

NOTICE OF MEETING
Board of Governors, Truman State University
Friday, October 21, 2016

The Board of Governors for Truman State University will meet on Friday, October 21, 2016, beginning at 1:00 p.m. The meeting will be held in the Conference Room (3000) of the Student Union Building located on the University campus in Kirksville, Missouri. The public is invited to attend.

The tentative agenda for the meeting is attached to this notice. Items N, O, P and Q on the attached agenda are eligible for consideration in closed session under the provisions of Section 610.010 thru 610.030 of the Revised Statutes of Missouri, commonly known as the Open Meetings Law. During the open session of the meeting, the Board of Governors will select the items of business to be conducted in closed session and will state its reasons for considering such items in closed session.

Persons with disabilities who may need assistance for the meeting should contact the President's Office at Truman State University (200 McClain Hall or by telephone 660-785-4100).

Dated this 14th day of October, 2016.

A handwritten signature in black ink, reading "Susan L. Thomas". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Susan L. Thomas, Ph.D.
Interim President of the University

TENTATIVE AGENDA
Board of Governors, Truman State University
Friday, October 21, 2016

Friday, October 14, 2016

- 2:00 p.m. Board of Governors Budget and Capital Projects Committee Conference Call Meeting
President's Office, McClain Hall 200
(Governors LaBeth, Bonner, Zito and Burkemper)

Monday, October 17, 2016

- 10:30 a.m. Board of Governors Academic and Student Affairs Committee Conference Call Meeting
President's Office, McClain Hall 200
(Governors Cozette, Dameron, Templeton and Burkemper)
- 3:30 p.m. Board of Governors Finance and Auditing Committee Conference Call Meeting
President's Office, McClain Hall 200
(Governors Plassmeyer, Crandall, O'Donnell and Burkemper)

Friday, October 21, 2016

- 7:30 a.m. Joint Board Breakfast for Foundation Board of Directors, Alumni Board and Volunteers
The Hub, Student Union Building
(Governors Burkemper, LaBeth and O'Donnell)
- 8:15 a.m. Foundation Board of Directors Meeting
Conference Room, Student Union Building
(Governors Burkemper, LaBeth and O'Donnell)
- 12:00 noon Joint Boards Luncheon for Board of Governors, Foundation Board of Directors, Alumni Board and Volunteers
Activities Room, Student Union Building
- 1:00 p.m. Open Session of Board of Governors Meeting
Conference Room, Student Union Building
- ITEM A Call to Order and Chair Report
 - ITEM B Minutes for Open Session of Meetings on August 6 and 19, 2016
 - ITEM C President's Report
 - ITEM D Recognition of Kelly Kochanski
 - ITEM E Advancement/Foundation Board Report
 - ITEM F Annual Governmental Relations Services Report
 - ITEM G Annual Enrollment Management Report
 - ITEM H Finance and Auditing Committee Report
 - ITEM H.1 Audit Report
 - ITEM H.2 Alumni Association Independent Tax Exempt Status
 - ITEM H.3 Resolution Amending Section 10.070 of the Code of Policies of the Board of Governors—Vacation Leave
 - ITEM H.4 Financial Report
 - ITEM I Academic and Student Affairs Committee Report
 - ITEM I.1 University Strategic Plan

ITEM J Budget and Capital Projects Committee Report
 ITEM J.1 Construction Projects Report
 ITEM J.2 Contracts for Construction Projects and Equipment Purchases Report
 ITEM J.3 Blanton-Nason-Brewer Window and Roof Replacement Project
 ITEM J.4 University Residence Project
 ITEM K Agenda Items for Future Meetings
 ITEM L Dates for Future Meetings
 ITEM M Agenda Items for Closed Session
 Closed Session of Board of Governors Meeting
 ITEM N Minutes for Closed Session of Meetings on August 6 and 19, 2016
 ITEM O Personnel Actions Report
 ITEM P General Counsel Report
 ITEM Q Real Estate
 ITEM Q.1 Motion to Adjourn

5:00 p.m. Pre-Banquet Reception
 The Hub, Student Union Building

6:00 p.m. Bulldog Forever Alumni Celebration Banquet featuring Golden Alumni Diploma
 Ceremony, Hall of Fame Inductees and Homecoming Honorees
 Georgian Room, Student Union Building

Saturday, October 22, 2016

8:00 a.m. 5K Run/Walk, Barnett Hall (registration at 7:00 a.m.)

8:00 a.m. Boards and Special Guests Complimentary Breakfast
 President's Office, McClain Hall 200

8:45 a.m. Board of Governors and Honorees transported to Homecoming Parade from President's
 Office, McClain Hall 200

9:00 a.m. Homecoming Parade

10:30 a.m. Campaign Steering Committee Meeting, McClain Hall 201A
 (Governor Cozette)

11:00 a.m. Bulldog Homecoming Tailgate/Reunion Luncheons
 Parking Lots at SW Corner of Franklin and Patterson

11:30 a.m. Golden Alumni Class Reunion/Class of 1966 and Prior Classes
 Georgian Room, Student Union Building

1:15 p.m. Pep Rally/Crowning of Royalty
 Parking Lots at SW Corner of Franklin and Patterson

1:30 p.m. Pre-Game Activities, Stokes Stadium

2:00 p.m. Bulldog Football vs. William Jewell, Stokes Stadium

5:00 p.m. Bulldog Volleyball vs. Missouri S&T, Pershing Arena

ITEM A

Call to Order and Chair Report

Governor Sarah Burkemper, Chair of the Board, will call the meeting to order, recognize Board members participating by phone or absent, and provide a Chair Report as needed.

RECOMMENDED ACTION

This is a discussion item only.

ITEM B

Minutes for Open Session of Meetings on August 6 and 19, 2016

RECOMMENDED ACTION

BE IT RESOLVED that the minutes for the open session of the meetings on August 6 and 19, 2016, be approved.

Moved by _____
Seconded by _____
Vote: Aye _____
Nay _____

ATTACHMENTS

Minutes for Open Session of Meeting on August 6, 2016
Minutes for Open Session of Meeting on August 19, 2016

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OPEN SESSION
OF MEETING ON
AUGUST 6, 2016

The Board of Governors for Truman State University met on Saturday, August 6, 2016, on the University campus in Kirksville, Missouri. A meeting with the presidential search consultant was held in conjunction with the Board of Governors meeting and both were held in the Conference Room of the Student Union Building.

Participating in the meeting were five of the seven voting members: Cheryl J. Cozette, Laura Crandall, Jennifer Kopp Dameron, Jimmy O'Donnell and Susan Plassmeyer. Sarah Burkemper and Mike LaBeth were absent due to previous commitments and their absence was recorded as excused.

Also participating in the meeting were two of the three non-voting members: Michael A. Zito, an out-of-state member, and Carter Brooks Templeton, student representative. David Lee Bonner, the other out-of-state member, was absent due to a previous commitment and his absence was recorded as excused.

Call to Order

Cheryl J. Cozette, Secretary of the Board of Governors, called the meeting to order shortly after 11:00 a.m. and welcomed all in attendance.

Presidential Search

Dr. Jessica Kozloff, a consultant with Academic Search, Inc., was present to lead a discussion related to the presidential search process. It was noted that the Presidential Search Committee will hold its first meeting at following the conclusion of the Board of Governors meeting and a draft charge was shared with the Board. Following discussion, Jennifer Kopp Dameron moved that the Charge to the Search Committee be approved. The motion was seconded by Susan Plassmeyer and carried by a unanimous vote of 4 to 0. Governor Cozette then declared the motion to be duly adopted, and the Secretary designated a copy of the document as Exhibit 1.

The meeting recessed for lunch and resumed at 1:00 p.m.

Minutes for Open Session of Meeting on June 11, 2016

Laura A. Crandall moved the adoption of the following resolution:

BE IT RESOLVED that the minutes for the open session of the meeting on June 11, 2016, be approved.

The motion was seconded by Jennifer Kopp Dameron and carried by a unanimous vote of 4 to 0. Governor Cozette then declared the motion to be duly adopted.

Jim O'Donnell joined the meeting at approximately 1:15 p.m.

President's Report

Dr. Susan L. Thomas, Interim University President, expressed her appreciation to the Board for their amazing support and commitment to the University and thanked them for taking the time to individually meet with her throughout the past few weeks. She shared a selected engagements report detailing her activities since she began her new position on July 1st. President Thomas provided updates on the renovations to Baldwin Hall and the Greenwood Center project. She highlighted activities associated with the start of the Fall 2016 Semester. She invited Board members to attend the Opening Assembly and the Ready-or-Not Faculty and Staff Appreciation Luncheon scheduled for August 18, and she shared copies of the book *Harry Truman's Excellence*

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Adventure, a book that will be discussed by incoming students during Truman Transformation (formerly known as Truman Week). Finally, President Thomas, along with Charles Hunsaker, Interim Co-Chair of University Advancement, highlighted a \$1 million gift commitment (more details to follow later) secured by the Office of Advancement and extended birthday greetings to Jim Cherrington, a member of the Truman State University Foundation Board of Directors who was seated in the audience.

Annual Athletics Report

Jerry Wollmering, Director of Athletics, provided the annual report on athletics.

Annual Staff Council Report

Curtis Kelsey, Chair of Staff Council and Web Developer II for Information Technology Services, provided the annual report from Staff Council.

Strategic Plan for 2016-2020

President Thomas and Richard Coughlin, Interim Executive Vice President for Academic Affairs and Provost, led a discussion regarding the draft Strategic Plan for 2016-2020.

Michael A. Zito exited the meeting at approximately 1:50 p.m.

Finance and Auditing Committee Report

Susan Plassmeyer, Chair of the Finance and Auditing Committee, provided a report on the committee meeting held earlier that day.

Financial Report

Susan Plassmeyer provided a review of the financial reports which included a review as of June 30, 2016, of education and general revenues and expenditures and auxiliary systems revenues and expenditures and a review as of June 30, 2016, of the Truman State University Foundation revenues and expenditures.

Academic and Student Affairs Committee Report

Cheryl J. Cozette, Chair of the Academic and Student Affairs Committee, provided a report on the committee meeting held earlier that day.

Budget and Capital Projects Committee Report

David Rector, Vice President for Administration, Finance and Planning, provided a report on the committee meeting held on August 2.

Construction Projects Report

Mr. Rector provided an update on construction projects which had been approved by the Board at previous meetings.

Contracts for Construction Projects and Equipment Purchases Report

Mr. Rector reported that one equipment purchase totaling \$25,000 to \$100,000 had been approved since the last meeting of the Board:

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<u>Description</u>	<u>Cost</u>
Student Recreation Center Flooring Project	\$30,620.00

Local Capital Budgets for Fiscal Year 2017

Laura A. Crandall moved the adoption of the following resolution:

BE IT RESOLVED that the “Local State Funds Capital Budget – FY 2017” of \$2,000,000 and the proposed “Auxiliary Funds Capital Budget – FY 2017” of \$3,500,000 be approved and that copies of the budgets be attached to the minutes as exhibits.

The motion was seconded by Jennifer Kopp Dameron and carried by a unanimous vote of 5 to 0. Governor Cozette then declared the motion to be duly adopted, and the Secretary designated a copy of the documents as Exhibit A.

State Appropriation Request for Fiscal Year 2108

Jennifer Kopp Dameron moved the adoption of the following resolution:

BE IT RESOLVED that the State Appropriation Request for Fiscal Year 2018 totaling \$48,880,757 be approved and ratified; and

BE IT FURTHER RESOLVED that a copy of the State Appropriation Request for Fiscal Year 2018, be attached to the minutes as an exhibit and that the President of the University be authorized to modify this request based upon input from the staff of the Coordinating Board for Higher Education, Office of Administration, and the Legislature as appropriate.

The motion was seconded by Susan Plassmeyer and carried by a unanimous vote of 5 to 0. Governor Cozette then declared the motion to be duly adopted, and the Secretary designated a copy of the document as Exhibit B.

Architectural Services – Greenwood Center Project

Susan Plassmeyer moved the adoption of the following resolution:

BE IT RESOLVED that the proposal from Mackey Mitchell to provide architectural services for the Greenwood Center Project, with the fees and work for such services to be within the guidelines of the proposal, be approved; and BE IT FURTHER RESOLVED that the President of the University, or her designee, be authorized to execute a contract with the firm for the project; and

BE IT FURTHER RESOLVED that a copy of the proposal be attached to and made a part of the minutes for this meeting.

The motion was seconded by Laura A. Crandall and carried by a unanimous vote of 5 to 0. Cheryl J. Cozette then declared the motion to be duly adopted, and the Secretary designated a copy of the document as Exhibit C.

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Architectural Services – University Residence Project

Jennifer Kopp Dameron moved the adoption of the following resolution:

BE IT RESOLVED that the proposal from Ittner Architects to provide architectural services for the University Residence Project, with the fees and work for such services to be within the guidelines of the proposal, be approved; and

BE IT FURTHER RESOLVED that the President of the University, or her designee, be authorized to execute a contract with the firm for the project; and

BE IT FURTHER RESOLVED that a copy of the proposal be attached to and made a part of the minutes for this meeting.

The motion was seconded by Susan Plassmeyer and carried by a unanimous vote of 5 to 0. Governor Cozette then declared the motion to be duly adopted, and the Secretary designated a copy of the document as Exhibit D.

Greenley Trust Distribution

Laura A. Crandall moved the adoption of the following resolution:

BE IT RESOLVED that the Board of Governors is empowered by Chapter 174 Revised Statutes of Missouri to operate Truman State University; that the Board of Governors has enacted its “Code of Policies of the Board of Governors” to establish rules and regulations for the operation of the University and to establish the authority of its administrative officers including the President of the University; that such Policies and Bylaws grant to the President the authority to manage the fiscal and business activities of the University; that this authority includes the authority of the President to execute legal documents, contracts and other documents of a similar nature on behalf of the University; that Susan L. Thomas was appointed President of the University by this Board, effective July 1, 2016 and continues to serve in that capacity to the present time; that the Board of Governors has designated the Truman State University Foundation to serve as legal trustee for University funds and to act on behalf of the University to receive, hold and invest gifts and other funds, both in the name of the Foundation and in the name of the University; that, as President, Susan L. Thomas is authorized to accept gifts on behalf of both the Foundation and the University and to execute any documents necessary for that purpose; that this Resolution of the Board of Governors was duly adopted at its regular meeting on August 6, 2016; and the Secretary of the Board, Cheryl J. Cozette is authorized to provide a copy of this Resolution to Wells Fargo Bank to facilitate this transaction.

The motion was seconded by Jennifer Kopp Dameron and carried by a unanimous vote of 5 to 0. Governor Cozette then declared the motion to be duly adopted.

Agenda Items for Future Meetings

The Board reviewed a list of proposed agenda items for the regular meetings during the next year.

Dates for Future Meetings

Jennifer Kopp Dameron moved the adoption of the following resolution:

BE IT RESOLVED that the next regular meeting of the Board of Governors be scheduled for Friday, October 21, 2016, on the University campus in Kirksville, Missouri, beginning at 1:00 p.m., with the understanding that the Chair may alter the starting time and/or place for the meeting by giving due notice of such change; and

BE IT FURTHER RESOLVED that other regular meetings of the Board during the next year be tentatively scheduled for the following dates:

Saturday, December 3, 2016;
Saturday, February 4, 2017;
Saturday, April 8, 2017;
Saturday, June 10, 2017; and
Saturday, August 5, 2017.

The motion was seconded by Susan Plassmeyer and carried by a unanimous vote of 5 to 0. Governor Cozette then declared the motion to be duly adopted.

Agenda Items for Closed Session

Susan Plassmeyer moved the adoption of the following resolution:

BE IT RESOLVED that this meeting be continued in closed session, with closed records and closed votes as permitted by law, for consideration of the following items as authorized by Section 610.021, Revised Statutes of Missouri:

1. Approval of minutes for the closed session of the last meeting under Subsection 14 of the statute for "Records which are protected from disclosure by law";
2. Individual personnel actions under Subsection 3 of the statute for "Hiring, firing, disciplining or promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded";
3. Confidential communications with the General Counsel; and
4. Purchase of real estate under Subsection 2 of the statute for "Leasing, purchase or sale of real estate by a public governmental body where public knowledge of the transaction might adversely affect the legal consideration therefore; and

BE IT FURTHER RESOLVED that if any business not covered by the stated reasons for the closed session is raised during the closed session, then this meeting shall be reopened to the public and an announcement about a resumption of the open session shall be made in the hallway outside of the meeting room.

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The motion was seconded by Laura A. Crandall and carried by a unanimous vote of 5 to 0. Governor Cozette then declared the motion to be duly adopted.

The closed session of the meeting began shortly after 2:30 p.m.

Cheryl J. Cozette
Secretary of the Board of Governors

I hereby certify that the foregoing minutes were approved by the Board of Governors on the 21st day of October, 2016.

Sarah Burkemper
Chair of the Board of Governors

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OPEN SESSION
OF MEETING ON
AUGUST 19, 2016

The Board of Governors for Truman State University met on Friday, August 19, 2016, on the University campus in Kirksville, Missouri. The meeting was held in the President's Office located in McClain Hall 200, and the open session of the meeting was called to order shortly after 8:00 a.m. by the Chair of the Board of Governors, Sarah Burkemper.

Participating in the meeting were all seven voting members: Sarah Burkemper, Cheryl J. Cozette, Laura Crandall, Jennifer Kopp Dameron, Mike LaBeth, Jim O'Donnell and Susan Plassmeyer.

Also participating in the meeting were all three non-voting members: David Lee Bonner and Michael A. Zito, the two out-of-state members, and Carter Brooks Templeton, student representative.

Call to Order

Sarah Burkemper, Chair of the Board, called the meeting to order and welcomed all in attendance.

Agenda Items for Closed Session

Mike LaBeth moved the adoption of the following resolution:

BE IT RESOLVED that this meeting be continued in closed session, with closed records and closed votes as permitted by law, for consideration of the following items as authorized by Section 610.021, Revised Statutes of Missouri:

Confidential and privileged communications with the General Counsel; and

BE IT FURTHER RESOLVED that if any business not covered by the stated reasons for the closed session is raised during the closed session, then this meeting shall be reopened to the public and an announcement about a resumption of the open session shall be made in the hallway outside of the meeting room.

The motion was seconded by Jennifer Kopp Dameron and carried by a unanimous vote of 7 to 0. Sarah Burkemper then declared the motion to be duly adopted.

The closed session of the meeting began shortly after 8:05 a.m.

Cheryl J. Cozette
Secretary of the Board of Governors

I hereby certify that the foregoing minutes were approved by the Board of Governors on the 21st day of October, 2016.

Sarah Burkemper
Chair of the Board of Governors

ITEM C
President's Report

DESCRIPTION AND BACKGROUND

Dr. Susan L. Thomas, Interim University President, will provide a report on several items of current interest.

RECOMMENDED ACTION

This is a discussion item only.

ITEM D**Recognition of Kelly Kochanski****DESCRIPTION AND BACKGROUND**

Kelly Kochanski, Student Representative to the Board of Governors from March 2014 to April 2016, will be recognized for her service.

RECOMMENDED ACTION

This is a discussion item only.

ITEM E

Advancement/Foundation Board Report

DESCRIPTION AND BACKGROUND

Charles Hunsaker and Denise Smith, Interim Co-Directors of University Advancement, and Dr. Sharron Quisenberry, Chair of the Pursue the Future Campaign, will provide an update on Advancement/Foundation Board activities and the Pursue the Future Campaign.

RECOMMENDED ACTION

This is a discussion item only.

ITEM F
Annual Governmental Relations Services Report

DESCRIPTION AND BACKGROUND

Michael R. Gibbons and Tricia Workman, of GibbonsWorkman LLC, will provide a report on their work as governmental relations services consultants to the University.

RECOMMENDED ACTION

This is a discussion item only.

ITEM G
Annual Enrollment Management Report

DESCRIPTION AND BACKGROUND

Regina Morin, Vice President for Enrollment Management, will provide the annual enrollment management report.

RECOMMENDED ACTION

This is a discussion item only.

ITEM H
Finance and Auditing Committee Report

DESCRIPTION AND BACKGROUND

Governor Susan Plassmeyer, Chair of the Finance and Auditing Committee, will provide a report on the committee meeting held on October 17.

RECOMMENDED ACTION

This is a discussion item only.

ITEM H.1
Audit Report

DESCRIPTION AND BACKGROUND

Representatives of RubinBrown LLP accounting firm will be present to review a draft of the annual audit of the University.

RECOMMENDED ACTION

This is a discussion item only.

ATTACHMENT

Audit Report



Presentation of the Results of the Annual Audit
Truman State University

For The Year Ended June 30, 2016





Truman State University

Board of Governors, Audit Committee and
Members of Management
Truman State University

We have audited the basic financial statements of Truman State University (the University) for the year ended June 30, 2016. Our audit was performed in accordance with auditing standards generally accepted in the United States of America and *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 and presented in accordance with accounting principles generally accepted in the United States of America. Our audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. We also evaluated the appropriateness of accounting policies used by the University and the reasonableness of significant accounting estimates made by the University's management, as well as evaluated the overall presentation of the financial statements.

Auditing standards require the auditor to ensure that those charged with corporate governance receive additional information regarding the scope and results of the audit that may assist the governing body in overseeing the financial reporting and disclosure process for which management is responsible. The following section describes matters which are required to be reported to you.

This information is intended solely for the use of the Board of Governors, Audit Committee and management of the University and is not intended to be and should not be used by anyone other than these specified parties.



Auditor Communications

Truman State University

AREA	COMMENTS
<p>Auditors' Responsibility Under U.S. Generally Accepted Auditing Standards, Government Auditing Standards and the Uniform Guidance</p> <p>Our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with our assistance are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and that the University complied in all material respects with the applicable compliance requirements of its major federal programs. Our audit of the financial statements and compliance does not relieve you or management of responsibility for the accuracy of the financial statements or compliance with applicable compliance requirements.</p> <p>Professional standards also require that we obtain a significant understanding of the University's internal control to plan the audit. However such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. Accordingly, we express no such assurance.</p>	<p>We will issue the following:</p> <ul style="list-style-type: none"> ◆ An unmodified opinion on the University's financial statements for the year ended June 30, 2016. ◆ A report on compliance and on internal control over financial reporting based on an audit of the financial statements in accordance with <i>Government Auditing Standards</i>. <p>It is anticipated the following single audit report will be issued:</p> <ul style="list-style-type: none"> ◆ An unmodified opinion on compliance and our report on internal controls over federal financial assistance in accordance with the Uniform Guidance.



Auditor Communications (Continued)

Truman State University

AREA	COMMENTS
<p>Other Information In Documents Containing Audited Financial Statements</p>	<ul style="list-style-type: none"> ◀▶ The 2016 audited financial statements of the University will be included in the financial statements of the State of Missouri. To our knowledge, the 2016 audited financial statements are not included within any other document. ◀▶ Management's discussion and analysis: <ul style="list-style-type: none"> ◀ We applied certain limited procedures in accordance with auditing standards generally accepted in the United States of America. ◀ 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 do so.
<p>Planned Scope And Timing Of The Audit</p>	<p>We performed the audit according to the planned scope and timing previously communicated to management and the Audit Committee in our engagement letter dated February 10, 2016 and on June 6, 2016, in our meeting regarding the nature, timing and extent of our audit procedures.</p>



Auditor Communications (Continued)

Truman State University

AREA	COMMENTS
<p>Qualitative Aspects Of Accounting Practices</p> <p>Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about appropriateness of accounting policies and their application.</p>	<ul style="list-style-type: none"> ◆ Significant accounting policies are described in Note 1 to the financial statements. ◆ The University implemented GASB 72 – <i>Fair Value Measurements</i>, during the year ended June 30, 2016. No other new accounting policies were adopted and the application of existing policies was not changed. ◆ No new accounting policies that had a material or significant impact on the financial statements were adopted and the application of existing policies was not changed. ◆ We noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus. ◆ No significant transactions have been recognized in a different period than when the transactions occurred.



Auditor Communications (Continued)

Truman State University

AREA	COMMENTS
<p>Management Judgments And Accounting Estimates</p> <p>The preparation of the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management’s expectations.</p>	<p>The most notable estimates affecting the financial statements are:</p> <ul style="list-style-type: none"> ◆ Depreciable lives used to calculate depreciation of buildings and equipment. Management’s estimate of depreciable lives is based on the assets’ estimated useful lives. ◆ Allowance for uncollectible loans and student accounts receivable: Management has derived an estimated amount of loans and student accounts receivable that will not be collected in the future, utilizing a historical collection percentage. ◆ Accrued post-employment benefits: Management estimates the future liability for post-employment benefits based upon a projection of future health insurance costs for eligible retirees participating in the program, discounted to present value. ◆ Self-insurance accrual: Management estimates the future liability for incurred but not reported insurance claims. ◆ Net pension liability: Estimated based on actuarial information provided by MOSERS <p>We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.</p>



Auditor Communications (Continued)

Truman State University

AREA	COMMENTS
<p>Financial Statement Disclosures</p> <p>The disclosures are neutral, consistent and clear. Certain disclosures are particularly sensitive because of their significance to the financial statements' users.</p>	<p>The most sensitive disclosures affecting the financial statements are:</p> <ul style="list-style-type: none"> ◆ Deposits and investments ◆ Long-term liabilities ◆ Pension Plan - MOSERS
<p>Difficulties Encountered In Performing The Audit</p>	<p>There were no difficulties encountered in dealing with management related to the performance of the audit.</p>
<p>Corrected And Uncorrected Misstatements</p>	<p>We accumulated several reclassification entries, which did not have an impact on the change in net assets. Management agreed with us and recorded these entries.</p> <p>We identified an adjustment related to the accounting for the planned remediation of asbestos for construction contracts. The current GASB guidance stipulates that such costs are recorded as a charge to operations when a commitment to remediate the obligation has occurred, rather than when the actual cost has been incurred. The impact of this adjustment increases liabilities and receivables (for the amount that will be funded by a State Capital appropriation) and decreases the change in net position by approximately \$250,000. Management agreed with this adjustment, and has posted it to the current year financial statements.</p> <p>During our audit procedures, we did not accumulate any other corrected or uncorrected misstatements.</p>



Auditor Communications (Continued)

Truman State University

AREA	COMMENTS
Disagreements With Management	We are pleased to report that there were no such disagreements that were encountered during the audit.
Management Representations	We requested certain representations from management that are included in the management representation letter dated * _____. A copy of the representation letter is attached.
Management Consultations With Other Independent Accountants	None
Other Audit Findings Or Issues	There were no matters of significant discussion that affected our retention as the University's auditors.



Financial Statement Discussion Points

Truman State University

- ◆ MOSERS Pension Liability
 - ◆ Net pension liability on the financial statements reflects the actuarial estimate of the University's share of the un-funded portion of the State wide liability.
 - ◆ All calculations were performed by MOSERS, attested to by their auditors, and provided to the University
 - ◆ As previously discussed, implementation of this new accounting regulation does not impact the University's annual contributions required to be made to the plan
 - ◆ Given the complexities of the calculation, value is presented as of 6/30/15, and will always "trail" behind the University's fiscal year
 - ◆ The key points for the University on this accounting topic are as follows:
 - ◆ The actual pension expense (amount that reduces the University's change in net position) increased from \$3.8M in the prior year to \$5.3M in the current year
 - ◆ The actual cash contributions paid to the plan remained consistent at approximately \$5.5M
 - ◆ The contribution rate required for the plan remained consistent at 16.97% for both years



Financial Statement Discussion Points

Truman State University

◆ Perkins Loan Fund

- ◆ Effective October 1, 2017, no new loan disbursements can be made from the program (some limited exceptions can apply)
- ◆ The program does have several unique features, including forgiveness options for students that pursue selected career paths
- ◆ Approximately \$1 million of loans were issued to Truman State University Students during FY 2015/2016
- ◆ The loans are carried on the University's financial statements as assets and related restricted net position of approximately \$4.4M. Reassignment of loans to the Department of Education could result in a potential obligation in the future.

We performed IT procedures through interview and noted the following:

◆ Strengths

- ◆ The University has a strong governance structure which allows for continuous support of Banner, the financial management system.
- ◆ Logical access to Banner is controlled through policy and employee change management processes.
- ◆ User access reviews for Banner are performed annually.
- ◆ Physical access to the data center is controlled through key controlled doors. The data center is video monitored.
- ◆ Management performs periodic security scans of the Truman network and has network monitoring in place.
- ◆ The Oracle database for Banner and the file servers are backed up daily.



Information Technology Considerations

Truman State University

#	Observation and Best Practice	Management Response
1	The server room at McClain has a UPS backup power supply that will last approximately 120 minutes in case of a power failure. Management is in the process of obtaining a generator to keep the server room running if there is a power failure. This should be a top priority for the current fiscal year.*	Information Technology Services is currently evaluating options for a reliable power source in the event of an outage to McClain.
2	Backups for the Oracle database and network file servers are stored on campus. Best practice would be mirror the financial system at an off-site location to ensure access in the case of a hardware failure or extended power outage.*	Backups are kept in 2 separate locations on campus, and another backup for the Financial System is kept in a fireproof safe. Retrieval from backup is also tested on a daily basis. In addition, Information Technology Services has plans to explore maintaining backups off-site.



Information Technology Considerations

Truman State University

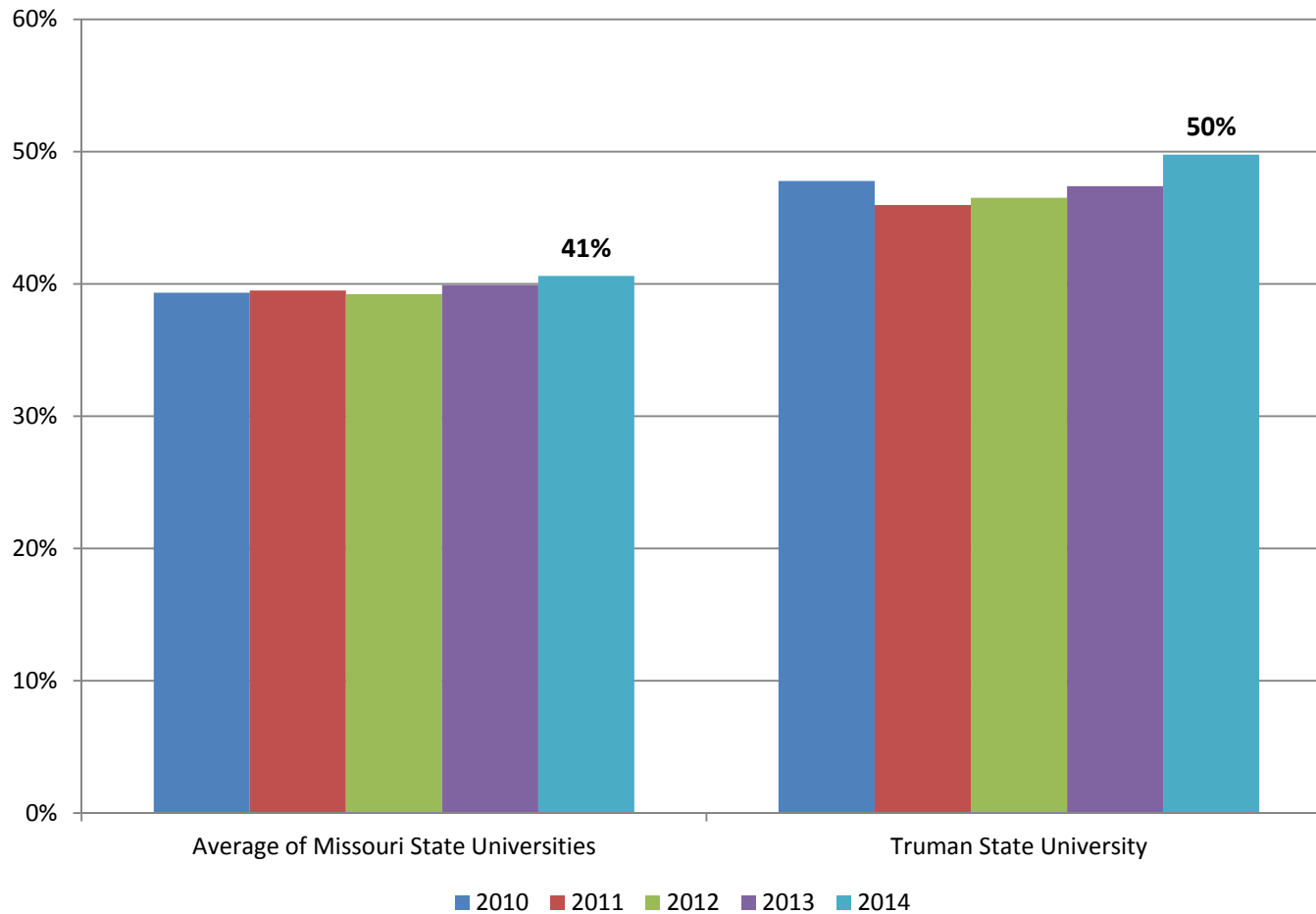
#	Observation and Best Practice	Management Response
3	The server room at McClain hall is equipped with manual, hand held fire extinguishers. Best practice would be to install a fire suppression system for the server room that complies with local fire code and insurance requirements.*	The University has already been reviewing quotes and options for this service, and expects to implement a solution in the near future.
4	Users are required to periodically change their passwords every 180 days. Best practice would be to require password changes every 90 days.	Any individual with direct access to the Financial System will now be required to change their password every 90 days.

*Repeat observations from FY 15

Instruction Expenses as Percentage of Total Expenses

Truman State University

Source Data – IPEDS information published by Missouri Public Universities, excluding UM System



For Board Of Governors, Audit Committee And Management Use Only



Independent Auditors' Report On Additional Information

Truman State University

Board of Governors, Audit Committee and Management
Truman State University
Kirksville, Missouri

Our report on our audit of the basic financial statements of Truman State University (the University) for June 30, 2016, appears in the financial statements of the University. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information contained herein is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

TRUMAN STATE UNIVERSITY
A COMPONENT UNIT OF THE
STATE OF MISSOURI
FINANCIAL STATEMENTS
JUNE 30, 2016



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Independent Auditors' Report

Board of Governors and Audit Committee
Truman State University
Kirksville, Missouri

Report On The Financial Statements

We have audited the accompanying financial statements of the business-type activities of Truman State University (the University), a component unit of the State of Missouri, as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 purposes 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Truman State University as of June 30, 2016 and 2015, and its changes in financial position and cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Change In Accounting Principle

As discussed in Note 1 to the financial statements, in 2016, the University implemented the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. 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 on pages *____ and *____ and the Pension Plan Information on pages *__ and *__ 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 Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____*, on our consideration of the University's internal control over financial reporting and 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 the 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.

_____*

TRUMAN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Truman State University (the University) annual financial report presents management's discussion and analysis of the financial condition and performance of the University during the fiscal years ended June 30, 2016, 2015 and 2014. This discussion should be read in conjunction with the accompanying financial statements and footnotes. The financial statements, footnotes and this discussion are the responsibility of University management.

Using The Annual Financial Statement

This annual report consists of financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) Statements No. 35, *Basic Financial Statements and Management Discussion and Analysis for Public Colleges and Universities*. The financial statements prescribed by GASB Statement No. 35 (the statement of net position, statement of revenues, expenses, and changes in net position and the statement of cash flows) are prepared under the accrual basis of accounting, whereby revenues, and assets are recognized when the service is provided and expense and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

About The University

The University was established in 1867 and is governed by a ten-member Board of Governors. The University is Missouri's only public highly selective institution. It was designated as the statewide liberal arts and sciences institution in 1986 and offers undergraduate and graduate degree programs, minors, and several additional areas of specialization within academic departments.

In the Fall of 2016, the University enrolled 6,379 students. The primary mission of the institution is undergraduate education, and the enrollment data reflects this mission.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Undergraduate	6,039	5,853	5,910
Graduate	340	355	338
	<u>6,379</u>	<u>6,208</u>	<u>6,248</u>

Most students enrolled at the University are full-time, degree-seeking undergraduates who live in residence halls or in the Kirksville community.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

The University has a diverse student body with the majority from Missouri. The remaining students come from 40 states (including Missouri) and 50 foreign countries. Approximately 6.9% of the students are international students, and the enrollment also includes 11.2% from minorities including African-American, Hispanic, American Indian, and Asian American.

Key ratios include the following:

Student/Faculty Ratio	16:1
Graduate and Professional School Placement Rate	40%

These indicators help demonstrate that the University is focusing resources on activities which enhance student learning.

Statements Of Net Position

The statement of net position includes all assets and liabilities of Truman State University and Truman State University Foundation (the Foundation). The difference between total assets and total liabilities, or net position, is one indicator of the current financial condition of the University, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year when considered with nonfinancial facts such as enrollment levels and condition of the facilities.

Nonexpendable restricted net position is subject to externally imposed stipulations that may be maintained permanently by the University. Expendable restricted net position is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to the stipulations or that expire by the passage of time. The category of unrestricted net position is not subject to externally imposed stipulations. They may be designated by specific purposes by action of management or the Board of Governors, or may be limited by contractual agreements with outside parties.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Condensed Statements Of Net Position As Of June 30, 2016, 2015 And 2014

	2016	2015	2014
Assets			
Current Assets	\$ 38,289,527	\$ 37,204,222	\$ 18,516,221
Noncurrent Assets	297,485,714	299,413,999	306,359,374
Total Assets	335,775,241	336,618,221	324,875,595
Deferred Outflows of Resources	11,352,074	6,063,142	—
Liabilities			
Current Liabilities	15,406,925	17,040,933	13,563,361
Noncurrent Liabilities	113,733,139	102,344,377	55,141,816
Total Liabilities	129,140,064	119,385,310	68,705,177
Deferred Inflows of Resources	1,443,444	11,936,552	—
Net Position			
Net investment in capital assets	147,627,000	150,005,371	154,180,473
Restricted, expendable	18,502,231	24,297,240	24,044,450
Restricted, nonexpendable	29,744,749	27,704,807	26,532,513
Unrestricted	20,669,827	9,352,083	51,412,982
Total Net Position	\$ 216,543,807	\$ 211,359,501	\$ 256,170,418

At June 30, 2016, 2015 and 2014, the University's current assets of \$38.3 million, \$37.2 million and \$18.5 million, respectively, were sufficient to cover current liabilities of \$15.4 million, \$17.0 million and \$13.6 million, respectively. Noncurrent assets include capital assets of \$206.6 million at June 30, 2016, \$205.0 million at June 30, 2015 and \$209.4 million at June 30, 2014. See Note 4 for a recap of the capital asset activity.

University liabilities total \$129.1 million, \$119.4 million and \$68.7 million at June 30, 2016, 2015 and 2014, respectively, with noncurrent liabilities of \$113.7 million, \$102.3 million and \$55.1 million, respectively. In 2015, the large increase in noncurrent liabilities relates to the implementation of a new accounting standard that requires the University to record a respective share of the underfunded status of the MOSERS pension plan (Note 6). Revenue bonds payable is the largest other component of noncurrent liabilities. See Note 5 for a recap of the long-term debt activity.

Net position increased by \$5.2 million from 2016 compared to 2015, mostly due to the excess of revenues over current year expenses as well as additions to the permanent endowment. Net position decreased by \$44.8 million from 2015 compared to 2014.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (Continued)

Condensed Statements Of Revenues, Expenses, And Changes In Net Position For The Years Ended June 30, 2016, 2015 And 2014

The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. A public university's dependency on state aid and gifts could result in operating deficits because the financial reporting model classifies state appropriations and gifts as nonoperating revenues. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Operating Revenues	\$ 57,109,619	\$ 57,587,288	\$ 55,982,974
Total Operating Expenses	103,765,385	102,055,487	100,254,693
Operating Loss	(46,655,766)	(44,468,199)	(44,271,719)
Net Nonoperating Revenues	48,204,364	47,384,953	48,439,577
Income before other revenues, expenses, gains and losses	1,548,598	2,916,754	4,167,858
State capital appropriations	1,519,951	—	—
Additions to permanent endowments	2,115,757	1,206,971	994,190
Total Increase In Net Position	\$ 5,184,306	\$ 4,123,725	\$ 5,162,048
Operating Revenues			
Tuition and fees, net	\$ 26,681,850	\$ 26,893,843	\$ 27,675,006
Federal, state grants and private contracts and grants	2,517,772	3,079,921	2,917,804
Auxiliary enterprises, net	25,550,818	25,082,068	22,652,440
Sales and services of educational activities and other	2,359,179	2,531,456	2,737,724
	\$ 57,109,619	\$ 57,587,288	\$ 55,982,974
Nonoperating Revenues			
State appropriations	\$ 41,816,820	\$ 41,324,001	\$ 38,542,055
Investment income	1,968,314	2,026,944	6,785,082
Grants, contributions and other	6,317,404	6,120,220	5,524,932
	\$ 50,102,538	\$ 49,471,165	\$ 50,852,069
Nonoperating Expenses			
Change in value of annuity and trust obligations	\$ 65,994	\$ 59,206	\$ 46,436
Interest on capital asset related debt	1,832,180	2,027,006	2,366,056
	\$ 1,898,174	\$ 2,086,212	\$ 2,412,492

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

	2016	2015	2014
Operating Expenses			
Salaries and wages	\$ 45,303,736	\$ 45,276,436	\$ 45,270,801
Fringe benefits	16,146,473	15,634,854	15,192,120
Supplies and other services	17,469,559	15,677,735	15,651,430
Scholarship and fellowships	747,035	694,360	432,170
Depreciation	11,692,939	11,518,826	10,974,259
Utilities	3,875,469	4,672,807	4,784,069
Other	8,530,174	8,580,469	7,949,844
	<u>\$ 103,765,385</u>	<u>\$ 102,055,487</u>	<u>\$ 100,254,693</u>

Comparisons 2016 To 2015

The most significant sources of revenue for the University were state appropriations at \$41.8 million in 2016 compared to \$41.3 million in 2015; student tuition and fees totaling \$26.7 million in 2016 compared to \$26.9 million in 2015; and auxiliary services totaling \$25.6 million in 2016 compared to \$25.0 million in 2015.

Operating expenses totaled \$103.8 million in 2016 compared to \$102.1 million in 2015 with salaries and wages up 0.1%, fringe benefits up 3.3%, supplies and other services up 11.4%, scholarships down 2.0%, depreciation up 1.5%, utilities down 17.1%, and other expenses down 0.6%.

Comparisons 2015 To 2014

The most significant sources of revenue for the University were state appropriations at \$41.3 million in 2015 compared to \$38.5 million in 2014; student tuition and fees totaling \$26.9 million in 2015 compared to \$27.7 million in 2014; and auxiliary services totaling \$25.0 million in 2015 compared to \$22.7 million in 2014.

Operating expenses totaled \$102.1 million in 2015 compared to \$100.3 million in 2014 with salaries and wages up 0.1%, fringe benefits up 2.9%, supplies and other services up 0.2%, scholarships up 76.4%, depreciation up 5.0%, utilities down 2.3%, and other expenses up 7.9%.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Condensed Statements Of Cash Flows For The Years Ended June 30, 2016, 2015 And 2014

The statement of cash flows presents the University's flows of cash by defined categories. The primary purpose of the statement of cash flows is to provide information about the University's cash receipts and payments during the year.

	2016	2015	2014
Cash And Cash Equivalents Provided By (Used In)			
Operating activities	\$ (36,170,247)	\$ (34,725,630)	\$ (34,497,930)
Noncapital financing activities	50,160,277	48,595,302	45,360,042
Capital and related financing activities	(18,721,741)	25,427	(13,254,268)
Investing activities	(7,180,715)	(706,496)	2,286,591
	(11,912,426)	13,188,603	(105,565)
Cash And Cash Equivalents, Beginning Of Year	20,138,162	6,949,559	7,055,124
Cash And Cash Equivalents, End Of Year	\$ 8,225,736	\$ 20,138,162	\$ 6,949,559

The major source of operating cash was student tuition and fees (\$27.0 million, \$26.9 million and \$27.7 million 2016, 2015 and 2014, respectively) and auxiliary enterprises (\$25.5 million, \$25.0 million and \$22.7 million in 2016, 2015 and 2014, respectively). The largest use of operating cash was payments to employees (\$62.6 million, \$63.1 million and \$60.7 million in 2016, 2015 and 2014, respectively) and payments to suppliers (\$17.5 million, \$14.9 million and \$16.3 million in 2016, 2015 and 2014, respectively).

The most significant source of noncapital financing activities was state appropriations of \$41.8 million, \$41.3 million and \$38.5 million in 2016, 2015 and 2014, respectively.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Expenses By Functional Categories

The University also tracks expenses by functional categories (such as Instruction, Research, and Student Services) for the State of Missouri and other external agency purposes. The functional categorization of expenses also helps the University monitor expenditures in mission-critical areas such as Instruction. For the year ended June 30, 2016, depreciation and operation and maintenance of plant have been allocated among the other functional expenses to conform with the Integrated Postsecondary Education Data System (IPEDS) finance survey. Functional operating expenses for 2016, 2015 and 2014 were:

	<u>2016</u>	<u>Percent</u>
Instruction Credit and noncredit courses.	\$52,866,717	50.95%
Research Activities specifically organized to produce research outcomes from funds awarded by external agencies, as well as internally supported programs.	939,167	0.90
Public Service Activities that primarily provide noninstructional services to individuals and groups outside of the University. Expenditures are primarily for community service.	1,824,509	1.76
Academic Support Supporting services to instruction, research and public service. Includes libraries, academic administration and instructional media.	7,407,193	7.14
Student Services Activities which primarily contribute to student's well-being outside the formal instruction program. Includes admissions and registrar, student activities, and financial aid administration.	10,697,346	10.31
Institutional Support Activities which generally provide support to the entire University. Includes executive management, fiscal operations, personnel, development, fundraising activities and general administrative services.	6,959,074	6.71
Scholarships And Fellowships Awards for grant-in-aid stipends to students based on financial need and/or merit.	747,035	0.72
Auxiliary Enterprises Expenditures of essentially self-supporting activities such as Student Union Building, housing, cafeterias and recreation center.	22,324,342	21.51
Total Operating Expenses	<u>\$103,765,385</u>	<u>100.00%</u>

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

	<u>2015</u>	<u>Percent</u>
Instruction		
Credit and noncredit courses.	\$ 51,904,500	50.83%
Research		
Activities specifically organized to produce research outcomes from funds awarded by external agencies, as well as internally supported programs.	1,169,579	1.15
Public Service		
Activities that primarily provide noninstructional services to individuals and groups outside of the University. Expenditures are primarily for community service.	1,848,173	1.81
Academic Support		
Supporting services to instruction, research and public service. Includes libraries, academic administration and instructional media.	7,255,461	7.10
Student Services		
Activities which primarily contribute to student's well-being outside the formal instruction program. Includes admissions and registrar, student activities, and financial aid administration.	10,794,174	10.57
Institutional Support		
Activities which generally provide support to the entire University. Includes executive management, fiscal operations, personnel, development, fundraising activities and general administrative services.	6,968,346	6.82
Scholarships And Fellowships		
Awards for grant-in-aid stipends to students based on financial need and/or merit.	762,253	0.75
Auxiliary Enterprises		
Expenditures of essentially self-supporting activities such as Student Union Building, housing, cafeterias and recreation center.	21,420,894	20.97
Total Operating Expenses	<u>\$ 102,123,380</u>	<u>100.00%</u>

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

	2014	Percent
Instruction		
Credit and noncredit courses.	\$ 51,278,090	50.95%
Research		
Activities specifically organized to produce research outcomes from funds awarded by external agencies, as well as internally supported programs.	919,671	0.91
Public Service		
Activities that primarily provide noninstructional services to individuals and groups outside of the University. Expenditures are primarily for community service.	1,879,475	1.87
Academic Support		
Supporting services to instruction, research and public service. Includes libraries, academic administration and instructional media.	7,451,820	7.40
Student Services		
Activities which primarily contribute to student's well-being outside the formal instruction program. Includes admissions and registrar, student activities, and financial aid administration.	10,403,342	10.34
Institutional Support		
Activities which generally provide support to the entire University. Includes executive management, fiscal operations, personnel, development, fundraising activities and general administrative services.	6,494,527	6.45
Scholarships and Fellowships		
Awards for grant-in-aid stipends to students based on financial need and/or merit.	524,585	0.52
Auxiliary Enterprises		
Expenditures of essentially self-supporting activities such as Student Union Building, housing, cafeterias and recreation center.	21,687,427	21.56
Total Operating Expenses	<u>\$ 100,638,937</u>	<u>100.00%</u>

Physical Plant

The University has completed its multiyear plan to fully renovate and upgrade its residence halls and the Student Union building. A total of \$98 million has been invested to improve these facilities. On the academic side, renovation and infrastructure improvements have exceeded \$61 million since 2001, and over \$3 million in improvements have been made to athletic facilities. A \$15 million project is underway to renovate a major academic building, Baldwin Hall. This is partially funded by a State of Missouri Bond Issue. Construction started in July 2016 with completion expected in July 2017.

Upcoming capital improvement projects include renovations to the football field and track, along with a new press box at Stokes Stadium, the Greenwood Center for autism, and continued maintenance and repair projects.

Looking Forward

The University's outlook is closely related to the financial status of the State of Missouri. Traditionally, the largest source of Education and General Revenue has come through the state appropriations, and the operating funds from the state for fiscal year 2017 increased by 3.6%.

The Missouri Coordinating Board for Higher education has recommended level state funding for the University for fiscal year 2018. However, additional funds have been requested for performance funding which may be added at a later date that would increase operating appropriations by 5%. While the State of Missouri has placed a partial limitation on the ability of institutions to increase tuition beyond the consumer price index (CPI), the statutes permit larger increases in extenuating circumstances with the approval of the Coordinating Board for Higher Education. The University will counteract these limitations by enhancing enrollment and continuing to expand alternative revenue-generating opportunities.

In terms of student enrollment, fall 2016 is at 6,379, which is comparable to fall 2015.

Additional information can be obtained by calling (660) 785-4150 or writing to Truman State University, Attn: Business Office, 100 E. Normal, Kirksville, MO 63501.

TRUMAN STATE UNIVERSITY

STATEMENT OF NET POSITION

Page 1 Of 2

	June 30,	
	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,384,550	6,875,495
Restricted cash	1,538,211	10,772,901
Restricted short-term investments	—	3,522,096
Short-term investments	28,691,744	11,378,605
Accounts receivable, net of allowance: \$151,000 - 2016, \$197,000 - 2015	845,713	1,151,426
Interest receivable	259,331	191,208
Federal and state grants receivable	380,366	601,615
Other receivables	524,830	79,346
Inventories	596,604	589,615
Loans to students, net of allowance: \$5,500 - 2016, \$6,700 - 2015	1,292,602	1,362,817
Prepaid expenses	775,576	679,098
Total Current Assets	38,289,527	37,204,222
Noncurrent Assets		
Investments	87,087,495	90,912,208
Loans to students, net of allowance: \$18,500 - 2016, \$19,600 - 2015	3,484,632	3,141,902
Capital assets, net	206,565,775	205,012,077
Cash value of life insurance	106,804	106,804
Other assets, net	241,008	241,008
Total Noncurrent Assets	297,485,714	299,413,999
Total Assets	335,775,241	336,618,221
Deferred Outflows Of Resources		
Deferred amounts on University contributions	5,467,985	5,625,889
Deferred amounts on debt refundings	1,538,439	277,734
Differences between expected and actual experience	4,345,650	159,519
Total Deferred Outflows Of Resources	11,352,074	6,063,142

TRUMAN STATE UNIVERSITY

STATEMENT OF NET POSITION

Page 2 Of 2

	June 30,	
	2016	2015
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 8,263,815	10,499,668
Accrued early retiree termination benefits	349,839	322,964
Accrued compensated absences	1,066,218	1,007,614
Unearned revenue	2,435,768	2,617,353
Annuities and trusts payable	82,447	73,992
Long-term debt - current portion	2,934,545	2,279,053
Deposits held in custody for others	274,293	240,289
Total Current Liabilities	15,406,925	17,040,933
Noncurrent Liabilities		
Accrued compensated absences	448,520	553,615
Accrued early retiree termination benefits	405,393	126,762
Annuities and trusts payable	520,852	492,619
Long-term debt	57,106,189	60,233,234
Net pension liability	55,252,185	40,938,147
Total Noncurrent Liabilities	113,733,139	102,344,377
Total Liabilities	129,140,064	119,385,310
Deferred Inflows Of Resources		
Net difference between projected and actual earnings on pension plan investments	1,443,444	11,936,552
Net Position		
Net investment in capital assets	147,627,000	150,005,371
Restricted for:		
Nonexpendable:		
Endowment	25,268,517	23,210,807
Loans (Federal)	4,476,232	4,494,000
Expendable:		
Scholarships and fellowships	6,777,581	7,570,973
Loans (Foundation)	3,143,650	4,498,756
Debt service	—	3,527,696
Other	8,581,000	8,699,815
Unrestricted - Board Designated Endowment for Scholarships	1,393,638	—
Unrestricted	19,276,189	9,352,083
Total Net Position	\$ 216,543,807	\$ 211,359,501

TRUMAN STATE UNIVERSITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For The Years Ended June 30,	
	2016	2015
Operating Revenues		
Tuition and fees, net	\$ 26,681,850	\$ 26,893,843
Federal grants and contracts	2,260,784	2,687,626
State grants and contracts	97,096	298,027
Private grants and contracts	159,892	94,268
Interest on student loans receivable	195,220	225,770
Sales and services of educational activities	535,029	516,523
Auxiliary enterprises, net	25,550,818	25,082,068
Other operating revenues	1,628,930	1,789,163
Total Operating Revenues	57,109,619	57,587,288
Operating Expenses		
Salaries and wages	45,303,736	45,276,436
Fringe benefits	16,146,473	15,634,854
Supplies and other services	17,469,559	15,677,735
Scholarships and fellowships	747,035	694,360
Depreciation	11,692,939	11,518,826
Utilities	3,875,469	4,672,807
Other	8,530,174	8,580,469
Total Operating Expenses	103,765,385	102,055,487
Operating Loss	(46,655,766)	(44,468,199)
Nonoperating Revenues (Expenses)		
State appropriations	41,816,820	41,324,001
Federal grants and contracts	4,928,429	4,840,745
Contributions	1,102,137	1,144,819
Change in value of annuity and trust obligations	(65,994)	(59,206)
Income from trusts	155,722	103,473
Investment income	1,812,592	1,923,471
Interest on capital asset-related debt	(1,832,180)	(2,027,006)
Gain on disposal of capital assets	11,817	5,728
Other nonoperating revenues	275,021	128,928
Nonoperating Revenues (Expenses), Net	48,204,364	47,384,953
Income Before Additions To Permanent Endowments	1,548,598	2,916,754
State Capital Appropriations	1,519,951	—
Additions To Permanent Endowments	2,115,757	1,206,971
Increase In Net Position	5,184,306	4,123,725
Net Position - Beginning Of Year	211,359,501	207,303,669
Net Position - End Of Year	\$ 216,543,807	\$ 211,427,394

TRUMAN STATE UNIVERSITY

STATEMENT OF CASH FLOWS

	For The Years	
	Ended June 30,	
	2016	2015
Cash Flows From Operating Activities		
Tuition and fees	\$ 26,889,823	\$ 26,824,195
Grants and contracts	3,013,429	3,257,364
Payments to suppliers	(17,504,183)	(14,971,451)
Payments for utilities	(3,875,469)	(4,672,807)
Payments to employees	(62,630,062)	(63,085,800)
Payments for scholarships and fellowships	(747,035)	(762,253)
Loans issued to students	(1,140,457)	(1,356,834)
Collections of loans to students	1,063,162	1,266,832
Sales and services of auxiliary enterprises	25,591,935	25,029,341
Sales and services of educational activities	535,029	516,523
Other payments	(7,366,419)	(6,770,740)
Net Cash Used In Operating Activities	(36,170,247)	(34,725,630)
Cash Flows From Noncapital Financing Activities		
State appropriations	41,816,820	41,324,001
Gifts and grants for other than capital purposes	5,958,351	5,985,564
Investments subject to annuity and trust obligations	119,135	86,699
Payments of annuity and trust obligations	(148,441)	(137,847)
Endowment gifts	2,115,757	1,206,971
Other receipts	298,655	129,914
Net Cash Provided By Noncapital Financing Activities	50,160,277	48,595,302
Cash Flows From Capital And Related Financing Activities		
State capital appropriation	1,156,706	—
Proceeds from sales of capital assets	11,817	—
Purchase of capital assets	(15,570,128)	(4,908,623)
Interest paid on capital debt and leases	(1,848,583)	(2,043,409)
Proceeds from issuance of bonds	20,588,689	22,099,553
Principal paid on capital debt and leases	(23,060,242)	(15,122,094)
Net Cash Provided By (Used In) Capital And Related Financing Activities	(18,721,741)	25,427
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	93,481,859	78,210,816
Investment income	1,679,253	1,579,587
Distributions from perpetual trusts	155,722	103,473
Purchases of investments	(102,497,549)	(80,600,372)
Net Cash Used In Investing Activities	(7,180,715)	(706,496)
Net Increase In Cash And Cash Equivalents	(11,912,426)	13,188,603
Cash And Cash Equivalents - Beginning Of Year	20,138,162	6,949,559
Cash And Cash Equivalents - End Of Year	\$ 8,225,736	\$ 20,138,162

TRUMAN STATE UNIVERSITY

STATEMENT OF CASH FLOWS *(Continued)*

	For The Years Ended June 30,	
	2016	2015
Reconciliation Of Cash And Cash Equivalents To The Statement Of Net Position		
Cash	\$ 3,384,550	\$ 6,875,495
Restricted cash - current	1,538,211	10,772,901
Cash equivalents included in short-term investments	3,186,409	2,096,386
Cash equivalents included in investments - noncurrent	116,566	393,380
Total Cash And Cash Equivalents	\$ 8,225,736	\$ 20,138,162
 Reconciliation Of Operating Loss To Net Cash Used In Operating Activities		
Operating loss	\$ (46,655,766)	\$ (44,468,199)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	11,692,939	11,518,826
Net change in pension expense	(1,438,868)	(1,658,796)
Changes in assets and liabilities:		
Receivables, net	281,066	104,101
Inventories	(6,989)	(58,874)
Loans receivable	(272,515)	(315,772)
Prepaid expenses and other assets	(108,295)	104,920
Deferred outflows of resources	157,904	(396,396)
Accounts payable and accrued liabilities	68,843	654,510
Unearned revenue	(181,585)	12,613
Accrued compensated absences and post-employment benefits	259,015	(14,775)
Deposits held in custody for others	34,004	(139,895)
Net Cash Used In Operating Activities	\$ (36,170,247)	\$ (34,657,737)
 Supplemental Disclosure Of Cash Flow Information		
Noncash gifts received	\$ 81,570	\$ 167,589
Accounts payable incurred for capital asset purchases	430,099	2,753,590
Loss on disposal of capital assets	(11,817)	4,021
Unrealized gain on investments	65,216	336,107

TRUMAN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

1. Nature Of Operations And Summary Of Significant Accounting Policies

Nature Of Operations

Truman State University (the University) is a state-assisted university with its campus located in Kirksville, Missouri, operating under the jurisdiction of its Board of Governors. The University is a component unit of the state of Missouri. The University is fully accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The University awards graduate and undergraduate degrees from five schools and serves a population of approximately 6,200 students.

Reporting Entity

The University determines its financial reporting entity pursuant to GASB Statement No. 14, *The Financial Reporting Entity* as amended by (GASB Statement No. 61. As a result of the application of this pronouncement, the University includes the Truman State University Foundation (the Foundation), a legally separate not-for-profit corporation, as a blended component unit within its financial statements. Representatives of the University hold a voting majority of the seats on the Foundation's Nominating Committee, which in turn appoints a voting majority of the members of the Foundation's Board of Trustees. Additionally, the Foundation provides a financial benefit to the University, as the University is able to access the Foundation's resources. Finally, the Foundation provides services entirely to the University. Accordingly, the University presents the Foundation as a blended component unit.

Pursuant to the blended method of component unit presentation, the financial data of the Foundation is combined with the financial data of the University within these financial statements. Transactions between the University and the Foundation have been eliminated as part of the combination process.

Separately issued financial statements for the Foundation can be obtained by calling 660-785-4150, or writing to Truman State University, Attn: Office of Advancement, 100 E. Normal, Kirksville, MO 63501.

Basis Of Accounting And Presentation

The University prepares its financial statements as a business type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). The financial statements of the University have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements unless they relate to services provided and used internally. The University first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position is available.

Recent Accounting Pronouncements

GASB Statement No. 72, *Fair Value Measurement and Application* (the Statement) was issued and becomes effective for financial statements for periods beginning after June 15, 2015. This Statement defines fair value 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. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. Additionally, this Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The implementation of GASB 72 did not have a significant impact on the financial statements.

Cash Equivalents

The University considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2016, cash equivalents consisted primarily of money market funds.

Investments And Investment Income

Investments in equity securities, fixed income securities and mutual funds are carried at fair value. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit and repurchase agreements are carried at cost, which approximates fair value.

Investment income includes interest income, dividend income, net realized gains and losses from the sale of securities, and net unrealized gains and losses that represent the change in the fair value of securities for the year.

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts.

Accounts Receivable

Accounts receivable consists mostly of enrollment fee charges to students and charges for auxiliary enterprise services provided to students. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollected amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Inventories

Inventories consist of farm animals and supplies. Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Loans To Students

The University makes loans to students under various federal and other loan programs. Loans to students are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollected amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to loans to students.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the University:

Land improvements	20 years
Buildings and improvements	20 - 50 years
Infrastructure	20 years
Furniture, fixtures and equipment	3 - 20 years
Library materials	10 years

The University capitalizes interest costs as a component of construction in progress, based on the interest costs of borrowing specifically for the project, net of interest earned on investments acquired with the proceeds of the borrowing.

All interest costs of \$1,832,180 incurred in 2016 were charged to expense.

Compensated Absences

University policies permit nonacademic employees to accumulate vacation and compensating time benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits when earned, whether the employee is expected to realize the benefit as time off or in cash. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

Unearned Revenue

Unearned revenue primarily represents tuition and student fees not earned during the current year, as well as advances on grants and contract awards for which the University has not met all of the applicable eligibility requirements.

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

Net Position

Resources are required to be classified for accounting and reporting purposes into the following three net position categories:

- ***Net Investment in Capital Assets:*** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- ***Restricted:***
 - Nonexpendable*** - Net position subject to externally imposed stipulations that the University maintain them permanently. Such assets include the Foundation's permanent endowment funds.
 - Expendable*** - Net position whose use by the University is subject to the externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.
- ***Unrestricted*** - Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Governors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic and research programs and initiatives, and capital programs.

Classification Of Revenues

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

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) sales and services of auxiliary enterprises (3) certain federal grants and (4) interest on student loans.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of certain nonexchange transactions. In a nonexchange transaction, the University receives value without directly giving equal value back, such as with gifts and contributions. Additionally, certain significant revenue relied upon for operations, such as state appropriations, Pell and similar funding, federal and state grants, investment income and endowment income, are reported as nonoperating revenue.

Scholarship Discounts And Allowances

Student enrollment fee revenues and revenues from auxiliary enterprises are reported net of scholarship allowances in the statements of revenues, expenses and changes in net position. Scholarship 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, including federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues while Pell grants are reported as nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees, or auxiliary services, the University has recorded a discount and allowance. The total scholarship allowances on enrollment fees for the year ended June 30, 2016 was \$25,242,867. The total scholarship allowances on fees charged for auxiliary enterprises for the year ended June 30, 2016 was \$1,621,936.

Estimates And Assumptions

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 and other changes in net position during the reporting period. Actual results could differ from those estimates.

Income Taxes

As a state institution of higher education, the income of the University is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code (the Code) and a similar provision of state law. The Foundation is exempt from income taxes under Section 501(c)(3) of the Code and a similar provision of state law.

2. Deposits And Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The University's deposit policy for custodial credit risk requires compliance with the provisions of Missouri state law. The Foundation's policy does not currently include that provision.

Missouri state law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. Agencies or instrumentalities or the State of Missouri; bonds of any city, county, school district or special road district of the State of Missouri; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits. As of June 30, 2016, the University's deposits were properly insured or collateralized.

Investments

The University and Foundation may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. Agencies and instrumentalities, fixed income securities, bankers acceptances, commercial paper, corporate bonds, and bank repurchase agreements. The Foundation may also invest in real estate, equity securities and mutual funds.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

At June 30, 2016, the University and Foundation had the following investments and maturities:

Type	Fair Value	Maturities In Years			
		Not Applicable	0 - 5	6 - 10	More Than 10
Cash and cash equivalents	\$ 3,322,510	\$ 3,322,510	\$ —	\$ —	\$ —
Certificates of deposit	1,500,459	—	1,500,459	—	—
Domestic equity mutual funds	19,850,675	19,850,675	—	—	—
Domestic equity securities	47,251	47,251	—	—	—
Exchange traded notes	484,897	484,897	—	—	—
Fixed income securities	84,489,181	—	74,899,955	4,528,750	5,060,476
Fixed income mutual funds	578,298	578,298	—	—	—
International equity mutual funds	3,273,106	3,273,106	—	—	—
International equity securities	8,119	8,119	—	—	—
Preferred stock	114,684	114,684	—	—	—
Real estate mutual funds	1,397,122	1,397,122	—	—	—
Taxable high yield mutual funds	712,937	712,937	—	—	—
	\$ 115,779,239	\$ 29,789,599	\$ 76,400,414	\$ 4,528,750	\$ 5,060,476

At June 30, 2015, the University and Foundation had the following investments and maturities:

Type	Fair Value	Maturities In Years			
		Not Applicable	0 - 5	6 - 10	More Than 10
Cash and cash equivalents	\$ 2,489,766	\$ 2,489,766	\$ —	\$ —	\$ —
Certificates of deposit	5,080,797	—	5,080,797	—	—
Domestic equity mutual funds	20,843,664	20,843,664	—	—	—
Domestic equity securities	38,564	38,564	—	—	—
Exchange traded notes	732,790	732,790	—	—	—
Fixed income securities	68,824,593	—	62,314,797	2,773,700	3,736,096
Fixed income mutual funds	677,802	677,802	—	—	—
International equity mutual funds	5,204,046	5,204,046	—	—	—
International equity securities	7,778	7,778	—	—	—
Preferred stock	112,614	112,614	—	—	—
Real estate mutual funds	1,179,309	1,179,309	—	—	—
Taxable high yield mutual funds	621,186	621,186	—	—	—
	\$ 105,812,909	\$ 31,907,519	\$ 67,395,594	\$ 2,773,700	\$ 3,736,096

Interest Rate Risk

The University's policy manages interest rate risk by maintaining adequate liquidity for short-term cash needs. The University seeks to avoid the need to sell securities prior to maturity by making longer-term investments only with funds that are not needed for cash flow purposes; by establishing maximum individual investment maturity (or duration) and maximum portfolio average maturity (or portfolio limits); and by structuring the investment portfolio so that securities mature in time to meet expected cash requirements for ongoing operations. The policy limits the portfolio's maximum average duration to three years.

The Foundation's policy has no constraint on the maturity of any single fixed income security. However, the dollar weighted average duration of the investment grade portion of the portfolio should not exceed a range of +/- 35% of that of the fixed income benchmarks for investment grade securities. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The University's policy limits credit risk by establishing minimum credit ratings for each non-government security type; by implementing a credit review and approval process or by hiring an outside registered investment advisor who has such a process; and by diversifying the portfolio to reduce the risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or type of security.

It is the Foundation's policy to limit its investments in fixed income securities to ratings of investment grade or higher at the time of purchase by NRSROs, with the exception that up to 25% of the fixed income holdings of the portfolio may be rated below investment grade. At no time, however, shall more than 10% of the total portfolio be invested in noninvestment grade (high yield) fixed income instruments.

Commercial paper rated A-1, P-1, or the equivalent by at least two nationally recognized statistical rating organizations may be held from issuing corporations with commercial paper programs with sizes in excess of \$500,000,000 as well as long term debt ratings, if any, of "A" or better. Purchases of commercial paper may not exceed 270 days to maturity.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

At June 30, 2016 and 2015, the following ratings were available for the University's and Foundation's fixed income investments:

Quality Ratings	2016	2015
Treasury/Agency	\$ 27,569,859	\$ 20,899,615
AAA	3,356,951	3,283,021
AA+	10,991,826	—
AA	1,441,662	6,408,448
AA-	3,756,542	—
A+	8,456,883	—
A	9,679,350	14,005,787
A-	4,162,905	1,985,205
Ba	5,679,030	4,460,908
BBB+	839,813	36,331
BBB	2,396,989	4,063,540
B	9,975	—
Not rated/other	6,147,396	13,681,738
	\$ 84,489,181	\$ 68,824,593

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University or Foundation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Custodial credit risk for deposits is the risk that in the event of a bank failure, a government's deposit may not be returned to it. The University's deposit policy for the custodial credit risk requires compliance with the provisions of state law. Collateralization for the University is required for three types of investments: certificates of deposit, repurchase agreements, and letters of credit from the Federal Home Loan Bank. All securities serving as collateral shall be kept at a nonaffiliated custodial facility. The University's investment in bankers acceptances must be issued by domestic banks rated A-1, P-1, or the equivalent by at least two nationally recognized statistical rating organizations and maturity may not exceed 270 days.

Concentration Of Credit Risk

No more than 30% of the University's portfolio can be invested in callable U.S. Government agencies; no more than 50% of the portfolio can be invested in bankers acceptances and commercial paper combined; no more than 20% of the portfolio can be invested in corporate bonds; and no more than 20% of the portfolio can be invested in money market mutual funds.

The Foundation places certain limits on the amount that may be invested in any one issuer. Investments in any one individual equity security should not exceed approximately 10% of the market value of the investment manager portfolio, and investment in any one economic sector should not exceed 25% of the market value of the investment manager portfolio. Holdings of any single issue in the portfolio should not exceed more than 5% of the total outstanding common stock of any one company. Fixed income securities of any single issuer, with the exception of U.S. government and agency securities, are limited to no more than 10% of the market value of the fixed income portion of the investment manager's portfolio. Corporate securities are limited to no more than 75% of the market value of the fixed income portion of the portfolio.

Within the fixed income portion of the portfolio, allocations to "plus" fixed income sectors (such as high yield corporate bonds, high yield bank loans, preferred stock, international bonds (denominated in U.S. dollars and non-U.S. dollars) and emerging market bonds (denominated in U.S. dollars and non-U.S. dollars) are allowed up to a maximum of 30% of the market value of the fixed income portion of the portfolio.

At June 30, 2016, the University's and Foundation's combined investments in U.S. Treasuries and a certain U.S. agency obligation (Fannie Mae Global Notes) exceeded 5% of the combined investment portfolio.

Foreign Currency Risk

This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The University's investment policy does not address foreign currency risk. The Foundation's investment policy permits it to hold up to 20% of total investments in international equities. The University and the Foundation had no direct investments (mutual funds are not considered direct investments) in international equities at June 30, 2016.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Summary Of Carrying Values

The carrying values of deposits and investments are included in the statement of net position as follows at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Carrying value		
Deposits	\$ 4,922,761	\$ 17,648,396
Investments	<u>115,779,239</u>	<u>105,812,909</u>
	<u>\$ 120,702,000</u>	<u>\$ 123,461,305</u>
Included in the following statement of net position captions:		
Cash and cash equivalents	\$ 3,384,550	\$ 6,875,495
Restricted cash - current	1,538,211	10,772,901
Restricted short-term investments	—	3,522,096
Short-term investments	28,691,744	11,378,605
Long term investments	<u>87,087,495</u>	<u>90,912,208</u>
	<u>\$ 120,702,000</u>	<u>\$ 123,461,305</u>

Investment Income

Investment income for the years ended June 30, 2016 and 2015 consists of:

	<u>2016</u>	<u>2015</u>
Interest and dividend income	\$ 1,747,376	\$ 1,587,364
Net realized and unrealized gains on investments	<u>65,216</u>	<u>336,107</u>
	<u>\$ 1,812,592</u>	<u>\$ 1,923,471</u>

Fair Value Measurements

GASB Statement No. 72 sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the University and Foundation have the ability to access.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the University's and Foundations' own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the University's and Foundations' own data.

When available, quoted prices are used to determine fair value by the University and Foundation. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. The University and Foundation's Level 1 investments primarily consist of investments in mutual funds, cash equivalents and equity securities.

The University and Foundation's investment custodians generally use a multi-dimensional relational model when determining the value of fixed income securities. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.

At June 30, 2016, the University's and Foundation's investments were classified as follows:

Type	Fair Value	Fair Value Level		
		1	2	3
Cash and cash equivalents	\$ 3,322,510	\$ 3,322,510	\$ —	\$ —
Domestic equity mutual funds	19,850,675	19,850,675	—	—
Domestic equity securities	47,251	47,251	—	—
Exchange traded notes	484,897	484,897	—	—
Fixed income securities	84,489,181	—	84,489,181	—
Fixed income mutual funds	578,298	578,298	—	—
International equity mutual funds	3,273,106	3,273,106	—	—
International equity securities	8,119	8,119	—	—
Preferred stock	114,684	—	114,684	—
Real estate mutual funds	1,397,122	1,397,122	—	—
Taxable high yield mutual funds	712,937	712,937	—	—
	\$ 114,278,780	\$ 29,674,915	\$ 84,603,865	\$ —

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

At June 30, 2015, the University's and Foundation's investments were classified as follows:

Type	Fair Value	Fair Value Level		
		1	2	3
Cash and cash equivalents	\$ 2,489,766	\$ 2,489,766	\$ —	\$ —
Domestic equity mutual funds	20,843,664	20,843,664	—	—
Domestic equity securities	38,564	38,564	—	—
Exchange traded notes	732,790	732,790	—	—
Fixed income securities	68,824,593	—	68,824,593	—
Fixed income mutual funds	677,802	677,802	—	—
International equity mutual funds	5,204,046	5,204,046	—	—
International equity securities	7,778	7,778	—	—
Preferred stock	112,614	—	112,614	—
Real estate mutual funds	1,179,309	1,179,309	—	—
Taxable high yield mutual funds	621,186	621,186	—	—
	\$ 100,732,112	\$ 31,794,905	\$ 68,937,207	\$ —

3. Endowments And Similar Funds

The Board of Directors of the Foundation has established an investment policy with the objectives of protecting the principal of the endowment funds and maximizing total investment return without assuming extraordinary risks. It is the goal of the Foundation to provide spendable income levels that are reasonably stable and sufficient to meet budgetary requirements and to maintain a spending rate, currently established on a fund-by-fund basis, which ensures a proper balance between the preservation of corpus and enhancement of the purchasing power of investment earnings.

In August 2009, the State of Missouri adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation has reviewed the provisions of this act and determined (utilizing the criteria prescribed by UPMIFA) that declines in the fair value of invested, nonexpendable assets to the extent that they exceed the original gift made by the donor (i.e., the assets are "underwater") are not available for spending, until such fair value is re-established to an amount above the original gift made by the donor. There were no funds that were considered to be underwater at June 30, 2016.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

4. Capital Assets

Capital assets activity for the year ended June 30, 2016 was:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital Assets, Nondepreciable:					
Land	\$ 15,108,201	\$ 67,844	\$ —	\$ —	\$ 15,176,045
Art	177,535	—	—	—	177,535
Construction in progress	3,074,496	1,535,169	—	(2,992,738)	1,616,927
Construction in progress - energy contract	1,821,020	8,244,867	—	—	10,065,887
Total Capital Assets, Nondepreciable	20,181,252	9,847,880	—	(2,992,738)	27,036,394
Capital Assets, Depreciable:					
Buildings and improvements	313,178,867	1,040,932	—	2,200,685	316,420,484
Furniture, fixtures and equipment	25,825,536	1,102,080	2,365,015	—	24,562,601
Library materials	14,838,411	217,653	155,611	—	14,900,453
Infrastructure	16,887,199	1,038,092	—	792,053	18,717,344
Total Capital Assets, Depreciable	370,730,013	3,398,757	2,520,626	2,992,738	374,600,882
Less Accumulated Depreciation:					
Buildings and improvements	140,148,538	9,504,264	—	—	149,652,802
Furniture, fixtures and equipment	23,459,333	947,314	2,365,015	—	22,041,632
Library materials	12,341,885	554,516	155,611	—	12,740,790
Infrastructure	9,949,432	686,845	—	—	10,636,277
Total Accumulated Depreciation	185,899,188	11,692,939	2,520,626	—	195,071,501
Total Capital Assets, Depreciable, Net	184,830,825	(8,294,182)	—	2,992,738	179,529,381
Total Capital Assets - Net	\$ 205,012,077	\$ 1,553,698	\$ —	\$ —	\$ 206,565,775

Capital assets activity for the year ended June 30, 2015 was:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital Assets, Nondepreciable:					
Land	\$ 14,742,071	\$ 366,130	\$ —	\$ —	\$ 15,108,201
Art	177,535	—	—	—	177,535
Construction in progress	1,140,142	2,652,052	—	(717,699)	3,074,496
Construction in progress - energy contract	—	1,821,020	—	—	1,821,020
Total Capital Assets, Nondepreciable	16,059,748	4,839,202	—	(717,699)	20,181,252
Capital Assets, Depreciable:					
Buildings and improvements	311,208,960	1,252,208	—	717,699	313,178,867
Furniture, fixtures and equipment	25,698,928	599,723	473,115	—	25,825,536
Library materials	15,993,255	221,014	1,375,858	—	14,838,411
Infrastructure	16,630,302	256,897	—	—	16,887,199
Total Capital Assets, Depreciable	369,531,445	2,329,842	1,848,973	717,699	370,730,013
Less Accumulated Depreciation:					
Buildings and improvements	130,647,336	9,501,203	—	—	140,148,538
Furniture, fixtures and equipment	23,132,977	799,471	473,115	—	23,459,333
Library materials	13,134,311	583,432	1,375,858	—	12,341,885
Infrastructure	9,314,713	634,720	—	—	9,949,432
Total Accumulated Depreciation	176,229,337	11,518,826	1,848,973	—	185,899,188
Total Capital Assets, Depreciable, Net	193,302,108	(9,188,984)	—	717,699	184,830,825
Total Capital Assets - Net	\$ 209,361,856	\$ (4,349,782)	\$ —	\$ —	\$ 205,012,077

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

5. Long-Term Liabilities

The following is a summary of long-term obligation transactions for the University for the year ended June 30, 2016:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds and capital leases					
Student Housing System Revenue Bonds - 2016	\$ —	\$ 20,105,000	\$ 610,000	\$ 19,495,000	\$ 725,000
Student Housing System Revenue Bonds - 2015	12,595,000	—	495,000	12,100,000	500,000
Student Housing System Revenue Bonds - 2013	19,000,000	—	770,000	18,230,000	795,000
Student Housing System Revenue Bonds - 2008	20,640,000	—	20,640,000	—	—
Total bonds payable	52,235,000	20,105,000	22,515,000	49,825,000	2,020,000
Unamortized premium on bonds payable	984,560	483,689	131,112	1,337,137	71,682
Total bonds payable plus unamortized premium	53,219,560	20,588,689	22,646,112	51,162,137	2,091,682
Capital lease obligations	9,292,727	—	414,130	8,878,597	842,863
Total bonds and capital leases	62,512,287	20,588,689	23,060,242	60,040,734	2,934,545
Other noncurrent liabilities					
Accrued termination benefits	449,726	633,799	328,293	755,232	349,839
Accrued compensated absences	1,561,229	77,016	123,507	1,514,738	1,066,218
Annuities and trusts payable	566,611	119,135	82,447	603,299	82,447
Total other noncurrent liabilities	2,577,566	829,950	534,247	2,873,269	1,498,504
Total noncurrent liabilities	\$ 65,089,853	\$ 21,418,639	\$ 23,594,489	\$ 62,914,003	\$ 4,433,049

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

The following is a summary of long-term obligation transactions for the University for the year ended June 30, 2015:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds and capital leases					
Student Housing System Revenue Bonds - 2015	\$ —	\$ 12,595,000	\$ —	\$ 12,595,000	\$ 495,000
Student Housing System Revenue Bonds - 2013	19,755,000	—	755,000	19,000,000	770,000
Student Housing System Revenue Bonds - 2008	21,170,000	—	530,000	20,640,000	550,000
Student Housing System Revenue Bonds - 2006	13,735,000	—	13,735,000	—	—
Total bonds payable	54,660,000	12,595,000	15,020,000	52,235,000	1,815,000
Unamortized premium on bonds payable	846,615	229,953	92,008	984,560	50,508
Total bonds payable plus unamortized premium	55,506,615	12,824,953	15,112,008	53,219,560	1,865,508
Capital lease obligations	28,213	9,274,600	10,086	9,292,727	413,545
Total bonds and capital leases	55,534,828	22,099,553	15,122,094	62,512,287	2,279,053
Other noncurrent liabilities					
Accrued termination benefits	498,582	177,416	226,272	449,726	322,964
Accrued compensated absences	1,527,148	124,909	90,828	1,561,229	1,007,614
Annuities and trusts payable	558,553	85,971	77,913	566,611	73,992
Total other noncurrent liabilities	2,584,283	388,296	395,013	2,577,566	1,404,570
Total noncurrent liabilities	\$ 58,119,111	\$ 22,487,849	\$ 15,517,107	\$ 65,089,853	\$ 3,683,623

The Foundation has been the recipient of several gift annuities which require future payments to the donor or their named beneficiaries. The assets received from donors are recorded at fair value on the date of the gift. The foundation has recorded a liability at June 30, 2016 of \$603,299, which represents the present value of the future annuity obligations. The liability has been determined using discount rates ranging from approximately 2% to 7%.

Energy Performance Contract

In May 2015, the University entered into an Energy Performance Contract with Energy Solutions Professionals, LLC (the Contractor). The project includes the installation of various equipment and improvements at the University facilities through December 2016. The total projected cost of the project is \$10,500,000. The Contractor has projected annual savings for the University of approximately \$1,000,000 per year over a 10-year period.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

In May 2015, the University entered into a lease purchase agreement to fund the energy savings project with Bank of America. Total acquisition costs for the energy equipment and improvements to be funded by Bank of America totaled \$9,274,600. These funds are available in an escrow account held by Bank of America. The lease is payable over a 10-year period as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 835,407	\$ 164,593	\$ 1,000,000
2018	851,588	148,412	1,000,000
2019	868,083	131,917	1,000,000
2020	884,897	115,103	1,000,000
2021	902,037	97,963	1,000,000
2022-2026	4,529,128	220,872	4,750,000
	<u>\$ 8,871,140</u>	<u>\$ 878,860</u>	<u>\$ 9,750,000</u>

Principal payments totaling \$403,459 were made on the lease during the year ended June 30, 2016.

Revenue Bonds Payable

On February 11, 2016, the University issued a series of auxiliary system revenue bonds in order to refund the remaining outstanding bonds from the 2008 bond issuance. The principal amount issued, with its related premium, totaled \$20,588,689 and matures in annual installments through 2036.

The refunding resulted in a decrease in payments to service the new debt versus the old debt of \$2,583,901, an economic gain of \$4,373,351 and a deferred amount from refunding of \$1,271,533, which is being amortized over the life of the new debt.

On May 28, 2015, the University issued a series of auxiliary system revenue bonds, which were included as restricted cash by the University at June 30, 2015, in order to refund the remaining outstanding bonds from the 2006 bond issuance. The principal amount issued, with its related premium, totaled \$12,824,953 and matures in annual installments through 2034. The refunding resulted in a decrease in payments to service the new debt versus the old debt of \$2,182,006, an economic gain of \$1,672,487 and a deferred amount from refunding of \$225,305. The deferred amount from refunding is being amortized over the life of the new debt.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

On April 18, 2013, the University issued a series of auxiliary system revenue bonds in order to refund the remaining outstanding bonds from the 2004 bond issuance. The principal amount issued, with its related premium, totaled \$21,238,831 and matures in annual installments through 2033.

On February 26, 2008, the University issued a series of auxiliary system revenue bonds to fund the construction of improvements to the residence halls and related facilities. The principal amount issued, with its related premium, totaled \$23,644,349 and matures in annual installments through 2037.

The various issues of the auxiliary system revenue bonds are payable, both as to principal and interest, solely out of the net income and revenues arising from the operation of the auxiliary system and out of any grant-in-aid which may be received from any source.

The bonds outstanding bear interest at rates ranging from 3% to 6% per annum and are collateralized by a first lien on and pledge of the net revenue derived from the operation and ownership of the housing system which includes all housing, dining and social facilities owned or operated by the University.

The bond debt service requirements as of June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 2,020,000	\$ 1,641,859	\$ 3,661,859
2018	2,070,000	1,582,284	3,652,284
2019	2,135,000	1,520,184	3,655,184
2020	2,215,000	1,447,684	3,662,684
2021	2,290,000	1,372,434	3,662,434
2022-2026	12,725,000	5,619,569	18,344,569
2027-2031	15,025,000	3,369,101	18,394,101
2032-2036	11,345,000	915,461	12,260,461
	<u>\$ 49,825,000</u>	<u>\$ 17,468,576</u>	<u>\$ 67,293,576</u>

6. Pension Plans - MOSERS

General Information about the Pension Plan

Plan description. Benefit eligible employees of the University are provided with pensions through Missouri State Employees' Plan (MSEP) - a cost-sharing multiple-employer defined benefit pension plan administered by MOSERS. The plans are referred to as MOSERS in the notes. Chapter 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined benefit plan for eligible state and other related University employees. MOSERS issues an annual Comprehensive Annual Financial Report (CAFR), a publicly available financial report that can be obtained at www.mosers.org.

Benefits provided. MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP 2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR starting on page 30.

Contributions. Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP2011 Plan are required to contribute 4.0 percent of their annual pay. The University's required contribution rate for the year ended June 30, 2016, was 16.97 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The contribution rate for the MOSERS plan year ended June 30, 2015 was 16.97 percent, which is the year of measurement for the net pension liability. Contributions to the pension plan from the University were \$5,467,985 and \$5,625,889 for the years ended June 30, 2016 and 2015, respectively.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Pension Liabilities, Pension Expense, And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

At June 30, 2016, the University reported a liability of \$55,252,185 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The University's proportion of the net pension liability was based on the University's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2015. At June 30, 2015, the University's proportion was 1.721 percent, a decrease from its proportion measured using 1.7363 percent as of the June 30, 2014, measurement date.

There were no changes in benefit terms during the MOSERS plan year ended June 30, 2015, that affected the measurement of total pension liability.

For the year ended June 30, 2016, the University recognized pension expense of \$5,287,300.

At June 30, 2016, 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	\$ 103,216	\$ 357,447
Changes of assumptions	—	735,358
Net difference between projected and actual earnings on pension plan investments	4,242,434	—
Changes in proportion and differences between University contributions and proportionate share of contributions	—	350,639
University contributions subsequent to the measurement dates of June 30, 2015	5,467,985	—
	\$ 9,813,635	\$ 1,443,444

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The University reported \$5,467,985 as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the University's fiscal year following MOSERS' fiscal year as follows:

Amortization Schedule

<u>Plan Year Ending June 30</u>	<u>Amount</u>
2017	\$ (124,890)
2018	(131,420)
2019	(120,142)
2020	3,278,658
	<u>\$ 2,902,206</u>

Actuarial assumptions. The total pension liability in the June 30, 2015 actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%, approximate
Salary increases or wage inflation	0% for FY 2016 and 3.0% annually, average, including inflation thereafter
Investment rate of return	8.0% per year, compounded annually, net after investment expenses and including inflation

Mortality rates were based on the RP-2000 combined healthy mortality table projected to 2016 with Scale AA. The pre-retirement mortality rates used were 100% of the port-retirement mortality rates for males and 80% of the port-retirement mortality for females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The change in assumptions recorded as deferred inflows of resources was related to a change in wage assumptions. For the June 30, 2015 valuation, wage inflation is assumed to be 0% in the first year and 3% thereafter. This is a one-time change based on the pay freeze enacted for fiscal year ending June 30, 2016. Previously, salary increases were assumed to be 3.0% to 5.9% annually on average, including inflation.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2011. As a result of the 2011 actuarial experience study, the MOSERS Board made various demographic assumption changes to more closely reflect actual experience. The most significant change was lowering the assumed annual investment rate of return from 8.5% to 8%. MOSERS is conducting an experience study and the results of that study are expected to be finalized prior to June 30, 2016 which will be used by the actuarial firm to conduct the valuation report for MOSERS' FY 2016's valuation which impacts the University's FY 2018 payroll.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in MOSERS target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Policy Allocation</u>	<u>Long-Term Expected Real Rate Of Return*</u>	<u>Weighted Average Long-Term Expected Real Rate Of Return</u>
Beta Balanced	80.0%	5.7%	4.6%
Illiquids **	20.0%	7.3%	1.5%
	<u>100.0%</u>		<u>6.1%</u>

* Represent best estimates of geometric rates of return for each major asset class included.

** Illiquid portfolio upper limit of 27.5% of capital, no new commitments past 23%

Discount rate. The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. 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 active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 8.0%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0%) or 1-percentage-point higher (9.0%) than the current rate:

	1% Decrease	Current Discount	1% Increase
	(7.0%)	Rate	(9.0%)
	(7.0%)	(8.0%)	(9.0%)
University's proportionate share of the net pension liability	\$ 77,867,209	\$ 55,252,185	\$ 36,259,041

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS financial report.

Payables to the pension plan

As of June 30, 2016, the University had payables of \$406,682 to MOSERS for the amount owed for salaries earned but not remitted as of June 30, 2016 due to payment terms in employment contracts.

7. Retirement Plans - CURP

All faculty on full-time, regular appointment are enrolled in the College and University Retirement Plan (CURP) if they have not previously been enrolled in MOSERS. CURP is a noncontributory 401(a) defined contribution retirement plan which uses TIAA-CREF as its third-party administrator. The University is required to contribute at an actuarially determined rate; the rate was 5.89% and 6.16% of annual covered payroll for 2016 and 2015, respectively. The University's contributions to the plan for the years ended June 30, 2016 and 2015 were \$474,428 and \$374,717, respectively, which equaled the required contributions for the years. CURP provides a retirement program which offers interstate portability, immediate vesting and no minimum service requirement. Contributions made by the University are self-directed by participants into their selected individual accounts. After participating in CURP for at least six years, a faculty member may elect to become a member of MOSERS.

8. Employee Health And Welfare Benefits

Effective January 1, 2012, the University established a self-insured medical program covering substantially all employees. The University's liability has been limited by the purchase of specific (\$150,000 in fiscal year 2016) and aggregate (\$1,000,000 in fiscal year 2016) reinsurance. The University has recorded a reserve for expenses incurred but not reported of \$438,263 as of June 30, 2016, which is included in accrued liabilities on the statement of net position.

The liability reported for claims incurred but not reported are based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information obtained prior to the issuance of the financial statements indicates it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Change in the balance of the insurance reserve liability during the year ended June 30, 2016 was as follows:

Liability, June 30, 2015	\$ 692,737
Current year claims and changes in estimate	4,499,490
Claim payments	<u>(4,753,964)</u>
Liability, June 30, 2016	<u>\$ 438,263</u>

Total employee health and welfare expense was \$5,428,097 for the year ended June 30, 2016.

9. Early Retiree Termination Benefits

The University pays health insurance premiums for qualified retired employees who have chosen to participate in early retirement programs established by the Board of Governors until the employee reached the age of 65. Separate programs were established in fiscal years 2010, 2011, 2012, 2015, and 2016. For participants that have not chosen the lump-sum payment method, the University has recorded a liability at the present value of the estimated future cash flows for the program, which amounted to \$755,232 at June 30, 2016.

During the year ended June 30, 2016, the University paid \$148,446 of reimbursements under this plan. Lump sum payments to participants totaled \$175,000 during 2016. At June 30, 2016, there were 39 retirees participating in the program.

10. Commitments And Contingencies

Claims And Litigation

The University is currently involved in various claims and pending legal actions related to matters arising from the ordinary conduct of business. The University administration believes the ultimate disposition of the actions will not have a material effect on the financial statements of the University.

Government Grants

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

Construction

The University had outstanding commitments of \$13,618,905 related to construction contracts at June 30, 2016. A remaining commitment of \$11,744,368 on the Baldwin Hall Renovation Project with The Whiting Turner Contracting Company and Peckham Guyton Albers and Viets Inc comprises the majority of the outstanding construction/architect commitments.

Perkins Loan Program

The University participates in the Federal Perkins Loan Program, under which loans are provided to eligible students and repayments are made directly to the University to provide funding for future eligible participants in the program. Effective October 1, 2015, the Department of Education has stipulated that new loans may not be disbursed under the program (some limited exceptions to continue to award new loans have been made, but are not expected to be applicable for the University). Pursuant to GASB accounting standards, the University has recorded previous contributions from the Federal Government for this program as revenue (and related restricted net position) in the period that the funds were received. The closure of this program, while not certain or determinable at this point, could result in the University recording an obligation to refund previous Federal contributions received under this program to the Department of Education.

11. Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to workers' compensation and natural disasters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The State of Missouri self-insures workers' compensation benefits for all state employees, including University employees. Claims are administered by the Missouri Office of Administration, Risk Management Section.

12. Segment Information

A segment is an identifiable activity reported within a stand-alone entity for which one or more revenue bonds are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds and has related expenses, gains and losses, assets and liabilities that are required by an external party to be accounted for separately. Pursuant to the reporting requirements of GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus - an amendment of GASB Statements No. 21 and No. 34*, the University had one segment at June 30, 2016.

The segment consists of Housing System Revenue Bonds Series 2008, dated February 26, 2008, and Housing System Revenue Bonds Series 2013, dated April 18, 2013, and Housing System Revenue Bonds Series 2015, dated May 28, 2015. These accounts are established to account for activities of the Housing System, as defined by the bond resolutions.

TRUMAN STATE UNIVERSITYNotes To Financial Statements (*Continued*)

The condensed financial information for the Housing System Revenue Bond Fund as of June 30, 2016 is as follows:

Condensed Statement Of Net Position

	<u>2016</u>	<u>2015</u>
Current Assets	\$ 10,918,283	\$ 11,093,250
Noncurrent Assets		
Capital assets, net of depreciation	83,575,230	86,290,082
Other	155,805	155,805
Total Assets	94,649,318	97,539,137
Deferred Outflows Of Resources	1,583,439	277,734
Current Liabilities	2,770,093	3,479,534
Noncurrent Liabilities	51,249,106	52,842,926
Total Liabilities	54,019,199	56,322,460
Net Position		
Net investment in capital assets	33,780,178	31,581,648
Restricted	—	3,527,696
Unrestricted	8,433,380	6,385,067
Total Net Position	\$ 42,213,558	\$ 41,494,411

TRUMAN STATE UNIVERSITYNotes To Financial Statements (*Continued*)**Condensed Statement Of Revenues,
Expenses And Changes In Net Position**

	<u>2016</u>	<u>2015</u>
Operating Revenue		
Housing and food service net of scholarship allowance	\$ 20,944,835	\$ 19,787,246
Other operating revenues	710,176	684,347
Total Operating Revenue	<u>21,655,011</u>	<u>20,471,593</u>
Operating Expenses		
Compensation and benefits	3,151,436	3,409,654
Supplies and other services	10,258,798	9,381,018
Depreciation	5,115,637	5,149,210
Utilities	1,674,237	1,865,832
Total Operating Expenses	<u>20,200,108</u>	<u>19,805,714</u>
Operating Income	<u>1,454,903</u>	<u>665,879</u>
Nonoperating Revenue (Expenses)		
Student fees for capital projects	1,065,615	1,068,442
Investment income	285,522	207,610
Interest on capital asset related debt and other expenses	(2,027,303)	(2,316,524)
Other	(59,590)	(39,894)
Net Nonoperating Expenses	<u>(735,756)</u>	<u>(1,080,366)</u>
Increase (Decrease) In Net Position	<u>719,147</u>	<u>(414,487)</u>
Net Position - Beginning of Year	<u>41,494,411</u>	<u>41,908,898</u>
Net Position End Of Year	<u>\$ 42,213,558</u>	<u>\$ 41,494,411</u>

Condensed Statement Of Cash Flows

	<u>2016</u>	<u>2015</u>
Net cash provided by operating activities	\$ 6,560,365	\$ 5,736,160
Net cash used in capital and related financing activities	(6,849,959)	(2,866,615)
Net cash used in investing activities	(1,009,292)	(2,003,497)
Net increase (decrease) in cash and cash equivalents	(1,298,886)	866,048
Cash and cash equivalents - beginning of year	1,337,453	471,405
Cash and cash equivalents - end of year	<u>\$ 38,567</u>	<u>\$ 1,337,453</u>

TRUMAN STATE UNIVERSITY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

	June 30,	
	2015	2014
University's proportionate of the net pension liability	1.7210%	1.7363%
University's proportionate share of the net pension liability	\$ 55,252,185	\$ 40,938,147
University's covered-employee payroll	\$ 33,308,792	\$ 32,701,587
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	165.88%	125.19%
Plan fiduciary net position as a percentage of the total pension liability	72.62%	79.49%

Notes: The above schedule is intended to show information for ten years. Additional years will be displayed as they become available. The information is based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

TRUMAN STATE UNIVERSITY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION (Continued)
SCHEDULE OF AGENCY CONTRIBUTIONS
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

	June 30,	
	2015	2014
Contractually required contribution	\$ 5,503,067	\$ 5,666,746
Contributions in relation to the contractually required contribution	5,503,067	5,666,746
University's covered-employee payroll	32,430,791	32,701,587
Contributions as a percentage of covered-employee payroll	16.97%	17.33%

Notes: The above schedule is intended to show information for ten years. Additional years will be displayed as they become available. The information is based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

TRUMAN STATE UNIVERSITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For The Year Ended June 30, 2016

1. Changes Of Benefit Terms Or Assumptions

Changes Of Benefit Terms

There were no changes to benefit terms in the plan for the year ended June 30, 2015.

Changes Of Assumptions

There were no changes to assumptions in valuation reports for the year ended June 30, 2015, other than the assumption that there would be no pay increases for fiscal year ending June 30, 2016, only.

TRUMAN STATE UNIVERSITY
SINGLE AUDIT REPORT
JUNE 30, 2016

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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 Auditing Standards***

Board of Governors and Audit Committee
Truman State University
Kirksville, Missouri

We have audited, 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, the financial statements of the business-type activities of Truman State University (the University), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated _____*.

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 University'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 would 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.

_____ *

**Independent Auditors' Report On
Compliance For Each Major Federal
Program; Report On Internal Control
Over Compliance; And Report On The
Schedule Of Expenditures Of Federal
Awards Required By The Uniform Guidance**

Board of Governors and Audit Committee
Truman State University
Kirksville, Missouri

Report On Compliance For Each Major Federal Program

We have audited Truman State University's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs 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* (the 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 each 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 requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

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, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on 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 a 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Report On Schedule Of Expenditures Of Federal Awards Required By The Uniform Guidance

We have audited the financial statements of the business-type activities of the University as of and for the year ended June 30, 2016, and have issued our report thereon dated _____*, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the 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.

_____*

TRUMAN STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Page 1 Of 2

For The Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Identifying Award Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Agriculture				
Direct	Continued Development of Specialty Starch Maize	58-3625-4-067	10.001	\$ 3,206
Passed through Missouri State University	Food Security Through Linking Resources	2013-70001-21248, 13173-003	10.326	7,512
Total U.S. Department of Agriculture				10,718
U.S. Department of Defense				
Passed through University of Illinois	Advanced Quantum Sensing	W911NF-13-1-0402; 2013-04517-02	12.431	7,328
Passed through University of Illinois	Marine Environment Research	N00014-16-1-2238; 2016-04814-01	12.431	11,552
Total U.S. Department of Defense				18,880
The National Aeronautics and Space Administration				
Passed through Missouri University of Science and Technology	Aerospace Education Services Program	NNX10AI92H, 00029558-03	43.001	8,010
Passed through Missouri University of Science and Technology	Missouri Space Grant Consortium Associate Award for Astrobiology	NNX15AK03H; 00050027-05	43.008	3,000
Passed through Missouri University of Science and Technology	Missouri Space Grant Consortium Associate Award for Light Pollution	NNX15AK03H; 00050027-06	43.008	2,509
Passed through Missouri University of Science and Technology	EPSCoR RID	NNX15AK38A; 00050287-03	43.008	4,595
Total National Aeronautics and Space Administration				18,114
National Science Foundation				
Research and Development Cluster:				
Direct	PRISM - SPECTRA	DMS-0928013	47.049	77,528
Direct	UMB, RUI	DMS-0926737	47.049	34,463
Passed through Cornell University	Genetic Networks Regulating Structure and Function of the Maize Shoot Apical Meristem	IOS-1238142, 67364-10059	47.074	61,399
Direct	Preparing and Advancing Scholars in Mathematics and Computer Science	DUE-1259537	47.076	133,518
Direct	Truman Noyce Scholars Program for Secondary Mathematics and Physics Teaching	DUE-1340082	47.076	96,491
Direct	Supporting Early Career STEM Majors Through Community and Interdisciplinary Interaction	DUE-1060658	47.076	107,604
Total National Science Foundation				511,003

TRUMAN STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Page 2 Of 2

For The Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Identifying Award Number	Federal CFDA Number	Federal Expenditures
Small Business Administration				
Passed through University of Missouri	Small Business Development Center	SBAHQ-16-B-0020; C00051641-9	59.037	34,059
Passed through University of Missouri	Small Business Development Center	SBAHQ-15-B-0028/0001; C00048775-7	59.037	6,808
Total Small Business Administration				40,867
U.S. Department of Veterans Affairs				
Direct	Yellow Ribbon Program	—	64.028	12,020
U.S. Environmental Protection Agency Region VII				
Passed through Schuyler County Soil and Water Conservation District	North and Middle Fabius Watershed Quality Improvement Project	G14-NPS-01	66.460	9,167
U.S. Department of Education and Health and Human Services:				
Direct	Student Financial Aid Cluster:			
	Federal Supplemental Educational Opportunity Grant Program	P007A152359	84.007	108,600
	Federal Work Study Program	P033A152359	84.033	283,502
	Federal Perkins Loan Program	—	84.038	4,123,287
	Federal Pell Grant Program	P063P141748, P063P151748, P063Q151748	84.063	4,928,429
	Federal Direct Loan Program	P268K151748, P268K161748	84.268	17,886,343
	Federal Teach Grant	P379T161748	84.379	25,555
	Nursing Student Loan Program	—	93.364	52,467
	Total Student Financial Aid Cluster			27,408,183
Direct	Trio Cluster:			
	Upward Bound	P047A130140	84.047	389,020
	McNair Post-Baccalaureate Achievement	P217A120032	84.217	249,487
	Total Trio Cluster			638,506
Passed through the Missouri Department of Health and Senior Services	Community Health Worker Survey	42449	93.757	29,476
Total U.S. Department of Education and U.S. Department of Health and Human Services				28,076,165
Corporation for National Community Service				
Direct	AmeriCorps	—	94.006	7,035
Passed through Iowa Campus Compact	MLK Day of Service	—	94.007	1,391
				8,425
Total Expenditures Of Federal Awards				\$ 28,705,359

TRUMAN STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2016

1. General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal award programs of Truman State University (the University) for the year ended June 30, 2016.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Therefore, some amounts presented in, or used in, the preparation of the financial statements may differ from their presentation in this Schedule. For the purpose of the Schedule, federal awards include grants, contracts, loans, and loan guarantee agreements entered into directly between the University and agencies and departments of the federal government or passed through other government agencies or other organizations.

2. Basis Of Accounting And Relationship To The Financial Statements

The accompanying Schedule is presented using the accrual basis of accounting, which is described in Note 1 to the University's basic financial statements. Related federal financial reports are prepared on the cash basis of accounting. Federal financial assistance from the Federal Work Study, Federal Pell and Federal Supplemental Educational Opportunity Grant programs are reported in the University's financial statements as federal grant revenues. The activity of the Federal Direct Student Loans Program is not included in the University's financial statements, as the benefits of these programs are awarded directly to students and not to the University.

3. Loan Programs

The University is responsible for the performance of certain administrative duties with respect to the Federal Direct Loan Program; accordingly, it is not practical to determine the balance of loans outstanding to students and former students of the University under this program at June 30, 2016.

TRUMAN STATE UNIVERSITY

Notes To Schedule Of Expenditures Of Federal Awards (*Continued*)

The following schedule represents loans advanced by the University as of and for the year ended June 30, 2016:

	<u>CFDA</u>	<u>Advances</u>
Student Financial Aid:		
Department of Education:		
Federal Direct Loan Program	84.268	\$ 17,886,343
Federal Nursing Loan Program	93.364	16,650
Federal Perkins Loan Program	84.038	962,923
	<hr/>	
Total		\$ 18,865,916
	<hr/>	

4. Indirect Cost Rate

The University has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

TRUMAN STATE UNIVERSITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2016**

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(s) 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(s) identified that are not considered to be material weakness(es)? ___ yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___ yes X no

Identification of Major Program:

Student Financial Aid Cluster

- CFDA #84.007 - U.S. Department of Education - Federal Supplemental Educational Opportunity Grant Program
- CFDA #84.033 - U.S. Department of Education - Federal Work Study Program
- CFDA #84.038 - U.S. Department of Education - Federal Perkins Loan Program
- CFDA #84.063 - U.S. Department of Education - Federal Pell Grant Program
- CFDA #84.268 - U.S. Department of Education - Federal Direct Loan Program
- CDFA #84.379 - U.S. Department of Education - Federal Teach Grant
- CFDA #93.364 - U.S. Department of Health and Human Services - Nursing Student Loans

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? x yes ___ no

TRUMAN STATE UNIVERSITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)
For The Year Ended June 30, 2016**

Section II - Financial Statement Findings

NONE

Section III - Federal Award Findings And Questioned Costs

NONE

ITEM H.2

Alumni Association Independent Tax Exempt Status

DESCRIPTION AND BACKGROUND

The Truman State University National Alumni Association has operated for a number of years utilizing the tax-exempt status of the Truman State University Foundation. The Foundation and the Association, upon the recommendation of our auditors, decided to seek an independent tax-exempt filing status for the Association.

A letter from Truman’s external auditors is attached explaining the need for the change and a desired timeline. Attached as Exhibit A is a copy of the original Articles of Incorporation for the Association, along with the original Supplement to the Articles. These original documents describe the purpose of the Association and include other provisions relative to the operation of the Association. A second copy of the Supplement (the last two pages of the exhibit) reflects the changes recommended by the auditors to meet the requirements for tax exempt status. These changes clarify that the Association is to operate as a “public charity” as defined by specific provisions of the Internal Revenue Code. Other minor changes pertaining to expenditure of funds and new provisions for disposition of funds in the event of dissolution have also been proposed.

The amendments have been approved by the Association. Pursuant to the Association’s Bylaws, the proposed changes to the Articles of Incorporation are subject to approval of the Board of Governors.

RECOMMENDED ACTION

BE IT RESOLVED that it is desirable for the Truman State University National Alumni Association to obtain independent tax exempt status through application to the United States Internal Revenue Service; that for the Association to be eligible for such tax exempt status, certain amendments must be made to the original Articles of Incorporation; that a copy of the original Articles of Incorporation are attached hereto, incorporated herein and marked Exhibit A showing the original language and the proposed amendments to the original Articles of Incorporation; and

BE IT FURTHER RESOLVED that the Board of Governors hereby approves the amendments to the Truman State University National Alumni Association’s Articles of Incorporation as shown on Exhibit A, to facilitate the Association’s desire to seek tax exempt status for its operations.

Moved by _____
Seconded by _____
Vote: Aye _____
Nay _____

ATTACHMENTS

Letter from RubinBrown LLP dated September 14, 2016
Exhibit A



RubinBrown LLP
Certified Public Accountants
& Business Consultants

One North Brentwood
Saint Louis, MO 63105

T 314.290.3300
F 314.290.3400

W rubinbrown.com
E info@rubinbrown.com

September 14, 2016

Denise Smith
Director of Alumni Relations
Truman State University
McClain Hall Room 205
100 East Normal Ave
Kirksville, MO 63501

Denise,

Pursuant to our conversation in August, this memorandum serves as a summary of the proposed changes to the Articles of Incorporation for the Truman State University Alumni Association (the Association) that are necessary for the Association to proceed with an application for tax-exempt status with the Internal Revenue Service (IRS).

Background

Historically, the Association has not completed a separate tax filing from Truman State University (the University) or Truman State University Foundation. A significant portion of the day to day activities of the Association are administered by, and paid for, by the University, inclusive of the staff resources deployed related to Alumni activities. As the primary purpose of the Association is to support the University and provide certain engagement of and opportunities to the Alumni of the University (as detailed in the Association's bylaws), the net amount of the Association activities transferred to the University or the Foundation by the Association has been historically reported by the Foundation and/or the University.

The Association has determined that it should report its annual activities on a stand-alone basis to the IRS, and thus, is pursuing approval of tax-exempt filing status with such.

Tax Exempt Status

In order to be guaranteed tax exempt status by the IRS, the Association must complete an application online (form 1023-EZ). This application contains multiple questions about the nature of the Associations' activities, operations, and governance structure. A key component of the governance structure for an Organization to obtain approval of tax-exempt status is that the Organization's governing documents (in Missouri, these are defined as the Articles of Incorporation), contain certain key provisions and statements as related to the defined activities of the Organization, as well as provisions related to how the assets of the Organization would be distributed if the entity ceased operations in the future. The IRS publishes several examples of these required provisions for tax-exempt status.

RubinBrown has reviewed the Association's existing articles of incorporation and compared them to the required provisions stipulated by the IRS. Upon our review, there are several changes (attached in Appendix A to this memo) that we would recommend that the Association approve in order to achieve approval for tax exempt status.

Truman State University
Denise Smith
Director of Alumni Relations

Timeline for Filing for Exempt Status

Based on our conversation with you, as well as the University's General Counsel (Warren Wells) and our review of the University and Association governing documents, the following steps would be required to complete the Association's filing for tax exempt status:

1. Association Board of Directors approve the recommended changes to the Association Articles of Incorporation
2. University Board of Governors ratify the changes to the Association Articles of Incorporation at their scheduled October 21, 2016 meeting
3. University staff will file the tax-exempt application with the IRS during the week of October 24
4. The IRS usually takes 3-6 weeks to review and approve the application

Provided that the application for exempt status is approved by the IRS, the Association will file a form 990-EZ for the period ended June 30, 2017.

Please feel free to contact us if you have any questions.



Brent Stevens, CPA
Partner-in-Charge
Colleges & Universities Services Group
Brent.stevens@rubinbrown.com
314.290.3428

STATE OF MISSOURI



ROY D. BLUNT
SECRETARY OF STATE

CORPORATION DIVISION

CERTIFICATE OF INCORPORATION

GENERAL NOT FOR PROFIT

WHEREAS, DUPLICATE ORIGINALS OF ARTICLES OF INCORPORATION OF
NMSU NATIONAL ALUMNI ASSOCIATION

HAVE BEEN RECEIVED AND FILED IN THE OFFICE OF THE SECRETARY OF
STATE, WHICH ARTICLES, IN ALL RESPECTS, COMPLY WITH THE
REQUIREMENTS OF THE GENERAL NOT FOR PROFIT CORPORATION LAW;

NOW, THEREFORE, I, ROY D. BLUNT, SECRETARY OF STATE OF THE STATE
OF MISSOURI, BY VIRTUE OF THE AUTHORITY VESTED IN ME BY LAW, DO
HEREBY CERTIFY AND DECLARE THIS ENTITY A BODY CORPORATE, DULY
ORGANIZED THIS DATE AND THAT IT IS ENTITLED TO ALL RIGHTS AND
PRIVILEGES GRANTED CORPORATIONS ORGANIZED UNDER THE GENERAL NOT
FOR PROFIT CORPORATION LAW.

IN TESTIMONY WHEREOF, I HAVE SET MY
HAND AND IMPRINTED THE GREAT SEAL OF
THE STATE OF MISSOURI, ON THIS, THE
29TH DAY OF SEPTEMBER, 1992.

Roy D. Blunt
Secretary of State



\$10.00



State of Missouri . . . Office of Secretary of State

ROY D. BLUNT, Secretary of State
CORPORATION DIVISION

Articles of Incorporation
of a
General Not For Profit Corporation

Filing Fee \$10.00

FILED AND CERTIFICATE OF
INCORPORATION ISSUED

HONORABLE ROY D. BLUNT
SECRETARY OF STATE
STATE OF MISSOURI
P.O. BOX 778
JEFFERSON CITY, MO 65102

SEP 29 1992

Roy D. Blunt

We the undersigned,

(Not less than three)

Table with 6 columns: Type or Print Name, Number, Street, City, State, Zip. Rows include Jack Atterberry, Tim Bahr, Paul Crist, Larry Lunsford, Pat Williams.

Jane Flanders 705 East Normal Kirksville, Missouri 63501
being natural persons of the age of eighteen years or more and citizens of the United States, for the purpose of forming a corporation under the "General Not For Profit Corporation Law" of the State of Missouri, do hereby adopt the following Articles of Incorporation:

- 1. The name of the corporation is: NMSU National Alumni Association
2. The period of duration of the corporation is: perpetual
3. The address of its initial Registered Office in the State of Missouri is: Alumni Office
106 McClain Hall Kirksville 63501 and
the name of its initial Registered Agent at said Address is: Jane Flanders
4. The first Board of Directors shall be 6 in number, their names and addresses being as follows:

Table with 6 columns: Type or Print Name, Number, Street, City, State, Zip. Rows include Jack Atterberry, Tim Bahr, Paul Crist, Larry Lunsford, Pat Williams, Jane Flanders.

5. The purpose or purposes for which the corporation is organized are:

(Sections 5 and 6 are shown on the attached supplement.)

(OVER)

(NOTE: Any special provision authorized or permitted by Statute to be contained in the Articles of Incorporation may be inserted above.)

(INCORPORATORS MUST SIGN BELOW)

Tim Bahr
Larry A. Lunsford
Pat Williams
Jack D. Atterberry
~~Paul Crist~~
Jane Flanders

Incorporators

FILED AND CERTIFICATE OF
INCORPORATION ISSUED

SEP 29 1992

Roy D. Blisset

VERIFICATION

STATE OF Missouri
County of Adair } ss.

I, Annabeth Chevalier a Notary Public,
do hereby certify that on the 26th day of July, 19 92,
Jack Atterberry, Tim Bahr, Paul Crist, Larry Lunsford, Pat Williams,
Type or Print (Names of Incorporators)
and Jane Flanders

personally appeared before me and being first duly sworn by me severally acknowledged that they signed as their free act and deed the foregoing document in the respective capacities therein set forth and declared that the statements therein contained are true, to their best knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

Annabeth Chevalier
(Notary Public)

NOTARIAL SEAL

ANNABETH CHEVALIER
NOTARY PUBLIC STATE OF MISSOURI
ADAIR COUNTY
MY COMMISSION EXP JUN 17 1997

FILED AND CERTIFIED
INCORPORATION ISSUED

SEP 29 1992

Ray D. Blewett

SUPPLEMENT TO ARTICLES OF INCORPORATION
NMSU National Alumni Association

(Continuation of front page)

5. The purpose or purposes for which the corporation is organized are:

Specifically, the corporation is to promote the interest and welfare of NMSU students and alumni; provide opportunities for NMSU alumni to become acquainted through alumni activities; encourage social and professional camaraderie among alumni; and stimulate opportunities for alumni to support the University in areas of public relations, student recruitment, fund-raising, and career networking.

Generally, the corporation is organized exclusively for charitable, educational, religious, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

6. The corporation shall be subject to the following provisions:

- A. INUREMENT OF INCOME: No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, directors, officers or other private persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered.
- B. LEGISLATIVE OR POLITICAL ACTIVITIES: No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation and the corporation shall not participate in or intervene (including the publishing or distribution of statements) in any political campaign on behalf of any candidate for public office.
- C. OPERATIONAL LIMITATIONS: Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

- D. DISSOLUTION CLAUSE: Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or to a governmental agency, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

FILED AND CERTIFIED
INCORPORATION ISSUED

SEP 29 1992

Ray D. Bluest

SUPPLEMENT TO ARTICLES OF INCORPORATION

NMSU National Alumni Association

(Continuation of front page)

5. The purpose or purposes for which the corporation is organized are:

Specifically, the corporation is organized for the welfare of NMSU students and for NMSU alumni to become

actively engaged in social and professional camaraderie among alumni; and stimulate opportunities for alumni to support the University in areas of public relations, student recruitment, fund-raising, and career networking.

Generally, the corporation is organized exclusively for charitable, educational, religious, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Specifically, the corporation is operated as a public charity Under Sections 509(a)(1) and 170(b)(1)(A)(iv) for the benefit of Truman State University, a public University in the State of Missouri.

and to make payments and distributions in furtherance of the purposes set forth in Article Five hereof.

6. The corporation shall be subject to the following provisions:
- A. INUREMENT OF INCOME: No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, directors, officers or other private persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered.
- B. LEGISLATIVE OR POLITICAL ACTIVITIES: No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation and the corporation shall not participate in or intervene (including the publishing or distribution of statements) in any political campaign on behalf of any candidate for public office.
- C. OPERATIONAL LIMITATIONS: Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

- D. DISSOLUTION CLAUSE: Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or to a governmental agency, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Sixth: Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ITEM H.3

Resolution Amending Section 10.070 of the Code of Policies of the Board of Governors— Vacation Leave

DESCRIPTION AND BACKGROUND

The U.S. Department of Labor has issued new rules under the Fair Labor Standards Act (FLSA) which relate to weekly salary minimums required for employees to be classified as exempt from over-time. This change impacts 85 employees at Truman who are in positions that were previously exempt from overtime. The proposed changes to Board policy relative to vacation leave are necessary to maintain existing vacation accruals for the positions which will become non-exempt on December 1, 2016. Current policy distinguishes employees based on those receiving an employment contract versus those paid on an hourly basis. The proposed vacation policy establishes three employee categories: Professional Exempt, Professional Non-Exempt, and Hourly. Employees who are impacted by the FLSA changes will be in the Professional Non-Exempt category.

RECOMMENDED ACTION

BE IT RESOLVED that Section 10.070 of the Code of Policies titled Vacation Leave is hereby amended as shown below. Language to be deleted appears in **[bold and in brackets]** and language to be added appears in ***bold, underlined italics***.

- 10.070. Vacation Leave. Vacation leave is administered in the following manner.
- 10.070.1. Full-Time **[Contract] Professional Exempt** Employees. Vacation leave for full-time ***professional exempt*** employees **[serving on 12-month contracts]** accrues at the rate of 1.25 days per month (15 working days per year). At the beginning of the 15th year of continuous employment, vacation leave accrues at the rate of 1.67 days per month, which totals 20 days per year.
- 10.070.2. *Full-Time Professional Non-Exempt Employees. Vacation leave for full-time professional non-exempt employees accrues at the rate of 1.25 days per month (15 working days per year). At the beginning of the 15th year of continuous employment, vacation leave accrues at the rate of 1.67 days per month, which totals 20 days per year.***
- 10.070.[2]3. Full-Time **[Non-Contract] Hourly** Employees. Vacation leave for full-time ***hourly*** employees **[not serving on contracts for definite periods]** accrues at the rate of 0.83 of one day per month, which totals 10 working days per year, during the first five years of continuous employment. From the beginning of the sixth year of continuous employment to the beginning of the 15th year, vacation leave accrues at the rate of 1.25 days per month,

which totals 15 working days per year. At the beginning of the 15th year of continuous employment, vacation leave accrues at the rate of 1.67 days per month, which totals 20 working days per year.

- 10.070.**[3]4.** Other Employees. Vacation leave for part-time employees who work at least 20 hours per week or for full-time employees employed less than 12 months per year accrues at a rate proportionate to that of full-time similarly classified **[contract or non-contract]** employees who work 40 hours per week on a twelve month **[contract] basis. [unless other provision for vacation leave is included in the individual employee contract.]**

Moved by _____
Seconded by _____
Vote: Aye _____
Nay _____

ITEM H.4
Financial Report

DESCRIPTION AND BACKGROUND

The following financial reports include a review as of August 31, 2016, of education and general revenues and expenditures and auxiliary systems revenues and expenditures and a review as of August 31, 2016, of the Truman State University Foundation revenues and expenditures.

RECOMMENDED ACTION

This is a discussion item only.

Truman State University
Financial Report
August 31, 2016 compared to August 31, 2015

Education & General (Pages A1-A3)

Revenues total \$35.4 million this year compared to \$34.7 million a year ago, representing 36% of revenue budgeted for FY17 compared to 36.4% of the revenue budgeted for FY16. Total revenues are up \$706,668, or 2.0% over last year.

State Appropriations for FY17 total \$44.3 million compared to \$43.1 million for FY16. As of August 31, 2016 and 2015, the withholdings from the appropriation included the traditional 3%. The FY17 appropriation includes \$1 million earmarked for the autism center.

The enrollment and related fee category is up \$230,595 from last year, or .85%. Fall semester enrollment income is up \$166,870. Fall headcount for the University totals 6,379 this fall compared to 6,208 last fall, up 171 students. Full-time equivalent enrollment (FTE) totals 5,505 this year compared to 5,488 last year, up 17 students. There are 1,416 new undergraduate students (first-time freshman and transfers) compared to 1,435 last year, a decrease of 19 students.

Overall expenditures are up \$1.2 million, or 6.2% over last year. There are four expense categories up more than \$200,000: scholarships, faculty and staff salaries, equipment and capital expenditures, and energy lease principal and interest.

Scholarships total \$11 million this year compared to \$10.8 million last year, up \$200,142 or 1.8%, with the increase in the renewal category. Faculty and staff salaries are up \$482,708. There is a timing issue because new faculty were paid in August rather than in September (up \$118,497) and faculty and staff salary increases totaled 2.5% for FY17. Equipment and capital expenses were up \$200,142 due to added expense in FY17 for the soccer field, press box and bleachers, and General Services Building work.

Auxiliary Systems (Pages B1-B3)

Revenues total \$13.3 million this year compared to \$13.2 million a year ago, representing 53.6% of the budgeted revenues for this year compared to 54.8% for last year. Fall housing is down \$70,251. Meal plan revenue is up \$181,233 primarily due to increased off-campus student participation and more meal options provided for on-campus students. Housing occupancy is at 2,508 residents compared to 2,544 a year ago, or down 36 residents.

Overall expenditures are up \$101,603, or 2.4%. There are two expenses up more than \$100,000, scholarships and other expense.

Scholarship expense is up \$119,292. Other expense includes the energy lease principal and interest payment made in FY17.

Truman State University Foundation (Pages C1-C3)

Statement of Net Position (Page C-1)

Net position increased from \$42.4 million a year ago to \$46.9 million this year, an increase of \$4.5 million. The primary change is in cash (up \$1.2 million) and investments (up \$3.9 million). There was significant cash in the bank as of August 31, but a transfer was made to Commerce early in September, and a payment for scholarships was made to Truman on September 1.

Liabilities are up \$410,844 primarily due to an increase in accounts payable totaling \$360,190. The majority of this increase was to reimburse Truman for fall 2016 scholarships.

Statement of Revenues, Expenses and Changes in Net Position (Pages C2)

Through the end of August, contributions and additions to permanent endowments total \$822,805 this year compared to \$257,413 last year, an increase of \$565,392. Both contributions and additions to endowments are up.

Investment return, net of fees, total a \$1.2 million gain this year compared to a \$1.4 million loss last year, a change of \$2.6 million. The majority of the change is in the unrealized gain and loss category.

Expenses and Transfers to Truman are down, totaling \$607,539 this year compared to \$659,599 last year. Scholarship awards are up \$38,362, supply costs are down \$30,135, and Transfers to Truman are down \$50,995. It is early in the fiscal year and these reductions are likely due to timing.

Investments Schedule (Page C-3)

In addition to investments included in the statement of net position (\$46 million this year compared to \$42.2 million last year), the Foundation has beneficial interest in three trusts that are not on the Foundation's financial statements. The value of these trusts is down \$34,807 as follows. The Ludlow Trust, down \$7,942 (invested at Citizens Bank of Chillicothe); the Cozean Trust is up \$15,316 (invested through First Bankers Trust in Quincy); and the Lyle Ingraham Trust is down \$42,179 (invested through Citizens Bank of Chillicothe).

**Truman State University
Educational & General
Budget to Actual
For the period ending August 31**

	FY17 Budget	FY17 To Date	Percent of Budget This Year	Percent of Budget Last Year
Education & General				
Revenues				
State Sourced Income	\$ 45,681,673	\$ 7,385,204	16.17%	
Local Income	\$ 52,636,052	\$ 28,027,558	53.25%	
Total Budgeted Revenues	\$ 98,317,725	\$ 35,412,762	36.02%	36.42%
Rollover from prior year	\$ 3,099,782			
Total Resources to Spend	\$ 101,417,507			
Expenses				
Salaries & Fringe Benefits				
Faculty/Staff Salaries	\$ 38,494,613	\$ 3,558,627	9.24%	
Student Employment	\$ 3,928,385	\$ 993,724	25.30%	
Fringe Benefits	\$ 15,709,126	\$ 1,604,711	10.22%	
Total Salaries & Fringe Benefits	\$ 58,132,124	\$ 6,157,062	10.59%	9.85%
Equipment & Capitalized Expense	\$ 2,659,869	\$ 404,328	15.20%	5.86%
Operations				
Other Expense	\$ 18,002,210	\$ 2,986,171	16.59%	
Institutional Aid	\$ 19,323,304	\$ 11,039,844	57.13%	
Utilities	\$ 3,300,000	\$ 481,150	14.58%	
Total Operations	\$ 40,625,514	\$ 14,507,165	35.71%	36.96%
Total Education & General Expense	\$ 101,417,507	\$ 21,068,555	20.77%	20.38%

Truman State University
 Operating Receipts by Fund
 For the period ending August 31

	<u>FY15 Receipts</u>	<u>FY16 Receipts</u>	<u>FY17 Receipts</u>	<u>Change FY16 to FY17</u>	<u>% Change FY16 to FY17</u>
Education & General					
State Appropriation					
State Appropriation	\$ 6,549,602	\$ 6,969,470	\$ 7,223,538	\$ 254,068	3.65%
Autism Center	\$ -	\$ -	\$ 161,666	\$ 161,666	100.00%
Total State Sourced Income	<u>\$ 6,549,602</u>	<u>\$ 6,969,470</u>	<u>\$ 7,385,204</u>	<u>\$ 415,734</u>	<u>5.97%</u>
Enrollment Fees					
Enrollment Fees	\$ 25,266,600	\$ 25,495,084	\$ 25,730,916	\$ 235,832	0.93%
Course Fees	\$ 681,799	\$ 857,601	\$ 852,503	\$ (5,098)	-0.59%
Student Activity Fees	\$ 252,698	\$ 249,881	\$ 249,858	\$ (23)	-0.01%
Athletic Fees	\$ 280,775	\$ 322,043	\$ 321,981	\$ (62)	-0.02%
Health Clinic Fees	\$ 151,619	\$ 149,942	\$ 149,888	\$ (54)	-0.04%
Total Student Fees	<u>\$ 26,633,491</u>	<u>\$ 27,074,551</u>	<u>\$ 27,305,146</u>	<u>\$ 230,595</u>	<u>0.85%</u>
Other Income	\$ 696,159	\$ 662,073	\$ 722,412	\$ 60,339	9.11%
Total Education & General	<u>\$ 33,879,252</u>	<u>\$ 34,706,094</u>	<u>\$ 35,412,762</u>	<u>\$ 706,668</u>	<u>2.04%</u>

**Truman State University
Operating Expense by Fund
For the period ending August 31**

	<u>FY15 Expense</u>	<u>FY16 Expense</u>	<u>FY17 Expense</u>	<u>Change FY16 to FY17</u>	<u>% Change FY16 to FY17</u>
Education & General					
Salaries & Fringe Benefits					
Faculty & Staff Salaries	\$ 3,198,496	\$ 3,075,919	\$ 3,558,627	\$ 482,708	15.69%
Student Salaries	\$ 1,099,720	\$ 958,946	\$ 993,724	\$ 34,778	3.63%
Fringe Benefits	\$ 1,374,017	\$ 1,547,338	\$ 1,604,711	\$ 57,373	3.71%
Total Salary & Fringe Benefits	<u>\$ 5,672,233</u>	<u>\$ 5,582,203</u>	<u>\$ 6,157,062</u>	<u>\$ 574,859</u>	<u>10.30%</u>
Equipment & Capital Expenses	<u>\$ 89,177</u>	<u>\$ 150,595</u>	<u>\$ 404,328</u>	<u>\$ 253,733</u>	<u>168.49%</u>
Operations					
Institutional Aid	\$ 9,968,424	\$ 10,839,702	\$ 11,039,844	\$ 200,142	1.85%
Professional Services	\$ 214,653	\$ 215,515	\$ 121,504	\$ (94,011)	-43.62%
Travel	\$ 548,231	\$ 308,697	\$ 347,974	\$ 39,277	12.72%
Utilities	\$ 598,208	\$ 569,161	\$ 481,150	\$ (88,011)	-15.46%
Supplies	\$ 352,550	\$ 343,869	\$ 491,242	\$ 147,373	42.86%
Maintenance Contracts	\$ 608,179	\$ 743,284	\$ 745,797	\$ 2,513	0.34%
Communications	\$ 109,890	\$ 115,019	\$ 96,568	\$ (18,451)	-16.04%
Maintenance & Repair	\$ 134,415	\$ 54,834	\$ 141,270	\$ 86,436	157.63%
Energy Lease Principal & Interest	\$ -	\$ -	\$ 210,000	\$ 210,000	100.00%
Other Expense	\$ 999,250	\$ 922,804	\$ 831,816	\$ (90,988)	-9.86%
Total Operations	<u>\$ 13,533,800</u>	<u>\$ 14,112,885</u>	<u>\$ 14,507,165</u>	<u>\$ 394,280</u>	<u>2.79%</u>
Total Education & General	<u>\$ 19,295,210</u>	<u>\$ 19,845,683</u>	<u>\$ 21,068,555</u>	<u>\$ 1,222,872</u>	<u>6.16%</u>

Truman State University
Auxiliary
Budget to Actual
For the period ending August 31

	FY17 Budget	FY17 To Date	Percent of Budget This Year	Percent of Budget Last Year
Auxiliary Systems				
Revenues				
Residence Halls	\$ 21,440,000	\$ 11,917,910	55.59%	
Student Union	\$ 1,390,000	\$ 578,960	41.65%	
Recreation Center	\$ 1,240,000	\$ 688,704	55.54%	
Other Auxiliary	\$ 680,000	\$ 72,610	10.68%	
Total Budgeted Revenues	\$ 24,750,000	\$ 13,258,184	53.57%	54.77%
Rollover from prior year	\$ 648,020.23			
Total Resources to Spend	\$ 25,398,020.23			
Expenses				
Salaries & Fringe Benefits				
Salaries	\$ 2,088,180.96	\$ 337,750	16.17%	
Student Salaries	\$ 1,416,500	\$ 178,638	12.61%	
Fringe Benefits	\$ 1,178,275.76	\$ 504,458	42.81%	
Total Salaries & Fringe Benefits	\$ 4,682,956.72	\$ 1,020,846	21.80%	22.00%
Equipment /Capitalized Expense	\$ 714,583	\$ 9,200	1.29%	12.85%
Operations				
Bond Principal & Interest	\$ 3,661,859	\$ -	0.00%	
Meals/Banquets/Refreshments	\$ 7,910,900	\$ 731,980	9.25%	
Other Expense	\$ 4,278,552.51	\$ 1,179,796	27.57%	
Institutional Aid	\$ 1,765,500	\$ 973,342	55.13%	
Utilities	\$ 2,383,669	\$ 389,622	16.35%	
Total Operations	\$ 20,000,480.51	\$ 3,274,740	16.37%	16.07%
Total Auxiliary Expense	\$ 25,398,020.23	\$ 4,304,786	16.95%	17.06%

**Truman State University
Operating Receipts by Fund
For the period ending August 31**

	<u>FY15 Receipts</u>	<u>FY16 Receipts</u>	<u>FY17 Receipts</u>	<u>Change FY16 to FY17</u>	<u>% Change FY16 to FY17</u>
Auxiliary					
Residence Halls	\$ 11,289,967	\$ 11,809,327	\$ 11,917,910	\$ 108,583	0.92%
Student Union	\$ 655,565	\$ 675,711	\$ 578,960	\$ (96,751)	-14.32%
Recreation Center	\$ 691,510	\$ 686,027	\$ 688,704	\$ 2,677	0.39%
Other Auxiliary	\$ 85,769	\$ 70,603	\$ 72,610	\$ 2,007	2.84%
Total Auxiliary	<u><u>\$ 12,722,811</u></u>	<u><u>\$ 13,241,668</u></u>	<u><u>\$ 13,258,184</u></u>	<u><u>\$ 16,516</u></u>	<u><u>0.12%</u></u>

**Truman State University
Operating Expense by Fund
For the period ending August 31**

	<u>FY15 Expense</u>	<u>FY16 Expense</u>	<u>FY17 Expense</u>	<u>Change FY16 to FY17</u>	<u>% Change FY16 to FY17</u>
Auxiliary					
Salaries & Fringe Benefits					
Salaries	\$ 332,472	\$ 321,685	\$ 337,750	\$ 16,065	4.99%
Student Wages	\$ 363,716	\$ 180,957	\$ 178,638	\$ (2,319)	-1.28%
Fringe Benefits	\$ 177,533	\$ 513,611	\$ 504,458	\$ (9,153)	-1.78%
Total Salary & Fringe Benefits	<u>\$ 873,721</u>	<u>\$ 1,016,253</u>	<u>\$ 1,020,846</u>	<u>\$ 4,593</u>	<u>0.45%</u>
Equipment & Capital Expenses	<u>\$ 2,273</u>	<u>\$ 91,833</u>	<u>\$ 9,200</u>	<u>\$ (82,633)</u>	<u>-89.98%</u>
Operations					
Institutional Aid	\$ 945,614	\$ 854,050	\$ 973,342	\$ 119,292	13.97%
Supplies	\$ 107,008	\$ 176,754	\$ 103,944	\$ (72,810)	-41.19%
Maintenance Contracts	\$ 36,179	\$ 102,167	\$ 102,990	\$ 823	0.81%
Communications	\$ 16,499	\$ 23,362	\$ 28,477	\$ 5,115	21.89%
Meals-Contract Food Service	\$ 765,142	\$ 699,728	\$ 731,980	\$ 32,252	4.61%
Meals-Other	\$ -	\$ 228,435	\$ 187,734	\$ (40,701)	-17.82%
Utilities	\$ 380,218	\$ 376,989	\$ 389,622	\$ 12,633	3.35%
Professional Services	\$ 87,391	\$ 80,625	\$ 87,849	\$ 7,224	8.96%
Other Expense	\$ 482,669	\$ 552,987	\$ 668,802	\$ 115,815	20.94%
Total Operations	<u>\$ 2,820,720</u>	<u>\$ 3,095,097</u>	<u>\$ 3,274,740</u>	<u>\$ 179,643</u>	<u>5.80%</u>
Total Auxiliary	<u>\$ 3,696,714</u>	<u>\$ 4,203,183</u>	<u>\$ 4,304,786</u>	<u>\$ 101,603</u>	<u>2.42%</u>

Truman State University Foundation
Statement of Net Position
August 31, 2015 Compared to August 31, 2016

ASSETS	31-Aug-15 FY16	31-Aug-16 FY17	Change FY16 to FY17
Current Assets			
Cash	\$ 124,671	\$ 1,277,934	\$ 1,153,263
Short Term Investments	\$ 2,156,131	\$ 2,303,430	\$ 147,299
Loans Receivable, net of allowance	\$ 317,863	\$ 253,967	\$ (63,896)
Total Current Assets	\$ 2,598,666	\$ 3,835,331	\$ 1,236,666
Non-Current Assets			
Investments	\$ 40,048,224	\$ 43,773,138	\$ 3,724,914
Loans Receivable, net of allowance	\$ 358,010	\$ 326,264	\$ (31,746)
Cash Value of Life Insurance	\$ 106,804	\$ 106,804	\$ -
Total Non-Current Assets	\$ 40,513,038	\$ 44,206,205	\$ 3,693,167
Total Assets	\$ 43,111,704	\$ 48,041,536	\$ 4,929,833
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 163,680	\$ 523,870	\$ 360,190
Annuities & Trusts Payable	\$ 62,575	\$ 70,640	\$ 8,065
Total Current Liabilities	\$ 226,255	\$ 594,510	\$ 368,255
Non-Current Liabilities			
Annuities & Trusts Payable	\$ 492,262	\$ 534,851	\$ 42,589
Total Non-Current Liabilities	\$ 492,262	\$ 534,851	\$ 42,589
Total Liabilities	\$ 718,517	\$ 1,129,361	\$ 410,844
NET POSITION	\$ 42,393,187	\$ 46,912,176	\$ 4,518,989

Truman State University Foundation
Statement of Revenues, Expenses & Changes in Net Position
August 31, 2015 Compared to August 31, 2016

	<u>31-Aug-15 FY16</u>	<u>31-Aug-16 FY17</u>	<u>Change FY16 to FY17</u>
Operating Revenue			
Interest on Student Loan Receivable	\$ 5,040	\$ 4,326	\$ (714)
Sales Tax Collected	\$ 4	\$ -	\$ (4)
Total Operating Revenues	<u>\$ 5,044</u>	<u>\$ 4,326</u>	<u>\$ (718)</u>
Operating Expenses			
Scholarships	\$ 425,110	\$ 463,472	\$ 38,362
Supplies & Other Services	\$ 50,266	\$ 20,131	\$ (30,135)
Travel Expense	\$ 21,367	\$ 20,670	\$ (697)
Other Expense	\$ 45,552	\$ 36,958	\$ (8,594)
Total Operating Expenses	<u>\$ 542,295</u>	<u>\$ 541,231</u>	<u>\$ (1,064)</u>
Operating Gain (Loss)	<u>\$ (537,251)</u>	<u>\$ (536,905)</u>	<u>\$ 346</u>
Non-Operating Revenues (Expenses)			
Contributions	\$ 134,312	\$ 179,677	\$ 45,365
Interest & Dividends	\$ 153,292	\$ 162,810	\$ 9,518
Realized Gain (Loss)	\$ 189,501	\$ (41,739)	\$ (231,240)
Unrealized Gain (Loss)	\$ (1,762,135)	\$ 1,072,362	\$ 2,834,497
Other Non-Operating Income	\$ 1,974	\$ 7,870	\$ 5,896
Other Non-Operating Expense	\$ (30,617)	\$ (16,532)	\$ 14,085
Net Non-Operating Revenues (Expenses)	<u>\$ (1,313,673)</u>	<u>\$ 1,364,448</u>	<u>\$ 2,678,121</u>
Income before other Revenues, Expenses, Gains, Losses & Transfers	<u>\$ (1,850,924)</u>	<u>\$ 827,543</u>	<u>\$ 2,678,467</u>
Additions to Permanent Endowments	\$ 123,101	\$ 643,128	\$ 520,027
Transfers to Education & General for Administratio	\$ (19,883)	\$ (19,883)	\$ (0)
Transfers to Education & General	\$ (90,152)	\$ (43,379)	\$ 46,773
Transfer to Auxiliary - Other	\$ (7,269)	\$ (3,046)	\$ 4,223
Increase (Decrease) in Net Assets	<u>\$ (1,845,126)</u>	<u>\$ 1,404,362</u>	<u>\$ 3,249,488</u>
Net Position, Beginning of Year	\$ 44,238,313	\$ 45,507,814	
Net Position Ending Balance	<u><u>\$ 42,393,187</u></u>	<u><u>\$ 46,912,176</u></u>	<u><u>\$ 4,518,989</u></u>

**Truman State University Foundation
Investments Schedule
August 31, 2015 Compared to August 31, 2016**

Investments	31-Aug-15 FY16	31-Aug-16 FY17
Invested with Outside Manager		
Endowment Pool	\$ 38,419,291	\$ 42,011,351
Total Endowment Pool	\$ 38,419,291	\$ 42,011,351
Short-Term Pool	\$ 2,156,131	\$ 2,303,430
Long Trust	\$ 658,723	\$ 686,357
Courtright Elmwood Unitrust	\$ 32,563	\$ 32,734
Rufener M.E.T. Unitrust	\$ 28,354	\$ -
Annuities Payable - CGA	\$ 813,438	\$ 947,686
Fitzpatrick - CA CGA	\$ 70,838	\$ 69,559
Annuities Payable - FL CGA	\$ 25,018	\$ 25,450
Total Investments	\$ 42,204,356	\$ 46,076,568
 Beneficial Interest in Trusts		
Invested through Citizens Bank, Chillicothe, MO Ludlow Trust	\$ 232,899	\$ 224,957
Invested through First Bankers Trust, Quincy, IL Cozean Trust	\$ 305,916	\$ 321,232
Invested through Citizens Bank, Chillicothe, MO Lyle Ingraham Trust	\$ 2,952,079	\$ 2,909,900
Total Beneficial Interest in Trusts	\$ 3,490,895	\$ 3,456,088

ITEM I**Academic and Student Affairs Committee Report****DESCRIPTION AND BACKGROUND**

Governor Cheryl J. Cozette, Chair of the Academic and Student Affairs Committee, will provide a report on the committee meeting held on October 17.

RECOMMENDED ACTION

This is a discussion item only.

ITEM I.1

University Strategic Plan

DESCRIPTION AND BACKGROUND

In his January 2015 State of the University Address, President Troy Paino challenged the campus to develop an action plan that effectively responded to the external challenges facing the University. From that challenge, a multi-stage process was developed. In the first stage, six Action Teams were charged with developing recommendations for specific components of the action plan. Final reports from the Action Teams were presented at the Strategic Planning and Assessment Workshop in August 2015. Given the numerous important recommendations offered by the Action Teams, two blueprint teams were charged with combining the recommendations into synergistic plans of action. The teams submitted their final reports in December 2015. From these synergistic plans, in Spring 2016, nine Next Step Teams were charged with developing implementation strategies for specific components of the plans. Also during Spring 2016, a University Strategic Plan for Inclusive Excellence Committee was developed and the committee submitted its plan in May 2016.

Upon reflection, it was clear that the work of all of these groups were setting the direction for the future of Truman. Thus, rather than employing a top-down approach in which a select group of individuals are charged with developing the strategic plan, a bottom-up approach was employed in which the work of these very important groups was combined into the strategic plan. The president, vice presidents and chief information officer crafted the plan from the foundational work of the teams and the draft plan was vetted with the President’s Administrative Council. The revised draft was shared with the Faculty Senate, Staff Council and Student Government for feedback.

RECOMMENDED ACTION

BE IT RESOLVED that the values and institutional commitments included in the proposed University strategic plan titled *Truman Blueprint for Success: Intentional Experiences, Institutional Distinctiveness, Extended Reach and Organizational Excellence, 2016-2020*, are endorsed by the Board of Governors with the understanding that the University community shall begin developing specific measures and implementation strategies for the plan; and

BE IT FURTHER RESOLVED that a copy of the strategic plan be attached to the minutes as an exhibit.

Moved by _____
Seconded by _____
Vote: Aye _____
Nay _____

ATTACHMENT

Truman Blueprint for Success: Intentional Experiences, Institutional Distinctiveness, Extended Reach and Organizational Excellence, 2016-2020

Truman Blueprint for Success:

Intentional Experiences. Institutional Distinctiveness. Extended Reach. Organizational Excellence.

Truman State University Strategic Plan, 2016-2020 – DRAFT (7/20/2016)

Our Vision: *Educating Students for the Benefit of All*

Truman will demonstrate its public liberal arts and sciences mission by developing educated citizens needed to protect our democracy and offer creative solutions to state, national and global problems. It will do so through transformative experiences that foster critical thought, daring imagination and empathetic understanding of human experiences at home and around the world. Truman graduates will be citizen-leaders committed to service; globally competitive; able to thrive in the complexities of an advanced, technical and multicultural world; and inspired to live healthy and meaningful lives.

Truman will act to preserve our democracy by:

- Ensuring access to an increasingly diverse student population while maintaining its commitment to academic excellence through recruitment and mentorship of students capable of succeeding in an academically challenging environment; and
- Expanding its reach to students who aspire to complete a Truman education, yet arrive through non-traditional paths.

Our Challenges and Opportunities:

Truman State University is committed to leading by example by providing a model education grounded in the liberal arts and sciences. The University is dedicated to our students' future personal and professional success through the practical application of knowledge.

In a time of declining state support, tuition caps, societal devaluation of the liberal arts, the disaggregation of higher education and increased competition, this strategic plan is the culmination of a 14-month campus-wide process designed to define the University's future in the context of this commitment (see Appendix A).

Through this strategic plan, Truman will elevate its distinctiveness, improve student engagement and retention, embrace inclusive excellence and instill the value of our educational mission by further embedding liberal learning and transformational learning outcomes into the curricular and co-curricular experiences of all our students. Achievement of these goals will equip our students to meet the demands of the 21st century and demonstrate that a liberal arts and sciences education prepares students for post-graduation success through meaningful and productive lives.

Our Priorities:

We are dedicated to a focused pursuit of our mission and will boldly address our challenges and opportunities through the following priorities and goals.

Intentional Experiences — Ensure all students are more fully engaged in their learning and discover their personal and professional purpose by providing intentional curricular and co-curricular opportunities that require the application of learning to real-world problems.

GOALS:

Embed high-impact experiences in the curriculum, ensuring that every student has at least one meaningful high-impact learning experience before graduating with a Truman degree.

Embed opportunities for transformational learning in all activities throughout the Truman Experience.

Create streamlined processes to encourage, support, and track high-impact experiences (both curricular and co-curricular).

Expand the Truman Portfolio to include submission and reflection on a routine basis and serve as the method of documentation and assessment for high-impact and transformational experiences both in and outside of the classroom.

Institutional Distinctiveness — Advance student learning and institutional distinctiveness through renewal of the Liberal Arts and Sciences curriculum.

GOALS:

Embed the liberal learning outcomes of a liberal arts and sciences education throughout the Truman curriculum.

Develop a two-semester sequence of seminars, integrating the essential skills of speaking, writing, digital fluency, and wellness, that serve as a broad introduction to the liberal arts and sciences, and better prepare students for the JINS seminar.

Reconfigure the Liberal Studies Program (LSP) to facilitate a change in curriculum that allows: greater student choice, accommodates the two new seminars, re-conceptualizes the distributional requirement, and adopts more broadly conceived dialogues.

Create a dynamic information discovery system to associate courses with themes and attributes, which students may use to navigate the LSP in a more coherent and satisfying way.

Extended Reach — Increase substantive learning experiences that serve societal needs by reaching students beyond the University's traditional borders.

GOALS:

Advance social uplift by expanding the opportunities for a liberal arts and sciences education to a wider array of students across Missouri, the nation, and the world.

Increase net revenue through the creation and implementation of innovative programs and delivery systems that attract and retain students.

Repurpose infrastructure and resources to facilitate development, approval, and implementation of new learning experiences and programs.

Organizational Excellence — Promote organizational excellence and solidify our strategic position by supporting a fiscally responsible, inclusive, sustainable, and healthy campus.

GOALS:

Remain a best-value university by reallocating resources (funding and staffing) to respond to changing technology, changing practices, changing characteristics of our student body, changing employment needs, and the requirements of staying current in our ever-changing disciplines and fields of specialization.

Strengthen the university's financial base, diversify resources, and wisely invest in initiatives that ensure long-term relevance.

Catalyze and sustain organizational change which reflects a deeper commitment to equity, diversity and inclusion, and which enhances accessibility and promotes excellence in all aspects of the Truman Experience.

Ensure that financial, environmental, and human concerns are considered through adherence to Truman's Sustainability Principles.

Support an environment and provide resources that promote physical, emotional and social wellness.

ITEM J

Budget and Capital Projects Committee Report

DESCRIPTION AND BACKGROUND

Governor Mike LaBeth, Chair of the Budget and Capital Projects Committee, will provide a report on the committee meeting held on October 14.

RECOMMENDED ACTION

This is a discussion item only.

ITEM J.1
Construction Projects Report

DESCRIPTION AND BACKGROUND

The following report is an update on construction projects which have been approved by the Board at previous meetings.

RECOMMENDED ACTION

This is a discussion item only.

ATTACHMENT

Construction Projects Report

Construction Projects Report

<u>Project Project Name</u>	<u>Budget</u>	<u>Approval Date</u>	<u>Expenditure To Date</u>	<u>Status*</u>	<u>Completion Occupancy**</u>	<u>Project Completion</u>	<u>Final Project Cost</u>
Guaranteed Energy Savings Program	\$10,500,000	4-11-15	\$10,370,820	99%	8-31-16		
Campbell Apartments Sewer Replacement Project	\$ 150,000	2-6-16	\$149,196.07	100%	8-23-16	8-23-16	\$149,196.07
Baldwin Hall Renovation Project	\$14,500,000	4-9-16	\$2,169,917	15%	8-18-17		
2016 Roofing, Drainage and Building Repairs Project	\$ 660,000	4-9-16	\$ 483,150	73%	9-9-16		
Utility Tunnels Repair Project	\$ 160,000	4-9-16		0%			
Soccer Field Press Box and Bleacher Replacement Project	\$ 125,000	6-11-16	\$92,663.70	74%			

*completion status based on payments made

**occupancy date based on primary construction contract

ITEM J.2

Contracts for Construction Projects and Equipment Purchases Report

DESCRIPTION AND BACKGROUND

The following is a report of construction projects and equipment purchases totaling \$25,000 to \$100,000 which have been approved since the last meeting of the Board.

RECOMMENDED ACTION

This is a discussion item only.

ATTACHMENT

Contracts for Construction Projects/Equipment Purchases

Contracts for Construction Projects

The following construction projects totaling \$25,000 to \$100,000 have been approved since the last meeting of the Board.

<u>Project Name</u>	<u>Cost</u>
Summer Concrete Sidewalk and Paving Project This project replaced damaged concrete sidewalk and parking lot sections on various locations on the Truman campus. Three contractors submitted bids, and the low bid was awarded to Stanton Contracting LLC from Kirksville, Missouri. The project was funded from the general construction budget.	\$78,122.81
Three-House Demolition Project Three University-owned buildings were demolished at the following locations: 510/512 East Filmore Street, 208 East Scott Street and 1409 South Florence Street. An asbestos and demolition bid was issued, and three companies submitted bids. The lowest responsible bidder was Mick Mehler & Sons Inc. from Silex, Missouri. Funds for this project were taken from the Land Acquisition and Development Fund.	\$76,310
Baseball Batting Cage Project This project included the construction of a new double baseball batting cage in place of the current batting cage which was in a deteriorated condition and no longer usable. Bids were received from three vendors with the low bid awarded to WAMCO Sales and Installation from Memphis, Missouri. This project was approved by the Athletic Fee Accountability Committee and paid by the Student Athletic Fee.	\$38,900
East Tennis Court Improvements Project This project resurfaced the east tennis courts which were in a severely deteriorated condition. A bid was issued and four companies submitted bids. The low bidder, McConnell & Associates from Kansas City, Missouri, was awarded the contract. The resurfacing project was an approved project by the Athletic Fee Accountability Committee and paid by the Student Athletic Fee.	\$47,265

Equipment Purchases

The following single items of equipment totaling \$25,000 to \$100,000 have been approved since the last meeting of the Board.

<u>Description</u>	<u>Cost</u>
None to report	

ITEM J.3
Blanton-Nason-Brewer Window and Roof Replacement Project

DESCRIPTION AND BACKGROUND

This project will address maintenance and repair needs at the Blanton-Nason-Brewer residence hall. Currently the facility houses approximately 330 students, and the interior was renovated in 2008. The windows date from the early 1980s and have issues including air infiltration and many are no longer operable. Replacement windows similar to those utilized when Centennial Hall was renovated will be included in the project. The roofs on this complex were replaced in three phases in the past and are now 20-26 years old. As part of the roofing project damaged gutters and downspouts will also be replaced or repaired. This project is scheduled for summer 2017.

Bids were sought via advertisements in two general circulation newspapers, and five general contractors submitted proposals which were opened on September 27, 2016. The bidders were Mill Valley Construction, Olathe, KS; River City Construction, Ashland, MO; PSR Construction, Kirksville, MO; The Wilson Group, Greenwood, MO; and Whiting-Turner, Kansas City, MO. The low bid is from Mill Valley and the project budget of \$1,980,000 includes design fees, advertising and contingencies. Funds for the project are from the Auxiliary Improvements Budget.

RECOMMENDED ACTION

BE IT RESOLVED that the description and budgeted amount for the following construction project be approved:

<u>Project Name</u>	<u>Project Budget</u>
Blanton-Nason-Brewer Window and Roof Replacement Project	\$1,980,000

BE IT FURTHER RESOLVED that the President of the University, or her designee, be authorized to accept the lowest and best bid for project; and

BE IT FURTHER RESOLVED that a copy of the description of the project, as reviewed at the meeting, be attached to the minutes as an exhibit.

Moved by _____
Seconded by _____
Vote: Aye _____
Nay _____

ITEM J.4
University Residence Project

DESCRIPTION AND BACKGROUND

At the August 6, 2016, meeting of the Board of Governors, Ittner Architects was selected to provide an analysis of the condition of the University Residence and submit a report outlining items that should be addressed to maintain the structure and mitigate any safety issues. The firm was also tasked with identifying improvements to the residence which would make it more up-to-date while maintaining the historical integrity of the home.

The analysis by Ittner Architects identified some safety issues such as electrical service that should be replaced as well as abatement of floor tile in the basement which is likely to contain asbestos. No signs of mold were found in the structure, however water infiltration from two sources is a problem. Roof leaks have occurred around the chimneys and from the gutters. As designed, the rainwater downspouts were tied to the sanitary sewer line. However, this is no longer allowed so the downspouts now discharge near the foundation. As a result, water has regularly infiltrated the basement. A final moisture related issue is the poor ventilation in both second floor bathrooms.

Price estimates were developed for several optional improvements based on the assumption of an “upscale” approach suitable for an executive residence. These costs could be reduced by using less expensive materials or finishes.

A copy of the report from Ittner Architects is attached which contains estimates for various renovations. Work is divided into two broad categories: Necessary Renovations and Repairs and Marketable Improvements. Within these two categories projects are further identified as Tier 1 or Tier 2. Estimated costs range from \$160,000 to \$612,000 depending on the scope of work.

POTENTIAL TIMELINE

Should the Board wish to move ahead with several of the items which require services of an architect, the following timeline is proposed:

October 24 – November 18, 2016
Preliminary Design (Schematic Design and Design Development)

November 21 – December 14, 2016
Final Design (Construction Documents)

December 15, 2016 – January 17, 2017
Bidding period

February 4, 2017
Board of Governors Meeting (construction project approval)

February 6 – June 30, 2017
Construction Period

Board of Governors – October 21, 2016

RECOMMENDATIONS

Based upon a review of this report as well as on-site inspections related to issues identified by Ittner Architects, Truman staff from Campus Planning and the Physical Plant Department have developed a set of recommendations. Staff recommendations also differ somewhat from the Tier 1 and Tier 2 approach used by Ittner Architects, based on service calls and recent experiences with the house. This recommendation includes some items which would be handled by in-house staff and others which would require architectural services. The goal is to address structural and safety issues while improving the overall appearance of the home. Finishes and materials would be utilized which are appropriate for a home of this vintage, yet should meet the needs of most occupants.

External Designed Project

	<u>Est. Cost</u>
1. Abatement of basement floor tile	\$ 7,000
2. Electrical service upgrades	\$ 7,500
3. Plumbing upgrades and bathroom ventilation	\$ 3,600
4. Exterior drainage	\$ 39,300
5. Master bedroom and master bath	\$ 36,000
6. Second floor laundry	\$ 14,000
7. Replacement of HVAC	<u>\$ 86,000</u>
	\$193,400

Internal Work

1. Interior work including carpet and wall finishes	\$ 20,000
2. Sprinkler System inspection – contracted	\$ 1,000
3. Replace kitchen cabinets – contracted	\$ 18,000
4. Upgrade closets – in-house staff	\$ 3,000
5. Replace appliances, ice maker, etc. – in-house staff	\$ 20,000
6. Clean and paint basement – in-house staff	\$ 1,000
7. Boiler System inspection – contracted	\$ 1,000
8. Exterior trim/gutter repairs – contracted	<u>\$ 7,000</u>
	\$ 85,000

Because Ittner Architects has performed the condition analysis for the University Residence and has recently handled similar projects on campus, it is recommended that this firm be selected to provide architectural services for the desired improvements. A copy of the proposal from Ittner Architects to provide architectural design services is attached. Fees totaling \$26,614 plus reimbursables are proposed for architecture and engineering services.

RECOMMENDED ACTION

BE IT RESOLVED that the proposal from Ittner Architects to provide architectural services for the University Residence Project, with the fees and work for such services to be within the guidelines of the proposal, be approved; and

BE IT FURTHER RESOLVED that the President of the University, or her designee, be authorized to execute a contract with the firm for the project; and

BE IT FURTHER RESOLVED that a copy of the proposal be attached to and made a part of the minutes for this meeting.

Moved by _____
Seconded by _____
Vote: Aye _____
Nay _____

ATTACHMENTS

Proposal
Conditions Assessment & Feasibility Study



October 10, 2016

Mr. Mark Schultz, AIA
Campus Planning Office, McClain Hall
Truman State University
100 East Normal
Kirksville, Missouri 63501

RE: University President's Residence Renovation

Dear Mark:

We appreciate the opportunity to provide continuing services on the Truman State University campus. The attached proposal, outlining the scope of work and compensation, will form the basis of the AIA B101-2007 contract once the project is approved by the Board of Governors.

As always, should you have any questions following your review or need additional information, please call me at your earliest convenience.

Sincerely,
Wm. B. Ittner, Inc.

Dennis Young
President & CEO

INSIDE
knowledge.

Wm. B. Ittner, Inc.
Architectural Leadership

611 North Tenth Street
Suite 200
Saint Louis, Missouri 63101
P 314.421.3542
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333 Salem Place
Suite 110
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Page 1 of 1

Proposal

University President's Residence Renovation

Truman State University

October 10, 2016

Project Description:

The general architectural and engineering scope of the university president's residence renovation project is to address the following in two parts: Part One - prepare the design documents needed to obtain competitive bids and assist in the bid and negotiation process; and, Part Two - provide construction phase services for both general administration (in-office) and field observation activities.

The following specific scope of work will be designed:

1. Storm water drainage improvements designed to move away water currently ponding around the foundation of the home and seeping through the foundation walls into the basement, to a more remote location on site and allow accumulated water to dissipate naturally into the ground.
2. MEP/FPT Systems: Limited plumbing, fire protection, and electrical systems upgrades; plus air conditioning system equipment replacement and ductwork repairs.
3. Master Bedroom and Master Bathroom Remodeling: Includes replacing the existing tile flooring, demolition of the cabinets and fixtures, and selective demolition of walls; install new closets and fixtures, bathroom cabinets, countertops, plumbing fixtures, exhaust fan, lighting and finishes.
4. Laundry and Linen Room Remodeling: Includes replacing the existing wood flooring and demolition of the cabinets; install new cabinets, appliances and utility hook-ups, exhaust fan, lighting and finishes.
5. To the extent that remaining budget may support it, general finish upgrades (primarily re-painting and carpet replacement) will be designed for the main/first, second, and third floors.

Scope of Services:

Ittner will provide the overall project management and architectural design services. McClure Engineering (St. Louis) will provide the fire protection, plumbing, mechanical and electrical engineering design services, while THHinc McClure (Clive, IA/Columbia, MO) will provide civil engineering design services. THHinc McClure will also provide land surveying as an additional service, and structural engineering should that additional service be required. Environmental services shall be provided by the University's environmental consultant.

I. **Part One – Design and Bidding Services**

The following services are included in this phase:

- A. Ittner will develop the construction documents in two phases; Preliminary Design (or traditionally Schematic Design and Design Development) and Final Design or the typical Construction Document phase. Our design process will include an estimate of the probable construction cost and a project schedule.
- B. We will assist the University throughout the competitive bidding process and subsequent contractor negotiations. Our services shall include:
 - Prepare the bid advertisements. Arrange for the printing and handle the distribution to bidders. The cost of printing and mailing shall be a reimbursable expense.
 - Answer bidder questions, prepare and issue addenda to all plan holders as needed.
 - Review product substitution requests.

Proposal

University President's Residence Renovation

Truman State University

October 10, 2016

- Conduct the pre-bid meeting and the bid opening meeting.
- Review the bids and make recommendations for award to the University.

II. **Part Two – Construction Services**

The scope of services for this type of work requires that compensation for construction services be provided in the following two categories.

A. **Category #1 – General Administration.** The following services are included in Category #1 – General Administration services.

- Answer questions of contractors and prepare/issue Clarifications, Change Proposal Requests, Construction Change Directives and/or Change Orders.
- Review Shop Drawings.
- When the Contractor notifies Ittner that the project is ready for the punchlist to be prepared, we will inspect the project with the University in attendance. Ittner will provide a single punchlist and will be make two return trips to confirm that deficiencies noted in the punchlist have been corrected. Additional punchlists and return trips will be considered additional services.

B. **Category #2 - Field Observations.** While field observations services for new construction are relatively predictable, the nature of renovation work makes it impossible to predict the field time that will be required. We anticipate visiting the site 2-3 times per month during construction to assess the contractor's compliance with contract documents and to resolve issues that are discovered during the renovation. However, our experience tells us that unforeseen construction deviations are often discovered in renovation work that may require additional unplanned trips to develop timely and appropriate solutions. Therefore, the fee for field observation services is not included in the lump sum fee for Category #1 – General Administration. We recommend that three monthly field visits be budgeted for the construction phase, plus reimbursable expenses.

Schedule:

We will commence upon notice to proceed following the October meeting of the Board of Governors, and complete work as follows:

I. **Part One –Design and Bidding Services Milestones:**

- A. Preliminary Design (Schematic Design and Design Development) – October 24, 2016 thru November 18, 2016.
- B. Final Design (Construction Documents) – November 21, 2016 thru December 14, 2016.
- C. Bidding – December 15, 2016 thru January 17, 2017.
- D. Contract Award – Saturday, February 4, 2017 Board of Governors Meeting.

II. **Part Two – Construction Services Schedule:**

- A. Construction – February 6, 2017 thru June 30, 2017.

Proposal

University President's Residence Renovation

Truman State University

October 10, 2016

Compensation:

Compensation for the University President's Residence Renovation shall be in accordance with Attachment A – Preliminary Estimated Construction Cost and Compensation Analysis, plus reimbursable expenses.

Truman State University

Attachment A

Date: October 10, 2016

Bldg Item No.	Description	Quantity	Unit	Subcontractor		Escalation	Design/Const Contingency	Contractor Gen'l Cond OH&P	Fees	Unit Total	Item Total	
				Cost/Unit	Total							
Exterior Work											Total ECC Exterior Work	\$39,300
PR-2	Stormwater Drainage Improvements Piped Roof Run-Off and Rain Gardens / Dry Wells <i>(includes connecting existing downspouts to new underground storm sewer piping, routed to front and back yard subsurface dry wells & landscaped rain gardens)</i>	1	LS @	\$25,000	\$ 25,000	\$0	\$3,750	\$3,450	\$7,100	\$39,300	\$39,300	
Interior Work											Total ECC Interior Work	\$152,262
MEP/FPT												
PR-4	Systems Upgrades											\$97,445
PR-4B	Plumbing, Misc. <i>(Major Plumbing costs for kitchen and bathroom renovations included in lump sum totals for those items of work)</i>	1	LS @	\$2,500	\$ 2,500	\$0	\$375	\$345	\$386	\$3,606		
PR-4C	HVAC - Chillers, Air Handlers, and Ducted Air Systems <i>(includes demo of existing chillers and air handlers, and repair of existing ductwork; replaced with new model equipment)</i>	1	LS @	\$60,000	\$ 60,000	\$0	\$9,000	\$8,280	\$9,274	\$86,554		
PR-4E	Electrical - Replace Service Entrance Disconnect and Panels	1	LS @	\$3,200	\$ 3,200	\$0	\$480	\$442	\$495	\$4,616		
PR-4F	Electrical - Replace 2nd Floor Electrical Panel	1	LS @	\$1,250	\$ 1,250	\$0	\$188	\$173	\$193	\$1,803		
PR-4G	Electrical - Install Code Required Electrical Service Grounding	1	LS @	\$600	\$ 600	\$0	\$90	\$83	\$93	\$866		
Second Floor (1700 sq. ft.)												
PR-10	Master Bedroom and Master Bath Renovation Medium to Large Bathroom Renovation (Upscale) Replace Plumbing Fixtures Replace Cabinets Bathroom Exhaust General Renovation <i>(demolish walls to extent required, patch / repair plaster and gypsum board walls and ceilings, erect new walls and doors, and paint and finish)</i>	1	LS @	\$25,000	\$25,000	\$0	\$3,750	\$3,450	\$3,864	\$36,064	\$40,392	
	Custom Closet Fixtures	1	LS @	\$3,000	\$3,000	\$0	\$450	\$414	\$464	\$4,328		
PR-11	Laundry & Linen Renovation Laundry Room Renovation (Upscale) Replace Cabinets Install Washer & Dryer Hook-ups General Renovation <i>(demolish cabinets, walls to extent required, patch / repair plaster and gypsum board walls and ceilings, and paint)</i>	1	LS @	\$10,000	\$10,000	\$0	\$1,500	\$1,380	\$1,546	\$14,426	\$14,426	
						Subtotals	\$0	\$19,583	\$18,016	\$23,414	\$191,562	Math Check
									Total Proposed Lump Sum Design Fee			

Total Project Cost Estimate \$ 191,562

Part Two- Construction Services, Category #2 - Field Observations; per person per day **\$1,050**
Land Survey Additional Service Fee; THHinc McClure **\$3,200**



University President's Residence

Conditions Assessment & Feasibility Study

September 29, 2016

ITTNER

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Introduction

Truman State University is weighing options for the future of the University President's Residence, located on the northeast corner of campus, at the intersection of Normal and Halliburton Streets. The scope of this conditions assessment and feasibility study is to address the following:

- Evaluation of the existing building and grounds, based on a review of record drawings, service history, and field observations.
- Creation of a set of base plan CAD documents from record drawings and field measurements, for development of renovation options.
- Making recommendations for necessary renovations and repairs, as well as marketable improvements, including establishing budgets for proposed work.
- Assist Truman State University in establishing priorities for the repairs and renovations.

The Ittner team included the following firms providing the noted professional and technical support:

- McClure Engineering (St. Louis, MO) – Fire Protection, mechanical, plumbing, and electrical systems engineering
- THHinc / McClure (Columbia, MO & Clive, IA) – Civil and site engineering (storm water)



Subject Property

Review and Documentation of Existing Documents

Iltner was provided paper document files for the existing construction of the President's Residence; most were original 1937 blueprints, along with a more recent 1995 kitchen renovation shop drawings. This information was useful in preparing for onsite inspections, providing background information of the floor plan layouts and utility infrastructure systems locations.

Service History

Based on the available information, the service history of the following building components was reviewed to determine if patterns of performance failures or other problems that might lead to concealed damage and structural deterioration. The components included:

- Site utilities; in particular storm water drainage.
- Exterior Envelope; including roofing, and roof flashing and drainage, masonry, door and window fenestration, caulking/sealants, and paint.
- Fire protection system, plumbing fixtures and piping, heating and cooling equipment, and the electrical service and distribution system, both line and low voltage.
- Interior finishes and repairs related to leaks (ceilings, walls, flooring)

The original home was designed by the Bonsack & Pearce architecture firm and built for Dr. & Mrs. George M. Laughlin in the late 1930s. Various portions of the original structure have had finish and fixture renovations throughout the years, with the kitchen and master renovated most recently. An accessible restroom and utility closet were added to the main floor area by infilling one bay in the three-car garage.



East Elevation, viewed from Halliburton Street

Field Observations

- **Exterior Envelope:** Observations were performed from the grounds around the residence and existing conditions photographed and measured.
- **Roofing, and Roof Drainage:** Sloped roof areas were observed from the ground, while the porch roof was accessible from the second floor master bedroom. The sloped roof areas appear to be covered in slate tile, original to the home. The gutters are internal, copper lined along the eaves, draining into copper downspouts. Both the slate tiles and gutter copper have reached the end of their useful life and need replacing soon. The porch, with a 'flat' single-ply roof membrane is in reasonably good condition, though the age is unknown.

Field Observations (cont'd)

- **Storm Drainage:** Roof drainage downspouts originally were tied into a combined sanitary-storm underground drainage system, which is unacceptable today. At some time in the past, the downspouts were cut-off above grade and piped to drain on grade around the perimeter of the house. The grades are such that water ponds around the foundation and is seeping through the basement walls causing finish damage and indoor air quality environmental issues.



Typical Downspout Emptying On-Grade

Field Observations (cont'd)

- **Masonry:** The exterior walls are built as “barrier walls,” or as a solid masonry masses where thickness of the masonry is used to try and prevent water intrusion. Any water that penetrates the barrier walls of the original building moves through holes, cracks, and crevices in the brick and mortar, migrating to the interior, and soaking through plaster and drywall finishes applied directly to the exterior walls. Limited interior areas exhibit this type of damage.
- **Fenestration:** Most doors and windows appear to be original, and are in reasonably good working order. Limited repairs and painting and fresh perimeter sealant are suggested, along with door hardware upgrades.



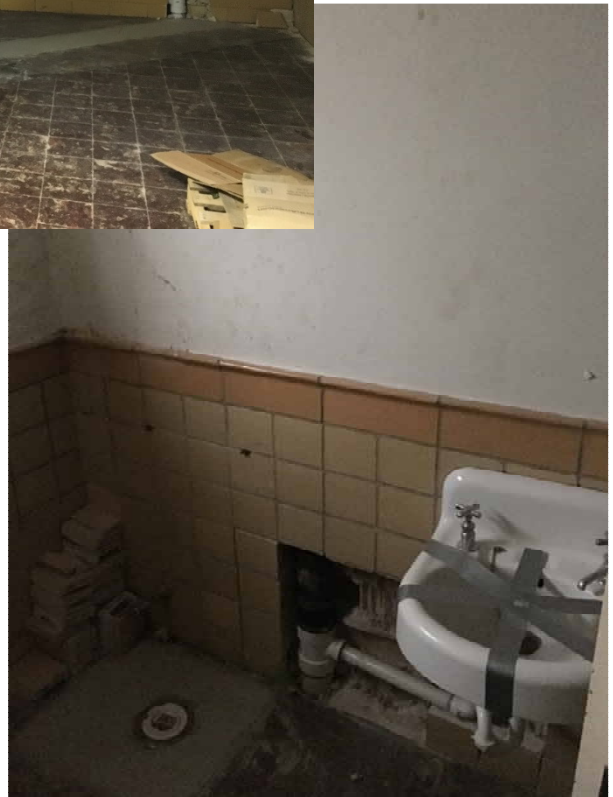
Front Door & Hardware

Field Observations (cont'd)

- **Interior Finishes - Basement:** This portion of the home is the most original, and generally in the greatest state of disrepair. Floor, wall and ceiling finishes show deterioration and damage from leaks and repairs. Some of the original flooring is VAT tile is still in-place. The half-bath on this level is non-functional. Given the size of the home, most of the space in level can be considered storage and utility space.



Basement, Recreation Room



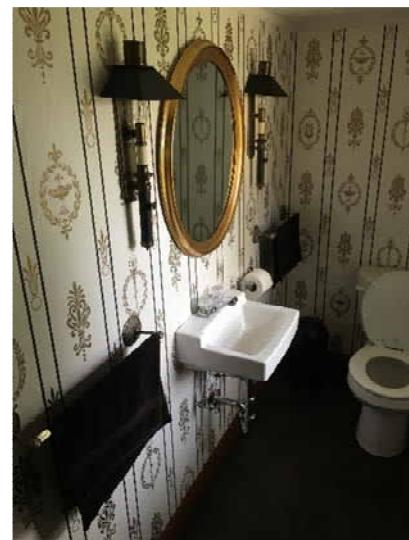
Basement, Half-Bathroom

Field Observations (cont'd)

- **Interior Finishes – All Other Floors:** The finishes on these levels are in generally good condition, although many are dated, particularly the kitchen, bathrooms, and third floor. The kitchen could also gain back a valuable corner by converting the fireplace in the adjoining study to a ventless gas insert type, allowing for demolition of the full-masonry chimney.



Main/First Floor, Kitchen and Bathrooms



Field Observations (cont'd)



Second Floor, Master Bath & second Bathrooms



Master Closet



Third Bedroom

Systems Observations: Whole House

The existing residence is currently vacant and has been for several months prior to the field survey conducted on August 25, 2016. Most mechanical systems seemed to be functional at the time of the survey, however; many of the systems are approaching (or beyond) the expected lifespan of the equipment. It is recommended that many of these systems are replaced with new equipment. Since the building is currently vacant, it is an ideal time to replace these systems.

Air Handling Units / Condensing Units: The existing residence is served by two main 7.5-ton air handling direct expansion (DX) heat pump units.

- The HVAC units are DX (heat pump) cooling and have electric heating and appear to be in fairly good shape for their age. The condensing units are located in the back yard and have been damaged by hail or other impacts, but otherwise seem functional.
- Both units use R-22 refrigerant which is in the process of being phased out per the U.S. Environmental Protection Agency (EPA) regulations. No new refrigerant will be available on or after January 1, 2020. After phase out, servicing these units will rely on recycled or stockpiled quantities.
- The lower level AHU is an American Standard Model TWE090A300AB unit dated 01/1990, 1.5 HP fan, 7.5-ton unit. The existing ductwork appears in good condition, but may require minor repairs in several areas. It is recommended that the supply / return ductwork is thoroughly cleaned.
- The attic HVAC system has the same size condensing unit (7.5 tons), however; the evaporator model number could not be obtained due to the roof structure.
 - Since the roof structure is so close to the unit, maintenance is very difficult.
 - Access to the unit requires walking on top of the supply ductwork. This act has damaged the ductwork to the point where extensive air is leaking out of the duct into the attic space and the duct is ~30% collapsed. All the supply ductwork should be replaced on this unit.
 - This unit was originally installed by removing a ~6'x6' section of the wall into the adjacent space. The wall studs are patched in this area. Removal of the unit and installation of a new unit will require the same section of wall to be removed / repaired.
- These units are at the end of their expected lifespan and the building is currently unoccupied. Therefore, it is recommended to replace these units and the damaged section(s) of ductwork at this time to avoid disruptions in service later. Remaining ductwork should be cleaned, inspected, and minor repairs performed.

Systems Observations (cont'd): Whole House

Heating System: Main heating for the building is provided by a series of various items: 1) the HVAC units utilize heat pumps with back up electric heating coils (described above), 2) a natural gas fired boiler providing hot water to radiators throughout the building, 3) two gas-fired fireplaces, and 4) a unit heater in the garage.

- The boiler is a Weil McLain model EGH-85-PIN- 350,000 BTU/Hr input, 280,000 BTU/Hr output (80% efficient). The boiler appears to be in good condition, but it should be thoroughly inspected before a decision can be made. The unit may have an additional 15 years left on the lifespan (depending upon the condition of the coils). Replacement costs are shown as an option at this time (depending upon inspection report) and the unit can be replaced while the building is occupied.
- The system includes an 80-gallon hot water storage tank (Ruud model ST80) used to minimize boiler cycling.
- Pumps circulate the water thru the existing radiators.
- Radiators are located in each space and are enclosed with a decorative cover. Each radiator also has an evaporation tray on top to add humidity to the rooms during winter months. The radiators appear to be in in good condition but may require minor maintenance (drained, cleaned, inspected, and repaired as necessary).
- The garage has a unit heater installed. This unit should be replaced with a new unit at this time.
- There are two existing fire places. Both were converted to natural gas at some point. The natural gas burner, valves, and operation should be inspected and maintenance performed for safety. The flue should be cleaned and inspected at this time.

Domestic Water Systems:

- Domestic hot water is served by a 50 gal, natural gas water heater (Ruud model PVP50E-1-A), 40,000 BTU/Hr input.
- Most of the existing plumbing fixtures are old; however, these match the style and period of the house and are in exceptionally good condition. It is recommended that maintenance be performed on these items, but not to replace them.
- There is an ice maker in the garage. This unit should be replaced or removed along with the water filter.

Natural Gas System: The existing natural gas meter is located on the West side of the building and a 1” line enters the building. All natural gas pipes should be inspected for potential problem areas and painted / replaced as required.

Sprinkler System: The building has an existing sprinkler system. The system should be inspected / tested by a licensed professional. Any components damaged or inoperable should be replaced.

Systems Observations (cont'd): Whole House

Miscellaneous Items:

The existing restrooms show evidence of lack of proper ventilation / humidity issues. Additional exhaust and / or ventilation air is required to solve this problem. Installing exhaust fans in each bathroom will generally solve most of these issues. The exhaust fans should discharge outdoors- brick vents are recommended for ground level restrooms, and roof discharge hoods are recommended for the upper floor restrooms.

Main Electrical Service

The existing residence has a 200A, 120/240V, 3-phase, 4-wire electrical system fed from a pole mounted utility transformer located in the corner of the backyard. Based on electrical panel labels we believe that the electrical system configuration is a delta high leg or grounded 'B' phase type. This is an antiquated electrical system in which the 'B' phase transformer winding is grounded to derive the neutral conductor. Voltage between 'A' phase to ground and 'C' phase to ground is 120V, however voltage between 'B' phase to ground is 208V. These types of systems have resulted in injury to people and damage to equipment if power connections are wired incorrectly. We recommend that the utility transformer be upgraded to one with a 'wye' secondary to provide a true 3-phase, 4-wire system. Otherwise, for code compliance and safety, the downstream panels need to be labeled to issue caution that the voltage between 'B' phase and ground is 208V.

From the utility meter, the electrical service conductors feed into a 200A disconnect switch within the basement and then split to two electrical panels as manufactured by Square D. We recommend that the 200A disconnect and two main electrical panels are replaced based on the age of the equipment. The replacement equipment should be one electrical panel with a 200A main circuit breaker.

Additional electrical panels are located on the upper floors. One electrical panel, manufactured by General Electric, with circuit breakers is located within the kitchen and does not require replacement. Another electrical panel on the second floor has screw-in fuses in lieu of circuit breakers. Given the age of the equipment, we recommend that the second floor electrical panel be replaced with a new circuit breaker panel. The new second floor panel is to include arc-fault circuit breakers as required for branch circuits feeding bedrooms.

A grounding jumper is installed at the main water line entering the building, connecting the water line across the water meter. No additional grounding from the water line to the main electrical service disconnect could be located. The main electrical service is lacking the code required grounding systems. For code compliance, we recommend installation of a ground rod at the utility meter with one #6 ground wire back to the main building disconnect switch. Also, we recommend the installation of one #6 ground wire from the main water line (connection point at first 10 feet of entrance into building) to the main building disconnect switch.

Systems Observations (cont'd): Whole House

Lighting and Power

It is our understanding that the wiring within the house is copper. Based on the cabling routed through the basement, armored cabling or BX cable is installed throughout the house for branch wiring. The armored jacket is used as the grounding conductor, which is not an acceptable grounding path. BX cable of this era lacks an internal bonding strip and as result, does not provide a low impedance path to ground where corrosion has developed on the armored jacket and/or the interlocking armored jacket has separated. We recommend that the BX cable be replaced.

Power receptacles throughout the house are grounded type, though it needs to be verified that the grounded type receptacle is wired with a grounding conductor. The kitchen receptacles are either ground fault circuit interrupter (GFCI) receptacles are protected by an upstream GFCI receptacle. The bathroom receptacles are not GFCI. For code compliance, we recommend replacing the existing bathroom receptacles with GFCI receptacles.

Overhead light fixtures are located throughout the house with individual switching per room. The light fixtures are still functional. If the light fixtures are not replaced due to aesthetics, we recommend that they are inspected for loose wiring, cleaned and re-lamped.

Telecommunications

The building includes limited telecommunication infrastructure. Telephone and cable television demark locations are located in the basement. We recommend that the branch cabling from the demark location be maintained for re-use. Additional network drops should be installed to provide access to wired and wireless internet connectivity.

Fire Alarm

The building fire alarm system consists of one smoke detector located in a central location on each floor. The existing carbon monoxide detector on the third floor has been removed. For code compliance, smoke detectors are required within each sleeping room and in the corridor outside the sleeping room. Also, smoke detector coverage needs to be maintained on all floors, including the basement. Since the house contains a gas burning boiler, carbon monoxide detectors need to be installed.

Since the airflow of the air handling units is greater than 2,000 cfm, standalone duct detectors with remote test stations need to be installed on the return air duct work. This is a code requirement. Remote test stations need to be located within the corridor or another visible location.

Security

The building has an existing functional security system that has been disabled, for which the head-end equipment is located in a closet underneath the stair to the upper floors. Security monitoring services may be re-established at any time.

Necessary Renovations and Repairs

Exterior Work

Roofing, and roof drainage: The slate tile roofing should be removed and replaced soon, along with the gutter liner copper sheet metal. Two options for replacement roofing are 1) synthetic slate tiles which will provide the same appearance as natural slate, and 2) architectural asphalt shingles.

Item PR-1A	Option 1 – Synthetic Slate	\$65,000
Item PR-1B	Option 2 – Architectural Asphalt Shingles	\$43,000

Storm Water Drainage: A municipal storm sewer does not exist within a reasonable distance of the property, therefore, the only current solution is to pipe the water away from the foundation and detain it onsite until it can dissipate naturally into the ground. The site is relatively flat, so piping water to the curb is not feasible without the implementation of a holding tank(s) and pump(s). Creation of a combination of subgrade drywells, and surface landscaped rain gardens appears to be the most effective solution.

Item PR-2	Storm Water Drainage	\$35,000
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Total for Exterior Work – Option 1 **\$100,000**

Total for Exterior Work – Option 2 **\$78,000**

Systems Work – Whole House

Systems: The chillers, air handlers, and a portion of the ductwork require replacement. The boiler appears to have some years of service life remaining. Short of upgrading for total modern code compliance, the electrical systems require some upgrades, as do the fire protection and plumbing systems.

Item PR-4A	Fire Protection (Automatic Sprinkler System)	\$3,500
Item PR-4B	Plumbing, Misc.	\$3,500
Item PR-4C	HVAC – Chillers, Air Handlers, & Ductwork	\$85,000
Item PR-4D	HVAC – Boilers, Piping, and Radiators	\$35,000
Item PR-4E	Electrical - Replace Service Entrance Disconnect and Panels	\$4,500
Item PR-4F	Electrical - Replace 2nd Floor Electrical Panel	\$2,000
Item PR-4G	Electrical - Install Code Required Electrical Service Grounding	\$1,000
Item PR-4H	Electrical - Replace BX Cabling Throughout House	\$90,000
Item PR-4I	Electrical - Technology	\$15,000
Item PR-4J	Electrical - Fire Alarm Upgrades	\$10,500

Total for Systems Work – Whole House **\$250,000**

Interior Work – Basement

Waterproofing: The basement foundation walls are seeping storm water and require an interior waterproofing system installation and perimeter drain with sump pump.

Item PR-6	Foundation Waterproofing	\$20,000
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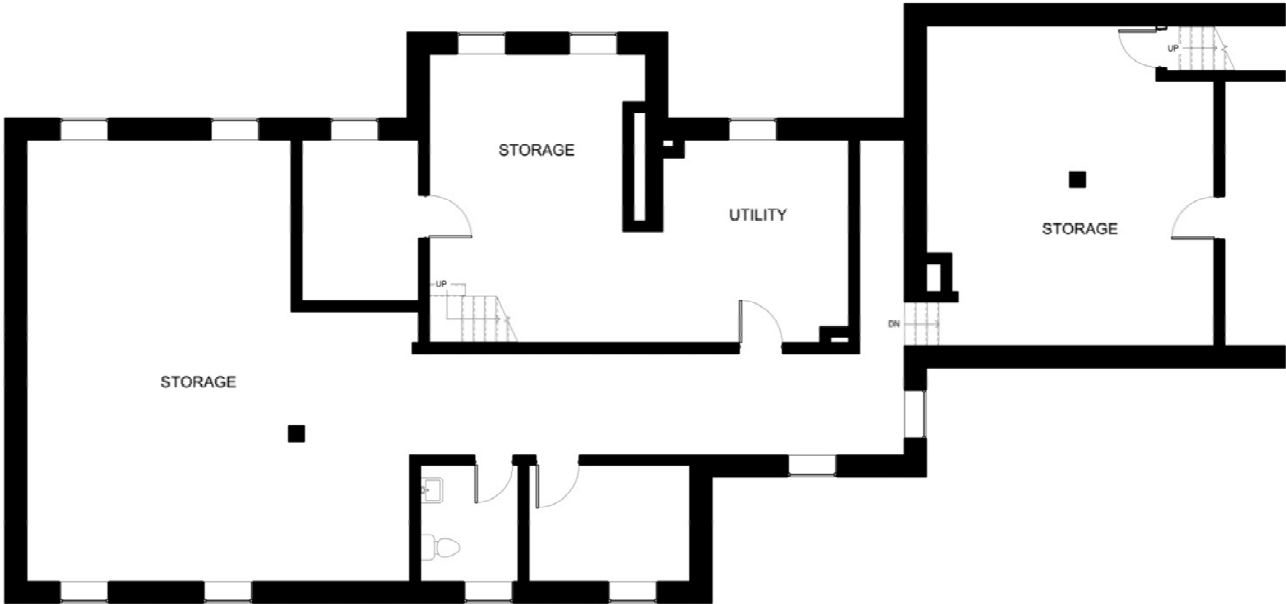
Marketable Improvements

Exterior Work

Item PR-3	Miscellaneous Exterior Repairs	\$3,500
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Interior Work – Basement

Item PR-5	VAT Abatement	\$7,000
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Proposed Basement Floor Plan

Study Recommendations

Interior Work – Main/First Floor

Kitchen and Bath Renovations: The kitchen and bathroom finishes, cabinetry, and appliance are very dated in appearance. A modern high-end kitchen will have great appeal to the next residents.

Item PR-7	Kitchen Renovation	\$113,000
Item PR-8	Bathroom Finish Renovations	\$5,000

General Finish Renovations: With updated bathrooms and kitchen, a freshening and modernizing of flooring and paint on the main entertaining floor makes sense.

Item PR-9	General Finish Upgrades	\$19,000
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Proposed Main/First Floor Plan

Interior Work – Second Floor

Master Bedroom and Master Bath (Ensuite) Renovation: While the master bedroom is fine other than for a freshening of the paint, the master bath is very dated and then paired with an awkward master closet containing two windows limiting storage capability. The bedroom has room to spare, and could shed some square footage for create a much needed walk-in closet, and an expanded bathroom taking advantage of the abundant windows. This bed and bath renovation alone upgrades the market potential of the home significantly, perhaps second only to the kitchen renovation.

Item PR-10 Master Bedroom and Master Bath Renovation \$39,000

Laundry and Linen Room: In a modern home, particularly one with four total levels, laundry needs to be located on the primary living floor. This room benefits greatly from new casework storage for linens and home supplies, clothes drying racks, folding surfaces and front-loading washer and dryer.

Item PR-11 Laundry and Linen Room \$18,000



Proposed Second Floor Plan

Interior Work – Second Floor (cont'd)

Other Second Floor Renovations:

Bathroom Renovation

The second bathroom on this floor is mostly original to the home, and in reasonably good condition. Its 'traditional' look and style can be preserved, however, a shower replacing the tub, along with a new linen closet would add to the functionality of serving three bedrooms.

Bedroom Renovations

General: The first and second bedrooms are generous in size, but short on closet space. The third bedroom is small in size and storage, and may best be considered a nursery / small child's bedroom, or even as a home office.

First Bedroom: Like the master bedroom, the first bedroom has room to spare. Storage can be increased by adding wardrobe cabinet furnishings, along with custom closet fixtures to maximize flexibility. Removing square footage from the laundry and linen to expand the closet itself was considered, however, it leaves a less functional laundry room to maneuver in and around-in with loaded baskets and supplies.

Second Bedroom: The same type of custom closet fixtures indicated for the first bedroom closet will make for more useful and flexible storage for the second bedroom as well, with added floor space gained by removing the adjacent hall linen closet. Linens can be stored in the second bathroom, and also in the laundry and linen room just down the hall convenient to all bedrooms, eliminating the need for a stand-alone hall closet.

Third Bedroom: The third bedroom cannot readily be expanded in size, however the closet can be marginally enlarged by demolishing the masonry chimney and converting the downstairs study fireplace to a ventless gas insert. As noted previously, this demolition also adds useful space back to the kitchen directly below.

General Finish Upgrades

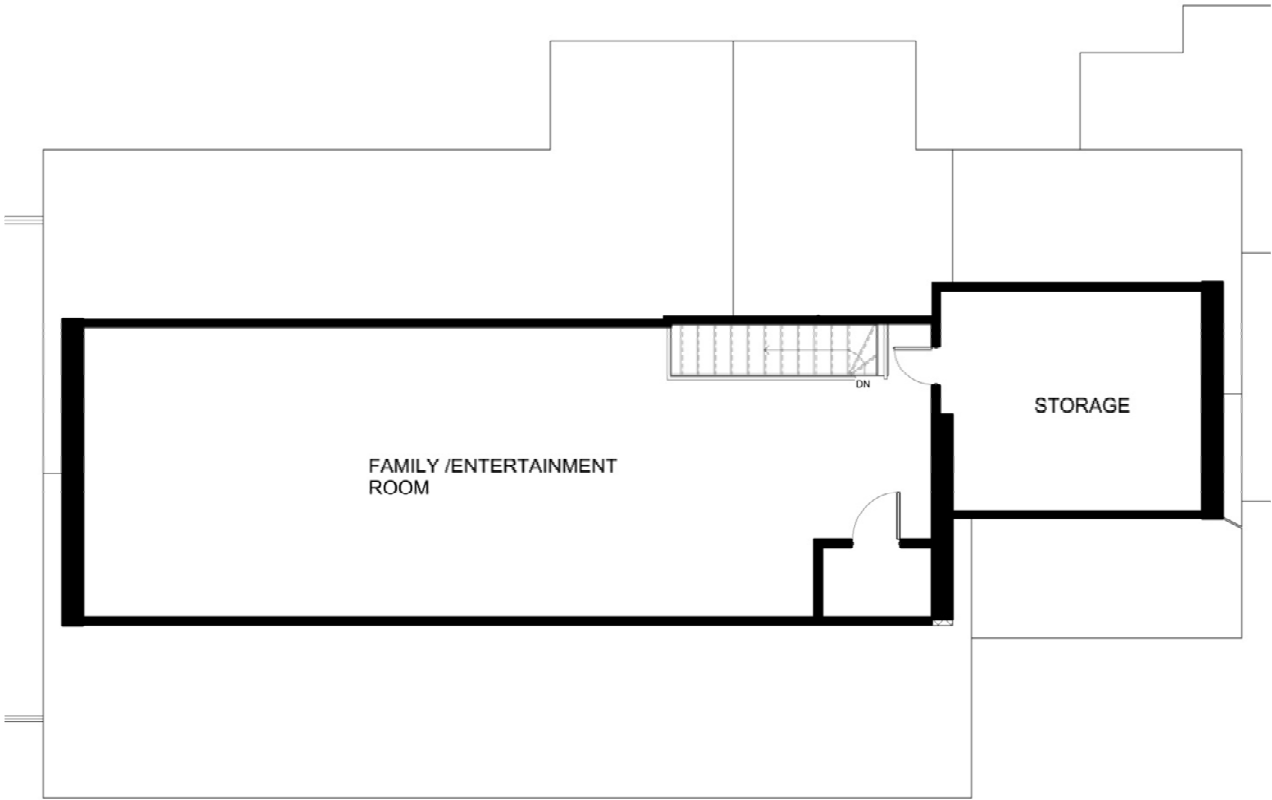
Along with an updated bathroom and bedroom closets, a freshening and modernizing of flooring and paint on the living floor may make sense for consistency.

Item PR-12	Bathroom Renovation	\$13,000
Item PR-13	Bedroom Renovations	\$5,000
Item PR-14	General Finish Upgrades	\$19,000

Interior Work – Third Floor

Third Floor Renovations: As the first floor is primarily reserved for public entertaining, the third floor is the only private family retreat in the home, unless the basement recreation room is significantly improved. As such, the third floor suffers from outdated carpet, paint, and furnishings. An upgrade to the entertainment center, and creation of other play/game activity centers would be appealing to a family.

Item PR-15 General Finish Upgrades \$8,000



Proposed Third Floor Plan

Probable Project Cost Budget

Necessary Renovations and Repairs

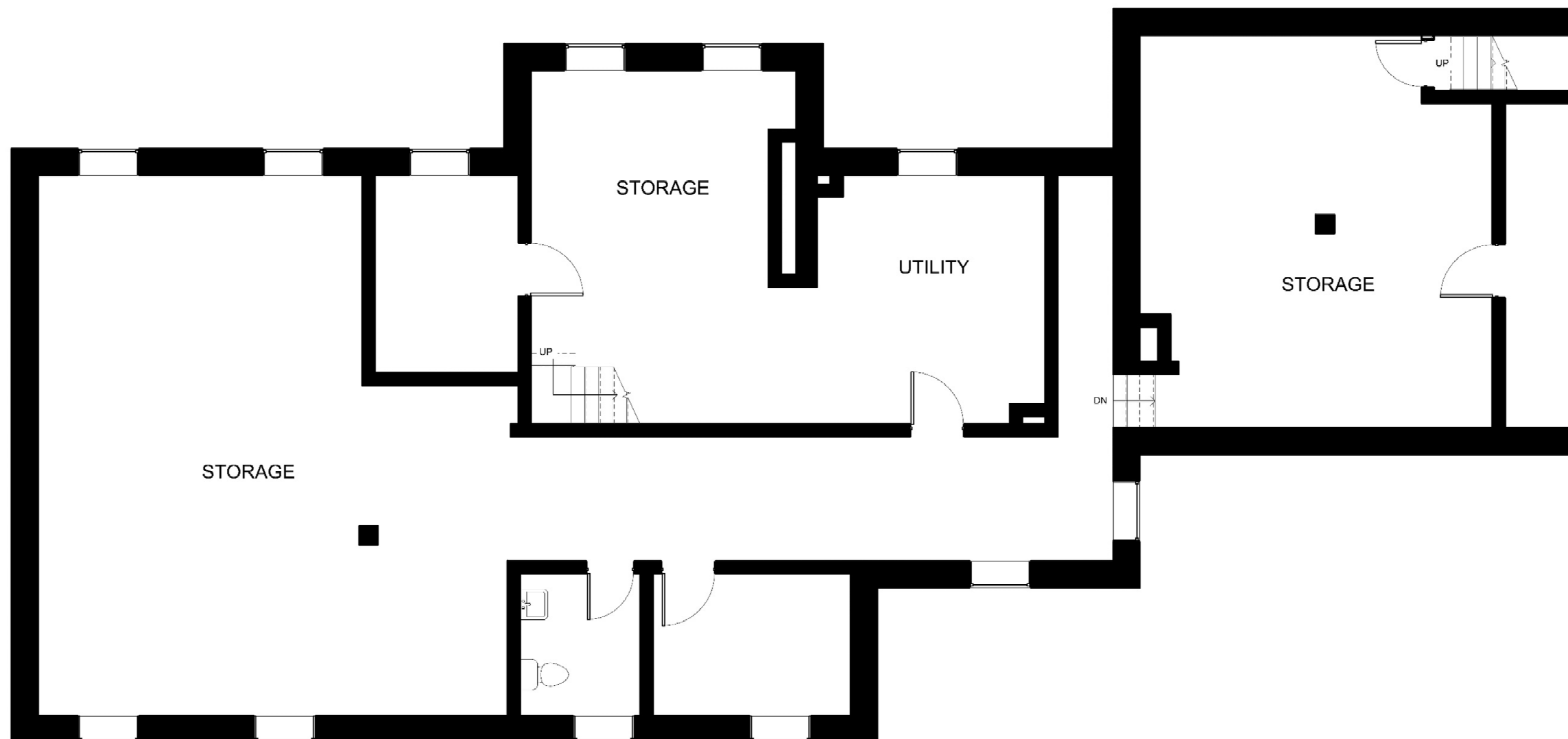
	<u>Tier 1 Priority</u>	<u>Tier 2 Priority</u>
Exterior Work – Option 1	\$35,000	\$65,000
Exterior Work – Option 2	Storm Water Drainage	OR \$43,000 Roofing Options
Interior Work – Basement		\$20,000
Systems Work – Whole House	\$125,000 Air Systems	\$125,000 Piped Systems
TOTALS – Necessary Renovations and Repairs	\$160,000	\$210,000 Total includes Option 1

Marketable Improvements

	<u>Tier 1 Priority</u>	<u>Tier 2 Priority</u>
Exterior Work – Misc. Repairs		\$3,500
Interior Work – Basement <i>(None Proposed)</i>		
Interior Work – Main/First Floor	\$137,000 Kitchen & Bath Renovation, plus all finishes	
Interior Work – Second Floor	\$57,000 Master Bedroom & Bath, Laundry & Linen Room	\$37,000
Interior Work – Third Floor		\$8,000
TOTALS – Marketable Improvements	\$194,000	\$48,500
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GRAND TOTAL - ALL WORK	\$354,000	\$258,500

Appendices

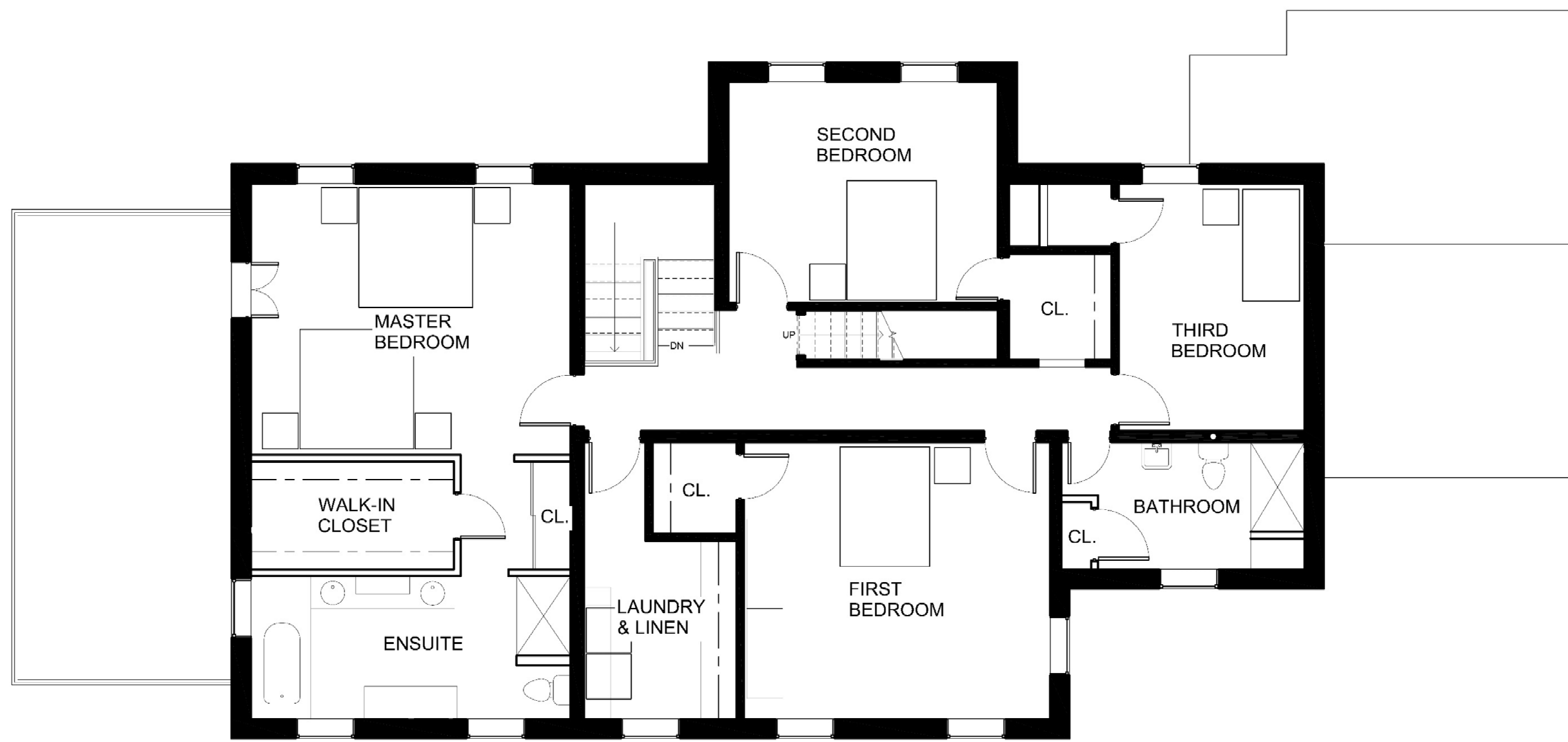
The full selection-set of repair and renovation plans and cost options are illustrated on the following Appendices A and B, each four pages in length.



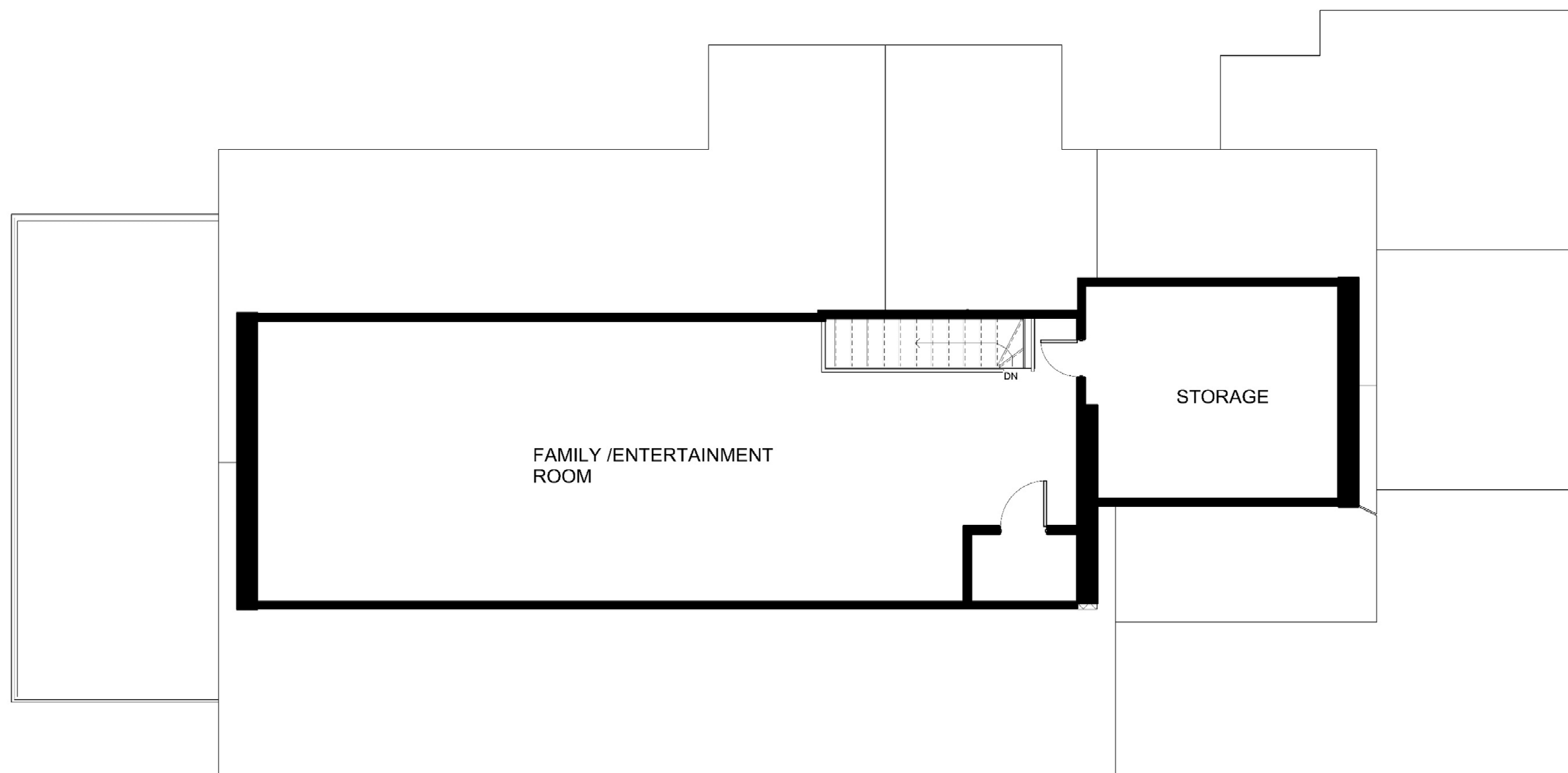
Proposed Basement Floor Plan



Proposed Main / First Floor Plan



Proposed Second Floor Plan



Proposed Third Floor Plan

Preliminary Estimated Construction Cost

University President's Residence
Conditions Assessment & Feasibility Study



Truman State University

Date: September 29, 2016

Bldg Item No.	Description	Quantity	Unit	Cost/Unit	Subcontractor		Escalation	Design/Const Contingency	Contractor		Fees	Unit Total	Item Total
					Total				Gen'l Cond OH&P				
							0.0%	15%	12%	10.0%			
Exterior Work											Total ECC Exterior Work	\$104,599	
PR-1A	Roof Replacement (Synthetic Slate Option)												\$65,637
	Replace Existing Natural Slate w/ Synthetic Slate Material <i>(includes demo, new underlayment, 50-year warranty synthetic slate, flashing repairs and replacement)</i>	35	SQ	@	\$900	\$	31,500	\$0	\$4,725	\$4,347	\$4,057	\$44,629	
	Replace Existing Copper-Lined Internal Gutters	1	LS	@	\$10,000	\$	10,000	\$0	\$1,500	\$1,380	\$1,288	\$14,168	
	Ridge Vent	80	LF	@	\$6	\$	480	\$0	\$72	\$66	\$62	\$680	
	Rood Deck Replacement (Allowance)	1	LS	@	\$5,000	\$	5,000	\$0	\$0	\$600	\$560	\$6,160	
PR-1B	Roof Replacement (Architectural Shingle Option)												\$43,323
	Re-Roofing with Architectural Shingles <i>(includes demo, new underlayment, limited lifetime warranty architectural shingles, and flashing repairs and replacement)</i>	35	SQ	@	\$450	\$	15,750	\$0	\$2,363	\$2,174	\$2,029	\$22,315	
	Replace Existing Copper-Lined Internal Gutters	1	LS	@	\$10,000	\$	10,000	\$0	\$1,500	\$1,380	\$1,288	\$14,168	
	Ridge Vent	80	LF	@	\$6	\$	480	\$0	\$72	\$66	\$62	\$680	
	Rood Deck Replacement (Allowance)	1	LS	@	\$5,000	\$	5,000	\$0	\$0	\$600	\$560	\$6,160	
PR-2	Stormwater Drainage Improvements												\$35,420
	Piped Roof Run-Off and Rain Gardens / Dry Wells <i>(includes connecting existing downspouts to new underground storm sewer piping, routed to front and back yard subsurface dry wells & landscaped rain gardens)</i>	1	LS	@	\$25,000	\$	25,000	\$0	\$3,750	\$3,450	\$3,220	\$35,420	
PR-3	Miscellaneous Exterior Repairs												\$3,542
	Deteriorated Ornamental Wood Repairs and Ltd Repainting	1	LS	@	\$2,500	\$	2,500	\$0	\$375	\$345	\$322	\$3,542	

Preliminary Estimated Construction Cost

University President's Residence
Conditions Assessment & Feasibility Study



Truman State University

Date: September 29, 2016

Bldg Item No.	Description	Quantity	Unit	Cost/Unit	Subcontractor		Escalation	Design/Const Contingency	Contractor		Unit Total	Item Total
					Total				Gen'l Cond OH&P	Fees		
							0.0%	15%	12%	10.0%		

Interior Work

Total ECC Interior Work **\$521,587**

Whole House

PR-4 Systems Upgrades

\$252,970

PR-4A	Fire Protection (Automatic Fire Sprinkler System) <i>(includes inspection, testing, and minor upgrades to the existing domestic water service tapped automatic fire sprinkler protection system)</i>	1	LS @	\$2,500	\$ 2,500	\$0	\$375	\$345	\$322	\$3,542	
PR-4B	Plumbing, Misc. <i>(Major Plumbing costs for kitchen and bathroom renovations included in lump sum totals for those items of work)</i>	1	LS @	\$2,500	\$ 2,500	\$0	\$375	\$345	\$322	\$3,542	
PR-4C	HVAC - Chillers, Air Handlers, and Ducted Air Systems <i>(includes demo of existing chillers and air handlers, and repair of existing ductwork; replaced with new model equipment)</i>	1	LS @	\$60,000	\$ 60,000	\$0	\$9,000	\$8,280	\$7,728	\$85,008	
PR-4D	HVAC - Boiler, Piping, and Radiator System <i>(includes demo of existing boiler and replacement)</i>	1	LS @	\$24,000	\$ 24,000	\$0	\$3,600	\$3,312	\$3,091	\$34,003	
PR-4E	Electrical - Replace Service Entrance Disconnect and Panels	1	LS @	\$3,200	\$ 3,200	\$0	\$480	\$442	\$412	\$4,534	
PR-4F	Electrical - Replace 2nd Floor Electrical Panel	1	LS @	\$1,250	\$ 1,250	\$0	\$188	\$173	\$161	\$1,771	
PR-4G	Electrical - Install Code Required Electrical Service Grounding	1	LS @	\$600	\$ 600	\$0	\$90	\$83	\$77	\$850	
PR-4H	Electrical - Replace BX Cabling Throughout House <i>(does not include the removal and reinstallation of walls and ceilings)</i>	1	LS @	\$65,000	\$ 65,000	\$0	\$9,750	\$8,970	\$8,372	\$92,092	
PR-4I	Electrical - Technology <i>(includes technology upgrades for wi-fi, communications, and security/surveillance)</i>	1	LS @	\$10,000	\$ 10,000	\$0	\$1,500	\$1,380	\$1,288	\$14,168	
PR-4J	Electrical - Fire Alarm Upgrades <i>(includes code required smoke detectors, carbon monoxide detectors and duct detectors)</i>	1	LS @	\$9,500	\$ 9,500	\$0	\$1,425	\$1,311	\$1,224	\$13,460	

Basement Level (1600 sq. ft.)

PR-5 Abatement

\$7,084

PR-5	VAT and Mastic Removal	1	LS @	\$5,000	\$5,000	\$0	\$750	\$690	\$644	\$7,084	
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PR-6 Waterproofing

\$21,252

PR-6	Interior System <i>(custom perimeter system of wall panels, perimeter drain, and sump pumps)</i>	1	LS @	\$15,000	\$15,000	\$0	\$2,250	\$2,070	\$1,932	\$21,252	
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Preliminary Estimated Construction Cost

University President's Residence
Conditions Assessment & Feasibility Study

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Truman State University

Date: September 29, 2016

Bldg Item No.	Description	Quantity	Unit	Cost/Unit	Subcontractor Total	Escalation	Design/Const Contingency	Contractor			Unit Total	Item Total
								Gen'l Cond OH&P	Fees			
						0.0%	15%	12%	10.0%			
<i>Main / First Floor (1850 sq. ft.) & Garage</i>												
PR-7	Kitchen Renovation											\$113,344
	Kitchen Area Renovation (Upscale)	1	LS	@	\$80,000	\$80,000	\$0	\$12,000	\$11,040	\$10,304	\$113,344	
	Replace Ceramic Tile Flooring <i>(demolish existing ceramic tile and install new ceramic tile)</i>											
	Replace Cabinets											
	Replace Countertops											
	Replace Kitchen Appliances <i>(new cooktop on island with custom range hood, wall ovens and microwave, dishwashers, garbage disposal, trash compactor, refrigerator, freezer, and wine cooler)</i>											
	General Renovations <i>(demolish existing kitchen, partitions; upgrade electrical, light fixtures, and plumbing, patch and paint walls and ceilings)</i>											
PR-8	Bathroom Renovations											\$4,534
	Wall Finish Upgrades <i>(remove existing wall coverings, patch / repair plaster and gypsum board walls, and paint)</i>	400	SF	@	\$8	\$3,200	\$0	\$480	\$442	\$412	\$4,534	
PR-9	General Finish Upgrades											\$19,104
	Wood Floor Refinishing (Parlor, Dining Rm. & Study)	1200	SF	@	\$3	\$3,084	\$0	\$463	\$426	\$397	\$4,369	
	Entry Foyer Tile Replacement <i>(demolish resilient tile and install new ceramic / stone tile)</i>	200	SF	@	\$10	\$2,000	\$0	\$300	\$276	\$258	\$2,834	
	Patch / Repair & Repaint Walls & Ceilings	4200	SF	@	\$2	\$8,400	\$0	\$1,260	\$1,159	\$1,082	\$11,901	
<i>Second Floor (1700 sq. ft.)</i>												
PR-10	Master Bedroom and Master Bath Renovation											\$39,670
	Medium to Large Bathroom Renovation (Upscale)	1	LS	@	\$25,000	\$25,000	\$0	\$3,750	\$3,450	\$3,220	\$35,420	
	Replace Plumbing Fixtures											
	Replace Cabinets											
	Bathroom Exhaust											
	General Renovation <i>(demolish walls to extent required, patch / repair plaster and gypsum board walls and ceilings, erect new walls and doors, and paint and finish)</i>											
	Custom Closet Fixtures	1	LS	@	\$3,000	\$3,000	\$0	\$450	\$414	\$386	\$4,250	
PR-11	Laundry & Linen Renovation											\$18,668
	Laundry Room Renovation (Upscale)	1	LS	@	\$10,000	\$10,000	\$0	\$1,500	\$1,380	\$1,288	\$14,168	
	Replace Cabinets											
	Install Washer & Dryer Hook-ups											
	New Washer and Dryer Appliances	1	LS	@	\$4,500	\$4,500	\$0	\$0	\$0	\$0	\$4,500	
	General Renovation <i>(demolish cabinets, walls to extent required, patch / repair plaster and gypsum board walls and ceilings, and paint)</i>											

Preliminary Estimated Construction Cost

University President's Residence
Conditions Assessment & Feasibility Study



Truman State University

Date: September 29, 2016

Bldg Item No.	Description	Quantity	Unit	Cost/Unit	Subcontractor		Escalation	Design/Const Contingency	Contractor			Item Total
					Total				Gen'l Cond OH&P	Fees	Unit Total	
							0.0%	15%	12%	10.0%		
<i>Second Floor (1700 sq. ft.) - CONTINUED</i>												
PR-12	Bathroom Renovation											\$13,105
	Small Bathroom Renovation (Average) Replace Plumbing Fixtures General Renovation and Linen Storage Closet <i>(demolish tile, walls to extent required, patch / repair plaster and gypsum board walls and ceilings, and paint - install new custom closet fixtures)</i>	1	LS @	\$9,250	\$9,250	\$0	\$1,388	\$1,277	\$1,191	\$13,105		
PR-13	Second & Third Bedroom Renovation											\$4,959
	Closet Renovations <i>(demolish walls to extent required, patch / repair plaster and gypsum board walls and ceilings, and paint - install new custom closet fixtures)</i>	1	LS @	\$2,500	\$2,500	\$0	\$375	\$345	\$322	\$3,542		
	Custom Wardrobe Casework	1	LS @	\$1,000	\$1,000	\$0	\$150	\$138	\$129	\$1,417		
PR-14	General Finish Upgrades											\$18,537
	Wood Floor Refinishing (Master & Three Bedrooms, Hall, & Stair)	1200	SF @	\$3	\$3,084	\$0	\$463	\$426	\$397	\$4,369		
	Patch / Repair & Repaint Walls (Entire Floor)	5000	SF @	\$2	\$10,000	\$0	\$1,500	\$1,380	\$1,288	\$14,168		
<i>Third Floor (850 sq. ft.)</i>												
PR-15	General Finish Upgrades											\$8,359
	Replace Carpeting	700	SF @	\$5	\$3,500	\$0	\$525	\$483	\$451	\$4,959		
	Patch / Repair & Repaint Walls and Ceilings	1200	SF @	\$2	\$2,400	\$0	\$360	\$331	\$309	\$3,400		
					Subtotals	\$0	\$65,167	\$60,554	\$56,517	\$626,186	Math Check	
										Total Project Cost Estimate	\$ 626,186	

ITEM K
Agenda Items for Future Meetings

DESCRIPTION AND BACKGROUND

A list of projected agenda items for the regular meetings during the next year follows this page.

RECOMMENDED ACTION

This is a discussion item only.

ATTACHMENT

List of Projected Agenda Items

LIST OF PROJECTED AGENDA ITEMS
Regular Meetings of Board of Governors
Year Following the December 2016 Meeting

December 2016 Meeting

Participation in campus events
Minutes for open session of last meeting
President's report
Advancement and/or foundation report
Academic affairs report
Student affairs report
Financial report
Construction projects report
Housing charges for next fiscal year
Selection of officers for next calendar year
Annual board committee appointments
Annual foundation board appointments
Dates and agenda items for future meetings
Minutes for closed session of last meeting
Personnel actions report
Paid leaves of absence for next fiscal year
Tenure review for faculty members completing their review period at end of fall semester

February 2017 Meeting

Participation in campus events
Annual photograph of board and president
Recognition of past board chair
Minutes for open session of last meeting
President's report
Advancement and/or foundation report
Academic affairs report
Student affairs report
Annual student government report
Financial report
Construction projects report
External audit firm (as contract expires)
Academic calendar (as needed)
Board of governors conflict of interest policy review
Dates and agenda items for future meetings
Minutes for closed session of last meeting
Personnel actions report
Annual general counsel evaluation committee appointments

April 2017 Meeting

Participation in campus events
Minutes for open session of last meeting

(NOTE: Agenda items noted in red are discretionary reports and subject to change.)

President's report
Advancement and/or foundation report
Academic affairs report
Student affairs report
Annual faculty senate report
Financial report
Construction projects report
Depositary bank for next two fiscal years (as contracts expire)
Food service contractor (as contracts expire)
Bookstore contractor (as contracts expire)
Enrollment fees for next fiscal year
Dates and agenda items for future meetings
Minutes for closed session of last meeting
Personnel actions report
Treasurers for next fiscal year
Annual general counsel evaluation and appointment for next fiscal year
Board begins annual presidential review process as outlined in presidential review timeline

June 2017 Meeting/Retreat

Participation in campus events
Minutes for open session of last meeting
President's report
Advancement and/or foundation report
Academic affairs/assessment report
Student affairs report
Financial report
Construction projects report
State capital funds request for next legislative session
Operating budgets for next fiscal year
Salary policies for next fiscal year
Union agreement renewal (in even numbered years)
Dates and agenda items for future meetings
Minutes for closed session of last meeting
Personnel actions report
Tenure review
Faculty promotions
Annual presidential review and salary consideration
Annual general counsel salary consideration

August 2017 Meeting

Participation in campus events
Minutes for open session of last meeting
President's report
Advancement and/or foundation report
Academic affairs report
Student affairs report

(NOTE: Agenda items noted in red are discretionary reports and subject to change.)

Annual athletics report
Annual staff council report
Financial report
Construction projects report
Local capital budgets for current fiscal year
State appropriation request for next fiscal year
Honorary degree consideration
Dates and agenda items for future meetings
Minutes for closed session of last meeting
Personnel actions report
Board concludes annual presidential review process as outlined in presidential review timeline

October 2017 Meeting

Participation in campus events
Minutes for open session of last meeting
President's report
Advancement and/or foundation report
Academic affairs report
Student affairs report
Annual legislative consultant report
Annual enrollment management report
Financial report
Audit report
Construction projects report
Dates and agenda items for future meetings
Minutes for closed session of last meeting
Personnel actions report

The following items will be added to the agendas as needed:

University strategic plan reports
Campus master plan reports
Reports from administrative areas
Approval of new or revised policies
Approval of architects and/or engineers for construction projects
Approval of new construction projects over \$100,000
Approval of equipment purchases and leases over \$100,000
Approval of consulting services over \$10,000
Approval of change orders for major changes in construction projects
Approval of real estate acquisitions
Litigation and legal action reports

(NOTE: Agenda items noted in red are discretionary reports and subject to change.)

ITEM L
Dates for Future Meetings

DESCRIPTION AND BACKGROUND

It is helpful to schedule, at least tentatively, the dates for board meetings during the next year. The tentatively scheduled dates are subject to change by the Board, but the preliminary action permits both Board members and staff members to avoid the scheduling of other activities on the targeted dates for board meetings. In addition to the regularly scheduled meetings, special meetings can be called by the President of the Board or by three members of the Board. A schedule of calendar events for the next year follows this page.

RECOMMENDED ACTION

BE IT RESOLVED that the next regular meeting of the Board of Governors be scheduled for Saturday, December 3, 2016, on the University campus in Kirksville, Missouri, beginning at 1:00 p.m., with the understanding that the Chair may alter the starting time and/or place for the meeting by giving due notice of such change; and

BE IT FURTHER RESOLVED that other regular meetings of the Board during the next year be tentatively scheduled for the following dates:

Saturday, February 4, 2017;
Saturday, April 8, 2017;
Saturday, June 10, 2017;
Saturday, August 5, 2017; and
Friday, October 13, 2017.

Moved by _____
Seconded by _____
Vote: Aye _____
Nay _____

ATTACHMENT

Calendar of Events October 2016 – October 2017

CALENDAR OF EVENTS
October 2016 - October 2017

2016

October	1	Family Day
	1	Home Football - Indianapolis
	13-14	Mid-Term Break
	17-22	Homecoming Week
	21	BOARD OF GOVERNORS MEETING
	22	Home Football - William Jewell College
	29	Home Football - Quincy University
November	5	November Showcase
	9-13	Lyceum/Theatre Department: "Seussical the Musical," OP Severns Theatre
	12	Chicago Regional Campaign Event
	24	Thanksgiving
December	3	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)
	17	Winter Commencement, 11:00 a.m.
	25	Christmas Day

2017

January	1	New Year's Day
	16	Martin Luther King Day
	17	Spring Classes Begin
	28	January Showcase
February	4	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)
	25	Iowa Regional Campaign Event
March	13-17	Spring Break
	25	Senior Showcase
April	2-4	Association of Governing Boards National Conference on Trusteeship (Dallas, TX)
	3	Lyceum: St. Louis Brass, OP Performance Hall, 7:30 p.m.
	8	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)
	8	Foundation Board Meeting and Banquet (Tentative)
	17	Term Break
	20	Student Research Conference
	29	Junior Showcase
	29	Mid-Missouri Regional Campaign Event
May	13	Spring Commencement, 2:00 p.m.
	29	Memorial Day
	30	Summer School Begins

June	10	BOARD OF GOVERNORS MEETING/RETREAT (TENTATIVE DATE)
July	4	Independence Day
	28	St. Louis Regional Campaign Event
August	5	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)
September	4	Labor Day
	16	Family Day
	23	Denver Regional Campaign Event
October	9-14	Homecoming Week
	13	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)
	13-14	Mid-Term Break

ITEM M
Agenda Items for Closed Session

RECOMMENDED ACTION

BE IT RESOLVED that this meeting be continued in closed session, with closed records and closed votes as permitted by law, for consideration of the following items as authorized by Section 610.021, Revised Statutes of Missouri:

1. Approval of minutes for the closed session of the last meeting under Subsection 14 of the statute for “Records which are protected from disclosure by law”;
2. Individual personnel actions under Subsection 3 of the statute for “Hiring, firing, disciplining or promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded”;
3. Confidential communications with the General Counsel; and
4. Purchase of real estate under Subsection 2 of the statute for “Leasing, purchase or sale of real estate by a public governmental body where public knowledge of the transaction might adversely affect the legal consideration therefore; and

BE IT FURTHER RESOLVED that if any business not covered by the stated reasons for the closed session is raised during the closed session, then this meeting shall be reopened to the public and an announcement about a resumption of the open session shall be made in the hallway outside of the meeting room.

Moved by _____
Seconded by _____
Vote: Aye _____
Nay _____