dates, using the entry age normal actuarial cost method. The actuarial assumptions for 2018 included (a) a discount rate of 3.88% per year to determine the present value of future benefit payments; (b) Mortality: RPA – 2000 Mortality Table projected to 2020 for males and females; and (c) annual cost of living adjustment of 3.5%.

Components of the University's annual pension cost, contributions, and net pension obligation for Plan 1 for the year ended June 30, 2018 are as follows:

NOTE 6 RETIREMENT PLANS (CONTINUED)

Supplemental Retirement Plan – Plan 1 (Continued)

Annual Pension Cost and Net Pension Obligation (Continued)

Annual Required Contribution	$	203,582
Interest on Net Pension Obligation		39,260
Adjustment to Annual Required Contribution		(101,186)
Annual Pension Cost		141,656
Contributions Made		(137,286)
Increase in Net Pension Obligation		4,370
Net Pension Obligation - Beginning of Year		1,011,858
Net Pension Obligation - End of Year	$	1,016,228

Funded Status and Funding Progress

The funded status of Plan 1 as of June 30, 2018 was as follows:

Actuarial Accrued Liability (AAL)	$	1,805,466
Actuarial Value of Plan Assets		-
Unfunded Actuarial Accrued Liability (UAAL)	$	1,805,466
Funded Ratio (Actuarial Value of Plan Assets / AAL)		0.00%
Annual Covered Payroll (Active Plan Members)	$	-

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information, as available, about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Trend information: Three-year trend information on the percentage of the annual pension cost funded through contributions and the change in the net pension obligation (asset) is as follows for Plan 1:

Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Liability
2018	$ 141,656	96.9%	$ 1,016,228
2017	162,308	84.6%	1,011,858
2016	174,986	78.5%	986,836

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

The following table presents the net pension liability of the University calculated using the discount rate of 3.88%, as well as what the University's net pension liability would be using a discount rate that is 1-percentage point lower (2.88%) or 1-percentage point higher (4.88%) than the current rate:

NOTE 6 RETIREMENT PLANS (CONTINUED)

Supplemental Retirement Plan – Plan 1 (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

	1% Decrease (2.88%)	Current Discount Rate (3.88%)	1% Increase (4.88%)
Net Pension Liability	$ 1,973,882	$ 1,805,466	$ 1,800,742

Cameron University President's Retirement Plan – Plan 2

Plan Description

The University maintains a supplemental retirement plan (Plan 2) for a retired University President. The plan is in substance a single-employer, defined benefit plan administered by the University. Plan 2 has one participant, who is retired and currently receiving benefits. Plan 2 guarantees the participant a level of retirement benefits when considering social security, OTRS and other retirement assets. The authority to establish and amend benefit provisions rests with the Board of Regents. The plan does not issue separate a financial report, nor is it included in the financial report of another entity.

Benefits Provided

Plan 2 is a defined benefit plan that may provide a University benefit for the life of the participant. The retirement benefit which is to be provided to the participant will be a guaranteed amount equal to the participant's average compensation, as defined in the plan document, when considering the OTRS benefit and other benefits.

Contributions

Contributions required to fund the cost of the pension and other benefits provided by Plan 2 shall be made solely by the University. The University shall contribute to Plan 2 in such amounts and at such times as the University shall determine, acting under the advice of the actuary for Plan 2. Actual payments of contributions may be made at any time permitted by law or regulation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the University reported a liability of $260,938 related to Plan 2. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. For the year ended June 30, 2018, the University recognized pension expense of $60,311. Deferred outflows totaling $56,052 and deferred inflows of $79,197 resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense over five years.

NOTE 6 RETIREMENT PLANS (CONTINUED)

Cameron University President's Retirement Plan – Plan 2 (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The amortization schedule is as follows:

Year Ending June 30,	Deferred Outflows	Deferred Inflows
2019	$ 28,026	$ 24,564
2020	28,026	24,564
2021	-	24,564
2022	-	5,505
Total	$ 56,052	$ 79,197

Actuarial Assumptions

The total pension liability was determined based on an actuarial valuation prepared as of June 30, 2018 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Asset Method - Market Value of Assets
- Inflation - 3.00%
- Salary Increases - Not applicable.
- Discount Rate and Long-Term Expected Rate of Return - 6.00%
- Mortality - RP-2000 Combined Mortality Table, projected to 2017 using Scale AA

Discount Rate

The discount rate used to measure the total pension liability was 6.00%. 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 that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return 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 arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are 7.0% with 85% of assets being invested in equities, 3% with 3% of assets being invested in bonds, and 1.5% with 12% of assets being invested in cash.

NOTE 6 RETIREMENT PLANS (CONTINUED)

Cameron University President's Retirement Plan – Plan 2 (Continued)

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

The following table presents the net pension liability of the University calculated using the discount rate of 6.0%, as well as what the University's net pension liability would be using a discount rate that is 1-percentage point lower (5.0%) or 1-percentage point higher (7.0%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability	$ 432,919	$ 260,938	$ 112,828

NOTE 7 OTHER POSTEMPLOYMENT INSURANCE BENEFITS

Oklahoma Teachers' Retirement System

Plan Description

The University's defined benefit OPEB plan, Oklahoma Teacher's Retirement (OTRS), provides OPEB for all Oklahoma teachers and other certified employees of common schools, faculty and administrators in public colleges and universities, and administrative personnel of state educational boards and employees of agencies. OTRS is a cost-sharing multiple-employer public employee retirement system that is self-administered.

Benefits Provided

OTRS pays a medical insurance supplement to elgible members who elect to continue their employer provided health insurance. The supplement payment is between $100 and $105 per month provided the member has ten (10) years of Oklahoma service prior to retirement.

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	-
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	142
	142

NOTE 7 OTHER POSTEMPLOYMENT INSURANCE BENEFITS (CONTINUED)

Oklahoma Teachers' Retirement System (Continued)

A. Contributions

The contribution requirements of OTRS are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 7% of their annual compensation. The University pays the employee contributions as a pre-tax benefit to the employees. The University's contribution rate is 8.55% for the years ended June 30, 2018 and 2017. The University's contributions to OTRS in 2018, including both the employer share and the employee share, was approximately $3,490,000, equal to the required contributions. In addition, the state of Oklahoma also contributed 5% of state revenues from sales, use and individual income taxes to OTRS. The amounts contributed on-behalf of the University and recognized in the University's statement of revenues, expenses, and changes in net position as both revenues and compensation and employee benefit expense in 2018 was $1,458,994. These on-behalf payments do not meet the definition of a special funding situation.

B. Net OPEB Liability

The University's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3%
Salary Increases	Composed of 3.25% inflation, including 2.5% price inflation, plus .75% productivity increase rate, plus step-rate promotional increased for members with less than 25 years of service.
Investment rate of return	7.5%
Healthcare cost trend rates	not applicable as the benefit provided is a set dollar amount not impacted by health care costs

Mortality rates were based on the RP-2000 Combined Healthy mortality table for males with White Collar Adjustments for males. GRS Southwest Region Teacher Moratality Table, scales at 105% was used for females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period ended June 30, 2017.

NOTE 7 OTHER POSTEMPLOYMENT INSURANCE BENEFITS (CONTINUED)

Oklahoma Teachers' Retirement System (Continued)

B. Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building block method 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.

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38.5%	7.5%
International Equity	19.0	8.5
Fixed Income	23.5	2.5
Real Estate**	9.0	4.5
Alternative Assets	10.0	6.1
Total	100.0%	

**The Real Estate total expected return is a combination of US Direct Real Estate (unleveraged) and US Value added Real Estate (unleveraged)

Discount Rate

The discount rate used to measure the total OPEB liability was 7.5 percent. The projection of cash flows used to determine the single discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain a level percentage of payroll. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 7 OTHER POSTEMPLOYMENT INSURANCE BENEFITS (CONTINUED)

Oklahoma Teachers' Retirement System (Continued)

C. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balances at 6/30/2017	$ 2,222,874	$ 2,222,874	$ -
Changes for the Year:			
Service Cost	33,980	-	33,980
Interest	162,180	-	162,180
Differences Between Expected and Actual Experience	(72,512)		(72,512)
Contributions - Employer	-	33,292	(33,292)
Net Investment Income			-
Differences Between Projected and Actual Investment Income	-	318,431	(318,431)
Benefit Payments	(154,923)	(154,923)	-
Administrative Expense	-	(135)	135
Net Changes	(31,275)	196,665	(227,940)
Balances at 6/30/2018	$ 2,191,599	$ 2,419,539	$ (227,940)

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the University, as well as what the University's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current discount rate:

	1% Decrease (6.50%)	Discount Rate Rate (7.50%)	1% Increase (8.50%)
Net OPEB Liability (Asset)	$ (9,541)	$ (227,940)	$ (414,668)

NOTE 7 OTHER POSTEMPLOYMENT INSURANCE BENEFITS (CONTINUED)

Oklahoma Teachers' Retirement System (Continued)

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the University recognized a negative OPEB expense of $8,441. At June 30, 2018, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 61,182
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Investments Earnings on OPEB Plan Investments	-	125,026
Total	$ -	$ 186,208

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount	Amount
2019	$ -	$ (42,587)
2020	-	(42,587)
2021	-	(42,587)
2022	-	(42,585)
2023	-	(11,330)
Thereafter	-	(4,532)
Total	$ -	$ (186,208)

Other Postemployment Insurance Benefits

The University provides for the payment of premiums for a $4,000 life insurance policy to all eligible individuals retiring from employment. To be eligible, the individuals need only have completed the requirements to retire under the OTRS. The University funds the payments out of current operations and does not prefund the expenses. For the year ended June 30, 2018, the amount of expense to the University was approximately $5,700.

Additionally, the University offers life insurance for all current employees in an amount equal to twice the employee's current salary. The University has ceded all claims over $75,000 to an insurance company via the purchase of a group life insurance policy. As the employees have no vested benefit in this program and the program can be discontinued at the discretion of the University, the University has not recorded a liability in connection with any future benefit payments.

At June 30, 2018, the University had approximately $1,871,000 of rate stabilization reserves with the administrator of the programs discussed above. The rate stabilization reserves are available upon request of the University and are reflected as prepaid expenses and other assets in the statement of net position.

NOTE 8 FUNDS HELD IN TRUST BY OTHERS

Beneficial Interest in State School Land Funds

The University has a beneficial interest in the "Section Thirteen Fund State Educational Institutions" and the "New College Fund" administered by the Commissioners of the Land Office as trustees for the various educational institutions entitled thereto. The University has the right to receive annually 3.7% of the distributions of income produced by the "Section Thirteen Fund State Educational Institutions" assets and 100% of the distributions of income produced by the University's "New College Fund." The University received approximately $1,117,000 during the year ended June 30, 2018, which is restricted to the construction or acquisition of buildings, equipment, or other capital items. These amounts are recorded as state appropriations restricted for capital purposes in the statement of revenues, expenses, and changes in net position. State law prohibits the distribution of any corpus of these funds to the beneficiaries.

The total trust reserve for the University, held in trust by the Commissioners of the Land Office, was approximately $19,336,000 at June 30, 2018.

Oklahoma State Regents Endowment Trust Fund

In connection with the Oklahoma State Regents' Endowment Program (the Endowment Program), the state of Oklahoma has matched contributions received under the Endowment Program. The state match amounts, plus retained accumulated earnings, totaled approximately $6,230,000 at June 30, 2018, and are invested by the State Regents for Higher Education on behalf of the University. The University is entitled to receive an annual distribution of earnings of 4.5% of the market value at year-end on these funds. Legal title of these endowment funds is retained by the State Regents of Higher Education; only the funds available for distribution, or approximately $600,500 at June 30, 2018, have been reflected as assets in the statement of net position.

NOTE 9 RELATED PARTY TRANSACTIONS

The Cameron University Foundation (the Foundation) is a tax-exempt organization whose objective is the betterment of the University and its related activities. The University is the ultimate beneficiary of the Foundation. The University has an agreement with the Foundation whereby the University will also provide certain administrative services for the benefit of the Foundation. The following transactions occurred between the University and the Foundation during the year ended June 30, 2018:

Scholarship Funds Awarded to the University	$ 323,495
Payment of Services by the Foundation for the Benefit of the University	$ 1,940,487
Administrative Services Provided by the University for the Benefit of the Foundation	$ 310,093

The Foundation provides scholarship awards to University students, and also supports the University through payment of certain supplies, materials, and services.

NOTE 10 COMMITMENTS AND CONTINGENCIES

The University is party to litigation and claims arising in the normal course of business. In the opinion of management, liabilities, if any, resulting from such litigation and claims will not be material to the University.

The University conducts certain programs pursuant to various grants and contracts, which are subject to audit by various federal and state agencies. Costs questioned as a result of audits, if any, may result in refunds to these governmental agencies from various sources of the University.

NOTE 11 RISK MANAGEMENT

The University is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruptions; errors and omission; employee injuries and illnesses; natural disasters; and employee health, life, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than torts, property, and workers' compensation. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The University, along with other state agencies and political subdivisions, participates in the state of Oklahoma Risk Management Program public entity risk pool currently operating as a common risk management and insurance program for its members. The University pays annual premiums to the pool for its workers' compensation, tort, property, and liability insurance coverage. The Oklahoma Risk Management pool's governing agreement specifies that the pool will be self-sustaining through member premiums and will reinsure through commercial carriers for claims in excess of specified stop-loss amounts.

NOTE 12 CAMERON UNIVERSITY FOUNDATION

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

Nature of Operations

Cameron University Foundation, Inc. (the Foundation) is a not-for-profit organization whose mission and principal activities are to promote the educational and cultural interest of Cameron University (the University), a public institution of higher education. The Foundation's revenues and other support are derived principally from contributions and its activities are conducted in the southwestern Oklahoma area.

Although the University does not control the timing or amount of receipts from the Foundation, substantially all of the Foundation's resources and related income are restricted by donors for the benefit of the University. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

NOTE 12 CAMERON UNIVERSITY FOUNDATION (CONTINUED)

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Net assets and revenues, gains, and losses are classified based upon the existence or absence of donor-imposed restrictions as follows:

Unrestricted net assets: Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets: Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time.

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of such assets permit the Foundation to use all or part of the income earned on the assets.

Income and gains on investments are reported as increases in permanently restricted net assets if the terms of the gift that gave rise to the investment or applicable law require such amounts to be added to permanent endowment principal. Income and gains are reported as increases in temporarily restricted net assets if the terms of the gift or applicable law impose restrictions on the use of the income and as increases in unrestricted net assets in all other cases.

Use of Estimates

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

Cash Equivalents

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2018 and 2017, cash equivalents consisted primarily of money market and cash in banks.

NOTE 12 CAMERON UNIVERSITY FOUNDATION (CONTINUED)

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Contributions

The Foundation reports gifts of cash and other assets as restricted contributions when they are received with donor stipulations that limit the use of the donated assets. When the intent of the donor is that the assets are to remain in perpetuity and the Foundation does not have the right to invade the original principal, the assets are reported as permanently restricted. When the donor restrictions expire, such as when the Foundation expends the funds in accordance with the donor's wishes, temporarily restricted net assets are released to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Collections

All collections of works of art, historical treasures, and similar assets are capitalized. Items added to the collections are capitalized at cost if purchased or at estimated fair value on the acquisition date, if donated. Collection items sold or removed are reported as unrestricted or temporarily restricted gains or losses depending on donor stipulations, if any, placed on the items at the time of acquisition.

Credit Risk

The Foundation maintains cash balances at a financial institution located in Oklahoma. From time to time, the account balance may exceed the limits insured by the Federal Deposit Insurance Corporation. Management does not consider this to be an unreasonable risk of loss.

Real Property

Real property consists primarily of land and farm property donated to the Foundation. Management has made attempts to revalue portions of the real property assets at subsequent dates. The Foundation's management is of the opinion that revaluation of all the real property would not have a significant impact on the Foundation's statements of financial position or changes in net assets.

Assets Held for Sale

The Foundation received contributed property during the year ended June 30, 2018 that totaled $522,952. The Foundation recorded this in-kind contribution as assets held for sale. The Foundation intends to sell this property as soon as possible.

NOTE 12 CAMERON UNIVERSITY FOUNDATION (CONTINUED)

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Marketable Securities

Marketable securities are stated at fair value. Fair values are generally determined based upon quoted market prices. Realized gains and losses on sales of marketable securities are computed on the first-in, first-out basis.

The Foundation utilizes various investment instruments. Marketable securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of marketable securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position. Significant fluctuations in fair values could occur from year to year and the amounts the Foundation will ultimately realize could differ materially.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law; and is classified as a public charity under section 509(A)(3). However, the Foundation is subject to federal income tax on any unrelated business taxable income.

Other Assets

Other assets consist of mineral interests stated at depletion value and property held for sale stated at fair value at date of donation.

Subsequent Events

Subsequent events have been evaluated through September 21, 2018 which is the date the financial statements were issued.

Note 2: Cash and Cash Equivalents

The Foundation maintains several bank accounts. The table below is designed to disclose the level of custody credit risk assumed by the Foundation based upon how its deposits were insured at June 30, 2018 and 2017. FDIC regulations state time and savings accounts are insured up to a $250,000 maximum.

Category 1 – Insured by FDIC or collateralized with securities held by the Foundation or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Foundation's name.

Category 3 – Uninsured and uncollateralized.

NOTE 12 CAMERON UNIVERSITY FOUNDATION (CONTINUED)

Note 2: Cash and Cash Equivalents (Continued)

Type of Deposits	Total Bank Balance	Custody Credit Risk Category 1	2	3
June 30, 2018				
Demand Deposits:				
BancFirst	$ 252,824	$ 250,000	$ —	$ 2,824
Money Market Funds				
BancFirst	265,983	—	—	265,983
Totals	$ 518,807	$ 250,000	$ —	$ 268,807

Type of Deposits	Total Bank Balance	Custody Credit Risk Category 1	2	3
June 30, 2017				
Demand Deposits:				
BancFirst	$ 550,335	$ 250,000	$ —	$ 300,335
Money Market Funds				
BancFirst	525,186	—	—	525,186
Totals	$ 1,075,521	$ 250,000	$ —	$ 825,521

Note 3: Investment Return

Investments are held for the production of income and consist of the following at June 30, 2018:

	Cost	Fair Value
U.S. Treasury notes	$ 4,559,842	$ 4,543,935
U. S. Agencies	4,137	4,714
Corporate bonds	4,241,314	4,199,821
Certificates of deposits	115,000	115,000
Money market accounts	788,794	788,794
Common stock	12,746,082	15,641,979
	$22,455,169	$25,294,243

NOTE 12 CAMERON UNIVERSITY FOUNDATION (CONTINUED)

Note 3: Investment Return (Continued)

Investments are held for the production of income and consist of the following at June 30, 2017:

	Cost	Fair Value
U.S. Treasury notes	$ 3,984,017	$ 4,019,450
U. S. Agencies	6,576	7,646
Corporate bonds	4,403,069	4,604,175
Certificates of deposits	115,000	115,000
Money market accounts	1,309,426	1,309,426
Common stock	11,826,784	14,168,264
	$21,644,872	$24,223,961

Total investment return is comprised of the following for the years ended June 30, 2018 and 2017:

	2018	2017
Interest and dividend income, net of investment expenses	$ 896,470	$ 833,386
Unrealized gain/(loss) on investments	298,453	411,032
Realized gains on investments	174,465	424,911
	$ 1,369,388	$ 1,669,329

Note 4: Pledges Receivable

Pledges receivable are due as follows at June 30:

	2018	2017
Receivable in less than one year	$ —	$ 500,000
Receivable in one to five years	—	—
Total pledges receivable	—	500,000
Less discounts to present value	—	—
Less allowance for uncollectible pledges	—	—
Net pledges receivable	$ —	$ 500,000

NOTE 12 CAMERON UNIVERSITY FOUNDATION (CONTINUED)

Note 5: Real Property

Real property consists of land and farm property donated to the Foundation and is held for the production of income. Real property with a carrying amount of $235,000 at June 30, 2018 and 2017 is part of permanently restricted net assets. Real property with a carrying value of $3,000 at June 30, 2018 and 2017 is part of unrestricted net assets.

Note 6: Notes Payable

On June 26, 2001, the Foundation entered into a non-recourse agreement with a bank whereby the bank loaned the Foundation $1,000,000 for the purpose of allowing the University's graduate investment class to manage an active bond portfolio (see Note 8). This non-recourse note had an original maturity date of June 30, 2002, but has been renewed annually with a current maturity date of November 30, 2018. Interest accrues on this note at the 90-day U.S. Treasury bill rate published in the Wall Street Journal plus 1.0% (2.89% at June 30, 2018). The non-recourse note is secured by a first and prior security interest in Cameron's Investment Program fund. Income earned by the portfolio above the borrowing rate shall be donated to the Foundation for the purpose of sponsoring upper-level business majors in the pursuit of graduate degrees at the University. The balance at June 30, 2018 and 2017 was $682,768 and $703,031, respectively. The balance is due within the first year.

During the years ended June 30, 2018 and 2017, respectively, the Foundation paid $16,007 and $9,717 for interest associated with this note payable.

Note 7: Net Assets

Unrestricted net assets consist of the following at June 30:

	2018	2017
Board Designated		
Foundation operations	$ 248,500	$ 263,500
General University Support	133,000	133,500
Scholarships	120,000	120,000
Undesignated	5,812,575	5,453,701
Total Unrestricted Net Assets	$ 6,314,075	$ 5,970,701

Temporarily restricted net assets consist of the following at June 30:

	2018	2017
Endowed Chairs and Lectureships	$ 4,216,647	$ 4,246,585
Scholarships	1,983,930	1,815,889
Athletics Support	216,660	188,369
General University Support	2,710,753	2,975,434
Total Temporarily Restricted Net Assets	$ 9,127,990	$ 9,226,277

NOTE 12 CAMERON UNIVERSITY FOUNDATION (CONTINUED)

Note 7: Net Assets (Continued)

Permanently restricted net assets consist of the following at June 30:

	2018	2017
Endowed Chairs and Lectureships	$ 5,724,624	$ 5,554,469
Scholarships	5,462,721	5,312,758
Athletics Support	171,910	171,910
General University Support	642,777	763,109
Total Permanently Restricted Net Assets	$ 12,002,032	$ 11,802,246

Net assets released from restrictions were as follows at June 30:

	2018	2017
Endowed Chairs and Lectureships	$ (169,661)	$ (419,741)
Scholarships	(202,332)	(222,579)
Athletics Support	(96,543)	(64,958)
General University Support	(1,674,282)	(1,000,243)
Total Net assets released from restrictions:	$ (2,142,818)	$ (1,707,521)

Note 8: Cameron Investment Program

Investments are held for the production of income and consist of the following at June 30:

	2018	2017
Cash	$ 126,269	$ 65,280
Accrued interest	25,623	25,655
Corporate bonds	1,420,948	1,495,544
	$ 1,572,840	$ 1,586,479

All investments serve as collateral for the note payable as described in Note 6.

Note 9: Fair Value Measurements

The Foundation uses quoted market prices to determine the fair value of an asset or liability when available. If quoted market prices are not available, the Foundation determines fair value using valuation techniques that use market-based or independently-sourced market data, such as interest rates.

NOTE 12 CAMERON UNIVERSITY FOUNDATION (CONTINUED)

Note 9: Fair Value Measurements (Continued)

The following methods and assumptions were used to estimate the fair value of assets and liabilities in the financial statements.

Cash and Cash Equivalents: The carrying amount approximates the fair value due to the short maturity of such amounts.

Investments: Investments in cash and cash equivalents, publicly traded securities, and mutual funds are stated at market value based on quoted market prices. Investments, common trust funds, certificates of deposit, government agency bonds and mortgage-backed securities are stated at market price as determined by the fund manager or quoted market prices in non-active markets. Other investments are stated at fair value based upon current market conditions and other factors deemed relevant to the valuation as provided by the independent valuation specialist and or Foundation management.

Cameron Investment Program: Investments in cash, accrued interest, and corporate bonds are stated at market value based on quoted market prices.

Pledges and Accounts Receivable: The carrying amount of receivables is based on the discounted value of expected future cash flows, which approximate fair value.

Other Assets: Remaining financial instruments are carried at cost, which approximates fair value.

Accounts Payable and Other Liabilities: The carrying amount approximates fair value due to the short maturity of those amounts.

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

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than the Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market date for substantially the full term of the asset or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

NOTE 12 CAMERON UNIVERSITY FOUNDATION (CONTINUED)

Note 9: Fair Value Measurements (Continued)

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements at fair value on a recurring basis and the level within the fair market value hierarchy in which the fair value measurements fall at June 30, 2018 and 2017.

	As of June 30, 2018			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 788,794	$ —	$ —	$ 788,794
Certificates of deposits	115,000	—	—	115,000
Equity securities	15,641,979	—	—	15,641,979
Corporate and other bonds	—	5,620,769	—	5,620,769
U.S. government securities	—	4,548,649	—	4,548,649
Cash and accrued interest	151,892	—	—	151,892
	$16,697,665	$10,169,418	$ —	$26,867,083

	As of June 30, 2017			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 1,309,426	$ —	$ —	$ 1,309,426
Certificates of deposits	115,000	—	—	115,000
Equity securities	14,168,264	—	—	14,168,264
Corporate and other bonds	—	6,099,719	—	6,099,719
U.S. government securities	—	4,027,096	—	4,027,096
Cash and accrued interest	90,935	—	—	90,935
	$15,683,625	$10,126,815	$ —	$25,810,440

The following is a description of methodologies used for instruments measured at fair value on a recurring basis:

Investments: Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. Level 1 investments include equity securities, mutual funds, and money market funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 investments include equity securities with similar characteristics or discounted cash flows, corporate and other bonds, U.S. government securities, marketable alternative assets, inflation hedging and opportunistic and other investments. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy and include corporate and other bonds and marketable and nonmarketable alternative assets.

NOTE 12 CAMERON UNIVERSITY FOUNDATION (CONTINUED)

Note 10: Endowments

The Foundation endowments consist of approximately 200 individual funds established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based upon the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law: In accordance with the requirements of FAS 117-1, and the Oklahoma Uniform Prudent Management of Institutional Funds Act (OUPMIFA), the Foundation will report the market value of an endowment as perpetual in nature. As a result, the Foundation classifies as permanently restricted (1) the original value of gifts donated to the endowment, (2) the original value of subsequent gifts donated to the endowment, (3) all realized and unrealized gains and losses of the endowment, and (4) less any income distribution in accordance with the spending policy which will be classified as temporarily restricted. In accordance with OUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;
(2) The purpose of the foundation and the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of the foundation;
(7) The investment policies of the foundation.

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results which generate a dependable, increasing source of income and appreciation while assuming a moderate level of investment risk. The goal of the Foundation is to provide a consistent rate of return of 4% over the rate of inflation as measured by the national Consumer Price Index (CPI), on a fee adjusted basis over a typical market cycle of no less than three years and no more than five years. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives while reducing risk to acceptable levels.

NOTE 12 CAMERON UNIVERSITY FOUNDATION (CONTINUED)

Note 10: Endowments (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Foundation has a policy of appropriating for distribution at the end of each year earnings in the form of dividends and interest that were earned during that year. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment Net Asset Composition by Type of Fund as of June 30, 2018:

	Temporarily Restricted	Permanently Restricted
Donor-restricted endowment funds	$ 9,127,990	$12,002,032

Endowment Net Asset Composition by Type of Fund as of June 30, 2017:

	Temporarily Restricted	Permanently Restricted
Donor-restricted endowment funds	$ 9,226,277	$11,802,246

Changes in Endowment Net Assets for the year ending June 30, 2018:

	Temporarily Restricted	Permanently Restricted
Endowment net assets - beginning	$ 9,226,277	$11,802,246
Investment return	1,005,084	(91,949)
Contributions	1,039,447	291,735
Appropriations for expenditure	(2,142,818)	--
Total endowment funds	$ 9,127,990	$12,002,032

NOTE 12 CAMERON UNIVERSITY FOUNDATION (CONTINUED)

Note 10: Endowments (Continued)

Changes in Endowment Net Assets for the year ending June 30, 2017:

	Temporarily Restricted	Permanently Restricted
Endowment net assets - beginning	$ 7,932,475	$10,531,212
Investment return	1,169,735	54,288
Contributions	1,831,588	1,216,746
Appropriations for expenditure	(1,707,521)	—
Total endowment funds	$ 9,226,277	$11,802,246

Note 11: Related Parties

Substantially all expenses are for the benefit of the students, faculty, or activities of the University. Transactions between the Foundation and the University are covered under a written agreement between the Foundation and the University. Under this agreement, the University agrees to provide certain administrative services to the Foundation in exchange for scholarships, endowments, grants, and payment of services for the benefit of the University. The Foundation has recorded in-kind contributions received from the University in the accompanying financial statements in the amount of $310,093 and $310,165, for the years ended June 30, 2018 and 2017, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

CAMERON UNIVERSITY
SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – OTRS (UNAUDITED)
OKLAHOMA TEACHERS' RETIREMENT SYSTEM (OTRS)
LAST 10 FISCAL YEARS*

	Measurement Date June 30, 2017	2016	2015	2014
University's Proportion of the Net Pension Liability	0.5%	0.5%	0.6%	0.6%
University's Proportionate Share of the Net Pension Liability	$ 33,844,429	$ 45,773,344	$ 36,072,547	$ 32,936,521
University's Covered-Employee Payroll	$ 20,034,900	$ 21,628,553	$ 24,095,854	$ 25,550,629
University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	168.9%	211.6%	149.7%	128.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.3%	62.2%	70.3%	72.4%

* Only four fiscal years are presented because 10-year data is not yet available.

CAMERON UNIVERSITY
SCHEDULE OF THE UNIVERSITY’S CONTRIBUTIONS – OTRS (UNAUDITED)
OKLAHOMA TEACHERS’ RETIREMENT SYSTEM (OTRS)
LAST 10 FISCAL YEARS*

	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 1,981,725	$ 2,111,814	$ 2,331,395	$ 2,472,233	$ 2,492,447
Contributions in Relation to the Contractually Required Contribution	(1,981,725)	(2,111,814)	(2,331,395)	(2,472,233)	(2,492,447)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
University’s Covered-Employee Payroll	$ 20,034,900	$ 21,628,553	$ 24,095,854	$ 25,550,629	$ 25,739,234
Contributions as a Percentage of Covered-Employee Payroll	9.89%	9.76%	9.68%	9.68%	9.68%

	2013	2012	2011
Contractually Required Contribution	$ 2,487,250	$ 2,313,695	$ 2,317,445
Contributions in Relation to the Contractually Required Contribution	(2,487,250)	(2,313,695)	(2,317,445)
Contribution Deficiency (Excess)	$ -	$ -	$ -
University’s Covered-Employee Payroll	$ 25,628,455	$ 24,203,445	$ 23,726,504
Contributions as a Percentage of Covered-Employee Payroll	9.71%	9.56%	9.77%

* 10-year data is not yet available.

CAMERON UNIVERSITY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PRESIDENT'S RETIREMENT PLAN – PLAN 2 (UNAUDITED)
LAST 10 FISCAL YEARS*
(DOLLAR AMOUNTS IN THOUANDS)

	2018	2017	2016	2015
Total Pension Liability				
Interest	$ 103,624	$ 94,639	$ 101,019	$ 99,303
Differences Between Expected and Actual Experience	40,303	171,961	(99,500)	34,301
Changes of Assumptions	2,650	2,571	2,760	-
Benefit Payments	(121,986)	(116,841)	(104,388)	(105,617)
Net Change in Total Pension Liability	24,591	152,330	(100,109)	27,987
Total Pension Liability - Beginning	1,788,071	1,635,741	1,735,850	1,707,863
Total Pension Liability - Ending	1,812,662	1,788,071	1,635,741	1,735,850
Plan Fiduciary Net Position				
Net Investment Income	117,251	181,625	(44,501)	94,843
Benefit Payments	(121,986)	(116,841)	(104,388)	(105,617)
Administrative Expense	(5,500)	-	-	-
Net Change in Plan Fiduciary Net Position	(10,235)	64,784	(148,889)	(10,774)
Plan Fiduciary Net Position - Beginning (a)	1,561,959	1,497,175	1,646,064	1,656,838
Plan Fiduciary Net Position - Ending (b)	1,551,724	1,561,959	1,497,175	1,646,064
Net Pension Liability - Ending (a)-(b)	$ 10,235	$ (64,784)	$ 138,566	$ 89,786
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.6%	87.4%	91.5%	94.8%
Covered Employee Payroll	-	-	-	-
Net Pension Liability as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A

* 10-year data is not yet available.

CAMERON UNIVERSITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PRESIDENT'S RETIREMENT PLAN – PLAN 2 (UNAUDITED)
LAST 10 FISCAL YEARS*

	2018	2017	2016	2015	2014
Actuarially Determined Contribution	$ 239,679	$ 177,063	$ 109,470	$ 75,524	$ 193,534
Contributions in Relation to the Actuarially Determined Contribution	-	-	-	-	(25,000)
Contribution Deficiency (Excess)	$ 239,679	$ 177,063	$ 109,470	$ 75,524	$ 168,534
University's Covered-Employee Payroll	$ -	$ -	$ -	$ -	$ -
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

	2013	2012	2011
Actuarially Determined Contribution	$ 495,559	$ 359,557	$ 276,094
Contributions in Relation to the Actuarially Determined Contribution	(409,542)	(460,000)	(150,000)
Contribution Deficiency (Excess)	$ 86,017	$ (100,443)	$ 126,094
University's Covered-Employee Payroll	$ 374,755	$ 373,287	$ 365,638
Contributions as a Percentage of Covered-Employee Payroll	132.24%	96.32%	75.51%

* 10-year data is not yet available.

CAMERON UNIVERSITY
SCHEDULE OF CHANGES IN NET OPEB ASSET AND RELATED RATIOS
OTRS OPEB (UNAUDITED)
LAST 10 FISCAL YEARS*

	2018
Total OPEB Liability	
Service Cost	$ 33,980
Interest	162,180
Difference Between Expected and Actual Experience	(72,512)
Benefit Payments	(154,923)
Net Change in total OPEB Liability	(31,275)
Total OPEB Liability - Beginning	2,222,874
Total OPEB Liability - Ending	$ 2,191,599
Plan Fiduciary Net Position	
Contributions - Employer	$ 33,292
Difference Between Projected and Actual Investment Income	318,432
Benefit Payments	(154,923)
Administrative Expenses	(135)
Net Change in Plan Fiduciary Net Position	196,666
Plan Fiduciary Net Position - Beginning	2,222,874
Plan Fiduciary Net Position - Ending	$ 2,419,540
Net OPEB Liability (Asset)	(227,941)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	110.40%
Covered Employee Payroll	$ 20,807,241
University's Net OPEB Liability as a Percentage of the Covered Employee Payroll	-1.10%

* 10-year data is not yet available.

CAMERON UNIVERSITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTRS OPEB (UNAUDITED)
LAST 10 FISCAL YEARS*

	2018
Actuarially Determined Contribution	$ 33,292
Contribution in Relation to the Actuarially Determined Contribution	33,292
Contribution Deficiency (Excess)	$ -
Covered Employee Payroll	$ 20,807,241
Contributions as a Percentage of Covered Employee Payroll	0.16%

* 10-year data is not yet available.

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND UNIFORM GUIDANCE

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITNG STANDARDS*

Board of Regents of the Univeristy of Oklahoma
Cameron University
Norman, Oklahoma

We have audited, in accordance with the 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, the financial statements of Cameron University (the University), an organizational unit of the Regents of the University of Oklahoma (the Regents), which is a component unit of the state of Oklahoma, which comprise the statement of net position as of June 30, 2018, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 11, 2018. Our report includes emphasis of matters paragraphs acknowledging that the University is an organizational unit of the Regents and these financial statements reflect only the assets, liabilities and revenues and expenses of the University and not the Regents as a whole. The Cameron University Foundation, Inc. (the Foundation) has been presented as part of the reporting entity. This legally separate organization was audited by other auditors. The Foundation was not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal* control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
October 11, 2018

CliftonLarsonAllen

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Regents of the University of Oklahoma
Cameron University
Norman, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited the compliance of Cameron University (the University) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2018. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the University's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding 2018-001. Our opinion on the major federal program is not modified with respect to these matters.

The University’s response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University’s response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on the internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2018-001, that we consider to be significant deficiencies.

Cameron University’s response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Cameron University’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
October 11, 2018

CAMERON UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
STUDENT FINANCIAL AID ASSISTANCE CLUSTER:				
Department of Education Direct Programs				
Federal Pell Grant	84.063			$ 8,832,685
Federal Supplemental Education Opportunity Grant	84.007			203,778
Federal Direct Student Loan Program	84.268			13,649,378
Federal Work Study	84.033			169,572
TEACH Grant	84.379			51,456
Federal Perkins Loan Program	84.038			50,276
Total Department of Education Direct Programs				22,957,145
TRIO CLUSTER:				
Department of Education Direct Programs				
Upward Bound	84.047A			281,079
Student Support Services	84.042A			448,793
Talent Search Grant	84.044A			365,754
Total TRIO Cluster				1,095,626
U.S. Small Business Administration Program				
Oklahoma Small Business Development Center Network	59.037			20,073
Total U.S. Small Business Administration				20,073
U.S. Department of Commerce Pass-Through Program:				
Economic Development Administration- Duncan Science Labs	11.300			430,386
Total U.S. Department of Commerce				430,386
Department of Education Pass-Through Program From:				
Oklahoma Department of Career and Technology Education				
Carl Perkins	84.048	73-6017987		123,314
Total Department of Education				123,314
National Aeronautics Space Administration Pass-Through Program:				
University of Oklahoma NASA Grant	43.008	73-1377584		60,949
Total National Aeronautics Space Administration				60,949
National Science Foundation Pass-Through Programs:				
Oklahoma State University - Oklahoma Lewis Stokes				
Alliance for Minority Participants	47.076	73-1383996		30,423
Oklahoma EPSCoR - English and Applied Math Summer Academy	47.079	73-6017987		21,258
Total National Science Foundation				51,681
National Center for Research Resources Pass-Through Programs:				
University of Oklahoma - OK INBRE	93.859	73-1563627		19,796
Total National Center for Research Resources				19,796
National Endowment for the Humanities Pass-Through Program:				
Oklahoma Humanities Council	45.129	73-6017987		999
Total National Endowment for the Humanities				999
Total Expenditures of Federal Awards				$ 24,759,969

See Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal award activity of Cameron University under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).* Because the Schedule presents only a selected portion of the operations of Cameron University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Cameron University.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The University has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 FEDERAL DIRECT STUDENT LOAN PROGRAM

Under the Federal Direct Student Loan Program (Direct Loan Program), the U.S. Department of Education makes loans to enable a student or parent to pay the costs of the student's attendance at a postsecondary school. The Direct Loan Program enables an eligible student or parent to obtain a loan to pay for the student's cost of attendance directly from the U.S. Department of Education rather than through private lenders. The University began participation in the Direct Loan Program on July 1, 2010. The University administers the origination and disbursement of the loans to eligible students or parents. The University is not responsible for the collection of these loans.

NOTE 4 LOANS OUTSTANDING

The University had $50,276 in Federal Perkins Loans outstanding at June 30, 2018.

NOTE 5 SUBRECIPIENTS

During the year ended June 30, 2018, the University did not provide any federal awards to subrecipients.

CAMERON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	**Unmodified**	
Internal control over financial reporting:		
Material weakness(es) identified?	____ yes	x no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ yes	x none reported
Noncompliance material to financial statements noted?	____ yes	x no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ yes	x no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	x yes	____ none reported
Type of auditors' report issued on compliance for for major programs?	**Unmodified**	
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	x yes	____ no

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
	SFA Cluster:
84.063	Pell Grant
84.007	Federal Supplemental Educational Opportunity Grants
84.268	Federal Direct Student Loans
84.033	Federal Work Study
84.379	Teacher Education Assistance for College and Higher Education Grants
84.038	Federal Perkins Loan Program

* See the Schedule of Expenditures of Federal Awards for identification of CFDA numbers applicable to the major programs.

Dollar threshold used to distinguish between type A and type B programs:	$750,000/ $187,500	
Auditee qualified as low-risk auditee?	x yes	____ no

Section II – Financial Statement Findings

Current Year
None

Section III – Findings and Questioned Costs – Major Federal Programs

2018-001: Inadequate Controls Over Exit Counseling

Federal Agency:	Department of Education
Federal Program:	Title: Student Financial Assistance Cluster
CFDA Numbers:	84.007 – Federal Supplemental Education Opportunity Grants 84.033 – Federal Work Study Program 84.038 – Federal Perkins Loans 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans 84.379 – Teacher Education Assistance for College and Higher Education Grants

Award Period: July 1, 2017 to June 30, 2018

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria or Specific Requirement:
The Code of Federal Regulations, 34 CFR 685.304 require entrance counseling be performed before disbursing loan funds to the student for Direct Subsidized Loan, Direct Unsubsidized Loan and Direct PLUS Loan to a graduate or professional student . The regulations also require exit counseling for all students who ceases at least half-time study at the school.

Condition:
Exit Counseling—It was noted that the University did not send out exit counseling notifications within the required 30 days of a student ceasing attendance.

Questioned Costs:
None

Cause:
The College's processes and controls did not ensure that exit counseling was completed.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect:
Students are not receiving the proper loan counseling which may contribute to a higher default rate.

Repeat Finding
No

Recommendation:
We recommend the Institution review its policies and procedures around sending exit counseling information to students to ensure students are receiving proper counseling.

Management Response:
The University has corrected its exit counseling process to ensure timely notification of borrower responsibilities to departing students. Each month identified departing students are issued an electronic communication instructing them to complete exit counseling and explaining their rights and responsibilities as a borrower along with support resources. The Office of Financial Assistance and Veteran Affairs reviews student exit counseling activity daily via download from EdConnect. Holds preventing future loan disbursements are placed on student accounts where exit counseling requirements have not been completed after two weeks of the original notification.

Section IV – Prior Year Findings

2017 – 001

During our testing, we noted that the University used the incorrect withdrawal date for 7 of 40 students tested when calculating the return of funds. We also noted that proper documentation for 1 of 40 students was not properly retained.

Status: Issue not repeated in the current year.