

NOTICE OF MEETING
Board of Governors, Truman State University
Friday, October 9, 2015

The Board of Governors for Truman State University will hold a meeting on Friday, October 9, 2015, 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, and the public is invited to attend.

The tentative agenda for the meeting is attached to this notice. Items L, M, N and O 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 2nd day of October, 2015.



Troy D. Paino
President of the University

TENTATIVE AGENDA
Board of Governors, Truman State University
Friday, October 9, 2015

Tuesday, October 6, 2015

- 8:00 a.m. Board of Governors Finance and Auditing Committee Meeting
President's Office, McClain Hall 200
(Governors Burkemper, Potter, Zito and O'Donnell)
- 3:00 p.m. Board of Governors Academic and Student Affairs Committee Meeting
President's Office, McClain Hall 200
(Governors Cozette, Bonner, Kochanski and O'Donnell)

Wednesday, October 7, 2015

- 8:00 a.m. Board of Governors Budget and Capital Projects Committee Meeting
President's Office, McClain Hall 200
(Governors Plassmeyer, Haber, LaBeth and O'Donnell)

Thursday, October 8, 2015

- 6:00 p.m. 50th Anniversary Celebration Dinner of "A Treasury of Great Recipes" Cookbook
written by Vincent and Mary Grant Price
Georgian Room, Student Union Building
- 8:30 p.m. Vincent Price: Master of Menace, Lover of Life! Talk by Victoria Price
Violette Hall 1000
- 9:30 p.m. Performance of Poe's "The Raven" and a screening of "The Fall of the House of Usher"
Baldwin Hall 176 (Little Theater)

Friday, October 9, 2015

- 7:45 a.m. Continental Breakfast for Board of Governors, Foundation Board, Alumni Board,
Chapter/Club Officers, Campaign Regional Committees, and New Volunteers
The Hub, Student Union Building
- 8:30 a.m. Alumni Leaders Conference and Campaign Volunteer Training
Alumni Room, Student Union Building
- 11:35 a.m. Campaign Press Conference
Activities Room, Student Union Building
- 12:00 noon Joint Boards Luncheon
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 Meeting on August 1, 2015
ITEM C President's Report

- ITEM D Governmental Relations Services Report
- ITEM E Advancement Report
- ITEM F Finance and Auditing Committee Report
- ITEM F.1 Audit Report
- ITEM F.2 Financial Report
- ITEM G Academic and Student Affairs Committee Report
- ITEM H Budget and Capital Projects Committee Report
- ITEM H.1 Construction Projects Report
- ITEM H.2 Contracts for Construction Projects and Equipment Purchases Report
- ITEM H.3 Architectural Services – 2016 Roofing, Drainage, and Building Repairs Project
- ITEM H.4 Faculty Early Retirement Incentive Program 2016 and 2017
- ITEM I Agenda Items for Future Meetings
- ITEM J Dates for Future Meetings
- ITEM K Agenda Items for Closed Session
- Closed Session of Board of Governors Meeting
- ITEM L Minutes for Closed Session of Meeting on August 1, 2015
- ITEM M Personnel Actions Report
- ITEM N General Counsel Report
- ITEM O Real Estate
- ITEM O.1 Motion to Adjourn

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

6:00 p.m. Alumni and Friends/Bulldog Forever Banquet
Georgian Room, Student Union Building

7:30 p.m. Alumni and Friends/Bulldogs Forever Program and Pursue the Future Campaign Celebration; Dessert Reception to Follow
Ophelia Parrish Performance Hall

Saturday, October 10, 2015

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

9:00 a.m. Homecoming Parade

11:00 a.m. Homecoming Tailgate/Reunion Luncheons

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

2:00 p.m. Bulldog Football vs. Southwest Baptist, Stokes Stadium

7:00 p.m. Bulldog Volleyball vs. Maryville University, Pershing Arena

ITEM A

Call to Order and Chair Report

Governor Jim O'Donnell, 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 Meeting on August 1, 2015

RECOMMENDED ACTION

BE IT RESOLVED that the minutes for the open session of the meeting on August 1, 2015, be approved.

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

ATTACHMENT

Minutes for Open Session of Meeting on August 1, 2015

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OPEN SESSION
OF MEETING ON
AUGUST 1, 2015

The Board of Governors for Truman State University met on Saturday, August 1, 2015, on the University campus in Kirksville, Missouri. The meeting was held in the Conference Room of the Student Union Building, and the open session of the meeting was called to order shortly after 1:00 p.m. by the Chair of the Board of Governors, Jim O'Donnell.

Participating in the meeting were six of the seven voting members: Sarah Burkemper, Cheryl J. Cozette, Karen Haber, Jim O'Donnell, Susan Plassmeyer and Matthew W. Potter. Mike LaBeth was unable to participate in the meeting due to another commitment, and his absence was recorded as excused.

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 Kelly Kochanski, student representative.

Call to Order and Chair Report

Jim O'Donnell, Chair of the Board of Governors, called the meeting to order and welcomed all in attendance.

Minutes for Open Session of Meeting on June 13, 2015

Sarah Burkemper moved the adoption of the following resolution:

BE IT RESOLVED that the minutes for the open session of the meeting on June 13, 2015, be approved.

The motion was seconded by Susan Plassmeyer and carried by a unanimous vote of 6 to 0. Jim O'Donnell then declared the motion to be duly adopted.

President's Report

Dr. Troy D. Paino, University President, provided a report on several items of current interest. President Paino shared a selected engagements report summarizing his external and internal relations activities from June 13 to July 31, 2015. He provided a legislative report, which included a summary of a recent Council on Public Higher Education for Missouri (COPHE) Executive Committee meeting with Governor Jay Nixon in regard to next year's higher education appropriation. He summarized the proposed Missouri Promise initiative, a financial aid program for Missouri students aimed at being placed on the ballot in 2016 and funded by a \$1 a pack increase in the cigarette tax. In addition, Dr. Paino noted his desire to develop a special capital request for Truman that could meet the needs of the University as well as the needs of the State of Missouri and northeast Missouri. President Paino reported on his continued efforts to identify a method by which the Board can monitor the progress of their immediate and long-term goals. He shared a Degrees Granted Report for FY2006-FY2015 and a Summer Enrollment Trends Report for 2015. President Paino ended his remarks by extending an invitation to the Board to attend the Fall Opening Assembly scheduled for 9:00 a.m. on August 12.

Resolution of Appreciation—HLC Leadership Team

Sarah Burkemper moved the adoption of the following resolution:

WHEREAS, the Institutional Actions Council of the Higher Learning Commission (HLC) took action at its June 15, 2015, meeting to affirm the recommendation of the HLC Visiting Team to reaffirm the accreditation of

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Truman State University with the next Reaffirmation of Accreditation to occur in 2024-25; and

WHEREAS, the Higher Learning Commission confirmed within their report that all criteria for reaffirmation was met and no interim monitoring was recommended, a feat that clearly distinguished Truman in the reaffirmation process given that approximately 80 percent of schools accredited by HLC receive at least one interim monitoring recommendation; and

WHEREAS, Dr. Karen Vittengl, Chair of Truman's HLC Leadership Team, admirably led a group of twelve talented and dedicated individuals who worked as a team to accomplish all of their major responsibilities which included preparing all relevant documents and materials, facilitating the site visit, and communicating with campus constituents;

NOW, THEREFORE, BE IT RESOLVED that the genuine appreciation of the Board of Governors of Truman State University be extended to Team Chair Karen Vittengl, to the members of Truman's HLC Leadership Team comprised of Scott Alberts, Nancy Asher, Clayton Berry, John Bohac, Richard Coughlin, Deborah Engen, Lou Ann Gilchrist, Maggie Herron, Ian Lindevald, Kevin Minch, Jim O'Donnell and Sue Thomas, and to all members of the University community who worked so diligently and cooperatively to assure reaccreditation by the Higher Learning Commission; and

BE IT FURTHER RESOLVED that a copy of this resolution be presented to Dr. Vittengl and all team members as a tangible expression of appreciation and felicitation.

The motion was seconded by Susan Plassmeyer and carried by a unanimous vote of 6 to 0. Jim O'Donnell then declared the motion to be duly adopted.

Annual Athletics Report

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

Staff Council Report

Jonathan Vieker, Chair of Staff Council and Academic Advisor in the Center for Academic Excellence, provided a report from Staff Council.

Finance and Auditing Committee Report

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

Financial Report

Sarah Burkemper provided a review of the financial reports which included a review as of June 30, 2015, of education and general revenues and expenditures and auxiliary systems revenues and expenditures and a review as of June 30, 2015, 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

Susan Plassmeyer, Chair of the Budget and Capital Projects Committee, provided a report on the committee meeting held earlier that day.

Construction Projects Report

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

Contracts for Construction Projects and Equipment Purchases Report

Susan Plassmeyer reported that one construction project and one equipment purchase totaling \$25,000 to \$100,000 had been approved since the last meeting of the Board:

<u>Construction Project</u>	<u>Project Budget</u>
Underground Fuel Tank Repairs and Upgrades	\$46,342.08
<u>Equipment Item</u>	<u>Item Cost</u>
Public Safety Patrol Vehicle	\$28,278.41

Local Capital Budgets for Fiscal Year 2016

Susan Plassmeyer moved the adoption of the following resolution:

BE IT RESOLVED that the "Local State Funds Capital Budget – FY 2016" of \$3,350,000 and the proposed "Auxiliary Funds Capital Budget – FY 2016" of \$3,000,000 be approved and that copies of the budgets be attached to the minutes as exhibits.

The motion was seconded by Matthew W. Potter and carried by a unanimous vote of 6 to 0. Jim O'Donnell 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 2017

Susan Plassmeyer moved the adoption of the following resolution:

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BE IT RESOLVED that the State Appropriation Request for Fiscal Year 2017 totaling \$46,911,894 be approved and ratified; and

BE IT FURTHER RESOLVED that a copy of the State Appropriation Request for Fiscal Year 2017, 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 Karen Haber and carried by a unanimous vote of 6 to 0. Jim O'Donnell then declared the motion to be duly adopted, and the Secretary designated a copy of the document as Exhibit B.

Food Service Contractor

Susan Plassmeyer moved the adoption of the following resolution:

WHEREAS, the University sought food service proposals for a five-year period commencing May 20, 2011; and

WHEREAS, the proposal of Sodexo Food Service was selected for a five-year period ending May 20, 2016; and

WHEREAS, it is advisable to extend this contract for one additional five year period, with the stipulation that the contract will be competitively bid at the conclusion of this period;

NOW, THEREFORE, BE IT RESOLVED that the President of the University is hereby authorized to negotiate an extension to the current Sodexo Food Services contract; and

BE IT FURTHER RESOLVED that the President of the University, or his designee, be authorized to sign a contract with Sodexo Food Services for a five-year period beginning May 20, 2016, and ending May 20, 2021.

The motion was seconded by Sarah Burkemper. Following discussion, Karen Haber amended the motion by asking that a copy of the document entitled Appendix A: Food Service Contract Highlights be attached to the minutes as an exhibit. The amendment was seconded by Matthew W. Potter and carried by a unanimous vote of 6 to 0. Following discussion, a vote was taken on the revised resolution, and the motion carried by a unanimous vote of 6 to 0. Jim O'Donnell then declared the newly amended motion to be duly adopted, and the Secretary designated a copy of the document as Exhibit C.

Board Policy Review Committee Report

Matthew W. Potter, chair of the Board Policy Review Committee, provided a report on the committee meeting held earlier that day.

Resolution amending Chapter 8 of the Code of Policies of the Board of Governors pertaining to Student Sexual Misconduct

Warren Wells, General Counsel, and Amy Clendennen, an attorney with the Tueth, Keeney, Cooper, Mohan & Jackstadt law firm in St. Louis, Missouri, reviewed the proposed changes to the Student Conduct Code and provided a report on the work that has been done to consolidate the University's current policies on discrimination and sexual misconduct complaints into one administrative process for the handling of any and all discrimination complaints. Following discussion, Matthew W. Potter moved the adoption of the following resolution:

BE IT RESOLVED, that Chapter 8 of the Code of Policies, titled Student Conduct Code, (marked as Attachment 1 and incorporated herein by reference) be amended by deleting any verbiage that is shown in **[brackets and in bold type]**. Any verbiage that would be added to this chapter is shown in ***bold italics and underlined type***.

In all other respects, Chapter 8 remains unchanged.

BE IT FURTHER RESOLVED, that this Resolution will become effective at such time as the President approves and adopts new policies for the disposition of student sexual misconduct complaints; and

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

The motion was seconded by Cheryl J. Cozette and carried by a unanimous vote of 6 to 0. Jim O'Donnell then declared the motion to be duly adopted, and the Secretary designated a copy of the document as Exhibit D.

Resolution amending Chapter 10 of the Code of Policies of the Board of Governors titled Fiscal and Business Affairs—Personnel

Matthew W. Potter moved the adoption of the following resolution:

BE IT RESOLVED, that Chapter 10 of the Code of Policies of the Board of Governors, titled Fiscal and Business Affairs-Personnel, (marked as Attachment 2 and incorporated herein by reference) be amended in the manner shown below:

Any verbiage that would be deleted by this Resolution is shown in **[brackets and in bold type]**. Any verbiage that would be added to this chapter is shown in ***bold italics and underlined***.

BE IT FURTHER RESOLVED, that the repeal of section 10.060.1 pertaining to "Extended Medical Leave" shall not affect any such leave currently approved or pending approval; and

BE IT FURTHER RESOLVED that University staff is authorized to reorganize the numbering system and format of this chapter for improved readability but is not authorized to make any substantive changes to the content not approved in this resolution.

The motion was seconded by Susan Plassmeyer. Following discussion, Matthew W. Potter amended the motion by asking that the proposed changes identified as Item 5 (Extended Medical Leave) be removed from Attachment 2 noting that this particular policy would be brought back to the Board for their consideration at a future meeting. The amendment was seconded by Karen Haber and carried by a unanimous vote of 6 to 0. Following discussion, a vote was taken on the revised resolution and amendment, and the motion carried by a unanimous vote of 6 to 0. Jim O'Donnell then declared the newly amended motion to be duly adopted, and the Secretary designated a copy of the revised document as Exhibit E.

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

Karen Haber 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 9, 2015, 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 5, 2015;
Saturday, February 6, 2016;
Saturday, April 9, 2016;
Saturday, June 11, 2016; and
Saturday, August 6, 2016.

The motion was seconded by Sarah Burkemper and carried by a unanimous vote of 6 to 0. Jim O'Donnell then declared the motion to be duly adopted.

Agenda Items for Closed Session

Matthew W. Potter 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:

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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

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 Cheryl J. Cozette and carried by a unanimous vote of 6 to 0. Jim O'Donnell then declared the motion to be duly adopted.

The closed session of the meeting began shortly after 3:15 p.m.

Mike LaBeth
Secretary of the Board of Governors

I hereby certify that the foregoing minutes were approved by the Board of Governors on the 9th day of October, 2015.

Jim O'Donnell
Chair of the Board of Governors

ITEM C
President's Report

DESCRIPTION AND BACKGROUND

Dr. Troy D. Paino, President of the University, will provide a report on several items of current interest.

RECOMMENDED ACTION

This is a discussion item only.

ITEM D**Governmental Relations Services Report****DESCRIPTION AND BACKGROUND**

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

RECOMMENDED ACTION

This is a discussion item only.

ITEM E
Advancement Report

DESCRIPTION AND BACKGROUND

Mark Gambaiana, Vice President for University Advancement, and Dr. Sharron Quisenberry, Chair of the Pursue the Future Campaign, will provide an update on Advancement activities and the Pursue the Future Campaign.

RECOMMENDED ACTION

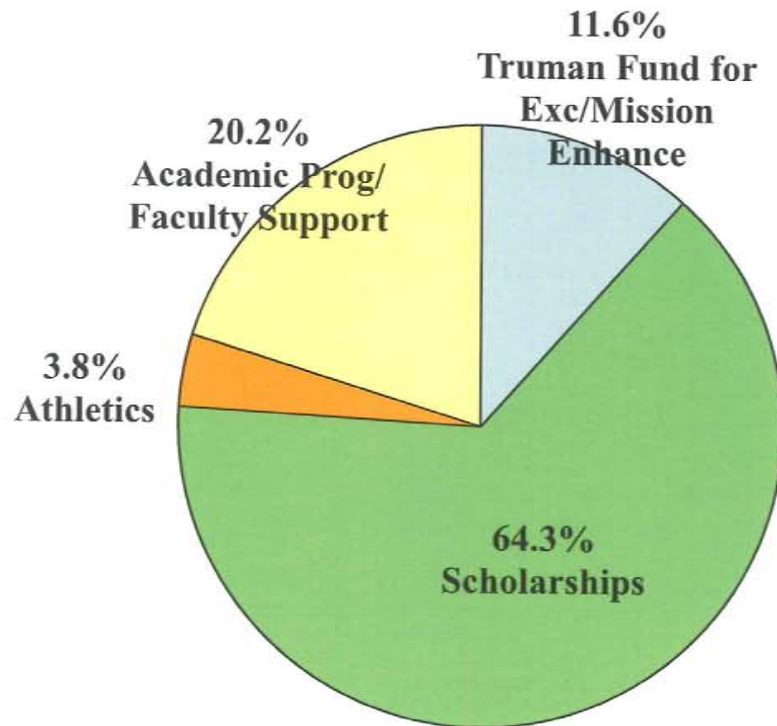
This is a discussion item only

Quiet Phase Campaign Progress Report (8/27/15)



Cash	\$4,731,572
Pledges	\$3,206,105
Grants	<u>\$400,000</u>
Total Cash/Pledges/Grants	\$8,337,677
Deferred Gifts	<u>\$16,407,750</u>
Total Campaign Commitments	\$24,745,427
Percentage of Goal	61.9%

Total Support to Pursue the Future



Truman Fund for Excellence/ Mission Enhancement	\$2,863,604
Scholarships	\$15,917,907
Athletics	\$959,224
Academic Programs/Faculty Support	\$5,004,692

Total: \$24,745,427

(as of August 27, 2015)

ITEM F
Finance and Auditing Committee Report

DESCRIPTION AND BACKGROUND

Governor Sarah Burkemper, Chair of the Finance and Auditing Committee, will provide a report on the committee meeting held on October 6.

RECOMMENDED ACTION

This is a discussion item only.

ITEM F.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

Presentation of the Results of the Annual Audit
Draft June 30, 2015 Financial Statements



Presentation of the Results of the Annual Audit
Truman State University

For The Year Ended June 30, 2015





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, 2015. 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 OMB Circular A-133</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, 2015.• 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 OMB Circular A-133.



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 2015 audited financial statements of the University will be included in the financial statements of the State of Missouri. To our knowledge, the 2015 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 March 13, 2015 and on June 8, 2015, 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 68 - <i>Accounting and Financial Reporting for Pensions</i>, during the year ended June 30, 2015. 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.

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>During our audit procedures, we did not accumulate any other corrected or uncorrected misstatements.</p>
<p>Disagreements With Management</p>	<p>We are pleased to report that there were no such disagreements that were encountered during the audit.</p>



Auditor Communications (Continued)

Truman State University






AREA	COMMENTS
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.

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 6/30/14, and will always "trail" behind the University's fiscal year
 - ❖ Thus, cash contributions made to the plan during 2015 are shown on the University's balance sheet as a deferred outflow of resources
 - ❖ Additionally, the differences based on projected vs. actual earnings on the investments held by MOSERS (as calculated by the actuaries) is presented as a deferred inflow, and will be amortized over a 5 year period.

Truman State University

Perkins Loan Fund

-  Effective October 1, 2015, no new loan disbursements can be made from the program (some limited exceptions can apply)
-  There is substantial discussion in the industry that the Department of Education may discontinue the program, but the likelihood of this is not certain at this point
-  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 2014/2015
-  The loans are carried on the University's financial statements as assets and related restricted net position. Reassignment of loans to the Department of Education could result in a potential obligation in the future.



Review of Information Technology

Truman State University

- ❖ As a component of our Financial Statement Audit procedures for the current year, we developed an understanding of certain entity level controls related to Information Technology (IT) that impact the financial reporting process.
- ❖ The following key controls were present in the current internal control structure surrounding IT at the University:
 - ❖ An IT steering and advisory committee is in place, meets periodically to assess risks and reviews action plans to mitigate/respond to assessed risks.
 - ❖ Controls are in place to monitor, issue & revoke IT user access rights.
 - ❖ Direct access to critical underlying database(s) for the Banner software system are restricted to selected employees in IT
 - ❖ The University has a defined IT password policy that requires changes on a scheduled, periodic basis
 - ❖ Changes to the Banner software system, while not frequent, are logged in a change management process
 - ❖ Network vulnerability assessments are completed periodically
 - ❖ The University has an established cyber security policy, inclusive of a breach response plan

Truman State University

- ◆ The following are considerations that we noted during our review that could provide an opportunity for improvement:
 - ◆ Broaden the scope of the periodic IT risk assessment that is completed and share key risks and related responses with Governance
 - ◆ Develop a process to internally “audit” the University’s cyber security policy and related breach response plan
 - ◆ Consider minor “tweaks” to existing server and database backup process and logistical safety.



Ratio Analysis

Truman State University

	Truman State University And Foundation				Recommended Threshold*
	2015**	2014	2013	2012	
Primary Reserve Ratio					
Expendable net position compared to total expenses	0.85	0.73	0.71	0.71	0.40
Viability Ratio					
Expendable net position compared to plant related debt	1.38	1.36	1.21	1.18	≥ 1.0

- *The ratios and recommended thresholds above are taken from the publication *Strategic Financial Analysis for Higher Education, Seventh Edition* by Phil Tahey, Ron Salluzzo, Fred Prager, Lou Mezzina and Chris Cowen. This publication recommends several ratios that universities should use to evaluate their financial performance.
- **Excludes net pension liability and related deferred inflows

See the accompanying independent auditors' report on additional information.



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, 2015, 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, 2015

DRAFT



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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 year ended June 30, 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, 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 Notes 1 and 6 to the financial statements, in 2015, the University implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Selected Pension Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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, 2015, 2014 and 2013. 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 2015, the University enrolled 6,208 students. The primary mission of the institution is undergraduate education, and the enrollment data reflects this mission.

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Undergraduate	5,853	5,910	5,898
Graduate	355	338	327
	<hr/> <u>6,208</u>	<hr/> <u>6,248</u>	<hr/> <u>6,225</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 38 states (including Missouri) and 50 foreign countries. Approximately 6.7% of the students are international students, and the enrollment also includes 11.4% from minorities including African-American, Hispanic, American Indian, and Asian American.

Key ratios include the following:

Student/Faculty Ratio	17:1
Graduate and Professional School Placement Rate	41%

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, 2015, 2014 And 2013

	2015	2,014	2,013
Assets			
Current Assets	\$ 37,204,222	\$ 18,516,221	\$ 25,950,378
Noncurrent Assets	299,413,999	306,359,374	297,429,443
Total Assets	336,618,221	324,875,595	323,379,821
Deferred Outflows of Resources	6,063,142	—	—
Liabilities			
Current Liabilities	17,040,933	13,563,361	15,462,368
Noncurrent Liabilities	102,344,377	55,141,816	56,909,083
Total Liabilities	119,385,310	68,705,177	72,371,451
Deferred Inflows of Resources	11,936,552	—	—
Net Position			
Net investment in capital assets	150,005,371	154,180,473	154,321,294
Restricted, expendable	24,297,240	24,044,450	19,671,316
Restricted, nonexpendable	27,704,807	26,532,513	25,465,435
Unrestricted	9,352,083	51,412,982	51,550,325
Total Net Position	\$ 211,359,501	\$ 256,170,418	\$ 251,008,370

At June 30, 2015, 2014 and 2013, the University's current assets of \$37.2 million, \$18.5 million and \$25.9 million, respectively, were sufficient to cover current liabilities of \$17.0 million, \$13.6 million and \$15.5 million, respectively. Noncurrent assets include capital assets of \$205.0 million at June 30, 2015, \$209.4 million at June 30, 2014 and \$212.7 million at June 30, 2013. See Note 4 for a recap of the capital asset activity.

University liabilities total \$119.4 million, \$68.7 million and \$72.4 million at June 30, 2015, 2014 and 2013, respectively, with noncurrent liabilities of \$102.3 million, \$55.1 million and \$56.9 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.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis *(Continued)*

Net position decreased by \$44.8 million from 2015 compared to 2014, mostly due to the recording of the pension obligation noted above, net of an increase due to the excess of revenues over current year expenses. Net position increased by \$5.2 million from 2014 compared to 2013.

Condensed Statements Of Revenues, Expenses, And Changes In Net Position For The Years Ended June 30, 2015, 2014 And 2013

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.

Draft

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (Continued)

	2015	2014	2013
Total Operating Revenues	\$ 57,587,288	\$ 55,982,974	\$ 56,511,604
Total Operating Expenses	102,123,380	100,254,693	97,948,498
Operating Loss	(44,536,092)	(44,271,719)	(41,436,894)
Net Nonoperating Revenues	47,384,953	48,439,577	45,576,307
Income before other revenues, expenses, gains and losses	2,848,861	4,167,858	4,139,413
Additions to permanent endowments	1,206,971	994,190	995,541
Total Increase In Net Position	\$ 4,055,832	\$ 5,162,048	\$ 5,134,954
Operating Revenues			
Tuition and fees, net	\$ 26,893,843	\$ 27,675,006	\$ 28,015,354
Federal, state grants and private contracts and grants	3,079,921	2,917,804	2,511,910
Auxiliary enterprises, net	25,082,068	22,652,440	23,617,093
Sales and services of educational activities and other	2,531,456	2,737,724	2,367,247
	\$ 57,587,288	\$ 55,982,974	\$ 56,511,604
Nonoperating Revenues			
State appropriations	\$ 41,324,001	\$ 38,542,055	\$ 38,722,022
Investment income	2,026,944	6,785,082	3,874,492
Grants, contributions and other	6,120,220	5,524,932	5,976,098
	\$ 49,471,165	\$ 50,852,069	\$ 48,572,612
Nonoperating Expenses			
Change in value of annuity and trust obligations	\$ 59,206	\$ 46,436	\$ 51,334
Interest on capital asset related debt	2,027,006	2,366,056	2,944,971
	\$ 2,086,212	\$ 2,412,492	\$ 2,996,305
	2015	2014	2013
Operating Expenses			
Salaries and wages	\$ 45,276,436	\$ 45,270,801	\$ 45,042,155
Fringe benefits	15,634,854	15,192,120	13,877,874
Supplies and other services	15,677,735	15,651,430	15,572,324
Scholarship and fellowships	762,253	432,170	655,271
Depreciation	11,518,826	10,974,259	10,981,858
Utilities	4,672,807	4,784,069	4,423,995
Other	8,580,469	7,949,844	7,395,021
	\$ 102,123,380	\$ 100,254,693	\$ 97,948,498

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

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%.

Comparisons 2014 To 2013

The most significant sources of revenue for the University were state appropriations at \$38.5 million in 2014 compared to \$38.7 million in 2013; student tuition and fees totaling \$27.7 million in 2014 compared to \$28.0 million in 2013; and auxiliary services totaling \$22.7 million in 2014 compared to \$23.6 million in 2013.

Operating expenses totaled \$100.3 million in 2014 compared to \$97.9 million in 2013 with salaries and wages up 0.5%, fringe benefits up 9.5%, supplies and other services up 0.5%, scholarships down 19.9%, depreciation remaining flat, utilities up 8.1%, and other expenses up 11.5%.

Condensed Statements Of Cash Flows For The Years Ended June 30, 2015, 2014 And 2013

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.

	2015	2014	2013
Cash And Cash Equivalents Provided By (Used In)			
Operating activities	\$ (34,725,630)	\$ (34,497,930)	\$ (29,977,751)
Noncapital financing activities	48,595,302	45,360,042	45,874,767
Capital and related financing activities	25,427	(13,254,268)	(17,094,080)
Investing activities	(706,496)	2,286,591	1,932,521
Net increase (decrease) in cash and cash equivalents	13,188,603	(105,565)	735,457
Cash And Cash Equivalents, Beginning Of Year	6,949,559	7,055,124	6,319,667
Cash And Cash Equivalents, End Of Year	\$ 20,138,162	\$ 6,949,559	\$ 7,055,124

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

The major source of operating cash was student tuition and fees (\$26.8 million, \$27.7 million and \$28.2 million 2015, 2014 and 2013, respectively) and auxiliary enterprises (\$25.0 million, \$22.7 million and \$23.6 million in 2015, 2014 and 2013, respectively). The largest use of operating cash was payments to employees (\$63.1 million, \$60.7 million and \$59.3 million in 2015, 2014 and 2013, respectively) and payments to suppliers (\$14.9 million, \$16.3 million and \$15.2 million in 2015, 2014 and 2013, respectively).

The most significant source of noncapital financing activities was state appropriations of \$41.3 million, \$38.5 million and \$38.7 million in 2015, 2014 and 2013, respectively.

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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, 2015, 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 2015, 2014 and 2013 were:

	2015	Percent
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>

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

	2013	Percent
Instruction		
Credit and noncredit courses.	\$ 47,899,890	48.90%
Research		
Activities specifically organized to produce research outcomes from funds awarded by external agencies, as well as internally supported programs.	856,535	0.87
Public Service		
Activities that primarily provide noninstructional services to individuals and groups outside of the University. Expenditures are primarily for community service.	1,826,001	1.86
Academic Support		
Supporting services to instruction, research and public service. Includes libraries, academic administration and instructional media.	5,635,787	5.75
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.	10,368,764	10.59
Institutional Support		
Activities which generally provide support to the entire University. Includes executive management, fiscal operations, personnel, development, fundraising activities and general administrative services.	6,438,907	6.57
Scholarships and Fellowships		
Awards for grant-in-aid stipends to students based on financial need and/or merit.	655,271	0.67
Auxiliary Enterprises		
Expenditures of essentially self-supporting activities such as Student Union Building, housing, cafeterias and recreation center.	24,267,343	24.79
Total Operating Expenses	<u>\$ 97,948,498</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 in the design stage to renovate a major academic building, Baldwin Hall. This is partially funded by a State of Missouri Bond Issue. Construction is anticipated to begin in July 2016.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

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 2016 increased by 1.2%.

The Missouri Coordinating Board for Higher education has recommended level state funding for the University for fiscal year 2017. However, additional funds have been requested for performance funding which may be added at a later date that would increase operating appropriations by 6%. 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 2015 is at 6,208, which is comparable to fall 2014.

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, 2015

Assets

Current Assets

Cash and cash equivalents	\$ 6,875,495
Restricted cash	10,772,901
Restricted short-term investments	3,522,096
Short-term investments	11,378,605
Accounts receivable, net of allowance of \$197,000	1,151,426
Interest receivable	191,208
Federal and state grants receivable	601,615
Other receivables	79,346
Inventories	589,615
Loans to students, net of allowance of \$6,700	1,362,817
Prepaid expenses	679,098
Total Current Assets	<u>37,204,222</u>

Noncurrent Assets

Investments	90,912,208
Loans to students, net of allowance of \$19,600	3,141,902
Capital assets, net	205,012,077
Cash value of life insurance	106,804
Other assets, net	241,008
Total Noncurrent Assets	<u>299,413,999</u>

Total Assets

336,618,221

Deferred Outflows Of Resources

Deferred amounts on University contributions	5,625,889
Deferred amounts on debt refundings	277,734
Differences between expected and actual experience	159,519
Total Deferred Outflows Of Resources	<u>6,063,142</u>

TRUMAN STATE UNIVERSITY

STATEMENT OF NET POSITION

Page 2 Of 2
June 30, 2015

Liabilities

Current Liabilities

Accounts payable and accrued liabilities	\$ 10,499,668
Accrued early retiree termination benefits	322,964
Accrued compensated absences	1,007,614
Unearned revenue	2,617,353
Annuities and trusts payable	73,992
Long-term debt - current portion	2,279,053
Deposits held in custody for others	240,289
Total Current Liabilities	<u>17,040,933</u>

Noncurrent Liabilities

Accrued compensated absences	553,615
Accrued early retiree termination benefits	126,762
Annuities and trusts payable	492,619
Long-term debt	60,233,234
Net pension liability	40,938,147
Total Noncurrent Liabilities	<u>102,344,377</u>

Total Liabilities

119,385,310

Deferred Inflows Of Resources

Net difference between projected and actual earnings on pension plan investments	11,936,552
Total Deferred Inflows Of Resources	<u>11,936,552</u>

Net Position

Net investment in capital assets	150,005,371
Restricted for:	
Nonexpendable:	
Endowment	23,210,807
Loans	4,494,000
Expendable:	
Scholarships and fellowships	7,570,973
Loans	4,498,756
Debt service	3,527,696
Other	8,699,815
Unrestricted	<u>9,352,083</u>

Total Net Position

\$ 211,359,501

TRUMAN STATE UNIVERSITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For The Year Ended June 30, 2015

Operating Revenues	
Tuition and fees, net	\$ 26,893,843
Federal grants and contracts	2,687,626
State grants and contracts	298,027
Private grants and contracts	94,268
Interest on student loans receivable	225,770
Sales and services of educational activities	516,523
Auxiliary enterprises, net	25,082,068
Other operating revenues	1,789,163
Total Operating Revenues	<u>57,587,288</u>
Operating Expenses	
Salaries and wages	45,276,436
Fringe benefits	15,634,854
Supplies and other services	15,677,735
Scholarships and fellowships	762,253
Depreciation	11,518,826
Utilities	4,672,807
Other	8,580,469
Total Operating Expenses	<u>102,123,380</u>
Operating Loss	<u>(44,536,092)</u>
Nonoperating Revenues (Expenses)	
State appropriations	41,324,001
Federal grants and contracts	4,840,745
Contributions	1,144,819
Change in value of annuity and trust obligations	(59,206)
Income from trusts	103,473
Investment income	1,923,471
Interest on capital asset-related debt	(2,027,006)
Gain on disposal of capital assets	5,728
Other nonoperating revenues	128,928
Nonoperating Revenues (Expenses), Net	<u>47,384,953</u>
Income Before Additions To Permanent Endowments	2,848,861
Additions To Permanent Endowments	<u>1,206,971</u>
Increase In Net Position	4,055,832
Net Position - Beginning Of Year (As Restated)	<u>207,303,669</u>
Net Position - End Of Year	<u>\$ 211,359,501</u>

TRUMAN STATE UNIVERSITY

STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2015

Cash Flows From Operating Activities	
Tuition and fees	\$ 26,824,195
Grants and contracts	3,257,364
Payments to suppliers	(14,971,451)
Payments for utilities	(4,672,807)
Payments to employees	(63,085,800)
Payments for scholarships and fellowships	(762,253)
Loans issued to students	(1,356,834)
Collections of loans to students	1,266,832
Sales and services of auxiliary enterprises	25,029,341
Sales and services of educational activities	516,523
Other payments	(6,770,740)
Net Cash Used In Operating Activities	<u>(34,725,630)</u>
Cash Flows From Noncapital Financing Activities	
State appropriations	41,324,001
Gifts and grants for other than capital purposes	5,985,564
Investments subject to annuity and trust obligations	86,699
Payments of annuity and trust obligations	(137,847)
Endowment gifts	1,206,971
Other receipts	129,914
Net Cash Provided By Noncapital Financing Activities	<u>48,595,302</u>
Cash Flows From Capital And Related Financing Activities	
Purchase of capital assets	(4,908,623)
Interest paid on capital debt and leases	(2,043,409)
Proceeds from issuance of bonds	22,099,553
Principal paid on capital debt and leases	(15,122,094)
Net Cash Provided By (Used In) Capital And Related Financing Activities	<u>25,427</u>
Cash Flows From Investing Activities	
Proceeds from sales and maturities of investments	78,210,816
Investment income	1,579,587
Distributions from perpetual trusts	103,473
Purchases of investments	(80,600,372)
Net Cash Provided By (Used In) Investing Activities	<u>(706,496)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	13,188,603
Cash And Cash Equivalents - Beginning Of Year	<u>6,949,559</u>
Cash And Cash Equivalents - End Of Year	<u>\$ 20,138,162</u>

TRUMAN STATE UNIVERSITY

STATEMENT OF CASH FLOWS (Continued) For The Year Ended June 30, 2015

Reconciliation Of Cash And Cash Equivalents To The Statement Of Net Assets

Cash	\$ 6,875,495
Restricted cash - current	10,772,901
Cash equivalents included in short-term investments	2,096,886
Cash equivalents included in investments - noncurrent	393,880
Total Cash And Cash Equivalents	\$ 20,138,162

Reconciliation Of Operating Loss To Net Cash Used In Operating Activities

Operating loss	\$ (44,536,092)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	11,518,826
Net change in pension expense	(1,658,796)
Changes in assets and liabilities:	
Receivables, net	104,101
Inventories	(58,874)
Loans receivable	(315,772)
Prepaid expenses and other assets	104,920
Deferred outflows of resources	(396,396)
Accounts payable and accrued liabilities	654,510
Unearned revenue	12,613
Accrued compensated absences and post-employment benefits	(14,775)
Deposits held in custody for others	(139,895)
Net pension liability	—
Deferred inflows of resources	—
Net Cash Used In Operating Activities	\$ (34,725,630)

Supplemental Disclosure Of Cash Flow Information

Noncash gifts received	\$ 167,589
Accounts payable incurred for capital asset purchases	2,260,419
Loss on disposal of capital assets	(5,728)
Unrealized gain on investments	336,107

TRUMAN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

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.

During the year, the University adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27* (GASB No. 68). The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions as well as information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The University's adoption of GASB No. 68 resulted in certain presentation changes to the statement of net position.

In addition, as a result of implementing this statement, certain reclassifications and presentation changes to the statement of net position were required. The effect of these changes has been applied retroactively; as a result the beginning of year net position has been changed to reflect the effect of recording the net pension liability on the University's statement of net position. The impact of these changes on the University's financial statements is as follows:

	<u>July 1, 2014</u>
Net position, as previously reported	\$ 256,170,418
Net pension liability (measurement date of June 30, 2013)	(54,533,495)
Deferred outflows - contributions during fiscal year ended June 30, 2014	<u>5,666,746</u>
Net position, as restated	<u>\$ 207,303,669</u>

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Cash Equivalents

The University considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2015, 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.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

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.

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 \$2,027,006 incurred in 2015 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 designation for academic and research programs and initiatives, and capital programs.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Classification Of Revenues

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

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship 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, 2015 was \$24,209,147. The total scholarship allowances on fees charged for auxiliary enterprises for the year ended June 30, 2015 was \$1,824,507.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

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, 2015, 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 real estate, equity securities and mutual funds.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

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

Type	Fair Value	Maturities In Years			
		Less Than 1	1 - 5	6 - 10	More Than 10
Cash and cash equivalents - commercial paper	\$ 7,267,499	\$ 7,267,499	\$ —	\$ —	\$ —
Cash and cash equivalents - money market mutual funds	2,489,766	2,489,766	—	—	—
Certificates of deposit	5,080,798		5,080,798		
Fixed income - corporate notes	23,996,957	654,199	19,081,787	2,557,142	1,703,829
Municipal bonds	1,405,449	201,306	729,636	115,311	359,196
U.S. Agency Securities	19,506,947	1,927,404	16,989,683	101,247	488,613
U.S. Treasury Securities	15,113,739	801,125	14,161,695	—	150,919
Asset Backed Securities	1,534,001	—	500,462	—	1,033,539
Exchange Traded Notes	732,791	—	366,886	365,905	—
		<u>\$ 6,073,800</u>	<u>\$ 56,910,947</u>	<u>\$ 3,139,605</u>	<u>\$ 3,736,096</u>
Equity mutual funds and funds and corporate stocks	26,205,974				
Fixed income funds mutual funds	1,299,679				
Real estate mutual funds	1,179,309				
	<u>\$ 105,812,909</u>				

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

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, 2015, the following ratings were available for the University's fixed income investments, excluding U.S. Treasury Securities:

Type	Fair Value	Quality Ratings		
		AAA	AA	A
Asset Backed Securities	\$ 1,534,001	\$ 1,026,030	\$ 186,447	\$ 99,168
Fixed income - Corporate Notes	23,996,957	1,049,147	5,821,810	13,779,720
Fixed income mutual funds	1,299,679	—	—	—
Municipal Bonds	1,405,449	492,744	586,638	226,067
U.S. Agency Securities	19,506,947	1,330,315	15,186,592	—
	\$ 46,209,032	\$ 2,872,206	\$ 21,595,040	\$ 14,005,787

Type	Fair Value	Quality Ratings			
		BBB	Ba	CCC	Not Rated
Asset Backed Securities	\$ 1,534,001	\$ —	\$ —	\$ —	\$ 222,356
Fixed income - Corporate Notes	23,996,957	2,031,770	36,331	10,003	1,268,176
Fixed income mutual funds	1,299,679	—	—	—	1,299,679
Municipal Bonds	1,405,449	—	—	—	100,000
U.S. Agency Securities	19,506,947	—	—	—	2,990,040
	\$ 46,209,032	\$ 2,031,770	\$ 36,331	\$ 10,003	\$ 5,657,895

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.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

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, 2015, the University's and Foundation's combined investments in U.S. Treasuries and a certain U.S. agency obligation exceeded 5% of the combined investment portfolio.

Foreign Currency Risk

This risk relates to adverse affects 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, 2015.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

Summary Of Carrying Values

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

Carrying value	
Deposits	\$ 17,648,396
Investments	<u>105,812,909</u>
	<u>\$ 123,461,305</u>

Included in the following statement of net assets captions:

Cash and cash equivalents	\$ 6,875,495
Restricted cash - current	10,772,901
Restricted short-term investments	3,522,096
Short-term investments	11,378,605
Long term investments	<u>90,912,208</u>
	<u>\$ 123,461,305</u>

Investment Income

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

Interest and dividend income	\$ 1,587,364
Net realized and unrealized gains on investments	<u>336,107</u>
	<u>\$ 1,923,471</u>

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.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

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, 2015.

4. Capital Assets

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	1,140,143	2,652,052	—	(717,699)	3,074,496
Construction in progress - energy contract	—	1,821,020	—	—	1,821,020
Total Capital Assets, Nondepreciable	16,059,749	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	130,647,335	9,501,203	—	—	140,148,538
Furniture, fixtures and equipment	23,132,977	799,471	473,115	—	23,459,333
Library materials	13,134,312	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	\$ 209,361,857	\$ (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, 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, 2015 of \$566,611, 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 million per year over a 10-year period.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

Contemporaneous with the execution of the energy performance contract, the University entered into a lease purchase agreement with a lender. Total acquisition costs for the energy equipment and improvements to be funded by the lender totaled \$9,274,600. These funds are available in an escrow account held by the lender. The lease is payable over a 10-year period as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 403,459	\$ 176,541	\$ 580,000
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
2021-2026	5,431,165	318,835	5,750,000
	<u>\$ 9,274,600</u>	<u>\$ 1,055,400</u>	<u>\$ 10,330,000</u>

No payments were made on the lease during the year ended June 30, 2015.

Revenue Bonds Payable

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 \$12,595,000 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.

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 \$20,495,000 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.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

On January 15, 2006, 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 \$16,439,060 and matures in annual installments through 2035. This bond series was refunded by the 2015 issuance discussed above.

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 revenue bond issues require the University to establish and fund various Debt Service Reserve and Repair and Replacement Reserve Funds. At June 30, 2015, all required Debt Service Reserve and Repair and Replacement Reserve Funds have been fully funded.

The bond debt service requirements as of June 30, 2015, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,815,000	\$ 2,124,231	\$ 3,939,231
2017	1,870,000	2,065,803	3,935,803
2018	1,920,000	2,004,978	3,924,978
2019	1,990,000	1,941,428	3,931,428
2020	2,070,000	1,866,303	3,936,303
2021-2025	11,685,000	8,021,150	19,706,150
2026-2030	14,355,000	5,407,855	19,762,855
2031-2035	13,580,000	2,420,885	16,000,885
2036-2040	2,950,000	245,575	3,195,575
	<u>\$ 52,235,000</u>	<u>\$ 26,098,208</u>	<u>\$ 78,333,208</u>

6. Pension Plans - MOSERS

General Information about the Pension Plan

Plan description. Benefit eligible employees of the University are provided with pensions through MOSERS - a cost-sharing multiple-employer defined benefit pension plan. 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, 2015, 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, 2014 was 16.98 percent, which is the year of measurement for the net pension liability. Contributions to the pension plan from the University were \$5,625,889 and \$5,666,746 for the years ended June 30, 2015 and 2014, 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, 2015, the University reported a liability of \$40,938,147 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, 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, 2014. At June 30, 2014, the University's proportion was 1.7363 percent, which remained unchanged from the percentage used to allocate the liability as of June 30, 2013, since this was the initial implementation year.

There were no changes in benefit terms during the MOSERS plan year ended June 30, 2014, that affected the measurement of total pension liability.

For the year ended June 30, 2015, the University recognized pension expense of \$3,848,432. At June 30, 2015, 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	\$ 159,519	\$ —
Changes of assumptions	—	—
Net difference between projected and actual earnings on pension plan investments	—	11,936,552
Changes in proportion and differences between University contributions and proportionate share of contributions	—	—
University contributions subsequent to the measurement dates of June 30, 2014	5,625,889	—
	<u>\$ 5,785,408</u>	<u>\$ 11,936,552</u>

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

The University reported 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, 2016. 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>
2016	\$ (2,928,769)
2017	(2,928,769)
2018	(2,935,358)
2019	(2,984,138)
	<u>\$ (11,777,034)</u>

Actuarial assumptions. The total pension liability in the June 30, 2014 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	3.0% to 5.9% annually, average, including inflation
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 actuarial assumptions used in the June 30, 2014 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%.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

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, 2014 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	76.6%	5.7%	4.4%
Illiquids **	19.2%	7.3%	1.4%
Old Portfolio ***	4.2%	6.0%	0.2%
	<u>100.0%</u>		<u>6.0%</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%

*** As of June 30, 2014, MOSERS was in the final stages of transitioning from a portfolio allocation consisting of 45% public equities, 30% public debt, and 25% alternative investments (old portfolio) to a new target allocation of 80% beta-balanced and 20% illiquids.

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 (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
University's proportionate share of the net pension liability	\$ 63,496,650	\$ 40,938,147	\$ 21,910,310

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, 2015, the University had payables of \$438,462 to MOSERS for the amount owed for salaries earned but not remitted as of June 30, 2015 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 6.16% and 6.38% of annual covered payroll for 2015 and 2014, respectively. The University's contributions to the plan for the years ended June 30, 2015 and 2014 were \$374,717 and \$346,733, 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.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

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 2015) and aggregate (\$1,000,000 in fiscal year 2015) reinsurance. The University has recorded a reserve for expenses incurred but not reported of \$692,737 as of June 30, 2015, 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, 2015 was as follows:

Liability, June 30, 2014	\$ 359,498
Current year claims and changes in estimate	6,233,965
Claim payments	<u>(5,900,726)</u>
Liability, June 30, 2015	<u>\$ 692,737</u>

Total employee health and welfare expense was \$5,851,043 for the year ended June 30, 2015.

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, and 2015. 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 \$449,726 at June 30, 2015.

During the year ended June 30, 2015, the University paid \$219,292 of reimbursements under this plan. Lump sum payments to participants totaled \$80,738 during 2015. At June 30, 2015, there were 26 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 \$12,088,425 related to construction contracts at June 30, 2015. A remaining commitment of \$8,777,031 on the Energy Performance Contract with Energy Solutions Professionals comprises the majority of the outstanding construction 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, 2015.

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 UNIVERSITY

Notes To Financial Statements (*Continued*)

The condensed financial information for the Housing System Revenue Bond Fund as of June 30, 2015 is as follows:

Condensed Statement Of Net Position

Current Assets	\$ 11,093,250
Noncurrent Assets	
Capital assets, net of depreciation	86,290,082
Other	155,805
Total Assets	<u>97,539,137</u>
Deferred Outflows Of Resources	<u>277,734</u>
Current Liabilities	3,479,534
Noncurrent Liabilities	52,842,926
Total Liabilities	<u>56,322,460</u>
Net Position	
Net investment in capital assets	31,581,648
Restricted	3,527,696
Unrestricted	6,385,067
Total Net Position	<u>\$ 41,494,411</u>

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

Condensed Statement Of Revenues, Expenses And Changes In Net Assets

Operating Revenue	
Housing and food service net of scholarship allowance	\$ 19,787,246
Other operating revenues	684,347
Total Operating Revenue	<u>20,471,593</u>
Operating Expenses	
Compensation and benefits	3,409,654
Supplies and other services	9,420,912
Depreciation	5,149,210
Utilities	1,865,832
Total Operating Expenses	<u>19,845,608</u>
Operating Income	<u>625,985</u>
Nonoperating Revenue (Expenses)	
Student fees for capital projects	1,068,442
Investment income	207,610
Interest on capital asset related debt and other expenses	(2,316,524)
Net Nonoperating Expenses	<u>(1,040,472)</u>
Decrease In Net Position	<u>(414,487)</u>
Net Position - Beginning of Year	<u>41,908,898</u>
Net Position End Of Year	<u>\$ 41,494,411</u>

Condensed Statement Of Cash Flows

Net cash provided by operating activities	\$ 625,985
Net cash used in capital and related financing activities	(5,185,082)
Net cash provided by investing activities	<u>4,214,808</u>
Net increase (decrease) in cash and cash equivalents	(344,289)
Cash and cash equivalents - beginning of year	<u>1,404,008</u>
Cash and cash equivalents - end of year	<u>\$ 1,059,719</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

	<u>2015*</u>
University's proportionate of the net pension liability	1.7363%
University's proportionate share of the net pension liability	\$ 40,938,147
University's covered-employee payroll	\$ 32,701,587
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	125.19%
Plan fiduciary net position as a percentage of the total pension liability	79.49%

*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

	<u>June 30, 2015*</u>
Contractually required contribution	\$ 5,666,746
Contributions in relation to the contractually required contribution	5,666,746
Contribution deficiency (excess)	—
University's covered-employee payroll	32,701,587
Contributions as a percentage of covered-employee payroll	17.33%

*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, 2015

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, 2014.

Changes Of Assumptions

There were no changes to assumptions in valuation reports for the year ended June 30, 2014.

DRAFT

ITEM F.2
Financial Report

DESCRIPTION AND BACKGROUND

The following financial reports include a review as of August 31, 2015, of education and general revenues and expenditures and auxiliary systems revenues and expenditures and a review as of August 31, 2015, of the Truman State University Foundation revenues and expenditures.

RECOMMENDED ACTION

This is a discussion item only.

ATTACHMENT

Financial Report

Truman State University
Financial Report
August 31, 2015 compared to August 31, 2014

Education & General (Pages A1-A3)

Revenues total \$34.9 million this year compared to \$33.9 million a year ago, representing 36.6% of revenue budgeted for FY16 compared to 35.8% of the revenue budgeted for FY15. Total revenues are up \$1 million, or 3.0% over last year.

State Appropriations for FY16 total \$43,110,124 compared with \$42,602,063 for FY15, up \$508,061. At this point in FY15 the state was withholding funds beyond 3%, so this increase will not carry through the year. As of August 31, 2015, the withholdings from the FY16 appropriation included the traditional 3%. At year end, if the traditional 3% withholding stands, FY16 appropriations will total \$41.8 million received compared to \$41.3 million received in FY15.

The enrollment and related fee category is up \$669,400 from last year, or 2.5%. Fall semester enrollment income was up \$493,892. Enrollment is steady with fall headcount for the University at 6,208 this fall compared to 6,248 last fall, down 40 students. Full-time equivalent enrollment (FTE) is at 5,488 this year compared to 5,535 last year, down 47 students. There are 1,435 new undergraduate students (first-time freshman and transfers) compared to 1,484 last year, a decrease of 49 students.

Overall expenditures are up \$741,070, or 3.8% over last year. There is one expense up more than \$200,000 (Scholarships) and one expense down more than \$200,000 (Travel).

Scholarships total \$10.9 million this year compared to \$10 million last year, up \$871,278 or 8.7%. Scholarship categories up more than \$200,000 include merit scholarship renewals (up \$425,716) and Midwest Student Exchange Program (up \$266,896). The merit scholarship renewals increase is partially explained by the improvement in student retention from the freshman to sophomore year which is at 89.1% this year compared to 88% last year. The Midwest Student Exchange Program increase is related to the number of students coming from the participating states.

Travel expense is down \$239,535 primarily due to travel timing differences in study abroad related trips.

Auxiliary Systems (Pages B1-B3)

Revenues total \$13 million this year compared to \$12.7 million a year ago, representing 53.6% of the budgeted revenues for this year compared to 52.6% for last year. Total revenues are up \$242,989, or 1.9% over last year. Meal plan revenue is up \$194,709 primarily due to increased off-campus student participation and more meal options provided for on-campus students. Housing occupancy is at 2,544 residents compared to 2,659 a year ago, or down 115 residents.

Overall expenditures are up \$199,718, or 5.4%. There is one expense up more than \$100,000 (Meals) and one expense down more than \$100,000 (Scholarship). Meal expense is up \$163,021 due to new optional meal plans which produced an average cost of \$13.53 per day this year compared to \$12.15 per day last year and increased off-campus students purchasing meal plans.

Scholarship expense is down \$125,439 primarily due to the smaller freshman class and fewer residents living in the residence halls this year.

Truman State University Foundation (Pages C1-C3)

Statement of Net Position (Page C-1)

Net position decreased from \$43 million a year ago to \$42.4 million this year, a decrease of \$700,250. The most significant asset, cash and investments, is down from \$42.9 million last year to \$42.3 million this year, a decrease of \$540,492.

Liabilities are up from \$638,198 last year to \$718,517 this year, or up \$80,319, primarily due to an increase in short term liabilities due to Transfers to Truman budgets for Foundation funded budgets and reimbursement of expense.

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

Through the end of August, contributions and additions to permanent endowments total \$257,413 this year compared to \$366,968 last year, a decrease of \$109,555. Contributions are down \$85,013 and additions to endowments are down \$24,542.

Investment return losses total \$1.4 million this year compared to a \$483,409 gain last year, a change of \$1.9 million. The difference is in both the realized gain category (up \$191,726) and the unrealized loss category (down \$2.1 million).

Expenses and Transfers to Truman total \$659,599 this year compared to \$547,475 last year, an increase of \$112,124. Significant differences are in scholarships (up \$58,755) and Transfers to Truman budget (up \$25,755).

Investments Schedule (Page C-3)

In addition to investments included in the statement of net position (\$42.2 million this year compared to \$42.6 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 up \$11,620, totaling \$3.5 million this year.

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

	<u>FY16 Budget</u>	<u>FY16 To Date</u>	<u>Percent of Budget This Year</u>	<u>Percent of Budget Last Year</u>
Education & General				
Revenues				
State Appropriation	\$ 43,110,124	\$ 6,969,470	16.17%	
Local Income	<u>\$ 52,191,876</u>	<u>\$ 27,950,133</u>	53.55%	
Total Budgeted Revenues	<u>\$ 95,302,000</u>	<u>\$ 34,919,603</u>	<u>36.64%</u>	<u>35.79%</u>
Rollover from prior year	<u>\$ 2,092,984</u>			
Total Resources to Spend	<u>\$ 97,394,984</u>			
Expenses				
Salaries & Fringe Benefits				
Faculty/Staff Salaries	\$ 37,803,949	\$ 3,242,941	8.58%	
Student Employment	\$ 3,365,320	\$ 1,111,092	33.02%	
Fringe Benefits	<u>\$ 15,474,484</u>	<u>\$ 1,357,699</u>	8.77%	
Total Salaries & Fringe Benefits	<u>\$ 56,643,753</u>	<u>\$ 5,711,732</u>	<u>10.08%</u>	<u>9.97%</u>
Equipment & Capitalized Expense	\$ 2,570,303	\$ 150,595	5.86%	3.38%
Operations				
Other Expense	\$ 14,370,624	\$ 2,765,090	19.24%	
Institutional Aid	\$ 20,612,804	\$ 10,839,702	52.59%	
Utilities	<u>\$ 3,197,500</u>	<u>\$ 569,161</u>	17.80%	
Total Operations	<u>\$ 38,180,928</u>	<u>\$ 14,173,953</u>	<u>37.12%</u>	<u>36.65%</u>
Total Education & General Expense	<u>\$ 97,394,984</u>	<u>\$ 20,036,280</u>	<u>20.57%</u>	<u>20.09%</u>

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

	<u>FY14 Receipts</u>	<u>FY15 Receipts</u>	<u>FY16 Receipts</u>	<u>Change FY15 to FY16</u>	<u>% Change FY15 to FY16</u>
Education & General					
State Appropriation					
State Appropriation	\$ 6,286,196	\$ 6,549,602	\$ 6,969,470	\$ 419,868	6.41%
Total State Sourced Income	<u>\$ 6,286,196</u>	<u>\$ 6,549,602</u>	<u>\$ 6,969,470</u>	<u>\$ 419,868</u>	<u>6.41%</u>
Enrollment Fees					
Enrollment Fees	\$ 25,230,796	\$ 25,266,600	\$ 25,760,491	\$ 493,892	1.95%
Course Fees	\$ 695,608	\$ 681,799	\$ 820,547	\$ 138,749	20.35%
Student Activity Fees	\$ 238,757	\$ 252,698	\$ 249,881	\$ (2,817)	-1.11%
Athletic Fees	\$ 284,110	\$ 280,775	\$ 322,043	\$ 41,268	14.70%
Health Clinic Fees	\$ 153,419	\$ 151,619	\$ 149,928	\$ (1,691)	-1.12%
Total Student Fees	<u>\$ 26,602,689</u>	<u>\$ 26,633,490</u>	<u>\$ 27,302,890</u>	<u>\$ 669,400</u>	<u>2.51%</u>
Other Income	\$ 570,817	\$ 696,159	\$ 647,243	\$ (48,916)	-7.03%
Total Education & General	<u>\$ 33,459,702</u>	<u>\$ 33,879,251</u>	<u>\$ 34,919,603</u>	<u>\$ 1,040,352</u>	<u>3.07%</u>

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

	<u>FY14</u> <u>Expense</u>	<u>FY15</u> <u>Expense</u>	<u>FY16</u> <u>Expense</u>	<u>Change</u> <u>FY15 to FY16</u>	<u>% Change</u> <u>FY15 to FY16</u>
Education & General					
Salaries & Fringe Benefits					
Faculty & Staff Salaries	\$ 3,246,257	\$ 3,198,496	\$ 3,242,941	\$ 44,445	1.39%
Student Salaries	\$ 1,094,063	\$ 1,099,720	\$ 1,111,092	\$ 11,372	1.03%
Fringe Benefits	\$ 1,332,452	\$ 1,374,017	\$ 1,357,699	\$ (16,318)	-1.19%
Total Salary & Fringe Benefits	\$ 5,672,772	\$ 5,672,233	\$ 5,711,732	\$ 39,499	0.70%
Equipment & Capital Expenses	\$ 210,158	\$ 89,177	\$ 150,595	\$ 61,418	68.87%
Operations					
Institutional Aid	\$ 9,639,280	\$ 9,968,424	\$ 10,839,702	\$ 871,278	8.74%
Professional Services	\$ 169,315	\$ 214,653	\$ 215,734	\$ 1,081	0.50%
Travel	\$ 247,038	\$ 548,231	\$ 308,696	\$ (239,535)	-43.69%
Utilities	\$ 534,492	\$ 598,208	\$ 569,161	\$ (29,047)	-4.86%
Supplies	\$ 250,923	\$ 352,550	\$ 343,869	\$ (8,681)	-2.46%
Maintenance Contracts	\$ 627,684	\$ 608,179	\$ 743,284	\$ 135,105	22.21%
Communications	\$ 99,042	\$ 109,890	\$ 115,019	\$ 5,129	4.67%
Maintenance & Repair	\$ 277,926	\$ 134,415	\$ 54,834	\$ (79,581)	-59.21%
Other Expense	\$ 996,768	\$ 999,250	\$ 983,654	\$ (15,596)	-1.56%
Total Operations	\$ 12,842,468	\$ 13,533,800	\$ 14,173,953	\$ 640,153	4.73%
Total Education & General	\$ 18,725,398	\$ 19,295,210	\$ 20,036,280	\$ 741,070	3.84%

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

	FY16 Budget	FY16 To Date	Percent of Budget This Year	Percent of Budget Last Year
Auxiliary Systems				
Revenues				
Residence Halls	\$ 20,920,000	\$ 11,533,448	55.13%	
Student Union	\$ 1,350,000	\$ 681,262	50.46%	
Recreation Center	\$ 1,225,000	\$ 680,507	55.55%	
Other Auxiliary	\$ 682,000	\$ 70,583	10.35%	
Total Budgeted Revenues	\$ 24,177,000	\$ 12,965,800	53.63%	52.58%
Rollover from prior year	\$ 457,249			
Total Resources to Spend	\$ 24,634,249			
Expenses				
Salaries & Fringe Benefits				
Salaries	\$ 2,046,965	\$ 321,685	15.72%	
Student Salaries	\$ 1,449,774	\$ 374,628	25.84%	
Fringe Benefits	\$ 1,161,259	\$ 173,234	14.92%	
Total Salaries & Fringe Benefits	\$ 4,657,998	\$ 869,547	18.67%	18.91%
Equipment /Capitalized Expense	\$ 714,583	\$ 26,367	3.69%	0.30%
Operations				
Bond Principal & Interest	\$ 3,939,233	\$ -	0.00%	
Meals/Banquets/Refreshments	\$ 7,400,000	\$ 928,163	12.54%	
Other Expense	\$ 4,000,685	\$ 875,191	21.88%	
Institutional Aid	\$ 1,575,000	\$ 820,175	52.07%	
Utilities	\$ 2,346,750	\$ 376,989	16.06%	
Total Operations	\$ 19,261,668	\$ 3,000,518	15.58%	12.65%
Total Auxiliary Expense	\$ 24,634,249	\$ 3,896,432	15.82%	13.42%

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

	<u>FY14 Receipts</u>	<u>FY15 Receipts</u>	<u>FY16 Receipts</u>	<u>Change FY15 to FY16</u>	<u>% Change FY15 to FY16</u>
Auxiliary					
Residence Halls	\$ 10,386,033	\$ 11,289,967	\$ 11,533,448	\$ 243,481	2.16%
Student Union	\$ 593,081	\$ 655,565	\$ 681,262	\$ 25,697	3.92%
Recreation Center	\$ 755,306	\$ 691,510	\$ 680,507	\$ (11,003)	-1.59%
Other Auxiliary	\$ 73,232	\$ 85,769	\$ 70,583	\$ (15,186)	-17.71%
Total Auxiliary	<u>\$ 11,807,652</u>	<u>\$ 12,722,811</u>	<u>\$ 12,965,800</u>	<u>\$ 242,989</u>	<u>1.91%</u>

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

	<u>FY14 Expense</u>	<u>FY15 Expense</u>	<u>FY16 Expense</u>	<u>Change FY15 to FY16</u>	<u>% Change FY15 to FY16</u>
Auxiliary					
Salaries & Fringe Benefits					
Salaries	\$ 345,197	\$ 332,472	\$ 321,685	\$ (10,787)	-3.24%
Student Wages	\$ 369,990	\$ 363,716	\$ 374,628	\$ 10,912	3.00%
Fringe Benefits	\$ 160,772	\$ 177,533	\$ 173,234	\$ (4,299)	-2.42%
Total Salary & Fringe Benefits	<u>\$ 875,959</u>	<u>\$ 873,721</u>	<u>\$ 869,547</u>	<u>\$ (4,174)</u>	<u>-0.48%</u>
Equipment & Capital Expenses	<u>\$ 12,570</u>	<u>\$ 2,273</u>	<u>\$ 26,367</u>	<u>\$ 24,094</u>	<u>1060.01%</u>
Operations					
Institutional Aid	\$ 876,799	\$ 945,614	\$ 820,175	\$ (125,439)	-13.27%
Supplies	\$ 198,298	\$ 107,008	\$ 176,754	\$ 69,746	65.18%
Maintenance Contracts	\$ 57,113	\$ 36,179	\$ 102,167	\$ 65,988	182.39%
Communications	\$ 16,122	\$ 16,499	\$ 23,362	\$ 6,863	41.60%
Meals	\$ 534,402	\$ 765,142	\$ 928,163	\$ 163,021	21.31%
Utilities	\$ 399,227	\$ 380,218	\$ 376,989	\$ (3,229)	-0.85%
Professional Services	\$ 72,070	\$ 87,391	\$ 80,946	\$ (6,445)	-7.37%
Bond Principal & Interest	\$ -	\$ -	\$ -	\$ -	0.00%
Other Expense	\$ 483,896	\$ 482,669	\$ 491,962	\$ 9,293	1.93%
Total Operations	<u>\$ 2,637,927</u>	<u>\$ 2,820,720</u>	<u>\$ 3,000,518</u>	<u>\$ 179,798</u>	<u>6.37%</u>
Total Auxiliary	<u>\$ 3,526,456</u>	<u>\$ 3,696,714</u>	<u>\$ 3,896,432</u>	<u>\$ 199,718</u>	<u>5.40%</u>

Truman State University Foundation
Statement of Net Position
August 31, 2014 Compared to August 31, 2015

Assets	31-Aug-14 FY15	31-Aug-15 FY16	Change FY15 to FY16
Current Assets			
Cash	\$ 232,136	\$ 124,671	\$ (107,464)
Short Term Investments	\$ 1,813,436	\$ 2,156,131	\$ 342,695
Loans Receivable, net of allowance	\$ 301,717	\$ 317,863	\$ 16,146
Total Current Assets	\$ 2,347,289	\$ 2,598,666	\$ 251,377
Non-Current Assets			
Investments	\$ 40,823,946	\$ 40,048,224	\$ (775,722)
Loans Receivable, net of allowance	\$ 464,063	\$ 358,010	\$ (106,052)
Cash Value of Life Insurance	\$ 96,338	\$ 106,804	\$ 10,466
Total Non-Current Assets	\$ 41,384,346	\$ 40,513,038	\$ (871,308)
Total Assets	\$ 43,731,635	\$ 43,111,704	\$ (619,931)
Liabilities			
Current Liabilities			
Accounts Payable	\$ 90,910	\$ 163,680	\$ 72,770
Annuities & Trusts Payable	\$ 59,992	\$ 62,575	\$ 2,583
Total Current Liabilities	\$ 150,901	\$ 226,255	\$ 75,353
Non-Current Liabilities			
Annuities & Trusts Payable	\$ 487,297	\$ 492,262	\$ 4,965
Total Non-Current Liabilities	\$ 487,297	\$ 492,262	\$ 4,965
Total Liabilities	\$ 638,198	\$ 718,517	\$ 80,319
Net Position	\$ 43,093,437	\$ 42,393,187	\$ (700,250)

Truman State University Foundation
Statement of Revenues, Expenses & Changes in Net Position
August 31, 2014 Compared to August 31, 2015

	<u>31-Aug-14</u> <u>FY15</u>	<u>31-Aug-15</u> <u>FY16</u>	<u>Change</u> <u>FY15 to FY16</u>
Operating Revenue			
Interest on Student Loan Receivable	\$ 5,532	\$ 5,040	\$ (492)
Sales Tax Collected	\$ -	\$ 4	\$ 4
Total Operating Revenues	<u>\$ 5,532</u>	<u>\$ 5,044</u>	<u>\$ (488)</u>
Operating Expenses			
Scholarships	\$ 366,356	\$ 425,110	\$ 58,755
Supplies & Other Services	\$ 41,466	\$ 50,266	\$ 8,800
Travel Expense	\$ 29,170	\$ 21,367	\$ (7,802)
Other Expense	\$ 18,935	\$ 45,552	\$ 26,617
Total Operating Expenses	<u>\$ 455,926</u>	<u>\$ 542,295</u>	<u>\$ 86,369</u>
Operating Gain (Loss)	<u>\$ (450,394)</u>	<u>\$ (537,251)</u>	<u>\$ (86,857)</u>
Non-Operating Revenues (Expenses)			
Contributions	\$ 219,325	\$ 134,312	\$ (85,013)
Interest & Dividends	\$ 113,631	\$ 153,292	\$ 39,661
Realized Gain (Loss)	\$ (2,225)	\$ 189,501	\$ 191,726
Unrealized Gain (Loss)	\$ 400,000	\$ (1,762,135)	\$ (2,162,134)
Other Non-Operating Income	7,636	1,974	-5,663
Other Non-Operating Expense	\$ (27,997)	\$ (30,617)	\$ (2,620)
Net Non-Operating Revenues (Expenses)	<u>\$ 710,370</u>	<u>\$ (1,313,673)</u>	<u>\$ (2,024,043)</u>
Income before other Revenues, Expenses, Gains, Losses & Transfers	<u>\$ 259,977</u>	<u>\$ (1,850,924)</u>	<u>\$ (2,110,900)</u>
Additions to Permanent Endowments	\$ 147,643	\$ 123,101	\$ (24,542)
Transfers to Education & General - Administration	\$ (19,883)	\$ (19,883)	\$ -
Transfers to Education & General	\$ (69,628)	\$ (90,152)	\$ (20,524)
Transfer to Auxiliary - Other	\$ (2,038)	\$ (7,269)	\$ (5,230)
Increase (Decrease) in Net Assets	<u>\$ 316,070</u>	<u>\$ (1,845,126)</u>	<u>\$ (2,161,196)</u>
Net Position, Beginning of Year	<u>\$ 42,777,367</u>	<u>\$ 44,238,313</u>	<u>\$ (1,460,946)</u>
Net Position Ending Balance	<u><u>\$ 43,093,437</u></u>	<u><u>\$ 42,393,187</u></u>	<u><u>\$ (700,250)</u></u>

**Truman State University Foundation
Investments Schedule
August 31, 2014 Compared to August 31, 2015**

Investments	<u>31-Aug-14 FY15</u>	<u>31-Aug-15 FY16</u>
Invested with Outside Manager		
Endowment Pool	\$ 39,127,335	\$ 38,419,291
Total Endowment Pool	<u>\$ 39,127,335</u>	<u>\$ 38,419,291</u>
Short-Term Pool	\$ 1,813,436	\$ 2,156,131
Long Trust	\$ 692,072	\$ 658,723
Courtright Elmwood Unitrust	\$ 36,050	\$ 32,563
Rufener M.E.T. Unitrust	\$ 31,544	\$ 28,354
Annuities Payable - CGA	\$ 835,238	\$ 813,438
Fitzpatrick - CA CGA	\$ 75,531	\$ 70,838
Annuities Payable - FL CGA	\$ 26,176	\$ 25,018
Total Investments	<u><u>\$ 42,637,382</u></u>	<u><u>\$ 42,204,356</u></u>
 Beneficial Interest in Trusts		
Invested through Citizens Bank, Chillicothe, MO		
Ludlow Trust	\$ 237,223	\$ 232,899
Invested through First Bankers Trust, Quincy, IL		
Cozean Trust	\$ 317,895	\$ 305,916
Invested through Citizens Bank, Chillicothe, MO		
Lyle Ingraham Trust	\$ 2,924,157	\$ 2,952,079
Total Beneficial Interest in Trusts	<u><u>\$ 3,479,275</u></u>	<u><u>\$ 3,490,895</u></u>

ITEM G
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 6.

RECOMMENDED ACTION

This is a discussion item only.

ITEM H
Budget and Capital Projects Committee Report

DESCRIPTION AND BACKGROUND

Governor Susan Plassmeyer, Chair of the Budget and Capital Projects Committee, will provide a report on the committee meeting held on October 7.

RECOMMENDED ACTION

This is a discussion item only.

ITEM H.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 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>
2014 Roofing, Masonry and Windows	\$1,686,000	4-12-14	\$ 1,405,912	83%	NA	8-11-15	
2015 Roofing and Building Repairs Project	\$2,235,000	4-11-15	\$ 1,912,227	85%	NA	8-14-15	
McClain Hall/Student Union Building Mall Replacement Project	\$1,410,000	4-11-15	\$ 980,168	69%	8-7-15	9-18-15	
Summer 2015 Concrete Project	\$ 110,000	4-11-15	\$ 106,664	100%		8-19-15	\$106,664
Guaranteed Energy Savings Program	\$10,500,000	4-11-15	\$ 4,140,510	39%		8-31-16	

*completion status based on payments made

**occupancy date based on primary construction contract

ITEM H.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>
Magruder Hall Chiller Repair	\$86,050.70

Work was performed by Johnson Controls to repair the chiller in Magruder Hall. The chiller required an internal inspection and replacement of several key components to correct the problems. It was then tested to confirm that the unit was back to maximum performance.

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>
2016 Ford F350 4x4 Crew Cab, Dual Wheel Pickup	\$31,190.20

A bid was issued for the purchase of a replacement truck for the University Farm in April 2015. Three companies provided bids, and Lovegreen Ford was the low bid. The truck was delivered in mid-August, and the final cost included trade-in of the 2000 Ford pickup used by the University Farm. The truck is utilized to haul trailers as well as general duties required on the farm.

Two 2015 Chevrolet 15-Passenger Vans	\$54,616
--------------------------------------	----------

Two vans were ordered in January 2015 on the Missouri State Contract from Cable Dahmer Chevrolet. The vans were put into production in late June and delivered in late August. These vans are utilized primarily to transport student groups.

ITEM H.3

Architectural Services – 2016 Roofing, Drainage, and Building Repairs Project

DESCRIPTION AND BACKGROUND

This project will address several maintenance and repair issues at two campus buildings and storm drainage improvements. At Magruder Hall work includes replacement of masonry and flashing which allows storm water infiltration, as well as drainage system improvements on the west side of the building. Work on the General Services Building will involve replacement of the roof which is failing in several locations. Storm drainage work will occur near the University tennis courts to replace lines which are deteriorating.

The procedure for state agencies seeking architectural engineering or land surveying services is outlined in statute. It involves a review of qualifications of firms on file or those which have submitted qualifications for a proposed project. In evaluating the qualifications, the following criteria are used:

1. The specialized experience and technical competence of the firm with respect to the type of services required;
2. The capacity and capability of the firm to perform the work in question, including specialized services, within the time limitations fixed for the completion of the project;
3. The past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules; and
4. The firm's proximity to and familiarity with the area in which the project is located.

A committee including representatives from Truman's Physical Plant, Campus Planning, and Human Resources offices reviewed qualifications of four architectural firms to select a firm to provide professional services for this project. These firms had previously submitted statements of qualifications to Truman for earlier projects or had expressed interest in work at the University. Based on their qualifications and the University's previous experience with this firm on recent projects, including the 2014 work on McClain Hall and the summer 2015 roofing and masonry project, the committee recommends that William B. Ittner of St. Louis be selected to provide architectural and engineering services for this project. Fixed fees totaling \$68,770 plus reimbursables are proposed for architectural and engineering services. A copy of the proposal is attached and the fees are within the guidelines for remodeling projects utilized by the University of Missouri Design and Construction office.

RECOMMENDED ACTION

BE IT RESOLVED that the proposal from William B. Ittner, Inc. to provide architectural services for the 2016 Roofing, Drainage, and Building Repairs 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 his 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 _____

ATTACHMENT

Proposal Summary



September 21, 2015

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

RE: Magruder Hall, General Services Building, and Tennis Courts Limited
Renovations and Site Improvements

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 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

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Page 1 of 1

Proposal

Magruder Hall, General Services Building, and Tennis Courts Area Limited Renovations and Site Improvements

Truman State University

September 21, 2015

Project Description:

Magruder Hall Limited Renovations

Sill assemblies at the eight large glazed aluminum curtain wall window openings on the northeast corner of the building are conducting storm water to the interior of the building. The preliminary concept is for the existing stone veneer sills to be removed so that flashing/drainage materials below each window can be replaced to the extent possible while leaving the curtain walls intact, after which the stone will be reset. Following completion of window repairs and water testing for weathertightness, moisture damaged interior finishes will be removed and replaced.

Initial pre-design field detailed probes involving a masonry contractor will need to be conducted at a select window opening to investigate the hidden conditions and determine a repair procedure.

General Services Building Limited Renovations

The existing roof for this building has deteriorated to a condition that requires complete replacement. Included in this work will be the repair and re-setting of stone copings. No structural work has been determined to be required though there is the possibility that some existing roof deck may be discovered to be deteriorated and will have to be replaced.

Magruder Hall and Tennis Courts Area Site Improvements

See the attached THHinc McClure Engineering Co. proposal for a description of the site improvements project work.

Scope of Services:

Ittner will provide the overall project management and architectural services for these projects. THHinc McClure Engineering Co. will provide land surveying and civil engineering design services. Environmental services shall be provided by the University's environmental consultant. No other engineering services are anticipated.

I. Part One – Assessment, Design, and Bidding Services

A. Review of Existing Documents:

Ittner will scan and digitized available record drawings to create CAD backgrounds. Additional detailed information will be gathered in the field to understand the building envelope and to document the roof plans and exterior elevations.

B. Due to the straightforward scope of this project, we will develop the construction documents for the corrective measures in one Construction Document stage, omitting the traditional Schematic Design and Design Development phases. Our design process will include an estimate of the probable construction cost and a project schedule.

C. 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.

Proposal

Magruder Hall, General Services Building, and Tennis Courts Area

Limited Renovations and Site Improvements

Truman State University

September 21, 2015

- Answer bidder questions, prepare and issue addenda to all plan holders as needed.
- Review product substitution requests.
- Conduct the pre-bid meeting and the bid opening meeting.
- Review the bids and make recommendations for award to the University.

D. **Field Investigation Process:**

After reviewing the above information, a detailed work plan will be finalized to guide the field observation team to conduct a thorough, yet efficient investigation. The work plan will detail the requirements for the two types of investigations anticipated for the two buildings: general visual and limited probes.

1. **General visual** – This will include the base drawings on which field notes can be applied as well as for locating photos that will be taken to illustrate the current conditions in a report.
2. **Limited probes** – This will involve removing the stone veneer sills at a single window opening at Magruder, and taking roof core samples at the General Services Building, to discover concealed problems and determine the best course of corrective action. This investigation will involve the use of a masonry restoration contractor and roof consultant respectively to provide the equipment, tools and repair materials needed to expose the concealed condition and then properly repair the area to the University's satisfaction until the final corrective program is implemented.

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.** Compensation for the services provided under this category shall be a lump sum fee, plus reimbursable expenses. 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, Ittner will inspect the project with the University in attendance. Ittner will provide a single punchlist and will 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 to correct concealed deficiencies makes it impossible to predict the field time that will be required. We anticipate visiting the site at least weekly during the construction to assess 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 this particular type of renovation that will require additional unplanned trips to develop timely and

Proposal

**Magruder Hall, General Services Building, and Tennis Courts Area
Limited Renovations and Site Improvements**

Truman State University

September 21, 2015

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 at a minimum, weekly field visits be budgeted for the construction phase, plus reimbursable expenses.

Compensation:

Compensation for the Magruder Hall, General Services Building, and Tennis Courts Area Limited Renovations and Site Improvements shall be in accordance with Attachment A – Compensation Analysis and its attachments.

Compensation Analysis
Magruder Hall, General Services Building, and Tennis Courts Area
Limited Renovations and Site Improvements

Attachment A

Truman State University



Date: September 21, 2015

Task Description	Manhour Budget	Billing Rate (avg)	Detail Subtotal	Grand Totals
I. Assessment, Design & Bidding Phase Services				
A. Ittner in-house services:				
1. Project Management/administration	24			
2. Field verify As-Built conditions (2 staff + RC, 2 days)	32			
3. Draft CAD backgrounds based on record drawings	12			
4. Drawings				
a. Magruder Hall				
i. Bldg Elevations	16			
ii. Details	24			
b. General Services Building				
i. Roof Plans	24			
ii. Roof details	24			
5. Project specifications	40			
6. Estimate of Probable Construction Costs	4			
7. Quality checking	8			
8. Coordination meetings w/ University (2 staff, 2 meetings)	32			
9. Bid Printing and Distribution	4			
10. Answer questions and issue Addenda	16			
11. Prebid Conf., prep agenda and minutes (2 staff, 1 meeting)	24			
12. Attend Bid Opening and prepare Tabulation	12			
13. Evaluate bids & recommend award	8			
Ittner labor cost for Assessment, Design & Bidding:	304	x \$ 145 =	\$ 44,080	
B. THHinc McClure land surveying/civil engineering services:			\$ 10,700	
Total Labor Cost for Assessment, Design & Bidding Phase:			\$ 54,780	\$ 54,780
II. Construction Phase services (Category #1 - only):				
A. Ittner in-house services:				
1. Shop Drawings, RFIs & Change Orders	40			
2. Develop and distribute punchlist (one trip)	20			
3. Project Admin/Pay Apps/Project closeout	24			
Ittner labor cost for Construction Phase:	84	x \$ 135 =	\$ 11,340	
B. THHinc McClure construction administration:			\$ 2,650	
Labor Cost for Construction Phase (Category #1 only):			\$ 13,990	\$ 13,990
Grand Total Lump Sum Fee, excluding reimbursable expenses:			\$ 68,770	\$ 68,770



THHinc McCLURE™

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Columbia, MO 65202
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F 573.814.1128

www.mecresults.com

September 21, 2015

Mr. Todd Powers, AIA
Wm. B. Ittner, Inc.
611 North Tenth Street, Ste. 200
St. Louis, MO 63101

Re: Truman State University
Civil work at Tennis Court Area and Magruder Hall
Kirksville, MO

Dear Todd,

THHinc McClure Engineering Company (MEC) is pleased to provide Ittner Architects with our proposal for professional services for miscellaneous civil design work at Truman State University. We appreciate this opportunity to serve you.

PROJECT DESCRIPTION:

- Replacement of 2 corrugated metal storm pipes north and west of the Tennis Courts. This work will coordinate with new parkway and sidewalk along the east side of Florence Street, being designed and installed by the City of Kirksville.
- Storm drainage improvements to address water intrusion at and around the west entrance to Magruder Hall

Ittner Architects and THHinc McClure Engineering Company agree as follows:

SCOPE OF SERVICES: MEC will provide the Client the following professional services:

1. Topographic survey of the project areas as needed.
2. One site visit during design to meet with Owner and review existing site conditions and proposed design.
3. Prepare civil plans and specifications for replacement of 2 existing storm pipes near the tennis courts that currently daylight at the rear opening of an existing curb inlet on the east side of Florence Street. This work will coordinate with a new sidewalk along Florence being designed by the City of Kirksville. The replacement pipes will be routed into the existing curb inlet structure, omitting the rear opening in the existing inlet. The design will include grading adjustments to facilitate placement of the City's proposed sidewalk.
4. Prepare civil plans and specifications for correction of storm drainage at the west entrance to Magruder Hall, just south of the planetarium. Proposed corrections may include replacement/additions of exterior sidewalk and/or yard drains, and replacement/grading of sidewalk and yard areas. Drainage

pipng that is deemed to be inadequate will be replaced and routed to an existing larger drainage system to the south, near the eastward extension of Randolph Street.

5. MEC will provide Construction Phase support as follows:
 - a. Review of Submittals
 - b. Preparation of responses to Contractor RFI's
 - c. Preparation of Record Drawings
 - d. Construction Observation Visits including pre-final and/or final inspections may be provided on a per each basis as an additional service
 - e. Mileage and meals are considered reimbursable expenses over and above contract fees.

CLIENT RESPONSIBILITIES: It will be your responsibility to provide the following:

1. Coordination with Owner and team members as needed
2. Preparation of bid and contract documents
3. Timely review of submittals

SCHEDULE: We will begin our services upon receipt of a signed contract, which will serve as our Notice to Proceed.

COMPENSATION: We propose to provide the professional services described in the Scope on a Lump Sum basis for a contract fee of \$13,350.00 unless the Client authorizes additional services. The breakdown of fee is as follows:

- | | |
|---------------------------------|------------------------|
| 1. Civil Design and Bid Phases: | \$10,700.00 |
| 2. Construction Phase Support: | \$2,650.00 |
| 3. Construction Site Visits | \$760.00/Ea + Expenses |

EXHIBITS:

1. Terms and Conditions

Thank you for the opportunity to provide this proposal. Please contact us if you have any questions.

Sincerely,
THHinc McClure Engineering Company.



Thomas P. Wooten, P.E.
Civil Project Engineer

ITEM H.4
Faculty Early Retirement Incentive Program 2016 and 2017

DESCRIPTION AND BACKGROUND

During the last decade numerous higher education institutions have implemented retirement incentives for faculty. The attached proposal is designed to offer a retirement incentive for full-time faculty which would be available during an application window which closes December 4, 2015.

RECOMMENDED ACTION

WHEREAS, it is the desire of the Board of Governors of Truman State University to establish a one-time retirement incentive for faculty;

NOW, THEREFORE, BE IT RESOLVED that the attached document, entitled "Faculty Early Retirement Incentive Program 2016 and 2017" shall be the policy of the Board of Governors and shall automatically expire on December 4, 2015; and

BE IT FURTHER RESOLVED that the President of the University, or his designee, be authorized to implement the policy; and

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

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

ATTACHMENT

Faculty Early Retirement Incentive Program 2016 and 2017

Faculty Early Retirement Incentive Program 2016 and 2017

Purpose

The Board of Governors of Truman State University recognizes that early retirement should be for the mutual benefit of the faculty member and the University. This policy permits some faculty members another alternative in planning for retirement.

I. Time Limits and Retirement Dates

The Early Retirement Incentive option is available to eligible full-time faculty members, with a separation/retirement date no later than August 31, 2017. Applicants must specify a retirement date of May 31, 2016, August 31, 2016, May 31, 2017, or August 31, 2017. The August 31 date does not necessarily imply that the retiree will have any duties in the month of August. It also does not necessarily preclude opportunities for part time employment at a future date.

II. Eligibility

Eligible for the program are all full-time employees holding faculty rank currently employed at Truman, of at least 60 years of age, with 15 or more years of service at Truman as of August 31, 2017. Faculty who have already indicated they are going to retire are not eligible for this incentive. The Early Retirement Incentive is not a guaranteed benefit. Eligible faculty members must request the Early Retirement Incentive in writing to the Office of Human Resources not later than December 4, 2015. The program is limited to thirty (30) applicants. Therefore, if interest exceeds thirty applicants, selection will be based upon years of service at Truman State University as calculated from August 31, 2017. Such definition of "seniority" is used solely for the purpose of this program. In the event two applicants have the same seniority date, then the first come, first serve criteria will apply if necessary. Approved applicants will be notified by Human Resources and must complete and sign the Retirement Agreement and Release within ten (10) working days of notification of approval.

III. Incentive

The Retirement Incentive consists of the following:

A cash incentive payment of \$25,000 or retention of Truman State University's contribution to the University's individual health insurance monthly premium benefit for five consecutive years from date of retirement or until the retiree becomes Medicare eligible, whichever occurs first. *The retiree will be responsible for any optional dependent coverage.*

IV. Enrollment Period

This incentive is being offered beginning October 13, 2015. Applications for early retirement must be received by December 4, 2015.

ITEM I

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 2015 Meeting

December 2015 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 enrollment management report
Financial report
Construction projects report
Housing charges for next fiscal year
Selection of officers for 2016 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 2016 Meeting

Participation in campus events
Annual photograph of board and president
Recognition of 2015 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

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

April 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
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 2016 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 2016 Meeting

Participation in campus events
Minutes for open session of last meeting
President's report

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

Advancement and/or foundation report
Academic affairs report
Student affairs report
Annual athletics report
Financial report
Construction projects report
Local capital budgets for FY2017
State appropriation request for FY2018
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 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
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 J
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 5, 2015, 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 6, 2016;
- Saturday, April 9, 2016;
- Saturday, June 11, 2016;
- Saturday, August 6, 2016; and
- Friday, October 21, 2016.

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

ATTACHMENT

Calendar of Events October 2015 – October 2016

CALENDAR OF EVENTS
October 2015 - October 2016

2015

October	5-10	Homecoming Week
	9	BOARD OF GOVERNORS MEETING
	10	Home Football - Southwest Baptist
	15-16	Mid-Term Break
	28	Lyceum, The Official Blues Brothers Revue, 7:30 p.m.
November	7	Home Football - St. Joseph's College
	7	November Showcase
	14	Home Football - McKendree University
	26	Thanksgiving
December	5	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)
	5	Lyceum, Christmas with The Celts, 7:30 p.m.
	12	Winter Commencement, 11:00 a.m.
	25	Christmas Day

2016

January	1	New Year's Day
	11	Spring Classes Begin
	18	Martin Luther King Day
	23	January Showcase
February	2	Lyceum, Vocalosity, 7:30 p.m.
	6	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)
	24	Lyceum, Million Dollar Quartet, 7:30 p.m.
March	7-11	Mid-Term Break
	19	Senior Showcase
	28	Spring Break
April	9	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)
	9	Foundation Board Meeting and Banquet (Tentative)
	19	Student Research Conference
	17-19	Association of Governing Boards National Conference on Trusteeship (Washington, D.C.)
	23	Junior Showcase
May	7	Spring Commencement, 2:00 p.m.
	30	Memorial Day
	31	Summer School Begins
June	11	BOARD OF GOVERNORS MEETING/RETREAT (TENTATIVE DATE)

July	4	Independence Day
August	6	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)
	17	Fall Semester Begins with Truman Week
September	5	Labor Day
October	1	Family Day
	13-14	Mid-Term Break
	17-22	Homecoming Week
	21	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)

ITEM K
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 _____