TRUMAN STATE UNIVERSITY
Kirksville 63501

The Board of Governors for Truman State University met by conference call on Wednesday, January 27, 2016, on the University campus in Kirksville, Missouri. The meeting was held in the President's Office located in McClain Hall 200. The open session of the meeting was called to order shortly after 8:30 a.m. by the Chair of the Board of Governors, Sarah Burkemper.

Participating in the meeting were four of the seven voting members: Sarah Burkemper, Mike LaBeth, Jim O'Donnell and Susan Plassmeyer. Cheryl J. Cozette, Laura A. Crandall and Jennifer Kopp Dameron were unable to participate in the meeting due to other commitments, and their absence was recorded as excused.

Two of the three non-voting members also participated in the meeting: David Lee Bonner and Michael A. Zito, the two out-of-state members. Kelly Kochanski, student representative, was unable to participate in the meeting due to another commitment, and her absence was recorded as excused.

On January 4, 2016, Governor Jeremiah W. (Jay) Nixon appointed Laura A. Crandall to replace Matthew W. Potter as a member of the Truman State University Board of Governors for a term ending January 1, 2019. The appointment of Dr. Crandall was confirmed by the Missouri Senate on January 27, 2016.

On January 4, 2016, Governor Jeremiah W. (Jay) Nixon appointed Jennifer Kopp Dameron to replace Karen Haber as a member of the Truman State University Board of Governors for a term ending January 1, 2020. The appointment of Ms. Dameron was confirmed by the Missouri Senate on January 27, 2016.

Call to Order

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

A resolution authorizing the issuance and sale of Housing System Refunding Revenue Bonds, Series 2016, of Truman State University for the purpose of providing funds to refund certain outstanding Housing System Revenue Bonds of the University; prescribing the form and details of the Bonds and the covenants and agreements made by the University to facilitate and protect the payment thereof; and prescribing other matters relating thereto

Mike LaBeth moved the adoption of the proposed resolution. The motion was seconded by Susan Plassmeyer and carried by a unanimous vote of 4 to 0. The Secretary designated a copy of the resolution as Exhibit 1 and noted that a copy of the resolution would be attached to the minutes as an exhibit. Sarah Burkemper then declared the motion to be duly adopted.

There being no further business, Mike LaBeth moved that the meeting be adjourned. The motion was seconded by Susan Plassmeyer and carried by a unanimous vote of 4 to 0. Sarah Burkemper then declared the motion to be duly adopted, and the meeting adjourned shortly after 8:50 a.m.

Cheryl J. Cozette

Cheryl J. Cozette
Secretary of the Board of Governors

I hereby certify that the foregoing minutes were approved by the Board of Governors on the 6th day of February, 2016.

Sarah Burkemper
Chair of the Board of Governors

EXHIBIT 1

CC

RESOLUTION

OF

THE BOARD OF GOVERNORS

OF

TRUMAN STATE UNIVERSITY

ADOPTED JANUARY 27, 2016

Authorizing:

$20,105,000
HOUSING SYSTEM REFUNDING REVENUE BONDS
SERIES 2016

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A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF HOUSING SYSTEM REFUNDING REVENUE BONDS, SERIES 2016, OF TRUMAN STATE UNIVERSITY, FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND CERTAIN OUTSTANDING HOUSING SYSTEM REVENUE BONDS OF THE UNIVERSITY; PRESCRIBING THE FORM AND DETAILS OF THE BONDS AND THE COVENANTS AND AGREEMENTS MADE BY THE UNIVERSITY TO FACILITATE AND PROTECT THE PAYMENT THEREOF; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, Truman State University is a state educational institution duly created, organized and existing under the laws of the State of Missouri (the "University") and now owns and operates a revenue-producing system of residence hall, dining room, social, and other revenue-producing facilities serving the University and its students (the "System," as hereinafter more fully defined); and

WHEREAS, under the provisions of Chapter 176 of the Revised Statutes of Missouri, as amended (the "Act"), the University, acting through its Board of Governors (the "Board"), is authorized to acquire, construct, erect, equip, furnish, operate, control, manage and regulate the System, and is authorized to issue and sell revenue bonds as defined in the Act in order to provide funds for the System; and

WHEREAS, pursuant to the Act and resolutions adopted by the Board, the University has heretofore issued and as of the date of issuance of the Bonds, as defined below, will have outstanding the following series of revenue bonds payable out of the revenues derived from the operation of the System (as established by previous resolutions of the Board):

Series of Bonds	**Date of Bonds**	**Amount Issued**	**Amount Outstanding**
Housing System Revenue Bonds, Series 2008 (the "Series 2008 Bonds")	March 13, 2008	$23,570,000	$20,640,000
Housing System Refunding Revenue Bonds, Series 2013 (the "Series 2013 Bonds")	April 18, 2013	20,495,000	19,000,000
Housing System Refunding Revenue Bonds, Series 2015 (the "Series 2015 Bonds")	May 28, 2015	12,595,000	12,595,000

WHEREAS, to achieve certain economic savings, the University desires to refund, defease and pay all of the outstanding Series 2008 Bonds (the "Refunded Bonds"), and is authorized under the provisions of Sections 108.140(2) and 176.060 of the Revised Statutes of Missouri, as amended (the "Refunding Law"), to issue and sell refunding revenue bonds for such purpose; and

WHEREAS, the Board hereby finds and determines that, to provide funds for said purpose, it is necessary and advisable and in the best interest of the University and of its students to issue its Housing System Refunding Revenue Bonds, Series 2016 (the "Bonds"), pursuant to the Refunding Law; and

WHEREAS, immediately after the issuance of the Bonds and the application of the proceeds thereof, the Series 2013 Bonds and the Series 2015 Bonds (collectively, the "Existing Bonds") will be the only outstanding obligations payable out of the revenues of the System, other than the Bonds directed to be issued under this Resolution; and

WHEREAS, the Board hereby finds and determines that the terms and conditions upon which refunding bonds may be issued, as established by the resolutions under which the Existing Bonds have been issued by the Board (said resolutions being hereinafter referred to collectively as the "Existing Resolutions"), have been fully met and complied with, and that the Bonds herein directed to be issued may be so issued in all respects on a parity with the Existing Bonds heretofore issued; and

WHEREAS, acting under and pursuant to the provisions of the Act, the Board hereby finds and determines that it is in the best interest of the University and of its students that revenue bonds be issued and secured in the form and manner as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF GOVERNORS OF TRUMAN STATE UNIVERSITY AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere in this Resolution, the following words and terms as used in this Resolution shall have the following meanings:

"Act" means Chapter 176 of the Revised Statutes of Missouri, as amended.

"Adoption Agreement" means the Adoption Agreement relating to the University's Omnibus Continuing Disclosure Agreement pursuant to which the University agrees to provide certain financial information and operating data, the form of which is attached as **Exhibit C.**

"Board" means the Board of Governors of the University.

"Bond Counsel" means Gilmore & Bell, P.C., St. Louis, Missouri, or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the University.

"Bond Purchase Agreement" means the Bond Purchase Agreement between the University and the Purchaser, in substantially the form attached as **Exhibit E**.

"Bond Register" means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

"Bondowner," "Owner" or **"Registered Owner"** means the Person in whose name a Bond is registered on the Bond Register maintained by the Paying Agent.

"Bonds" means the Housing System Refunding Revenue Bonds, Series 2016, in the aggregate principal amount of $20,105,000, issued pursuant to this Resolution.

"Business Day" means a day, other than a Saturday, Sunday or holiday, on which financial institutions located in New York, New York or St. Louis, Missouri are required or authorized by law or executive order to remain closed.

"Cede & Co." means Cede & Co., as nominee name of the Securities Depository, and any successor nominee of the Securities Depository with respect to the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

"Costs of Issuance Fund" means the Costs of Issuance Fund created in **Section 401** hereof.

"Current Expenses" means all necessary expenses of operation, maintenance and repair of the System, including current maintenance charges, cost of food service, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance, and all other expenses incident to the operation of the System, but shall exclude depreciation and amortization charges, capital expenditures, interest paid on revenue bonds and all general administrative expenses of the University not related to the operation of the System, hereinafter provided for.

"Debt Service Account" means the Debt Service Account created in **Section 401** hereof.

"Defaulted Interest" means interest on any Bond which is payable but not paid on any Interest Payment Date.

"Defeasance Obligations" means:

(a) Cash.

(b) U.S. Treasury Certificates, Notes and Bonds, including State and Local Government Series ("SLGs").

(c) Direct obligations of the Treasury which have been stripped by the Treasury itself, as well as CATS, TIGRS and similar securities.

(d) The interest component of Resolution Funding Corp. (REFCORP) strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form.

(e) Pre-refunded municipal bonds rated the rating afforded to the United States of America by any NRSRO.

(f) Obligations issued by the following agencies that are backed by the full faith and credit of the U.S.:

(1) <u>U.S. Export-Import Bank (Eximbank)</u>
Direct obligations or fully guaranteed certificates of beneficial ownership

(2) <u>Farmers Home Administration (FmHA)</u>
Certificates of beneficial ownership

(3) <u>Federal Financing Bank</u>

(4) General Services Administration
Participation certificates

(5) U.S. Maritime Administration
Guaranteed Title XI financing

(6) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds;

provided that any such obligations described in (b) through (f) above are not subject to redemption prior to maturity or the date such obligations must be liquidated for their intended purposes.

"Escrow Agent" means UMB Bank, N.A., Kansas City, Missouri, and any successors or assigns.

"Escrow Agreement" means the Escrow Trust Agreement dated as of February 1, 2016, between the University and the Escrow Agent, in substantially the form attached hereto as **Exhibit D.**

"Escrow Fund" means the fund by that name referred to in **Section 401** hereof.

"Escrowed Securities" means the direct, noncallable obligations of the United States of America, as described in the Escrow Agreement.

"Existing Bonds" means the Series 2013 Bonds and the Series 2015 Bonds.

"Existing Resolutions" means the resolutions heretofore adopted by the Board under which the Existing Bonds have been issued.

"Federal Tax Certificate" means the Federal Tax Certificate delivered in connection with the issuance of the Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

"Interest Payment Date" means each June 1 and December 1, commencing June 1, 2016.

"Net Revenues" means Revenues less Current Expenses.

"NRSRO" or **"Nationally Recognized Statistical Rating Organization"** means a credit rating agency registered with the United States Securities and Exchange Commission or its successor pursuant to the Securities Exchange Act of 1934, as amended.

"Omnibus Continuing Disclosure Agreement" means the Omnibus Continuing Disclosure Agreement between the University and UMB Bank, N.A., as dissemination agent, pursuant to a resolution passed on April 2, 2013.

"Outstanding" means, when used with reference to the Existing Bonds, the Bonds and any Parity Bonds, as of any particular date of determination, all Existing Bonds, the Bonds and any Parity Bonds theretofore authenticated and delivered hereunder, except the following:

(a) Existing Bonds, Bonds or any Parity Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Existing Bonds, Bonds or any Parity Bonds deemed to be paid in accordance with the provisions of **Section 1001** hereof; and

(c) Existing Bonds, Bonds or any Parity Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

"Parity Bonds" means the Existing Bonds and any additional bonds or other obligations hereafter issued or incurred pursuant to **Section 902** hereof and standing on a parity and equality with the Bonds with respect to the payment of principal and interest from the Net Revenues of the System.

"Parity Resolutions" means the Existing Resolutions and the resolution or resolutions under which any additional Parity Bonds are hereafter issued pursuant to **Section 902** hereof.

"Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

"Paying Agent" means UMB Bank, N.A., Kansas City, Missouri, in its capacity as paying agent and bond registrar, and its successors and assigns.

"Permitted Investments" means, if and to the extent the same are at the time legal for investment of funds held under this Indenture:

(a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (**"United States Treasury Obligations"**); obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America; or evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(b) Federal Housing Administration debentures.

(c) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(1) Federal Home Loan Mortgage Corporation (FHLMC).

(2) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts) - Senior Debt obligations.

(3) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) Consolidated System-wide bonds and notes.

(4) Federal Home Loan Banks (FHL Banks) Consolidated debt obligations.

(5) Federal National Mortgage Association (FNMA) Senior debt obligations Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).

(6) Student Loan Marketing Association (SLMA) Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

(7) Financing Corporation (FICO) Debt obligations.

(8) Resolution Funding Corporation (REFCORP) Debt obligations.

(9) Tennessee Valley Authority.

(10) United States Postal Service.

(11) Private Export Funding Corporation.

(d) Unsecured certificates of deposit, time deposits, demand deposits including interest bearing money market accounts, trust deposits, trust accounts, overnight bank deposits, interest-bearing deposits, and bankers' acceptances (having maturities of not more than **30** days) of any bank rated in the highest short–term rating category, without respect to modifier, by an NRSRO at the time of purchase.

(e) Deposits, including certificates of deposit, the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC).

(f) Commercial paper (having original maturities of not more than **270** days) rated in the highest short–term rating category, without respect to modifier, by an NRSRO at the time of purchase.

(g) Money market funds rated in the second highest rating category or higher, without respect to modifier, by an NRSRO at the time of purchase.

(h) **"State Obligations,"** which means:

(1) Direct general obligations of any state of the United States of America or any political subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated in the third highest rating category or higher, without respect to modifier, by an NRSRO at the time of purchase, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated at the time of purchase.

(2) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (i) above and rated in the highest short–term rating category, without respect to modifier, by an NRSRO at the time of purchase.

(3) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (i) above and rated in the

second highest rating category or higher, without respect to modifier, by an NRSRO at the time of purchase.

(i) Pre-refunded municipal obligations rated by at least one NRSRO at the time of purchase the rating afforded to the United States of America meeting the following requirements:

(1) the municipal obligations are (A) not subject to redemption prior to maturity or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(2) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(3) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (**"Verification"**);

(4) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(5) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(6) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(j) Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated in the third highest rating category or higher, without respect to modifier, by an NRSRO at the time of purchase; (2) any broker-dealer with **"retail customers"** or a related affiliate thereof, which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated in the third highest rating category or higher, without respect to modifier, by an NRSRO at the time of purchase, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated in the third highest rating category or higher, without respect to modifier, by an NRSRO at the time of purchase, provided that:

(A) The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to maintain a rating in the third highest rating category or higher, without respect to modifier, by an NRSRO (with a market value approach);

(B) The University or a third party acting solely as agent therefor (the **"Holder of the Collateral"**) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(C) The repurchase agreement shall state and an Opinion of Counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(D) All other requirements of an NRSRO in respect of repurchase agreements shall be met; and

(E) The repurchase agreement shall provide that if during its term the provider's rating by an NRSRO is withdrawn or suspended or falls below the third highest rating category, without respect to modifier, the provider must, at the direction of the University, within **10** days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the University.

Notwithstanding the above, if a repurchase agreement has a term of **270** days or less (with no evergreen provision), collateral levels need not be as specified in (i) above, so long as such collateral levels are **105%** or better.

(k) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company); provided that, by the terms of the investment agreement:

(1) interest payments are to be made to the University at times and in amounts as necessary to pay debt service on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the University hereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the Opinion of Counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(4) the University receives the opinion of domestic counsel (which opinion shall be addressed to the University) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the University;

(5) the investment agreement shall provide that the provider, if during the term of such investment agreement, fails to maintain a rating in the third highest rating category or higher, without respect to modifier, with at least two NRSROs, it shall, at the option of the University, within **10** days of receipt of publication of such downgrade,

either (A) collateralize the investment agreement by delivering or transferring the collateral in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Holder of the Collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to at least two NRSROs to maintain a structured financing rating (with a market value approach) in the third highest category or higher, without respect to modifier, of such two NRSROs; or (B) within **10** days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the University;

(6) the investment agreement shall state and an Opinion of Counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and

(7) the investment agreement must provide that if during its term

(A) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the University, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the University or the Trustee, as appropriate, and

(B) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. (**"event of insolvency"**), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the University or the Trustee, as appropriate.

(l) Such other investments permitted by the Resolution that are rated in either of the two highest categories at the time of purchase by an NRSRO (without respect to modifier).

"Person" means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

"Purchaser" means Commerce Bank, Kansas City, Missouri, the purchaser of the Bonds.

"Rebate Fund" means the Rebate Fund created in **Section 501** hereof.

"Record Date" means the fifteenth day (whether or not a Business Day) of the calendar month next preceding an interest payment date.

"Refunded Bonds" means the University's Housing System Revenue Bonds, Series 2008 maturing on June 1, 2016 and thereafter, currently outstanding in the aggregate principal amount of $20,640,000.

"Refunded Bond Resolution" means the Resolution of the University passed by the Board of Governors on February 26, 2008, authorizing the issuance of the Refunded Bonds.

“Replacement Bonds” means Bonds issued to the beneficial owners of the Bonds in accordance with **Section 210(b)** hereof.

“Resolution” means this resolution as from time to time amended in accordance with the terms hereof.

“Revenues” means all rentals, charges, fees, income and revenues derived and collected by the University from the operation and ownership of the System, including, but not limited to, the proceeds derived from the student union building fee established by the Board and collected from all enrolled students and any other student fees collected by the University and designated by the University for purposes of the System.

“Securities Depository” means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

“Series 2008 Bonds” means the University’s Housing System Revenue Bonds, Series 2008.

“Series 2013 Bonds” means the University’s Housing System Refunding Revenue Bonds, Series 2013.

“Series 2015 Bonds” means the University’s Housing System Refunding Revenue Bonds, Series 2015.

“Special Record Date” means the date fixed by the Paying Agent pursuant to **Section 205** hereof for the payment of Defaulted Interest.

“System” means the student housing system heretofore established by the University and is hereby defined as and shall be understood to include the following:

(a) All of the facilities which heretofore comprised the student housing system, namely Missouri Hall, Ryle Hall, Centennial Hall, Dobson Hall, Nason Hall, Blanton Hall, Brewer Hall, Campbell Apartments, Randolph Apartments and the West Campus Suites, the existing student union building and additions thereto and also including, but not limited to, the dining facilities, university book store, snack bar and recreational facilities therein; and

(b) All housing, dining and other auxiliary enterprises hereafter constructed, acquired, owned, or operated by the University which may become a part of said System while any bonds remain Outstanding against the System.

The System shall not include (1) any facilities hereafter constructed or acquired, which are not financed with the proceeds of revenue bonds payable from the income and revenues of the System, and for which the University maintains separate and distinct operations, facilities and records or (2) any facilities currently part of the System that become inadequate, obsolete or worn out, or otherwise unsuitable, unprofitable, undesirable or unnecessary for the operation of the System.

“System Revenue Fund” means the System Revenue Fund Account referred to in **Section 401** hereof.

“University” means Truman State University.

"Valuation Date" means June 30 and December 31 of each year.

ARTICLE II

AUTHORIZATION AND SALE OF THE BONDS

Section 201. Authorization of the Bonds. There is hereby authorized to be issued, sold and delivered a series of revenue bonds designated "Housing System Refunding Revenue Bonds, Series 2016" in the aggregate principal amount of $20,105,000 for the purpose of providing funds to (a) refund the Refunded Bonds and (b) pay the costs of issuance of the Bonds.

Section 202. Security for the Bonds.

(a) The Bonds and the interest thereon shall constitute special obligations of the University payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues derived from the operation and ownership of the System (excluding amounts payable to the United States pursuant to Section 148 of the Code) and other funds herein pledged, and such obligations shall not constitute general obligations or an indebtedness of the State of Missouri, the University, the Board or of the individual members of the Board. The Owners of the Bonds shall have no right to demand payment out of funds raised or to be raised by taxation or appropriation.

(b) The covenants and agreements of the Board contained herein and in the Bonds shall be for the equal benefit, protection, and security of the legal owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the revenues herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Resolution.

(c) The Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues of the System and in all other respects with the Existing Bonds. The Bonds shall not have any priority with respect to the payment of principal or interest from the Net Revenues or otherwise over the Existing Bonds nor over any Parity Bonds hereafter issued in accordance with the terms and provisions of this Resolution, nor shall any Parity Bonds hereafter issued have any priority with respect to the payment of principal or interest from the Net Revenues or otherwise over the Bonds.

Section 203. Description of the Bonds. The Bonds shall consist of fully-registered bonds, numbered from R-1 consecutively upward in order of issuance, in the denomination of $5,000 or any integral multiple thereof. The Bonds shall be substantially in the form set forth in **Exhibit A** hereto, and shall be subject to registration, transfer and exchange as provided in **Section 206** hereof. The Bonds shall be dated the date of delivery and shall become due in the amounts on the stated maturities (subject to optional redemption prior to their stated maturities as provided in **Article III** hereof), and shall bear interest at the rates per annum, as follows:

SERIAL BONDS

Stated Maturity June 1	Principal Amount	Annual Rate of Interest
2016	$ 610,000	2.000%
2017	725,000	3.000
2018	745,000	3.000
2019	765,000	3.000
2020	790,000	3.000
2021	815,000	3.000
2022	835,000	3.000
2023	860,000	3.000
2024	885,000	3.000
2025	915,000	3.000
2026	945,000	3.000
2027	970,000	3.000
2028	1,000,000	4.000
2029	1,040,000	3.000
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2033	1,170,000	3.000
2034	1,205,000	3.125
2035	1,240,000	3.125
2036	1,280,000	3.250

TERM BONDS

Stated Maturity June 1	Principal Amount	Annual Rate of Interest
2032	$3,310,000	3.000%

The Bonds shall bear interest at the above-specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 in each year, beginning on June 1, 2016.

Section 204. Designation of Paying Agent. UMB Bank, N.A., Kansas City, Missouri, is hereby designated as the University's paying agent for the payment of principal of, redemption premium, if any, and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds (the "Paying Agent"). The Chair and Secretary of the Board are hereby authorized to execute on behalf of the University an agreement with said bank to act as Paying Agent for the Bonds. The Paying Agent shall be paid its fees and expenses for its services in connection therewith, which said fees and expenses shall be paid as other Current Expenses of the System are paid.

The University will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The University reserves the right to appoint a successor Paying Agent by (a) filing with the Paying Agent then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent and appointing a successor and (b) causing notice of the appointment of the successor Paying Agent to be given by first class mail to each Bondowner. The Paying Agent may resign upon giving written notice by first class mail to the University and the Bondowners not less than 60 days prior to the date such resignation is to take effect. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of the Paying Agent.

Every Paying Agent appointed hereunder shall at all times be a commercial banking association or corporation or trust company located in the State of Missouri organized and in good standing and doing business under the laws of the United States of America or of the State of Missouri and subject to supervision or examination by federal or state regulatory authority.

Section 205. Method and Place of Payment of Bonds. The principal of, redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of debts due the United States of America.

The principal of and redemption premium, if any, on each Bond shall be paid at maturity or upon earlier redemption to the Person in whose name such Bond is registered on the Bond Register at the maturity or redemption date thereof, upon presentation and surrender of such Bond at the principal payment office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid by check or draft mailed by the Paying Agent to the Person in whose name such Bond is registered on the Bond Register at the close of business on the Record Date for such interest, or by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), address, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgement that an electronic transfer fee may be applicable.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner: The University shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent), and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the University of such Special Record Date and, in the name and at the expense of the University, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first-class mail postage prepaid, to each Owner of a Bond entitled to such notice at the address of such Owner as it appears in the Bond Register maintained by the Paying Agent not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep in its office a record of payment of principal of, redemption premium, if any, and interest on all Bonds. Any payment of principal of or interest on a Bond that becomes due on a day when the Paying Agent is not open for business shall be made on the next succeeding Business Day without additional interest accruing.

Section 206. Registration, Transfer and Exchange of Bonds. The Board covenants that it will, as long as any of the Bonds remain Outstanding, cause the Bond Register to be kept at the office of the Paying Agent as herein provided. Each Bond when issued shall be registered in the name of the owner thereof on the Bond Register. Bonds may be transferred and exchanged only upon the Bond Register as provided in this Section.

Upon surrender thereof at the principal payment office of the Paying Agent, the Paying Agent shall transfer or exchange any Bond for a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount as the Bond which was presented for transfer or exchange. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent. All Bonds presented for transfer or exchange shall be surrendered to the Paying Agent for cancellation.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. The University shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by this Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Bondowners. In the event any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

The University and the Paying Agent shall not be required (a) to register the transfer or exchange of any Bond after notice calling such Bond or portion thereof for redemption has been given or during the period of fifteen days next preceding the first mailing of such notice of redemption or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the University of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 205** hereof.

The Board and the Paying Agent may deem and treat the Person in whose name any Bond shall be registered on the Bond Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, redemption premium, if any, and interest on said Bond and for all other purposes, and all such payments so made to any such Registered Owner or upon the Registered Owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the University nor the Paying Agent shall be affected by any notice to the contrary, but such registration may be changed as herein provided.

To the extent that such information is made known to the Paying Agent under the terms of this Section, it will keep on file on the Bond Register at the principal office of the Paying Agent a list of names and addresses of the Registered Owners of all Bonds. The Paying Agent shall be under no responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Paying Agent, the Bond Register may be inspected and copied by the Registered Owners of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Registered Owners whose authority is evidenced to the satisfaction of the Paying Agent.

Section 207. Execution, Authentication and Delivery of the Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Chair or Vice Chair of the Board, attested by the manual or facsimile signature of the Secretary of the Board and shall have the official seal of the University affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Chair, Vice Chair and Secretary of the Board are hereby authorized and directed to prepare and execute the Bonds as hereinbefore specified, and when duly executed, to deliver the Bonds to the Paying Agent for authentication. Upon authentication, and pursuant to the written direction of the Board, the Paying Agent shall deliver the Bonds to or upon the order of the Purchaser of the Bonds, upon payment to the University of the purchase price specified in the bid of the Purchaser.

The Bonds shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Exhibit A** hereto, which shall be manually executed by the Paying Agent. No Bond shall be entitled to any security or benefit under this Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Paying Agent. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The certificate of authentication on any Bond shall be deemed to have been duly executed if signed by any authorized signatory of the Paying Agent, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time.

Section 208. Mutilated, Destroyed, Lost and Stolen Bonds. If (a) any mutilated Bond is surrendered to the Paying Agent, or the Paying Agent receives evidence to its satisfaction of the mutilation, destruction, loss or theft of any Bond and (b) there is delivered to the Paying Agent such security or indemnity as may be required by it to indemnify the University and the Paying Agent, then, in the absence of notice to the Paying Agent that such Bond has been acquired by a bona fide purchaser, the University shall execute and, the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same maturity and of like tenor and principal amount.

In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Paying Agent, in its discretion may pay such Bond instead of delivering a new Bond.

Upon the issuance of any new Bond under this Section, the University or the Paying Agent may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the University, and shall be entitled to all the benefits of this Resolution equally and ratably with all other Outstanding Bonds.

Section 209. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and shall file an executed counterpart of such certificate with the University.

Section 210. Authorization of Bond Purchase Agreement. The Chair or Vice Chair of the Board, the President of the University, the Comptroller of the University or the Vice President for Administration, Finance and Planning of the University are hereby authorized to enter into the Bond Purchase Agreement, under which the Board agrees to sell the Bonds to the Purchaser at the purchase price of $20,509,073.50 (representing $20,105,000.00 original principal amount of the Bonds, plus a net original issue premium of $483,689.30 and less an underwriting discount of $79,615.80) plus accrued interest, if any, to the date of delivery, upon the terms and conditions set forth therein and with such changes therein as shall be approved by the Chair or Vice Chair of the Board, the President of the University, the Comptroller of the University or the Vice President for Administration, Finance and Planning of the University, any of whom is hereby authorized to execute such document for and on behalf of the Board, and such officer's signature thereon shall be conclusive evidence of his or her approval thereof.

Section 211. Official Statement.

(a) The Board hereby ratifies and approves the form and content of the Preliminary Official Statement, in the form herewith presented to and reviewed by the Board (a copy of which is attached hereto as **Exhibit B**), used in the initial offering and sale of the Bonds, and hereby approves the form and content of any addenda, supplement, or amendment thereto, and authorizes and approves the final Official Statement by supplementing, completing and amending the Preliminary Official Statement. The Chair or Vice Chair of the Board and the President of the University and the Comptroller of the University are hereby authorized to execute the Official Statement. The Board hereby approves the Purchaser's use of such Official Statement in the reoffering of the Bonds. The proper officials of the Board are hereby authorized to execute and deliver a certificate pertaining to such Official Statement, dated as of the date of payment for and delivery of the Bonds.

(b) For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the University hereby deems the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the University are hereby authorized, if requested, to provide the Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of such Rule.

(c) The University agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 212. Authorization of Adoption Agreement to the University's Omnibus Continuing Disclosure Agreement. The University entered into the Omnibus Continuing Disclosure Agreement pursuant to a resolution approved on April 2, 2013. The Chair or Vice Chair of the Board or the President of the University is hereby authorized and directed to execute the Adoption Agreement with such changes therein as such officials may deem appropriate, for and on behalf of and as the act and deed of the University.

Section 213. Book-Entry Bonds; Securities Depository.

(a) For purposes of this Section, the following terms shall have the following meanings:

"Beneficial Owner" means, whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such Person's subrogee.

"DTC" means The Depository Trust Company of New York, New York.

"Participant" means any broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as securities depository.

"Representation Letter" means collectively, the Representation Letter from the University to DTC and the Representation Letter from the Paying Agent to DTC with respect to the Bonds.

(b) The Bonds shall be initially issued as one single authenticated fully registered bond for each stated maturity. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register kept by the Paying Agent in the name of Cede & Co., as nominee of DTC. The Paying Agent and the University may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Registered Owners of Bonds under this Resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Paying Agent nor the University shall be affected by any notice to the contrary. Neither the Paying Agent nor the University shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other Person which is not shown on the Bond Register kept by the Paying Agent as being a Registered Owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to Owners of Bonds under this Resolution, with respect to the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as Registered Owner of the Bonds. The Paying Agent shall pay all principal of and interest on the Bonds only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the University's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than DTC (or the Paying Agent as "Fast Agent") shall receive an authenticated Bond for each separate stated maturity evidencing the University's obligation to make payments of principal and interest. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) If the Participants holding a majority position in the Bonds determine that it is in the best interest of the Beneficial Owners that they be able to obtain certificated Bonds, the Participants may notify DTC and the Paying Agent, whereupon DTC shall notify the Participants of the availability through DTC of Bond certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the University and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) If any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Paying Agent from the Registered Owners thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this Resolution. If bonds are issued to holders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, or other securities depository as holder of all the Bonds, the provisions of this Resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such bonds and the method of payment of the principal of and interest on such bonds. The Paying Agent may rely on information provided by DTC or any Participant as to the names, addresses of and principal amounts held by the Beneficial Owners of the Bonds.

Section 214. Authorization of Escrow Agreement.

(a) The University is hereby authorized to enter into the Escrow Agreement in substantially the form attached to this Resolution as **Exhibit D**, and the Comptroller of the University is hereby authorized and directed to execute the Escrow Agreement with such changes therein as such official may deem appropriate, for and on behalf of and as the act and deed of the University. The Escrow Agent is hereby authorized to carry out, on behalf of the University, the duties, terms and provisions of the Escrow Agreement. The Escrow Agent, the University's financial advisor and Bond Counsel are authorized to take all necessary actions for the subscription and purchase of the Escrowed Securities described therein, if any, including the subscription for United States Treasury Securities - State and Local Government Series ("SLGS").

(b) The University certifies that any SLGS will be purchased solely from moneys transferred to the Escrow Agent either from the debt service fund maintained by the University for the Refunded Bonds, or from the proceeds of the Bonds and not from any amounts received from either (i) the sale or redemption before maturity of any marketable security, or (ii) the redemption before maturity of any time deposit SLGS (other than a zero-interest SLGS). The University understands that, if it fails to settle on the subscription for SLGS or makes an untimely or unauthorized change to the subscription, the Bureau of Public Debt may bar the University from subscribing for SLGS for six months beginning on the earlier of (i) the date the subscription is withdrawn, or (ii) the proposed issue date for the SLGS.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

(a) *Optional Redemption.* At the option of the University, Bonds maturing on June 1, 2025 and thereafter may be called for redemption and payment prior to the stated maturity thereof on June 1, 2024 and thereafter, as a whole or in part at any time, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption.

(b) *Mandatory Sinking Fund Redemption.* The Bonds maturing in the year 2032 (the "Term Bonds") shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this subsection at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The University shall redeem on June 1 in each year, the following principal amounts of such Term Bonds:

Year	Principal Amount
2030	$1,070,000
2031	1,105,000
2032*	1,135,000

*Final Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the University may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired, (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical, or (3) receive a credit with respect to the mandatory redemption obligation of the University under this subsection (b) for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection (b)) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection (b). Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the University to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity in chronological order, and the principal amount of Term Bonds of the same Stated Maturity to be redeemed by operation of the requirements of this subsection (b) shall be accordingly reduced. If the University intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the University will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with in respect to such mandatory redemption payment.

Section 302. Notice of Redemption; Effect of Redemption. Unless waived by any Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the Board by mailing a copy of an official redemption notice by first class mail, at least 30 days prior to the date fixed for redemption, to the Purchaser and to the Registered Owners of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

All official notices of redemption shall be dated and shall state:

(1) the redemption date,

(2) the redemption price,

(3) if less than all Outstanding Bonds of a maturity are to be redeemed, the identification number, Stated Maturity, and, in the case of partial redemption of any Bonds, the respective principal amounts of the Bonds to be redeemed,

(4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent, and

(6) the CUSIP numbers of all Bonds being redeemed.

The failure of any Registered Owner to receive notice given as heretofore provided or any defect therein shall not invalidate any redemption.

With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Paying Agent on or prior to the redemption date in an amount sufficient to pay the redemption price on the redemption date. If such notice is conditional and either the Paying Agent receives written notice from the University that moneys sufficient to pay the redemption price will not be on deposit on the redemption date, or such moneys are not received on the redemption date, then such notice shall be of no force and effect, the Paying Agent shall not redeem such Bonds and the Paying Agent shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not or will not be so received and that such Bonds will not be redeemed.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Board shall default in the payment of the redemption price) such Bonds or portion of Bonds shall cease to bear interest, shall no longer be Outstanding under, or entitled to any benefits of, this Resolution. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be cancelled and destroyed by the Paying Agent and shall not be reissued.

The Paying Agent is also directed to comply with any mandatory standards established by the Securities and Exchange Commission and then in effect for processing redemptions of municipal securities. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Paying Agent, the Securities Depository, a Participant or otherwise) to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Section 303. Selection of Bonds to Be Redeemed.

(a) The Paying Agent shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Paying Agent at least 45 days prior to the redemption date of written instructions from the University specifying the principal amount, maturities, redemption date and redemption prices of the Bonds to be called for redemption. If any Bonds are refunded more than 90 days in advance of such redemption date, any escrow agreement entered into by the University in connection with such refunding shall provide that such written instructions to the Paying Agent shall be given by or on behalf of the University not more than 90 days prior to the redemption date. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 302** hereof are met. The foregoing provisions of this paragraph shall not apply to the mandatory redemption of Bonds hereunder, and Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the University and whether or not the Paying Agent shall hold moneys available and sufficient to effect the required redemption.

(b) Bonds shall be redeemed only in the principal amount of $5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed and paid prior to maturity, the maturities, interest rates and principal amounts of such Bonds to be redeemed shall be selected by the University, Bonds of less than a full maturity and bearing the same interest rate to be selected by the Paying Agent in $5,000 units of face value by lot or such other equitable manner as the Paying Agent may determine.

(c) In the case of a partial redemption of Bonds when Bonds of denominations greater than $5,000 are then-Outstanding, then for all purposes in connection with such redemption each $5,000 of face value shall be treated as though it were a separate Bond of the denomination of $5,000. If it is determined that one or more, but not all, of the $5,000 units of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem such $5,000 unit or units, the owner of such Bond or the owner's duly authorized agent shall forthwith present and surrender such Bond to the Paying Agent (1) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the $5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the owner of any such Bond of a denomination greater than $5,000 shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only).

ARTICLE IV

ESTABLISHMENT AND RATIFICATION OF FUNDS AND ACCOUNTS

Section 401. Creation of Funds. There are hereby ratified or created and ordered to be established and held in the account of the University, separate and apart from all other funds and accounts, the following separate funds:

(a) Housing System Revenue Fund (the "System Revenue Fund").

(b) Costs of Issuance Fund (the "Costs of Issuance Fund")

(c) Debt Service Account for Housing System Refunding Revenue Bonds, Series 2016 (the "Debt Service Account").

(d) Rebate Fund for Housing System Revenue Bonds, Series 2016 (the "Rebate Fund").

In addition to the funds described above, the Escrow Agreement establishes the Escrow Fund to be held and administered by the Escrow Agent in accordance with the provisions of the Escrow Agreement.

Section 402. Administration of Funds and Accounts. The funds and accounts established pursuant to **Section 401** hereof shall be maintained and administered by the University solely for the purposes and in the manner as provided in this Resolution, except that the System Revenue Fund shall also be maintained and administered as provided in the Existing Resolutions.

ARTICLE V

APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 501. Disposition of Bond Proceeds and Other Moneys. The proceeds received from the sale of the Bonds, together with other legally available funds of the University, shall be deposited simultaneously with the delivery of the Bonds, as follows:

(a) in the Debt Service Account any amount received on account of accrued interest on the Bonds;

(b) in the Costs of Issuance Fund from the proceeds of the Bonds, the sum of $128,339.05; and

(c) in the Escrow Fund, the sum of $21,981,234.45 (consisting of $20,380,734.45 of proceeds from the sale of the Bonds and $1,600,500.00 from the debt service reserve fund for the Refunded Bonds), which amount is sufficient (together with the earnings to accrue on all of such money) for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds, to be applied in accordance with the Escrow Agreement.

Section 502. Application of Moneys in the Costs of Issuance Fund. Moneys in the Costs of Issuance Fund shall be used by the University for the sole purpose of paying the costs and expenses incidental to the issuance of the Bonds. The University may withdraw money from the Cost of Issuance Fund upon the execution of approved documentation in accordance with University disbursement procedures. The University shall keep and maintain adequate records pertaining to the Cost of Issuance Fund and all disbursements therefrom. Upon payment of all costs of issuance as hereinbefore provided and no later than August 1, 2016, any surplus remaining in the Costs of Issuance Fund shall be deposited in the Debt Service Account.

Section 503. Redemption of the Refunded Bonds. All of the Refunded Bonds maturing on June 1, 2018 and thereafter are hereby called for redemption and payment prior to maturity on June 1, 2017 at the office of the paying agent for the Refunded Bonds, by the payment on the redemption date of the principal thereof, redemption premium, if any, and accrued interest thereon to the redemption date. In accordance with the requirements of the Refunded Bond Resolution, the Board hereby directs the Comptroller of the University to cause notice of the call for redemption and payment of the Refunded Bonds described above to be given in the manner provided in said Refunded Bond Resolution. The officers of the University and the paying agent for the Refunded Bonds are hereby authorized and directed to take such other action as may be necessary in order to effect the redemption and payment of the Refunded Bonds maturing on June 1, 2018 and thereafter as herein provided.

Section 504. Application of Money in the Escrow Fund. Under the Escrow Agreement, the Escrow Agent will apply money in the Escrow Fund to purchase the Escrowed Securities and to establish an initial cash balance, if any, in accordance with the Escrow Agreement. Except as otherwise provided in the Escrow Agreement, the cash and Escrowed Securities held in the Escrow Fund will be applied by the Escrow Agent solely to the payment of the principal of and interest on the Refunded Bonds. All money deposited with the Escrow Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Refunded Bond Resolution and the Escrow Agreement.

Section 505. Verification of Certified Public Accountant. Prior to or concurrently with the issuance and delivery of the Bonds and the creation of the escrow provided for herein, the University shall obtain the certification of an independent certified public accountant that such accountant has verified the accuracy of the calculations that demonstrate that the money and obligations required to be deposited with the Escrow Agent pursuant to **Section 501** hereof and the Escrow Agreement, together with the earnings to accrue thereon, will be sufficient for the timely payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds as and when the same become due.

ARTICLE VI

APPLICATION OF REVENUES

Section 601. System Revenue Fund. The Board covenants and agrees that from and after the delivery of the Bonds, and continuing as long as any of the Bonds remain Outstanding and unpaid, all Revenues will be paid and deposited into the System Revenue Fund, and that said Revenues shall be segregated and kept separate and apart from all other moneys, revenues, funds and accounts of the University and shall not be commingled with any other moneys, revenues, funds and accounts of the University. The System Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in this Resolution.

Section 602. Application of Moneys in Funds and Accounts. The University covenants and agrees that from and after the delivery of the Bonds and continuing so long as any of the Bonds shall remain Outstanding and unpaid, the System Revenue Fund shall be expended and used by the University in the manner and order specified below, to wit:

(a) Current Expenses of the System shall be payable, as a first charge, from the System Revenue Fund as the same become due and payable.

(b) There shall next be transferred from the System Revenue Fund and deposited into the Debt Service Account, after providing for the payment of the Current Expenses of the System, the following amounts, in addition to payments and deposits otherwise required to be made therein:

(1) By May 15 and November 15 in each year, beginning May 15, 2016, a sum of money not less than the next maturing interest on the Bonds; and

(2) By May 15, 2016, a sum of money equal to the principal on the Bonds maturing on June 1, 2016 and on each May 15 and November 15 thereafter, a sum of money not less than one-half of the principal on the Bonds maturing on the succeeding June 1.

The amounts required to be paid and credited to the Debt Service Account pursuant to this Section shall be so paid at the same time and on a parity with the amounts at the time required to be paid and credited to the debt service accounts established for the payment of principal and interest on the

Existing Bonds and any other Parity Bonds under the provisions of the Existing Resolutions and resolutions of the Board authorizing the other Parity Bonds.

Any amounts deposited in the Debt Service Account as accrued interest in accordance with **Section 501** hereof shall be credited against the University's payment obligations as set forth in subsection (b)(1) of this Section.

All amounts paid and credited to the Debt Service Account shall be expended and used by the University for the sole purpose of paying the interest on and principal of the Bonds as and when the same become due on each bond payment date.

If at any time the moneys in the System Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Debt Service Account and to the debt service accounts established to pay the principal of and interest on any Parity Bonds, the available moneys in the System Revenue Fund shall be divided among such debt service accounts in proportion to the respective principal amounts of said series of bonds at the time Outstanding which are payable from the moneys in said debt service accounts.

(c) Subject to making the foregoing required payments and deposits in full, the Board may use the balance of excess funds in the System Revenue Fund at the close of each fiscal year (1) to redeem Outstanding Bonds, (2) for any lawful expenditures with respect to the System, including the payment of debt service, in improving or restoring any facilities which are a part of the System or providing any such additional facilities or (3) for any other lawful purpose.

Section 603. Transfer of Funds to Paying Agent. The Treasurer of the Board is hereby authorized and directed to withdraw from the Debt Service Account sums sufficient to pay the principal of and interest on the Bonds. The Treasurer of the Board is also authorized to pay as Current Expenses the fees and expenses of the Paying Agent when the same become due, and to forward such sums in immediately available funds to the Paying Agent prior to the second Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through lapse of time, or otherwise, the owners of Bonds shall no longer be entitled to enforce payment of their obligations, it shall be the duty of the Paying Agent in accordance with Section 606 forthwith to return said funds to the University. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Resolution.

Section 604. Deposits into and Application of Moneys in the Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. Subject to the payment provisions provided in subsection (b) below, all money in the Rebate Fund shall be held in trust, to the extent required to satisfy the payment of rebatable arbitrage to the United States of America, and neither the University nor the Registered Owner of any Bond shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Federal Tax Certificate (which is incorporated herein by reference).

(b) Pursuant to the Federal Tax Certificate, the University shall remit all rebate installments and a final rebate payment to the United States. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any rebatable arbitrage shall be withdrawn and paid to the University.

(c) Notwithstanding any other provision of this Resolution, including in particular **Article XI** hereof, the obligation to pay rebatable arbitrage to the United States and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Bonds.

Section 605. Payments Due on Saturdays, Sundays and Holidays. In any case when the date for making a payment on a Bond is not a Business Day, then payment of principal, redemption price or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such bond payment date, and no interest shall accrue for the period after such bond payment date.

Section 606. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due at maturity, if funds sufficient to pay such Bond shall have been made available to the Paying Agent all liability of the University to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four years following the date when such Bond becomes due at maturity, the Paying Agent shall repay to the University the funds, without liability for interest thereon, theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the University, and the Registered Owner thereof shall be entitled to look only to the University for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the University shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

ARTICLE VII

DEPOSIT AND INVESTMENT OF FUNDS

Section 701. Deposits of Moneys. Moneys in each of the funds and accounts created by and referred to in this Resolution shall be deposited in a bank or banks located in the State of Missouri which are members of the Federal Deposit Insurance Corporation, and all such bank deposits shall be continuously and adequately secured by the banks holding such deposits as provided by the laws of the State of Missouri.

Section 702. Investment of Funds. Moneys held in any fund or account referred to in this Resolution may be invested by the University in accordance with the Federal Tax Certificate, at the direction of the Board, in Permitted Investments. No such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund or account was created. All interest on any investments held in any fund or account shall accrue to and become a part of such fund or account. In determining the amount held in any fund or account under any of the provisions of this Resolution, obligations shall be valued as of the Valuation Date of each year at the market value thereof (exclusive of accrued interest). If and when the amount held in any fund or account shall be in excess of the amount required by the provisions of this Resolution, the University may direct that such excess be paid and credited to the System Revenue Fund, except that the earnings on investments held in the Rebate Fund shall accrue to and become a part of such fund and shall not be transferred to any other fund or account.

ARTICLE VIII

PARTICULAR COVENANTS OF THE UNIVERSITY

The Board covenants and agrees, on behalf of itself and the University, with each of the purchasers and owners of any of the Bonds, that so long as any of the Bonds remain Outstanding and unpaid, as follows:

Section 801. Performance of Duties. The Board will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in each and every Bond executed and delivered hereunder; that it will promptly pay or cause to be paid from the Net Revenues herein pledged the principal of and interest on every Bond issued hereunder, on the dates and in the places and manner prescribed in such Bond, and that it will, prior to the maturity of each installment of interest and prior to the maturity of each such Bond, at the times and in the manner prescribed herein, deposit or cause to be deposited, from the Net Revenues pledged, the amounts of money specified herein. All Bonds, when paid, shall be cancelled by the Paying Agent, and shall be delivered to or upon the order of the Board.

Section 802. Legal Authority. The Board is duly authorized under the laws of the State of Missouri to create and issue the Bonds, it is lawfully qualified to pledge the Net Revenues of the Project and other income pledged to the payment of the Bonds in the manner prescribed herein and has lawfully exercised such rights, all action on its part for the creation and issuance of the Bonds has been duly and effectively taken, and the Bonds in the hands of the owners thereof are and will be valid and enforceable special obligations of the University in accordance with their terms.

Section 803. Rate Covenant. The Board will, so long as any of the Bonds are Outstanding against the System, operate and maintain continuously the System and the facilities and services afforded by the same and will fix, maintain and collect such reasonable rates and charges for the use of the System and its facilities as, in the judgment of the Board, will provide Revenues sufficient to (a) pay the reasonable cost of operating and maintaining the System, (b) provide and maintain the System Revenue Fund and the Debt Service Account in amounts adequate to pay promptly the principal of and interest on the Bonds when due, (c) provide reasonable and adequate reserve funds for the payment of the principal and interest on the Bonds and (d) enable the University in each year to have Net Revenues from the System in an amount that will not be less than 110% of the amount required to be paid by the University in such fiscal year on account of both principal and interest on all revenue bonds of the System Outstanding at the time (after deducting from such principal and interest amount the amount of funds, if any, deposited in the principal and interest account for a series of revenue bonds that is available to pay interest on such revenue bonds during the construction of System facilities financed in whole or in part by such revenue bonds). The System will be operated on a fiscal year basis beginning July 1 each year and ending June 30 in the following year.

Nothing in this Resolution contained shall be construed to prevent the continuous collection of reasonable rates, charges, and fees for the use of said System and facilities after the Bonds issued pursuant to this Resolution shall have been paid and redeemed, together with all interest thereon, nor to prevent at that time the pledge and application of said revenues to the payment of other bonds which may be issued by the Board.

Section 804. Restrictions on Mortgage or Sale of System. The Board will not sell or otherwise dispose of the System or any material part thereof, or any extension or improvement thereof; provided, however, the Board may at any time permanently abandon the use of, or sell at fair market value, any of its System facilities, provided that:

(a) It is in full compliance with all covenants and undertakings in connection with all of its bonds then Outstanding and payable from the revenues of the System, or any part thereof;

(b) In the event of sale, it will apply the proceeds to either (1) redemption of outstanding bonds in accordance with the provisions governing repayment of bonds in advance of maturity or (2) replacement of the facility so disposed of by another facility, the revenues of which shall be incorporated into the System as hereinbefore provided;

(c) It certifies, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing Net Revenues; and

(d) It certifies that the estimated Net Revenues of the remaining System facilities for the then next succeeding fiscal year (and any other revenues pledged as security) plus the estimated net revenues of the facilities, if any, to be added to the System satisfy the earnings test provided for in **Article IX** hereof governing the issuance of additional bonds.

Section 805. Operation of the System. From and after the date when the Bonds are issued and delivered, the System shall be maintained by the Board so long as any of the Bonds remain Outstanding. The Board will not do or suffer any act or thing whereby the System or any part thereof might or could be impaired, and at all times it will maintain, preserve, and keep the real and tangible property constituting the System and every part thereof in good condition, repair, and working order and maintain, preserve, and keep all structures and equipment pertaining thereto and every part and parcel thereof in good condition, repair, and working order. The System and the facilities thereof and therein shall be operated and maintained under the direction and supervision of the President of the University, subject to the direction of the Board, and all fees, charges, and other revenues received from the operation of said System shall be collected by said officer, through agents or employees thereunto duly authorized, and all such revenues shall be deposited at least weekly by the University in a bank which is a member of the Federal Deposit Insurance Corporation, and shall be credited by the appropriate officer of the University, on the books of the University, to the System Revenue Fund, as provided in **Section 601** hereof.

Section 806. Occupancy. The Board will adopt and maintain, so long as any Bonds are Outstanding against the System, such parietal rules, rental rates, fees, and charges for the use of the System facilities as may be necessary to (a) assure maximum use and occupancy of said facilities and (b) pay the cost of maintenance and operation and, together with other pledged Net Revenues, provide for the payment of the principal of and interest on the Bonds Outstanding against the System and required reserves therefor.

Section 807. Insurance. The Board will carry and maintain fire and extended coverage insurance upon all of the properties forming a part of the System insofar as the same are of an insurable nature, such insurance to be of the character and coverage and in an amount as would normally be carried by state educational institutions in the State of Missouri operating a similar housing system. In the event of loss or damage, the University, with reasonable dispatch, will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or, if such reconstruction or replacement be unnecessary, then the University will pay and deposit the proceeds of such insurance into the System Revenue Fund. The University in operating the System will use its best efforts to maintain liability protection through the provisions of the State Legal Defense Fund under Section 105.711 of the Revised Statutes of Missouri, as amended. In the event such liability protection is not available, the University will use its best efforts to obtain public liability insurance in such amounts as would normally be maintained by state educational institutions in the State of Missouri operating a similar housing system and the proceeds derived from such insurance shall be used in paying the claims on account of which such proceeds were received. The cost of all insurance obtained pursuant to the requirements of this subsection shall be paid as a Current Expense out of the revenues of the System.

Section 808. Books, Records and Accounts. The Board will keep accurate financial records and proper books and accounts (entirely separate but within all other records and accounts of the University) in which complete and correct entries will be made of all dealings and transactions of or in relation to the System of the University. Such accounts shall show the amount of revenues received from the System, the application of such revenues, and all financial transactions in connection therewith. Said books shall be kept by the University according to standard governmental accounting practices.

Section 809. Annual Budget. Prior to the commencement of each fiscal year, the President of the University will cause to be prepared and submitted to the Board for approval and filed in the office of the President of the University a budget setting forth the estimated receipts and expenditures of the System for the next succeeding fiscal year. The President of the University will mail a copy of said budget to the Purchaser of the Bonds upon request. Said annual budget shall be prepared in accordance with the requirements of the laws of Missouri and shall contain all information as shall be required by such laws.

Section 810. Annual Audit. Annually, promptly after the end of the fiscal year, the Board will cause an audit to be made of the System for the preceding fiscal year by a certified public accountant or firm of certified public accountants to be employed by the Board for that purpose, or, where appropriate, by the state auditing official, reflecting in reasonable detail the financial condition and record of operation of the University, the System, Revenues and Current Expenses.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the President of the University. Such audits shall at all times during the usual business hours be open to the examination and inspection by any owner of any of the Bonds, or by anyone acting for or on behalf of such owner.

As soon as possible after the completion of such annual audit, the Board shall review such audit, and if any audit discloses that proper provision has not been made for all of the requirements of this Resolution and the law under which the Bonds are issued, the University covenants and agrees that it will promptly cure such deficiency and will promptly proceed to increase the rates, fees and charges to be charged for the use and services furnished by the System as may be necessary to adequately provide for such requirements.

Section 811. Bondowner's Right of Inspection. The owner or owners of any of the Bonds shall have the right at all reasonable times to inspect the System and all records, accounts and data relating thereto, and any such owner shall be furnished all such information concerning the System and the operation thereof which such owner may reasonably request.

Section 812. Contract. The provisions of this Resolution shall constitute a contract between the University, acting by and through the Board, and the Owners of the Bonds herein authorized to be issued, and each of them, and the said Board hereby pledges its good faith to the performance of each and every covenant thereof.

Section 813. Parietal Rules and Regulations. The Board hereby establishes and covenants to enforce, as long as any of the Bonds are Outstanding and unpaid, the parietal rules and regulations hereinafter set forth, in order to assure maximum occupancy and use of the facilities and services afforded by the System:

(a) If more space or facilities from whatever source become available for residence hall, housing, social or dining purposes than are required by students applying for such space or facilities, the officers of the University are hereby directed to give preference and priority to the use of the buildings and facilities constituting the System, to the extent practicable, in the occupancy and use of all of the space and services thereof, even if such preference results in the non-use of all or a part of the space or facilities available at the University, in any other residence hall, house, or any other building which may be suitable or usable for residence hall, housing, social or dining purposes and concerning which no parietal rules and regulations heretofore have been adopted.

(b) To the extent that any surplus space or facilities become available in the System while any of the Bonds remain Outstanding and unpaid, it shall be the duty of the officers of the University to enforce a rule requiring occupancy and use, to the extent practicable and legal, of the buildings and facilities constituting the System. The University acknowledges that it requires freshmen students, unless living with a relative or guardian, married or over the age of 21, to reside in System accommodations, and that the University has this policy for educational purposes and does not intend to change the policy.

(c) The officers of the University are hereby directed to utilize and to cause the utilization of the buildings and facilities constituting the System in such manner as will yield revenues sufficient to carry out the obligations of the University under this Resolution, to the end that the Bonds and interest thereon may be promptly paid as the same become due.

(d) The rules hereby established shall be amended from time to time as conditions arise so as to meet changing conditions and better assure the fulfillment of the pledges herein made.

Notwithstanding the foregoing provisions of this Section, it is specifically provided that the parietal rules herein set forth shall be subordinate to the parietal rules heretofore adopted by the Board insofar as there may be any conflict between them.

Section 814. Tax Covenants.

(a) The Board will comply with the provisions of the Code relating to the exclusion from federal gross income of the interest on the Bonds. The Board will, in addition, adopt such other Board resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excludable from federal gross income, to the extent any such actions can be taken by the Board. The Board covenants and agrees that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code.

(b) The Board covenants and agrees that it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purpose for which the Bonds are issued as hereinbefore set forth, and that it will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Board, or take or omit to take any action that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code. To that end, the Board will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds. In the event that at any time the Board is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held by the Board under this Resolution, the Board shall take such action as may be necessary.

(c) Without limiting the generality of the foregoing, the Board agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the

Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds. The Board specifically covenants to pay or cause to be paid to the United States any rebatable arbitrage at the times and in the amounts determined in accordance with the Federal Tax Certificate.

ARTICLE IX

ADDITIONAL BONDS

Section 901. Prior Lien Bonds. The Board covenants and agrees that so long as any of the Bonds remain Outstanding and unpaid, the University will not issue any additional bonds or other debt obligations payable out of the Net Revenues of the System or any part thereof which are superior to the Bonds.

Section 902. Parity Bonds. The University may issue one or more additional series of revenue bonds to finance the construction or acquisition of additional facilities to be secured by a parity lien on and equally and ratably payable from the Net Revenues pledged to the Bonds ("Parity Bonds"), provided in each instance that:

(a) The University is in compliance with all covenants and undertakings in connection with all bonds of the University then Outstanding; and

(b) Any additional facility or facilities to be built or acquired from the proceeds of the additional Parity Bonds is or are to be made a part of the System, and its or their revenues are pledged as additional security for the additional Parity Bonds and all bonds Outstanding against the System; and

(c) Either:

(i) The University's controller (or equivalent) shall provide a certificate showing that the Net Revenues derived by the University from the operation of the System for the fiscal year immediately preceding the issuance of the additional Parity Bonds, were equal to at least 110% of the combined average annual requirements for principal and interest on all of the Existing Bonds, the Bonds and Parity Bonds then Outstanding and payable from the Net Revenues of the System, including the additional Parity Bonds proposed to be issued; or

(ii) The University's controller (or equivalent) shall provide a certificate showing the Net Revenues of the System for the fiscal year immediately following the fiscal year in which the facility or facilities to be constructed or acquired with the proceeds of the additional Parity Bonds are expected to be placed in operation (the "Test Year"), are expected to be at least 110% of the combined average annual debt service requirements in all fiscal years including and after the Test Year for principal and interest on all of the Existing Bonds, the Bonds and Parity Bonds then Outstanding and payable from the Net Revenues of the System and on the additional Parity Bonds to be issued. The estimate of future Net Revenues shall be based on occupancy of not more than ninety percent (90%). The estimate of future Net Revenues of the then-existing System shall be based on actual Net Revenues for the fiscal year next preceding the issuance of additional Parity Bonds, as adjusted, if necessary, to reflect the schedule of rates, fees and charges to become effective in succeeding fiscal years to and including the Test Year, and after giving recognition to any anticipated changes in Current Expenses of the System.

Additional Parity Bonds of the University issued under the conditions set forth in this Section shall stand on a parity with the Bonds and shall enjoy complete equality of lien on and claim against the Net Revenues of the System with the Bonds, and the University shall make equal provision for paying said bonds and the interest thereon out of the System Revenue Fund.

Section 903. Junior Lien Bonds. The University may issue one or more additional series of revenue bonds or other revenue obligations payable out of the Net Revenues of the System, which are junior and subordinate to the Bonds provided at the time of the issuance of such additional revenue bonds or obligations the following conditions are met:

(a) The University shall not be in default in the payment of principal of or interest on the Bonds or in making any payment at the time required to be made into the respective Funds and Accounts created by and referred to in this Resolution; and

(b) The additional facilities to be constructed or acquired from the proceeds of the additional junior lien bonds are made part of the System, and the Net Revenues derived therefrom are pledged as security for the additional bonds and all bonds Outstanding against the System.

Such additional revenue bonds or obligations shall be junior and subordinate to the Bonds so that if at any time the University shall be in default in paying either interest on or principal of the Bonds, or if the University shall be in default in making any payments required to be made by it under the provisions of **Section 702** of this Resolution, the University shall make no payments of either principal of or interest on said junior and subordinate revenue bonds or obligations until said default or defaults be cured. In the event of the issuance of any such junior and subordinate revenue bonds or obligations, the University, subject to the provisions aforesaid, may make provision for paying the principal of and interest on said revenue bonds or obligations out of moneys in the System Revenue Fund.

Section 904. Refunding Bonds. The University may, if it finds it desirable, without complying with the provisions of **Section 902** hereof, to issue refunding revenue bonds to refund any of the Bonds under the provisions of any law then available if, taking into account the issuance of the proposed refunding revenue bonds and the application of the proceeds thereof and any other funds available to be applied to such refunding, the average annual debt service requirements on all Outstanding revenue bonds of the University payable out of the Net Revenues of the System will not be increased, and the refunding revenue bonds so issued shall enjoy complete equality of pledge with any of the Bonds that are not refunded, if any, upon the Net Revenues of the System.

ARTICLE X

DEFAULT AND REMEDIES

Section 1001. Acceleration of Maturity in Event of Default. The University covenants and agrees that if any of the following events ("Events of Default") shall occur:

(a) Default by the University in the due and punctual payment of any interest on any Bond;

(b) Default by the University in the due and punctual payment of the principal of or redemption premium, if any, on any Bond, whether at the stated maturity or accelerated maturity thereof, or at the redemption date thereof;

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the University in this Resolution or in the Bonds contained (other than a default described in (a) or (b) above) or in any other document or instrument that secures or otherwise relates to the debt and obligations hereby secured, and the continuance thereof for a period of 60 days after written notice thereof shall have been given to the University by the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding; provided, however, if any default shall be such that it cannot be corrected within such 60-day period, it shall not constitute an Event of Default if corrective action is instituted by the University within such period and diligently pursued until the default is corrected; or

(d) The University files a petition as a debtor under the United States Bankruptcy Code.

At any time thereafter and while such Event of Default shall continue the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding may, by written notice to the University filed in the office of the President of the University or delivered in person to said President, declare the principal of all Bonds then Outstanding to be due and payable immediately, and upon any such declaration given as aforesaid, all of said Bonds shall become and be immediately due and payable, anything in this Resolution or in the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if at any time after the principal of said Outstanding Bonds shall have been so declared to be due and payable, all arrears of interest upon all of said Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said Bonds shall have been paid in full and all other defaults, if any, by the University under the provisions of this Resolution and under the provisions of the statutes of the State of Missouri shall have been cured, then and in every such case the owners of a majority in principal amount of the Bonds then Outstanding, by written notice to the University given as hereinbefore specified may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

Section 1002. Remedies. The provisions of this Resolution, including the covenants and agreements herein contained, shall constitute a contract between the University and the owners of the Bonds, and the owner or owners of not less than l0% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such owner or owners against the University and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Resolution or by the constitution and laws of the State of Missouri;

(b) by suit, action or other proceedings in equity or at law to require the University, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds.

Section 1003. Limitation on Rights of Bondowners. No one or more Bondowners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of such Outstanding Bonds.

Section 1004. Remedies Cumulative. No remedy conferred herein upon the Bondowners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Bondowner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the owners of the Bonds by this Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. In case any suit, action or proceedings taken by any Bondowner on account of any default or to enforce any right or exercise any remedy shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondowner, then, and in every such case, the University and the Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondowners shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 1005. No Obligation to Levy Taxes. Nothing contained in this Resolution shall be construed as imposing on the University any duty or obligation to levy any taxes either to meet any obligation incurred herein or to pay the principal of or interest on the Bonds.

ARTICLE XI

DEFEASANCE

Section 1101. Defeasance. When any or all of the Bonds or the interest payments thereon shall have been paid and discharged, then the requirements contained in this Resolution and the pledge of Revenues made hereunder and all other rights granted hereby shall terminate with respect to the Bonds or the interest payments thereon so paid and discharged. Bonds or the interest payments thereon shall be deemed to have been paid and discharged and no longer be Outstanding within the meaning of this Resolution if there shall have been deposited with the Paying Agent, or other commercial bank or trust company located in the State of Missouri and having full trust powers, at or prior to the stated maturity of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such money or Defeasance Obligations, will be sufficient for the payment of the principal or redemption price of said Bonds, and/or interest to accrue on such Bonds to the stated maturity or redemption date, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds shall be redeemed prior to the stated maturity thereof, (a) the University shall have elected to redeem such Bonds, and (b) either notice of such redemption shall have been given, or the University shall have given irrevocable instructions to the Paying Agent to redeem such Bonds. Any moneys and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the University, for the purpose of paying and discharging any of the Bonds or the interest payments thereon, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All moneys and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Resolution. In the event of an advance refunding of any of the Bonds, the University shall cause to be delivered to the Paying Agent a verification report of an independent nationally recognized certified public accountant of the mathematical computation of the adequacy of the escrow established to provide for the payment of the Bonds.

ARTICLE XII

AMENDMENTS

Section 1201. Amendments. The rights and duties of the University, the Board and the Bondowners, and the terms and provisions of the Bonds or of this Resolution, may be amended or modified at any time in any respect by resolution of the Board with the written consent of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Secretary of the Board, but no such modification or alteration shall:

(a) extend the maturity of any payment of principal or interest due upon any Bond;

(b) effect a reduction in the amount which the University is required to pay by way of principal of or interest on any Bond;

(c) permit the creation of a lien on the Revenues of the System prior or equal to the lien of the Existing Bonds, the Bonds or Parity Bonds hereafter issued on a parity with the Bonds as hereinbefore provided;

(d) permit preference or priority of any Bonds over any other Bonds; or

(e) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Resolution.

Any provision of the Bonds or of this Resolution may, however, be amended or modified by resolution duly adopted by the Board at any time in any respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without the consent of Bondowners, the Board may amend or supplement the Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein which is not materially adverse to the interests of the Bondowners.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Secretary of the Board a copy of the resolution of the University hereinabove provided for, duly certified, as well as proof of consent to such modification by the requisite Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

The University shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Resolution which affects the duties or obligations of the Paying Agent under this Resolution.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. Notices, Consents and Other Instruments. Any notice, consent, request, direction, approval, objection or other instrument required by this Resolution to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, other than the assignment of the ownership of a Bond, if made in the following manner, shall be sufficient for any of the purposes of this Resolution, and shall be conclusive in favor of the University and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

Section 1302. Further Authority. The officers of the University, including without limitation the Chair, Vice Chair and Secretary of the Board, the President, the Comptroller, the Vice President for Administration, Finance and Planning, and the General Counsel of the University are hereby authorized and directed to execute all documents and agreements and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 1303. Severability. If any section, subsection, paragraph, sentence, clause, or phrase of this Resolution, or of the Bonds, shall ever be held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution, or of the Bonds, but this Resolution, and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

Section 1304. Governing Law. This Resolution shall be governed exclusively by and constructed in accordance with the applicable laws of the State of Missouri.

Section 1305. Electronic Transactions. The transaction described herein may be conducted and this Resolution and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 1306. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Board.

ADOPTED by the Board of Governors of Truman State University this January 27, 2016.

Chair of the Board

[SEAL]

Secretary of the Board

CERTIFICATE

I, the undersigned, Secretary of the Board of Governors of Truman State University, hereby certify that the above and foregoing constitutes a full, true and correct copy of the Resolution authorizing the issuance of Housing System Refunding Revenue Bonds, Series 2016, of the University, duly adopted by at least two-thirds of the members of the Board of Governors of Truman State University at a meeting held on January 27, 2016; that said Resolution has not been modified, amended or repealed, and is in full force and effect as of the date hereof; and that the same is on file in my office.

WITNESS my hand this February 11, 2016.

____
Secretary of the Board

EXHIBIT A

FORM OF BOND

EXCEPT AS OTHERWISE PROVIDED IN THE RESOLUTION (REFERRED TO HEREIN), THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (AS DESCRIBED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

UNITED STATES OF AMERICA
STATE OF MISSOURI

Registered **No. R-___**	**Registered** **$____________**

TRUMAN STATE UNIVERSITY

HOUSING SYSTEM REFUNDING REVENUE BOND
SERIES 2016

Interest Rate	**Maturity Date**	**Dated Date**	**CUSIP Number**
_____%	**June 1, 20__**	**February 11, 2016**	

Registered Owner: **CEDE & CO.**

Principal Amount: **____ DOLLARS**

TRUMAN STATE UNIVERSITY, a state educational institution organized and existing under the laws of the State of Missouri (the "University"), acting through its Board of Governors (the "Board"), for value received, hereby promises to pay to the Registered Owner shown above or registered assigns, but solely out of the net income and revenues of the System as hereinafter provided, the Principal Amount shown above on the Maturity Date shown above, and to pay interest on said Principal Amount at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date shown above or from the most recent Interest Payment Date to which interest has been paid or duly provided for (likewise payable solely out of the net income and revenues of the System), payable semiannually on June 1 and December 1 in each year, beginning June 1, 2016, until said Principal Amount has been paid.

The principal of and redemption premium, if any, on this Bond shall be paid by check or draft at maturity or upon earlier redemption to the Person in whose name such Bond is registered on the Bond Register at the maturity or redemption date thereof, upon presentation and surrender of such Bond at the principal payment office of UMB Bank, N.A., Kansas City, Missouri, as paying agent and bond registrar (the "Paying Agent"). The interest payable on this Bond on any Interest Payment Date shall be paid by check or draft mailed by the Paying Agent to the Person in whose name such Bond is registered on the Bond Register maintained by the Paying Agent at the close of business on the Record Date for such interest, which shall be the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date, or by electronic transfer to such Registered Owner upon written notice signed by such registered owner and given to the Paying Agent not less than 15 days prior to the Record Date for such interest containing the electronic transfer instructions including the bank (which shall be in the continental United States), address, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgement that an electronic transfer fee may be applicable. The principal of, redemption premium, if any, and interest on this Bond shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of debts due the United States of America.

This Bond is one of a duly authorized series of bonds of the University designated "Housing System Refunding Revenue Bonds, Series 2016," aggregating the principal amount of $20,105,000 (the "Bonds"), issued by the University for the purpose of providing funds to (a) advance refund the Refunded Bonds and (b) pay the costs of issuance of the Bonds, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly Chapter 176 of the Revised Statutes of Missouri, as amended, and pursuant to a resolution duly adopted by the Board (the "Resolution"), the Bonds being equally and ratably secured by a pledge of the net income and revenues derived by the University from the operation and ownership of the System. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

At the option of the University, Bonds maturing on June 1, 2025 and thereafter may be called for redemption and payment prior to the stated maturity thereof on June 1, 2024 and thereafter, as a whole or in part at any time from maturities selected by the University (Bonds of less than a single maturity to be selected in multiples of $5,000 principal amount by lot or such other equitable manner as the Paying Agent shall designate), at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption.

Bonds maturing on June 1, 2032 are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Resolution on June 1, 2030 and on June 1, 2031, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

Notice of redemption, unless waived, is to be given by the Paying Agent by mailing an official redemption notice by first class mail at least 30 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register. Notice of redemption having been given as aforesaid, the bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the University shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

The Bonds are special obligations of the University payable solely from, and secured as to the payment of principal and interest by a pledge of, the net income and revenues derived from the operation and ownership of the System (excluding amounts payable to the United States pursuant to Section 148 of the Code), and said net income and revenues shall be set aside for that purpose in a special fund held pursuant to the Resolution. This Bond shall not be deemed to be a general obligation or an indebtedness of the State of Missouri or of the University or of the Board or of the individual members of said Board.

The Bonds stand on a parity with respect to the payment of principal and interest from the net income and revenues of the System and in all other respects with two series of Parity Bonds described in the Resolution, Outstanding as of the date of this Bond in the aggregate principal amount of $31,595,000.

Under the conditions set forth in the Resolution, the University has the right to issue additional Parity Bonds payable from the same source and secured by the same revenues as the Bonds; provided, however, that such additional Parity Bonds may be so issued only in accordance with and subject to the covenants, conditions and restrictions relating thereto set forth in the Resolution.

The Board hereby covenants and agrees with each and every owner of the Bonds to keep and perform all covenants and agreements contained in the Resolution; and that it will apply the proceeds of the Bonds to the purposes for which said Bonds are authorized to be issued; that it will continuously operate the aforesaid System at all times when the University is in regular session; that it will adopt such regulations for student housing, and will fix and maintain such reasonable rates and charges for the use of the facilities of said System as will in its judgment provide revenues sufficient to pay the reasonable cost of operating and maintaining said properties, and to provide and maintain the System Revenue Fund in an amount adequate promptly to pay the principal of and the interest on the Bonds, as the same become due; and that it will collect, account for, and apply the aforesaid revenues, all in accordance with and as provided for by the Resolution pursuant to which this Bond is issued. Reference is made to the Resolution for a description of the covenants and agreements made by the Board with respect to the collection, segregation and application of the revenues of the System, the nature and extent of the security of the Bonds, the rights, duties and obligations of the University with respect thereto, and the rights of the owners thereof.

The Bonds are issuable in the form of fully-registered Bonds in the denominations of $5,000 or any integral multiple thereof.

This Bond may be transferred or exchanged, as provided in the Resolution, only upon the Bond Register kept for that purpose at the above-mentioned office of the Paying Agent, upon surrender of this Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The University and the Paying Agent may deem and treat the Person in whose name this Bond is registered in the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or the custody of the Paying Agent as the Securities Depository's "FAST" Agent. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The University, the Paying Agent will recognize the Securities Depository nominee, while the Registered Owner of this Bond, as the owner of this Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Bond, (ii) notices and (iii) voting. Transfers of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfers of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The University and the Paying Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal of and interest on this Bond shall be made in accordance with existing arrangements among the University, the Paying Agent and the Securities Depository.

EXCEPT AS OTHERWISE PROVIDED IN THE RESOLUTION, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Paying Agent.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by law, and that before the issuance of the Bonds, provision has been duly made for the collection and segregation of the revenues of the System and for the application of the same as herein provided.

IN WITNESS WHEREOF, TRUMAN STATE UNIVERSITY has executed this Bond by causing it to be signed by the manual or facsimile signature of the Chair of its Board of Governors and attested by the manual or facsimile signature of the Secretary of said Board, and its official seal to be affixed hereto or imprinted hereon, and this Bond to be dated the Dated Date shown above.

CERTIFICATE OF AUTHENTICATION	**TRUMAN STATE UNIVERSITY**
This Bond is one of the Bonds of the issue described in the within-mentioned Resolution.	By ____ Chair of the Board of Governors
Registration Date: ________________	
UMB BANK, N.A. Paying Agent	(Seal)
	ATTEST:
By ______________________________ Authorized Signature	____ Secretary of the Board of Governors

==

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

Print or Type Name, Address and Social Security or
Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints agent to transfer the within Bond on the books kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: ________

____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

____

(Name of Eligible Guarantor Institution as defined by SEC Rule 17Ad-15 (17CFR 240.Ad-15)).

By: ____
Title:____

==

EXHIBIT B

PRELIMINARY OFFICIAL STATEMENT

[On file in the Office of the President of the University.]

EXHIBIT C

ADOPTION AGREEMENT

[On file in the Office of the President of the University].

EXHIBIT D

ESCROW TRUST AGREEMENT

[On file in the Office of the President of the University]

EXHIBIT E

BOND PURCHASE AGREEMENT

[On file in the Office of the President of the University]

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 19, 2016

NEW ISSUE
BOOK-ENTRY ONLY

Moody's Rating: A1 (stable)
See "BOND RATING" herein

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), (1) the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes except as described in this Official Statement and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (2) the interest on the Bonds is exempt from Missouri income taxation by the State of Missouri and (3) the Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" herein.

TRUMAN STATE UNIVERSITY

$19,970,000*
HOUSING SYSTEM REFUNDING REVENUE BONDS SERIES 2016

Dated: Date of Delivery **Due: June 1, as shown on the inside front cover**

The Bonds are issuable only as fully-registered bonds and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of the Bonds will be made in book-entry form, in the denomination of $5,000 or any integral multiple thereof. Principal of and interest on the Bonds will be paid from moneys available therefor under the Bond Resolution (as defined herein) by UMB Bank, N.A., Kansas City, Missouri, as Paying Agent. Principal of the Bonds will be payable on each June 1 in the years shown on the inside cover page. Interest on the Bonds will be payable on each June 1 and December 1, beginning on June 1, 2016. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Bonds are subject to optional redemption and payment prior to maturity as described herein.

The Bonds and the interest thereon are special obligations of Truman State University (the "University"), payable solely from the Net Revenues (as described herein) derived by the University from the operation and ownership of the University's housing system (the "System") (as described herein), after payment of costs of operation and maintenance, and the imposition and collection of certain student fees. The Bonds are on a parity with certain outstanding obligations of the University. The Bonds will not constitute general obligations or an indebtedness of the State of Missouri, the University, the Board of Governors of the University or the individual members of the Board of Governors within the meaning of any constitutional or statutory debt limitation or restriction. The University has no power to tax.

The Bonds are subject to certain risks. See "*BONDOWNERS' RISKS*" herein.

The Bonds are offered when, as and if issued by the University, subject to the approval of legality by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the University. Certain matters relating to the Official Statement will be passed upon by Gilmore & Bell, P.C., St. Louis, Missouri. Columbia Capital Management, LLC, Overland Park, Kansas, has acted as financial advisor to the University in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery in New York, New York, on or about February 11, 2016.

Commerce Bank

The date of this Official Statement is January __, 2016.

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* Preliminary; subject to change.

MATURITY SCHEDULE*

Maturity June 1	Amount	Rate	Price	CUSIP Number
2016	$ 610,000			
2017	725,000			
2018	745,000			
2019	770,000			
2020	790,000			
2021	820,000			
2022	840,000			
2023	865,000			
2024	885,000			
2025	905,000			
2026	935,000			
2027	960,000			
2028	990,000			
2029	1,020,000			
2030	1,050,000			
2031	1,085,000			
2032	1,120,000			
2033	1,155,000			
2034	1,195,000			
2035	1,230,000			
2036	1,275,000			

* Preliminary; subject to change.

TRUMAN STATE UNIVERSITY
Kirksville, Missouri

BOARD OF GOVERNORS

Sarah Burkemper, *Chair*
Mike LaBeth, *Vice Chair*
Cheryl J. Cozette, *Secretary*
Dr. Laura A. Crandall, *Member*
Susan Plassmeyer, *Member*
Jennifer Kopp Dameron, *Member*
Jim O'Donnell, *Member*
David Lee Bonner, *Nonvoting Member*
Michael A. Zito, *Nonvoting Member*
Kelly Kochanski, *Student Representative*

UNIVERSITY ADMINISTRATION

Dr. Troy D. Paino, J.D., Ph.D, *President*
Dr. Sue Thomas, Ph.D., *Executive Vice President for Academic Affairs and Provost*
Lou Ann Gilchrist, Ed.D., *Vice President for Student Affairs*
David R. Rector, *Vice President for Administration, Finance and Planning*
Judy M. Mullins, *Comptroller and Treasurer*
Regina Morin, *Vice President for Enrollment Management*
Warren Wells, Esq., *General Counsel*

FINANCIAL ADVISOR

Columbia Capital Management, LLC
Overland Park, Kansas

BOND COUNSEL

Gilmore & Bell, P.C.
St. Louis, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the University, the Financial Advisor or the Underwriter to give any information or to make any representations with respect to the Bonds offered hereby other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the University or since the date hereof.

The information set forth herein has been obtained from the University and other sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the University.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN. IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE UNIVERSITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "anticipate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THESE FUTURE RISKS AND UNCERTAINTIES INCLUDE THOSE DISCUSSED IN THE "BONDOWNERS' RISKS" SECTION OF THIS OFFICIAL STATEMENT. NEITHER THE UNIVERSITY NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS INDICATED UNDER THE CAPTION "CONTINUING DISCLOSURE" HEREIN.

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OFFICIAL STATEMENT

$19,970,000*

TRUMAN STATE UNIVERSITY

HOUSING SYSTEM REFUNDING REVENUE BONDS SERIES 2016

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to the more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to Truman State University (the "University") and the University's Housing System Refunding Revenue Bonds, Series 2016 (the "Bonds"), to be issued in the principal amount of $19,970,000*, for the purpose of providing funds, together with other available funds of the University, to refund the University's Housing System Revenue Bonds, Series 2008 (the "Refunded Bonds"), as further described under the caption *"PLAN OF FINANCING – The Refunding,"* and to pay the costs of issuing the Bonds. See the caption *"PLAN OF FINANCING"* herein.

Security and Sources of Payment; Parity Bonds

The Bonds and the interest thereon are special obligations of the University payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues (as defined in *Appendix C* hereto) derived from the operation and ownership of the System (as defined herein) and other funds pledged to the payment of the Bonds. Included in the Net Revenues of the System are the proceeds derived from a Student Union fee established by the Board and collected from all enrolled students. **The University has no taxing power.** See the caption *"THE SYSTEM - System Revenues"* herein.

After the issuance of the Bonds and the application of the proceeds thereof, the University will have outstanding bonds and obligations in the aggregate principal amount of $51,565,000* that are payable from the Net Revenues of the System on a parity with the Bonds, as described in this Official Statement. The University has the right under the Bond Resolution to issue additional revenue bonds ("Additional Bonds") payable from the Net Revenues of the System on a parity with the Bonds, but only in accordance with and subject to the terms and conditions set forth in the Bond Resolution.

The bonds and obligations presently outstanding and payable from the Net Revenues of the System on a parity basis with the Bonds and any additional parity bonds hereafter issued by the University are collectively referred to as the "Parity Bonds."

The Bonds and the interest thereon do not constitute general obligations or an indebtedness of the State of Missouri, the University, the Board of Governors of the University (the "Board"), or of the individual members of the Board.

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* Preliminary; subject to change.

Financial Information

The audited financial statements of the University and of the Housing System Revenue Bond Fund for the fiscal year ended June 30, 2015, are included in *Appendix B* to this Official Statement.

Bondowners' Risks

Payment of the principal of and interest on the Bonds is dependent on revenues to be derived by the University from the operation of the System. Certain risks inherent in the production of such revenues are discussed herein. See *"BONDOWNERS' RISKS"* herein.

Summary of the Bond Resolution

A summary of the Bond Resolution authorizing the issuance of the Bonds, including definitions of certain words and terms used herein and in the Bond Resolution, is included in *Appendix C* to this Official Statement. Such summary and definitions do not purport to be comprehensive or definitive. All references herein to the Bond Resolution are qualified in their entirety by reference to the Bond Resolution. A copy of the Bond Resolution may be viewed at the office of the University's Financial Advisor, Columbia Capital Management, LLC, Attention: Jeff White, 6330 Lamar Avenue, Suite 200, Overland Park, Kansas 66202 (913-312-8077), or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

Continuing Disclosure

The University has covenanted in an Omnibus Continuing Disclosure Agreement, which will be made applicable to the Bonds by the execution of an Adoption Agreement (collectively, the "Continuing Disclosure Agreement"), to provide certain financial information and operating data relating to the University and the System and to provide notices of the occurrence of certain enumerated events relating to the Bonds, in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule").

Although the University has complied with its prior undertakings for the fiscal year ended June 30, 2015, the University did not fully comply with its prior undertakings in previous fiscal years. See the caption *"CONTINUING DISCLOSURE"* herein.

Additional Information

Additional information regarding the University or the Bonds may be obtained from Judy M. Mullins, Comptroller, Truman State University, 105 McClain Hall, Kirksville, Missouri 63501 and Columbia Capital Management, LLC, Attention: Jeff White, 6330 Lamar Avenue, Suite 200, Overland Park, Kansas 66202 (913-312-8077).

THE UNIVERSITY

Truman State University is located in Kirksville, Missouri, and is a state educational institution created and existing pursuant to Chapter 172 and Chapter 174 of the Revised Statutes of Missouri, as amended. The Board has the general control and management of the University under the provisions of said Chapter 172 and Chapter 174. Additional information describing the University is contained herein under the captions *"THE SYSTEM"* and *"Appendix A - Information Concerning the University."*

THE BONDS

Authority

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Chapter 176 and Chapter 108 of the Revised Statutes of Missouri, as amended (the "Act"), and a resolution expected to be adopted by the Board (the "Bond Resolution") on January 27, 2016. See *"Appendix C – SUMMARY OF THE BOND RESOLUTION."*

Description of the Bonds

The Bonds will be issuable in the form of fully-registered bonds in denominations of $5,000 or any integral multiple thereof, numbered from R-1 consecutively upward. The Bonds will be issued in the principal amount of $19,970,000*****, will be dated as of their date of issue and delivery, and will mature on June 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement. Each Bond will bear interest from the date thereof or the most recent interest payment date to which interest has been paid or duly provided for, at the rates per annum set forth on the inside cover page hereof, which interest will be payable semiannually on June 1 and December 1 in each year, beginning on June 1, 2016. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Principal of the Bonds is payable at the principal payment office of UMB Bank, N.A. (the "Paying Agent") in Kansas City, Missouri. Interest on the Bonds is payable by check or draft mailed by the Paying Agent to the person in whose name each Bond is registered on the 15th day of the month next preceding an interest payment date at such person's address as it appears on the bond registration books kept by the Paying Agent or by electronic transfer to such Owner upon written notice signed by the registered owner given to the Paying Agent not less than 15 days prior to the record date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), address, ABA routing number and account number to which such transfer is to be directed, and an acknowledgment that an electronic transfer fee may be applicable.

Redemption Provisions

Optional Redemption. At the option of the University, the Bonds maturing on June 1, 20__ and thereafter may be called for redemption and payment prior to maturity on June 1, 20__ and on any date thereafter, as a whole or in part at any time (the Bonds of less than a full maturity to be selected in multiples of $5,000 principal amount by the Paying Agent by lot or such other equitable manner as it shall designate) at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Notice and Effect of Call for of Redemption. If any of the Bonds are to be redeemed and paid prior to the maturity thereof, the University, or the Paying Agent acting on behalf of the University, will give written notice of its intention to redeem and pay said Bonds on a specified date, the Bonds being described by series, number and maturity. The notice shall be given by first class mail addressed to the original purchaser of the Bonds and to the registered owner of each Bond to be redeemed, each of said notices to be mailed at least 30 days prior to the date fixed for redemption. Whenever any Bond is called for redemption and payment, all interest on the Bond will cease from and after the date for which such call is made, provided funds are available for its payment at the redemption price.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified in the preceding paragraph to DTC. It is expected that DTC shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of DTC or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Paying Agent, DTC, a Participant or otherwise) to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond. See *Appendix E* hereto for a description of the book-entry only system.

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* Preliminary; subject to change.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Special Limited Obligations

The Bonds are special obligations of the University, payable solely from, and secured on a parity basis with the Parity Bonds as to the payment of principal and interest by a pledge of, the Net Revenues of the System and other income made available to the University with respect to the System from sources other than the proceeds of taxation (except to the extent payable out of the proceeds of the Bonds or income from the temporary investment thereof and, under certain circumstances, the net proceeds of insurance and other funds held under the Bond Resolution). See the caption "*THE SYSTEM - System Revenues*" herein. Following the issuance of the Bonds and the refunding of the Refunded Bonds, the Series 2013 Bonds (as defined herein), the Series 2015 Bonds (as defined herein) and the Bonds will be the only outstanding obligations of the University payable from the Net Revenues of the System.

The Bonds will not be or constitute a general obligation of the University, nor will they constitute an indebtedness of the University within the meaning of any constitutional or statutory provision, limitation or restriction. The University has no taxing power.

The System

The Bond Resolution defines the System to include the following:

(i) All of the facilities which comprise the student housing system, namely Missouri Hall, Ryle Hall, Centennial Hall, Dobson Hall, Nason Hall, Blanton Hall, Brewer Hall, the West Campus Suites, Campbell Apartments, and Randolph Apartments, the existing student union building and additions thereto and also including, but not limited to, the dining facilities, university bookstore, snack bar and entertainment facilities therein; and

(ii) All housing, dining and other auxiliary enterprises hereafter constructed, acquired, owned, or operated by the University which may become a part of said System.

Included in the Net Revenues of the System are the proceeds derived from a Student Union fee established by the Board and collected from all enrolled students.

The System does not include (1) any facilities hereafter constructed or acquired, which are not financed with the proceeds of revenue bonds payable from the income and revenues of the System, and for which the University maintains separate and distinct operations, facilities and records, or (2) any facilities currently part of the System that become inadequate, obsolete or worn out, or otherwise unsuitable, unprofitable, undesirable or unnecessary for the operation of the System. See "*FINANCIAL INFORMATION CONCERNING THE UNIVERSITY - Other University Obligations*" in *Appendix A*.

In the Bond Resolution, the Board covenants, so long as any of the Bonds are outstanding, to operate and continuously maintain the System and to adopt regulations for the use of the System.

Bond Resolution

Pledge of Revenues. The Bonds and the interest thereon are special obligations of the University payable solely from, and secured as to the payment of principal and interest by a first lien on and pledge of, the Net Revenues, including operating income, investment income, and other moneys made available to the University with respect to the System from sources other than funds raised by taxation.

The covenants and agreements of the University contained in the Bond Resolution are for the equal benefit, protection and security of the legal owners of any or all of the Bonds. The Bonds will be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided herein and in the Bond Resolution.

Parity Obligations. The Bonds will stand on parity with the Series 2013 Bonds and the Series 2015 Bonds, outstanding in the aggregate outstanding principal amount of $31,595,000, and any Additional Bonds hereafter issued. The University has the right under the Bond Resolution to issue Additional Bonds on parity with the Bonds payable from Net Revenues, but only in accordance with and subject to the terms and conditions set forth in the Bond Resolution.

Rate Covenant. The University will fix, maintain and collect such reasonable rates, fees and charges for the use of the System as, in the judgment of the University, will produce Revenues sufficient to (i) pay the reasonable cost of operating and maintaining the System, (ii) provide and maintain the System Revenue Fund and the Debt Service Account in amounts adequate to pay promptly the principal of and interest on the Bonds as due, (iii) provide reasonable and adequate reserve funds for the payment of the Bonds and the interest thereon as provided in the Bond Resolution and (iv) enable the University in each year to have Net Revenues from the System in an amount that will not be less than 110% of the amount required to be paid by the University in such fiscal year on account of both principal and interest on all revenue bonds of the System outstanding at the time (after deducting from such principal and interest amount the amount of funds, if any, deposited in the principal and interest account for a series of revenue bonds that is available to pay interest on such revenue bonds during the construction of System facilities financed in whole or in part by such revenue bonds). Revenues for fiscal year 2015 were 192% of principal and interest paid on the Series 2008 Bonds, the Series 2013 Bonds and the Series 2015 Bonds in such year. The System will be operated on a fiscal year basis beginning July 1 each year and ending June 30 in the following year.

See *"SUMMARY OF THE BOND RESOLUTION"* in *Appendix C* hereto.

PLAN OF FINANCING

Authorization and Purpose of the Bonds

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly the Act and the Bond Resolution. The Bonds are being issued for the purpose of providing funds, together with other available fund of the University, to refund the Refunded Bonds and to pay the costs of issuing the Bonds.

The Refunding

The University will enter into an Escrow Trust Agreement dated as of February 1, 2016 (the **"Escrow Trust Agreement"**), with UMB Bank, N.A., as escrow agent (the **"Escrow Agent"**). Pursuant to the Escrow Trust Agreement, the University will transfer a portion of the proceeds of the Bonds, together with other legally available moneys of the University, to the Escrow Agent for deposit in the Escrow Fund (the **"Escrow Fund"**) established under the Escrow Trust Agreement to purchase direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the **"Escrowed Securities"**). The Escrowed Securities will mature in such amounts and at such times as will be sufficient, together with interest to accrue thereon and any cash deposit to the Escrow Fund, to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds as the same become due and payable to and including the redemption date. The Refunded Bonds will be redeemed on June 1, 2017.

Robert Thomas CPA, LLC, Shawnee Mission, Kansas (the **"Escrow Verifier"**), a firm of independent certified public accountants, will provide a report to the effect that the principal of and interest income on the

Escrowed Securities, together with any cash deposit in the Escrow Fund, will provide sufficient moneys to make the required payments in accordance with the University's refunding plan as set forth herein.

Upon delivery of the Bonds, the Escrow Verifier will deliver to the University and the Financial Advisor a report indicating that such firm has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Financial Advisor and the University and its representatives. Included in the scope of the Escrow Verifier's examination will be a verification of the mathematical accuracy of certain computations relating to (a) the adequacy of the maturing principal amount of the Escrowed Securities held in the Escrow Fund, interest earned thereon and certain uninvested cash to pay the principal of, redemption premium, if any, and the interest on the Refunded Bonds and (b) the mathematical computations supporting the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Code. Such verification of the accuracy of the computations will be based upon information supplied by the Financial Advisor and on interpretations of the Code provided by Bond Counsel.

After the issuance of the Bonds and the deposit of the proceeds thereof with the Escrow Agent, the principal of and interest on the Refunded Bonds will be payable from the maturing principal of the Escrowed Securities and other funds on deposit in the Escrow Fund. The Escrow Trust Agreement provides that the Escrowed Securities are irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds and may be applied only to such payment.

Sources and Uses of Funds

The following table summarizes the sources of funds, including the proceeds from the sale of the Bonds, and the expected uses of such funds in connection with the plan of financing:

Sources of Funds:	
Proceeds of the Bonds	$
Deposit from Debt Service Reserve Fund for Refunded Bonds	
Net Original Issue Premium	
Total	$
Uses of Funds:	
Deposit to the Escrow Fund	$
Costs of Issuance[1]	
Total	$

(1) Includes Underwriter's discount.

Remaining Obligations

Parity Bonds. After the issuance of the Bonds and the refunding of the Refunded Bonds, the University will have the following bonds outstanding that are payable from the Net Revenues of the System:

Series of Bonds	Principal Amount Outstanding
Housing System Revenue Bonds, Series 2013 (the "Series 2013 Bonds")	$19,000,000
Housing System Refunding Revenue Bonds, Series 2015 (the "Series 2015 Bonds")	12,595,000
Housing System Refunding Revenue Bonds, Series 2016	19,970,000*
Total Bonds Outstanding	$51,565,000*

The Series 2013 Bonds and the Series 2015 Bonds are payable from and secured by the Net Revenues of the System on a parity with the Bonds and any additional Parity Bonds hereafter issued by the University.

Other Obligations. The University has entered into operating leases for photocopiers and other office equipment.

THE SYSTEM

System Facilities

The System includes the following residence hall facilities:

Name	Year of Construction	Year of Major Renovations	Number of Floors	Capacity	Type	Room Type
Missouri Hall	1965	2007	5	508	Coed	2-3/person
Ryle Hall	1963	2010-11	5	527	Coed	Suite
Centennial Hall	1968	2012-14	5	538	Coed	Suite
Dobson Hall	1961	2009	4	386	Coed	2/person
Nason Hall	1949	2008	3		Coed	4/person
Blanton Hall	1949	2008	3	330	Coed	2/person
Brewer Hall	1957	2008	3		Coed	2/person
Campbell Apartments	1965	2006	2	130	n/a	3/person
Randolph Apartments	1980-82		1	30	n/a	13 apts
West Campus Suites	2006		4	416	Coed	Suite

The System also includes any housing, dining and/or other auxiliary enterprises hereafter constructed, acquired, owned, or operated by the University and which becomes a part of the System. The University may exclude or delete from the System (i) any facilities heretofore or hereafter constructed or acquired, which are not financed with the proceeds of revenue bonds payable from the income and revenues of the System, and for which the University maintains separate and distinct operations, facilities and records and (ii) any facilities abandoned, disposed of or deleted in accordance with the provisions of the Bond Resolution.

The University reduced System capacity for the 2015-16 academic year as planned under the multi-year housing renovation program which began in 2006. See the caption "*THE SYSTEM – Renovation Projects*" herein. The University determined that it was not cost-effective to renovate Grim Hall and Fair Apartments, and therefore those facilities were scheduled for demolition or other use. During the 2016-17 academic year Fair Apartments will be utilized as faculty offices during an academic renovation; the University will transfer to the housing system accounts an amount equal to the estimated value of the facility used, based on square footage.

* Preliminary; subject to change.

System Revenues

The University currently charges a range of fees from $5,520 to $5,940 per academic year for the typical two-person room. Meal plans per academic year range in price from $2,390 for 10 meals per week to $3,140 for unlimited meals. At the December 5, 2015 Board meeting, the room and board rates were set for the 2016-17 academic year. The average room and board rate will be 1% higher than the 2015-16 academic year rates. See the caption *"THE SYSTEM – Residence Hall Rates"* herein.

Other sources of income included in the Revenues of the System are commissions from operation of the University's bookstore, income from snacks/beverage vending operations, commissions from food service catering, residence hall parking revenues, revenue from non-resident rentals of residence hall space for meetings and conferences, and investment income earned on unexpended proceeds from operations.

Student Union Fee

Included in the Net Revenues of the System are the proceeds derived from a Student Union fee established by the Board and collected from all enrolled students. The table below shows historical collections of this fee for the last 5 fiscal years:

Year	Student Union Fee	Total Fee Collected
2014-15	$190	$1,068,442
2013-14	190	1,082,828
2012-13	190	1,149,271
2011-12	182	1,093,910
2010-11	176	1,017,632

Residence Hall Rates

Room and board rates for 2016-17 were established at the December 5, 2015 Board meeting. In general, room rates were not increased from the previous year. Food plan options are similar to those available at other campuses and increased 2.85% from the 2015-16 academic year.

Room rates for the 2016-17 academic year will be as follows:

Missouri/Dobson/Centennial

Size of Room	Charge for Academic Year
Single Occupancy	$6,380 per student
Double Occupancy	5,520 per student
Deluxe Double	6,150 per student
Multiple Occupancy	5,060 per student
Super Single – Buyout	7,000 per student

Blanton Nason Brewer/ Ryle West Campus Suites

Size of Room	Charge for Academic Year
Single Occupancy	$6,940 per student
Double Occupancy	5,940 per student
Deluxe Double	6,570 per student
Multiple Occupancy	5,440 per student
Super Single – Buyout	7,530 per student

Patterson House

Size of Room	Charge for Academic Year
Double Occupancy	$5,720 per student

Randolph Apartments

Size of Room	Charge for Academic Year
One Bedroom; Single Occupancy	$4,740 per student
Two Bedroom; Double Occupancy	4,620 per student
Family One Bedroom	6,610 per family
Family Two Bedroom	6,970 per family

Campbell Apartments

Size of Room	Charge for Academic Year
One Bedroom; Double Occupancy	$4,740 per student
Two Bedroom Triple Occupancy	4,620 per student
Family One Bedroom	7,320 per student
Family Two Bedroom	8,430 per family

Food plans rates per semester for 2016-17 academic year are as follows:

All Access to the cafeteria with $75 dining dollars: $1,615
20 meals per week with $100 dining dollars: $1,512
14 meals per week with $125 dining dollars: $1,414
10 meals per week with $100 dining dollars: $1,230
150 meals per semester with $200 dining dollars: $1,330

Comparative Rates

The University has surveyed competing public and private institutions of higher education to determine the room and board rates at such institutions. The survey showed that the average residence hall room and board rate of the institutions surveyed was $9,227. The institutions included in the survey and their 2015-2016 rates were as follows:

Institution	Academic Year Room and Board Rates
Missouri State University	$8,130
Truman State University	**8,480**
William Jewell College	8,880
Northwest Missouri State University	9,038
Missouri University of Science and Technology	9,464
University of Missouri - Columbia	10,062
Creighton University	10,290

Source: Institutional Web Pages.

Occupancy of System

The following table shows the occupancy rate for the residence halls for the current and four previous years.

Year	Capacity	Fall Occupancy Rate	Spring Occupancy Rate	Annual Occupancy Rate
2015-16	2,865	88.0%	N/A	N/A
2014-15	2,971	89.4	82.9%	86.2%
2013-14	2,716	92.6	86.7	89.7
2012-13	2,754	97.6	92.7	92.5
2011-12	3,126	91.3	87.3	89.3

Source: Truman State University.

The University requires all first-year freshmen (24 Truman credits and less) to live in a residence hall. This does not include students over 21 years of age, married students, transfer students, or students commuting from home and living with immediate family. Immediate family is defined as parents, guardians, and grandparents.

All upperclass-status students (more than 24 credits) must carry a minimum of 12 credits per semester to live in the halls unless prior approval has been received from the Director of Residence Life.

Renovation Projects

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.

The only major renovation project planned in the near term for auxiliary facilities involves the Student Union. In summer 2016, the food court will be renovated with several new concepts, including a Chick-fil-A. This project will be funded by surplus revenue generated via the University's contract with Sodexo, the University's food service contractor.

Routine maintenance and repair of the residence halls will occur as needed utilizing System surplus funds.

Future Financing

The only major project being contemplated during the next five years is a possible expansion of the Student Recreation Center. This facility was completed in 1996 and is fully supported by a designated student fee. The bonds issued to construct the Recreation Center were redeemed and prepaid using institutional reserves. The internal borrowing that financed the redemption will be fully repaid in June 2016; student fee funds will then be accumulated and held in reserve for potential renovation or expansion of the facility.

Insurance

The property owned by the University, including the facilities that are a part of the System, together with all facilities of 83 other public and private colleges and universities, are presently insured through the Midwestern Higher Education Commission ("MHEC"). The first policy layer has limits of $1,000,000 per occurrence and $100,000,000 aggregate limit shared by all MHEC members with two policies, 70% insured by Lexington Insurance Company, Boston, Massachusetts and 30% insured by Zurich North America, Chicago, Illinois. The second policy layer is dedicated solely to the University under a policy with Lexington Insurance Company, Boston, Massachusetts, which has a $1,000,000 per occurrence limit and no aggregate limit. The third policy has limits of $400,000,000 per occurrence and no aggregate limit. For insurance purposes, the University currently values its buildings at $414,664,849 and building contents at $101,296,837. The policies also provide service interruption insurance which covers, among other activities, the System. See "*SUMMARY OF THE RESOLUTION - Insurance*" in *Appendix C* for the covenants of the University regarding insurance, which covenants permit the University to vary its insurance coverage so long as it is of the character and coverage and in an amount as would normally be carried by state educational institutions in Missouri operating similar facilities.

In addition to the foregoing traditional insurance coverage, the University, as an agency of the State of Missouri, is presently protected under the sovereign immunity provisions of the Missouri statutes. The Missouri statutes also provide for a state legal defense fund which provides for payment of claims.

Revenue Bonds

Following issuance of the Bonds and the refunding of the Refunded Bonds, the only outstanding revenue bonds payable from the revenues of the System will be the Bonds, the Series 2013 Bonds and the Series 2015 Bonds. The University has no power to tax and consequently has no general obligation indebtedness.

Additional Obligations

In December 2014, the University engaged an engineering firm that specializes in guaranteed energy savings projects for governmental units, including universities. Section 8.231 of the Revised Statutes of Missouri, as amended, authorizes political subdivisions to enter into energy savings contracts guaranteeing that either energy or operational cost savings will meet or exceed the costs of the energy savings projects, adjusted for inflation, within 15 years. In May 2015, the University entered into an Energy Performance Contract with Energy Solutions Professionals, LLC (the "Contractor") for a total projected cost of $10,500,000, including replacement of lighting systems, upgrade of building control systems, upgrade of HVAC, and other energy savings measures. The project was approximately 80% academic/administration facilities and 20% auxiliary facilities, including residence halls, the Student Union and the Student Recreation Center. The Contractor has projected annual savings of approximately $1,000,000 per year over a 10-year period.

In connection with the energy savings project, the University entered into a lease purchase agreement to finance the energy efficiency improvements in the amount of $9,247,600; approximately $1,849,520 of the tax-exempt lease is attributable to improvements to the System. As required by Missouri law, the energy or operational cost savings, or both, will be guaranteed by the contractor to be sufficient to make the lease payments due each year.

No Previous Defaults

The University has never defaulted in the payment of principal and interest on a revenue bond issue or on any other financial obligation.

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Debt Service Requirements

The following schedule shows the yearly principal and interest requirements for the Bonds and the outstanding Series 2013 Bonds and the Series 2015 Bonds (collectively, the "Outstanding Bonds").

		The Bonds		
Fiscal Year Ending June 30	**Outstanding Bonds**	**Principal**	**Interest**	**Total**
2016	$1,801,876			
2017	2,335,753			
2018	2,327,928			
2019	2,333,178			
2020	2,338,628			
2021	2,337,078			
2022	2,338,678			
2023	2,343,278			
2024	2,345,678			
2025	2,349,678			
2026	2,355,878			
2027	2,352,028			
2028	2,351,678			
2029	2,361,403			
2030	2,352,050			
2031	2,359,313			
2032	2,358,403			
2033	2,358,090			
2034	933,750			
2035	0			
TOTAL	$42,634,346			

System Reserves

The System had reserves aggregating approximately $17.7 million as of June 30, 2015, which were held as a part of three broad categories. The Quasi-Endowment Fund totaled $5.9 million for the System; these funds may only be used with Board approval. The Auxiliary Operating Fund had approximately $1 million in reserves, which can be spent on auxiliary-related expenses (including for the System). Plant Funds include debt service and repair and replacement funds required by the resolutions authorizing the Series 2008 Bonds, Series 2013 Bonds and Series 2015 Bonds and reserves for future projects; the Plant Funds totaled $10.8 million as of June 30, 2015.

The University spent auxiliary reserves for renovations to the System ($13.9 million of which was spent on Centennial Hall), as follows for the last three fiscal years:

Fiscal Year	**Auxiliary Reserves Spent on Renovations**
2015	$ 570,024
2014	5,160,124
2013	7,011,775

Housing System Revenue and Expenditures

The following table summarizes the revenue and expenditures of the System for the past five fiscal years ending June 30.

	2011	2012	2013	2014	2015
Revenues[(1)]	$21,327,799	$21,349,439	$21,311,384	$20,114,025	$21,698,128
Current Expenses[(2)]	(13,309,915)	(14,320,769)	(13,949,602)	(14,022,968)	(14,525,703)
Net Available for Debt Service	$ 8,017,884	$ 7,028,670	$ 7,361,782	$ 6,091,057	$ 7,172,435
Debt Service for Fiscal Year[(3)]	$ 4,297,256	$ 4,302,969	$ 4,443,175	$ 4,034,805	$ 3,741,870
Coverage	1.87%	1.63%	1.66%	1.51%	1.92%

(1) Revenues include investment income and plant revenues as described in the Audited Financial Statements of the University for the fiscal years ended June 30, 2010-2014. Revenues declined from 2013 to 2014 for two primary reasons: (a) renovation of Ryle Hall and Centennial Hall reduced housing availability and (b) a small student cohort in the graduation class of 2018.

(2) Current Expenses exclude depreciation and interest on capital asset-related debt and include plant expenses as described in the Audited Financial Statements of the University for the fiscal years ended June 30, 2010-2014.

(3) Debt service for fiscal years ended June 30, 2011-2013 includes debt service on the University's Housing System Revenue Bonds, Series 2004, which were refunded in 2013, the University's Housing System Revenue Bonds, Series 2006 (the "Series 2006 Bonds") and the Refunded Bonds. Debt service for fiscal years ended June 30, 2014-15 includes debt service on the Series 2006 Bonds, the Refunded Bonds and the Series 2013 Bonds.

Source: Truman State University, Office of the Comptroller.

BONDOWNERS' RISKS

The following is a discussion of certain risks that could affect payments to be made by the University with respect to the Bonds. Such discussion is not, and is not intended to be, exhaustive and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Bonds should analyze carefully all the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in the Appendices hereto, copies of which are available as described herein.

General

The Bonds are special obligations of the University payable by the University solely from the Net Revenues of the System. No representation or assurance can be given that the University will realize Net Revenues from the System in amounts sufficient to make such payments with respect to the Bonds. The realization of future revenues is dependent upon, among other things, student enrollment, the capabilities of the administration of the University responsible for the System, and future changes in economic and other conditions that are unpredictable and cannot be determined at this time.

Withholdings of and Shortfalls in State Appropriations

Traditionally, the largest source of Education and General Revenue for the University has come through state appropriations. The Governor has indicated that his Fiscal Year 2017 budget proposal will include a six (6) percent increase in performance funding for higher education. Final budget plans will be announced in mid-January 2016. The Governor's budget is subject to approval by the Missouri General Assembly, so the final amount of increase, if any, may be different than what is originally proposed. See *"FINANCIAL INFORMATION CONCERNING THE UNIVERSITY - State Support"* in *Appendix A*. State appropriations do not directly affect the

System, which as an auxiliary system does not receive State appropriations. Future levels of State support of the University could directly and indirectly affect enrollment at the University, which, in turn, would likely have an effect on the Revenues of the System.

Article IV, Section 27 of the Missouri Constitution authorizes the Governor to control the rate at which any appropriation is expended during the period of the appropriation by allotment or other means. This section also authorizes the Governor to reduce the expenditures of the State of Missouri or any of its agencies below their appropriations whenever the actual revenues are less than the revenue estimates upon which the appropriations were based. The normal Governor's reserve from appropriated funds is three (3) percent, and the University budgets with the expectation that the actual funds received by the University will always be three (3) percent less than the amount appropriated due to the withholding of the normal Governor's reserve. The effect of the withholdings in any year is to reduce the State of Missouri's overall budget. Future revenue shortfalls for the State of Missouri or increased spending pressures for the State of Missouri in other areas, or a combination of the two may adversely affect future State appropriations for the University.

Enrollment

The University has recently experienced stable demand for its educational programs. No assurance can be given, however, that enrollment at the University will remain at historical levels. See *GENERAL INFORMATION CONCERNING THE UNIVERSITY - Enrollment"* in *Appendix A.* Enrollment may depend on state support and state appropriations could directly or indirectly adversely affect enrollment at the University. A significant decrease in the University's enrollment could adversely affect the University's financial position and results of operations of the System.

Student Fees

A portion of the Revenues of the System is derived from student fees dedicated to the System. See the caption *"THE SYSTEM – Residence Hall Rates"* herein. Although the University has been able to raise student fees for the System in the past, there can be no assurance that the University will be able to do so in the future or that any future increases in student fees will not adversely affect enrollment and student demand for System facilities. Additionally, the University may need to increase tuition in the future which could make it difficult to also increase student fees for the System and maintain the same level of enrollment and student demand for the facilities of the System.

Financial Aid

A significant percentage of the University's undergraduate and graduate students receive financial support in the form of federally supported loans and scholarships and grants from the University. There can be no assurance that the amount of federally supported loans will remain stable or increase in the future. If the amount of such loans decreases in the future, there can be no assurance that the University will be able to increase the amount of financial aid provided by it. Any change in the availability of financial aid could adversely affect the University's enrollment and student demand for the facilities of the System.

Increasing Operating Costs

The University has experienced and expects to continue to experience increasing operating costs in a number of areas, including particularly health insurance costs and retirement benefit costs. The occurrence of these types of unanticipated cost increases in the future would have an adverse effect on the operating costs of the University.

Other Factors Affecting the Operations of the University

One or more of the following factors or events, or the occurrence of other unanticipated factors or events, could adversely affect the University's operations and financial performance (and thereby the operations and financial performance of the System) to an extent that cannot be determined at this time:

1. *Changes in Administration*. The success of the University is highly dependent upon the vision and leadership of its President. The University could experience administrative or operational challenges in the future if there is a change in the executive management of the University, particularly in the office of the President. See *"GENERAL INFORMATION CONCERNING THE UNIVERSITY - Governance"* and *"- Administrative Organization"* in *Appendix A.*

2. *Future Economic Conditions*. Adverse economic conditions or changes in demographics in the service area of the University could increase the proportion of students who are seeking financial aid. Also, an inability to control expenses in periods of inflation and difficulties in increasing tuition and other fees could affect the quality of educational services.

3. *Competition from Other Educational Providers*. Increased competition from other public or private educational facilities, including for-profit higher education providers, which may offer comparable programs at lower prices, could adversely affect the ability of the University to maintain enrollment or adversely affect the ability of the University to attract faculty and other staff.

4. *Tuition and Fee Increases.* In the past, increases in tuition and related student fees have been necessary to partially offset the increasing costs of the University and have been effected without adversely affecting enrollment. The State budget proposed by the Governor for fiscal year 2017 calls for a 6% increase in funding for the University, but the appropriation will not be finalized until May 2016.

The University currently does not expect to increase educational fees during the 2016-2017 academic year (see the caption *"FINANCIAL INFORMATION – Student Fees and Tuition"* in *Appendix A*). An increase in tuition and other fees could adversely affect enrollment and thereby decrease student demand for University facilities.

The University has covenanted in the Bond Resolution to collect rates, fees and charges in an amount sufficient to pay the costs of operating and maintaining the System and to pay the principal of and interest on the Bonds. In 2007, the Missouri General Assembly enacted legislation (codified in Section 173.1003 of the Missouri Revised Statutes) that, except as provided in the next sentence, limits tuition and other required fee increases for full-time resident undergraduate students at publicly-supported universities to the annual percentage change in the consumer price index. The limit does not apply to fees approved by a university's student body or if a university obtains a waiver from the Missouri Commissioner of Higher Education (the "Commissioner"). If the limit is exceeded, the law requires the affected institution to remit to the Missouri Coordinating Board for Higher Education (the "Coordinating Board") an amount equal to five (5) percent of its current year state operating appropriation unless the institution appeals to the Commissioner for a waiver of the requirement. In determining whether a waiver request is sufficiently warranted, the Commissioner will take into consideration certain factors, including the relationship between state appropriations and the consumer price index and any extraordinary circumstances.

5. *Gifts, Grants and Bequests.* Any decreases in the annual gifts, grants and bequests to the University could adversely affect the financial condition of the University and result in the need to increase tuition or reduce services, either of which could adversely affect enrollment.

6. *Organized Labor Efforts*. Efforts to organize employees of the University into collective bargaining units could result in adverse labor actions or increased labor costs. Currently, the physical plant employees are represented by Laborers Local 773.

7. *Environmental Matters*. At this time, there are no legislative, regulatory, administrative or enforcement action involving environmental controls that could adversely affect the operation of the facilities of the University. But the implementation of such actions in the future could adversely affect University operations.

8. *Natural Disasters*. The occurrence of natural disasters, such as floods, droughts or earthquakes, could damage the facilities of the University, interrupt services or otherwise impair operations and the ability of the System to produce Revenues.

Tax-Exempt Status of the Bonds

The failure of the University to comply with certain covenants set forth in the Bond Resolution (see **"TAX MATTERS"**), could cause the interest on the Bonds to become includable in federal gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bond Resolution does not provide for the payment of any additional interest or penalty if the interest on the Bonds becomes includable in gross income for federal income tax purposes.

No Reserve Fund

The University has not established a reserve fund to secure the payment of the Principal and Interest on the Bonds. There is no assurance that the University will have funds available for the timely payment of the Principal and the Interest on the Bonds as the same become due.

Risk of Audit

The Service has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. No assurance can be given that the Service will not commence an audit of the Bonds. Owners of the Bonds are advised that, if an audit of the Bonds were commenced, in accordance with its current published procedures, the Service is likely to treat the University as the taxpayer, and the Owners of the Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Secondary Markets and Prices

The Bonds are not readily liquid, and no person should invest in the Bonds with funds such person may need to convert readily into cash. Owners of the Bonds should be prepared to hold their Certificates to the stated maturity date. The Underwriter will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance can be given that any secondary market will develop following the completion of the offering of the Bonds as no assurance can be given that the initial offering price for the Bonds will continue for any period of time.

Investment Ratings

The lowering or withdrawal of the investment rating initially assigned to the Bonds could adversely affect the market price for and the marketability of the Bonds.

Defeasance Risks

When any or all of the Bonds or the interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and the pledge of revenues made thereunder and all other rights granted thereby shall terminate with respect to the Bonds so paid and discharged. Bonds shall be deemed to be paid within the meaning of the Bond Resolution when payment of the principal on such Bonds, plus premium, if any, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided in the Indenture, or otherwise), either (a) has been made or caused to be made in accordance with the terms of the Bond Resolution, or (b) provision therefore has been made by depositing with the Paying Agent, in trust and irrevocably setting aside exclusively for such payment, (1) moneys sufficient to make such payment or (2) non-callable Government Securities maturing as to principal and interest in such amount and at such times as will ensure the availability of sufficient moneys to make such payment and the Paying Agent shall have received an opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that such deposit of interest on any Bonds will not result in the interest on any Bonds then Outstanding and exempt from taxation for federal income tax purposes becoming subject to federal income taxes then in effect and that all conditions precedent to the satisfaction of the Bond Resolution have been met. Any money and non-callable Government Securities that at any time shall be deposited with the Paying Agent by or on behalf of the University, for the purpose of paying and discharging any of the Bonds or the interest payments thereon, shall be assigned, transferred and set over to the Paying Agent in trust for the respective Owners of the Bonds, and such moneys shall be irrevocably appropriated to the payment and discharge thereof. Non-callable Government Securities include, in addition to cash and obligations pre-refunded with cash, bonds, notes, certificates of indebtedness, treasury bills and other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America. Historically, such United States obligations have been rated in the highest rating category by the rating agencies. There is no legal requirement in the Bond Resolution that Government Securities consisting of such United States obligations be or remain rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and that could include any rating of the Bonds defeased with Government Securities to the extent the Government Securities have a change or downgrade in rating.

BOND RATING

The Bonds have been assigned the rating of "A1 (stable)" by Moody's Investors Service, Inc. (the **"Rating Agency"**), based on the Rating Agency's evaluation of the creditworthiness of the University. An explanation of the significance of such rating may be obtained only from the Rating Agency. The University has furnished the Rating Agency with certain information and materials relating to the Bonds and the University that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that this rating will remain in effect if, in the judgment of the Rating Agency, circumstances warrant. Except as described in the Omnibus Continuing Disclosure Agreement, neither the University nor the Underwriter has undertaken any responsibility to bring to the attention of the Owners of the Bonds any proposed revision or withdrawal of a rating of the Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of the rating may have an adverse effect on the market price and marketability of the Bonds.

FINANCIAL ADVISOR

Columbia Capital Management, LLC, a registered municipal advisor, has served as financial advisor to the University with respect to the issuance of the Bonds and has assisted in matters relating to the planning, structuring and issuance of the Bonds. The Financial Advisor has not, however, independently verified the factual information contained in the Official Statement.

UNDERWRITING

Commerce Bank, Kansas City, Missouri (the "Underwriter") has agreed, subject to certain conditions, to purchase the Bonds at a price of $__________ (representing the aggregate principal amount of the Bonds, plus a net original issue premium of $__________, and less an underwriting discount of __________). The Underwriter may sell certain maturities of the Bonds at a price greater than such purchase price, as shown on the inside cover page hereof. The Underwriter is purchasing the Bonds for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, determines.

LEGAL MATTERS

Legal Proceedings

As of the date hereof, there is no pending or, to the knowledge of the University, threatened litigation restraining or enjoining the execution or delivery of the Bonds, or questioning or affecting the validity of the Bonds, or the proceedings or authority under which the Bonds are to be executed and delivered. Neither the creation, organization nor existence of the University, nor the title of any of the present members of the Board of the University to their respective offices is being contested. The University regularly experiences litigation and claims against it in the ordinary course of operations, including particularly employment-related claims. The University does not believe the ultimate outcome of the pending suits and claims against the University will have a material adverse effect on the financial condition or results of operations of the University.

Approval of Legality

Certain legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the University. Certain matters relating to the Official Statement will be passed upon by Gilmore & Bell, P.C., as disclosure counsel to the University.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the University, under the law existing as of the issue date of the Bonds:

Federal and State of Missouri Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Alternative Minimum Tax. Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The Bonds have not been designated "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Bond Counsel's opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the University comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The University has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and State of Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the heading **"TAX MATTERS."**

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount ("OID") is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is the first price at which a substantial amount of the Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

Original Issue Premium. If a Bond is issued at a price that exceeds the stated redemption price at maturity of the Bond, the excess of the purchase price over the stated redemption price at maturity constitutes "premium" on that Bond. Under Section 171 of the Code, the purchaser of that Bond must amortize the premium over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

CONTINUING DISCLOSURE

The University and UMB Bank, N.A., as dissemination agent (the "Dissemination Agent"), have previously entered into an Omnibus Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), and which will be made applicable to the Bonds by the execution of an Adoption Agreement, for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule").

Pursuant to the Continuing Disclosure Agreement, the University will, or will cause the Dissemination Agent to, not later than 180 days after the end of the University's fiscal year, provide to the Municipal Securities Rulemaking Board, (the "MSRB") through the Electronic Municipal Market Access system ("EMMA") the following financial information and operating data (the "Annual Report"):

(1) The audited financial statements of the System and the University for the prior fiscal year, prepared in accordance with generally accepted accounting principles. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report may contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the fiscal year of the following financial information and operating data set forth in the tables contained in this Official Statement in substantially the same format contained in this Official Statement:

THE SYSTEM
System Facilities
Occupancy of System
Housing System Revenue and Expenditures

APPENDIX A - Enrollment (including all tables under such heading)

Pursuant to the Continuing Disclosure Agreement, the University also will give, or cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds ("Material Events"):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the University;
(13) the consummation of a merger, consolidation, or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(14) appointment of a successor or additional trustee or the change of name of the Bond Trustee, if material.

If the Dissemination Agent has been instructed by the University to report the occurrence of a Material Event, the Dissemination Agent will promptly file a notice of such occurrence with the MSRB, with a copy to the University.

Notwithstanding any other provision of the Continuing Disclosure Agreement, the University and the Dissemination Agent may amend the Continuing Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the University) and any provision of the Continuing Disclosure Agreement may be waived, provided Bond Counsel or other counsel experienced in federal securities law matters provides the Dissemination Agent with its opinion that the undertaking of the University, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to the Continuing Disclosure Agreement.

The University's record of compliance with its continuing disclosure obligations within the last five years is summarized in the table below:

Summary of Continuing Disclosure Filings

Fiscal Year Ending	**Filing Due Date**	**System Financial Information Filing Date**	**University Financial Information Filing Date**	**Operating Data Filing Date**(1)
6/30/11	12/27/11	12/28/11	3/22/12	-
6/30/12	12/27/12	3/14/13	1/9/13	-
6/30/13	12/27/13	12/31/13	4/23/15	4/23/15
6/30/14	12/27/14	12/16/14	12/16/14	12/16/14
6/30/15	12/27/15	12/28/15	12/22/15	12/23/15

(1) A portion of the required operating data for fiscal years ended June 30, 2011 through 2012 was included in the audits filed by the University. However, this operating data was not in the same format as presented in the applicable official statements. Beginning with fiscal year ended June 30, 2013, the University began filing a separate Annual Report that contained all of the required operating data.

Prior to 2014, the University did not fully comply with its previous undertakings under the Rule as shown on the table above. Such inadvertent noncompliance included (i) not timely providing the University's audited financial statements to the nationally recognized municipal securities information repositories in certain years and (ii) omitting the required update of the financial and operating data described above in certain years. The required financial information and operating data for fiscal year ended June 30, 2013 was provided to the University's dissemination agent in a timely manner but was not timely or properly uploaded to the EMMA website. The University believes that the procedures it has in place, including the appointment of a bond compliance officer with the responsibility over the continuing disclosure filings, will ensure compliance with its continuing disclosure obligations in the future.

MISCELLANEOUS

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the University, and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized. The descriptions contained in this Official Statement of the Bonds and the Bond Resolution do not purport to be complete and are qualified in their entirety by reference thereto.

Simultaneously with the delivery of the Bonds, the Comptroller of the University, acting on behalf of the University, will furnish to the Underwriter a certificate which shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

The form of this Official Statement and its distribution and use by the Underwriter have been approved by the University.

TRUMAN STATE UNIVERSITY

By: ____
Chair of the Board of Governors
of Truman State University

By: ____
President of Truman State University

By: ____
Comptroller of Truman State University

APPENDIX A

INFORMATION CONCERNING THE UNIVERSITY

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GENERAL INFORMATION CONCERNING THE UNIVERSITY

Truman State University (the "University") is located in Kirksville, Missouri, a city of approximately 17,000 residents on U.S. Highway 63 in the northeast portion of Missouri approximately 90 miles northwest of Columbia, Missouri, 160 miles northeast of Kansas City, Missouri, and approximately 200 miles northwest of St. Louis, Missouri. Kirksville, Adair County's county seat, serves as the area's center for commerce, banking, education, agriculture, enterprise and light industry. The campus is located in the city limits and the business district is within easy walking distance.

History and Description

A public liberal arts and sciences university for men and women, the University marked the beginning of its history on September 2, 1867, when Joseph Baldwin opened the North Missouri Normal School and Commercial College. Subsequently on December 29, 1870, Missouri's General Assembly acted to make Baldwin's private college the First District Normal School, the first Missouri-supported institution of higher education established for the primary purpose of preparing teachers for public schools. The University was accredited as a four-year teachers college in 1914 and was officially recognized as Northeast Missouri State Teachers College in 1919. It became Northeast Missouri State College in 1967 and was renamed Northeast Missouri State University in 1972. On June 20, 1985, following legislative action by the Missouri General Assembly, Northeast became Missouri's public liberal arts and sciences university, expanding its mission from a regional to a statewide institution. On July 1, 1996, Northeast was renamed Truman State University.

The main campus consists of approximately 180 acres of land, with 46 buildings.

Truman State University was accredited by the Higher Learning Commission of the North Central Association Schools as early as 1914 and has maintained full accreditation for all its programs through the years since then. The most recent comprehensive evaluation by the Higher Learning Commission was in 2015 and the next evaluation will be in 2024-25. The following various agencies also fully accredit specific programs:

AACSB International-The Association to Advance Collegiate Schools of Business
American Chemical Society
American Speech-Language-Hearing Association
Commission on Accreditation of Athletic Training Education
Commission on Collegiate Nursing Education
National Association of Schools of Music
National Council for Accreditation of Educator Preparation

Governance

The University is governed by a ten-member Board of Governors (the "Board"), which includes two out-of-state non-voting members and a non-voting student member. The members of the Board are as follows:

S*arah Burkemper, Chair, Troy, Missouri.* Ms. Burkemper is a certified public accountant and a certified financial planner who has her own practice. She served as the public administrator for Lincoln County, Missouri for 12 years, retiring from the position in December 2008. Ms. Burkemper was appointed to the Board of Governors in March 2012.

Mike LaBeth, Vice Chair, Kirksville, Missouri. Mr. LaBeth is a real estate broker and owner of Heritage House Realty, Inc. Mr. LaBeth was appointed to the Board of Governors in January 2013.

Cheryl J. Cozette, Secretary, Columbia, Missouri. Ms. Cozette serves as an adjunct professor in educational leadership and policy analysis at the University of Missouri-Columbia and as a special consultant to the eMINTS National Center from programs related to school administrators. Ms. Cozette was appointed to the Board of Governors in April 2007.

Dr. Laura A. Crandall, St. Louis, Missouri. Dr. Crandall is an internal medicine physician and is a partner at ESSE Health – Belleville Internal Medicine in Belleville, Illinois. She also serves as a preceptor for nursing practitioner students at the Barnes Goldfarb School of Nursing. Dr. Crandall was appointed to the Board of Governors in January 2016.

Susan Plassmeyer, St. Louis, Missouri. Ms. Plassmeyer is the Assistant Vice Chancellor of Alumni and Development, Administration and Development Services for Washington University in St. Louis. She also serves as an adjunct faculty for University College, which is a continuing education and professional studies division of Arts & Sciences at Washington University. Ms. Plassmeyer was appointed to the Board of Governors in February 2012

Jennifer Kopp Dameron, Kansas City, Missouri. Ms. Dameron is the owner of JK Dameron Development LLC specializing in real estate development. She served as the original chair for the Kansas City Land Bank and currently serves on the Kansas City Tax Increment Finance Board. Ms. Dameron was appointed to the Board of Governors in January 2016.

Jim O'Donnell, Hannibal, Missouri. Mr. O'Donnell is a fifth generation licensed funeral director and embalmer and serves as president of the James O'Donnell Funeral Home in Hannibal, Missouri. Mr. O'Donnell was appointed to the Board of Governors in March 2012.

David Lee Bonner, Chicago, Illinois. Mr. Bonner is an assistant state attorney with the State Attorney's office in Cook County, Chicago, and works in the criminal and civil litigation divisions. He also serves as a Judge Advocate in the U.S. Army Reserve. Mr. Bonner was appointed to the Board of Governors in January 2013 as a non-voting, out-of-state member.

Michael A. Zito, Washington, D.C. Mr. Zito is a partner in the law firm of Shook, Hardy & Bacon, LLC in Washington, D.C. He served in the United States Army Reserves from 1991-2012, and held the rank of Major in the Judge Advocate General Corps. Mr. Zito was appointed to the Board of Governors in March 2011 as a non-voting, out-of-state member.

Kelly Kochanski, St. Louis, Missouri. Ms. Kochanski is a sophomore exercise science major with a biology and psychology double minor. She is the student non-voting member of the Board appointed in March 2014.

Members of the Board serve a term of six years except for the student member who serves a two-year term. Members of the Board continue to serve upon the expiration of their terms until a replacement is appointed by the Governor and confirmed by the Missouri Senate. The Board has final approval regarding tuition, fees, and other charges, and approves the annual operating budgets.

Administrative Organization

The President of the University is Dr. Troy Paino, J.D., Ph.D. He is the University's 16th President, and has been President of the University since May 10, 2010. Prior to becoming President, he served as Provost and Vice President for Academic Affairs of the University from July 2008 through May 2010. He served as the Dean of the College of Liberal Arts at Winona State University in Minnesota from 2004 to 2008. Dr. Paino earned a BA degree from Evangel College and JD degree from Indiana University's Robert H. McKinney School of Law. He holds MA and Ph.D degrees from Michigan State University.

The University's on-campus management team is the President's staff that advises the President of the University and assists in planning, developing, evaluating, and recommending to the Board policy decisions for the operation of the University. Selected members of the President's staff are as follows:

The Executive Vice President for Academic Affairs and Provost is Dr. Sue Thomas. The Executive Vice President for Academic Affairs is responsible for academic activity and the personnel within the academic units. Dr. Thomas has been employed at the University since July 21, 2014. Prior to her appointment as Executive Vice President for Academic Affairs, Dr. Thomas served as associate provost for academic planning and program development at Southern Illinois University-Edwardsville. Dr. Thomas received a BS degree from Allegheny College in Meadville, Pennsylvania and MS and Ph.D. degrees from University of Missouri-Columbia.

The Vice President for Student Affairs is Lou Ann Gilchrist. The Vice President of Student Affairs is responsible for the overall development of student life and providing administrative supervision of the various University auxiliary services. Prior to her appointment as Vice President of Student Affairs, Ms. Gilchrist taught in the counselor preparation program at the University and directed the University Counseling Services. She has been employed at the University since 1984. She holds a BS degree from Brigham Young University and Masters in Counseling and Ed.D. degrees from Idaho State University.

The Vice President for Administration, Finance and Planning is David R. Rector. He is responsible for the budgeting function, institutional research, business areas, Campus Planning, Physical Plant, and Public Safety departments. He has been employed at the University since 1973. He holds BS and MA degrees from Truman State University and an MBA degree from the University of Oklahoma.

The Comptroller and Treasurer is Judy M. Mullins. The Comptroller is responsible for the investment of University funds, the financial records of the University and the business areas. She has been employed at the University since 1978. She holds a BS degree from Truman State University.

The Vice President for Enrollment Management is Regina Morin. She is responsible for Admission and Financial Aid functions at the University, and prior to her employment in January, 2008, served as Director of Admissions at Columbia College for 11 years, Director of Transfer enrollment at Simpson College for three years and in the admission office at Truman for 13 years. She holds MA and BS degrees from Truman State University.

The University General Counsel is Warren Wells. The General Counsel represents the University in all matters of litigation and provides legal advice and counsel to the Board of Governors, the President of the University and all other officers of the University. He has been employed at the University since 1995. He holds a BA degree in Political Science and a JD degree from the University of Missouri-Columbia.

Academic Programs and Faculty

Today, approximately 6,200 students attend Truman State University annually to gain a liberal arts education at an affordable cost. The University offers 51 undergraduate degrees, 8 graduate programs and 2 graduate certificate programs, 58 minors, several pre-professional areas of study and several additional areas of specialized study from five schools. Each year, graduates seeking admission to graduate and professional schools around the world enjoy a high rate of success. Within one year, 90.71% of the 2014 graduates were enrolled in professional or graduate programs or were employed.

The University primarily serves traditional college-age students who are full-time students living in residence halls or in off-campus locations in the City of Kirksville, Missouri.

More than twenty years ago, the University faculty under the leadership of then-President Charles J. McClain, took the initial steps toward implementing a comprehensive student assessment program to measure the quality of education at the University. During recent years, the University has gained national and international recognition for its model assessment program, the purpose of which is to ensure that each of its students receives a high-quality liberal arts education, tailored to his or her needs, and an academic degree of integrity.

The University has been recognized as the No. 1 Public University in the Midwest Region, Master's Category, by *U.S. News & World Report's "America's Best Colleges, 2015 Edition*." This recognition marks the eighteenth year the University has been awarded this top ranking. The University was also recognized as Number 1 for its "Strong Commitment to Teaching" and Number 5 on the list of "Great Schools, Great Prices." The University's reputation for research was also recognized in the "Focus on Student Success" under the category for "Undergraduate Research/Creative Projects

Kiplinger's Personal Finance magazine in 2015 listed the University at No. 19 on its list of "100 Best Values in Public Colleges". This report featured schools that "combine outstanding academics with affordable costs". The University is the highest-rated Missouri school on Kiplinger's list and was the only university to be included in the top 50. The University is also ranked twelfth in the nation for best out-of-state value and is highlighted as one of the "25 Best College Values in the Midwest" by *Kiplinger's Personal/Finance magazine 2015*.

The University ranked No. 40 on the list of best public colleges in America based on 19 indicators of academic excellence, affordability and diversity according to *The Business Journals, 2015.*

The University is committed to having small classes, and the current student to faculty ratio is 16:1. The following table sets forth the faculty trends for the Fall semester for the last four academic years.

Faculty

			Tenured		**Terminal Degree**	
Fall	**Full-Time**	**Part-Time**	**Number**	**Percentage**	**Number**	**Percentage**
2015	329	46	207	62.9%	270	82.1%
2014	320	51	220	68.8	272	85.0
2013	312	50	225	72.1	261	83.6
2012	316	60	232	73.4	266	84.2

Source: Truman State University, Office of the Comptroller.

Enrollment

The following table sets forth the University's matriculation rate (the percentage of those students who enroll as compared to the total number that are accepted) for the last four years.

Matriculation

Fall	**Applications**	**Acceptances**	**Matriculations**	**Percentage Enrolled**
2015	3,900	3,080	1,262	40.97%
2014	4,539	3,312	1,320	39.85
2013	4,462	3,221	1,329	41.26
2012	4,445	3,275	1,271	38.81

Source: Truman State University, Office of the Comptroller.

The average ACT composite score and the high school percentile ranking for first-year students enrolling in the University for each of the last four years is as follows:

Freshman Demographics

Fall	Average ACT Composite	Average High School GPA Ranking[1]
2015	27.05	3.77
2014	27.07	3.76
2013	27.20	3.77
2012	26.90	3.76

(1) Based on a 4.00 scale.
Source: Truman State University, Office of the Comptroller.

The University draws students from a wide geographic area in the Midwest. The undergraduate student population for the Fall 2015 was comprised of 68.1 percent from Missouri; 2.6 percent from Iowa; 8.7 percent from Illinois; 5.3 percent from other states; and 6.6 percent from foreign countries. For the Fall 2015 entering class, 23.1 percent were from the St. Louis region and 12.0 percent were from the Kansas City region.

The following table sets forth the enrollment (head count) of students for the past four academic years:

History of Enrollment
(Head Count)

Fall	Undergraduate	Graduate	Total	Men	Women
2015	5,853	355	6,208	2,510	3,698
2014	5,910	338	6,248	2,495	3,753
2013	5,898	327	6,225	2,477	3,748
2012	5,872	365	6,237	2,490	3,747

Source: Truman State University, Integrated Postsecondary Education Data System ("IPEDS") Enrollment Report.

FINANCIAL INFORMATION CONCERNING THE UNIVERSITY

Sources of Funding

The University's general operations are funded from State of Missouri (the "State") appropriations, student fees and tuition, gifts, grants, contracts and other sources. See "*THE SYSTEM*" for a discussion of Revenues pledged to secure the Bonds, which revenues are separate from the funds received for the University's general operations.

The amount of the University's general operations funded from various sources for the five preceding audited fiscal years is as follows.

Unrestricted Sources of Funding (Excluding System and Foundation Funds)

Fiscal Year Ending	State Appropriations and Payments	Student Fees and Tuition (Net of scholarship allowances)	Other
2015	$41,324,001	$26,893,843	$2,471,939
2014	38,542,055	27,675,006	2,686,070
2013	38,722,022	28,015,354	2,013,084
2012	38,733,033	26,792,968	2,388,311
2011	41,526,613	24,952,124	2,814,112

Source: Truman State University, Office of the Comptroller.

State Support

As a publicly supported institution of higher education in the State, the University receives annual appropriations from the State for operating expenses, such appropriations being made by the Missouri General Assembly from the general revenues of the State. The appropriation process includes an initial funding request to the State Coordinating Board for Higher Education, which in turn recommends institutional funding to the Governor. The Governor presents a budget proposal to the General Assembly; that proposal includes a lump-sum appropriation by campus. Historically, there are very few designated or restricted state appropriations for higher education.

The University's outlook is closely related to the financial status of the State. Traditionally, the largest source of Education and General Revenue for the University has come through state appropriations. The operating funds from the State for the University's 2016 fiscal year increased by 1.2%. The Governor has proposed a 6% increase in the State's budget for higher education for the State's fiscal year 2017. The fiscal year 2017 budget is still subject to approval and negotiation. The State has placed a partial limitation on the ability of institutions to increase tuition beyond the consumer price index ("CPI"). Missouri statutes permit larger increases in extenuating circumstances with the approval of the Coordinating Board for Higher Education. See "*BONDOWNERS' RISKS*" herein. The University will try to avoid these limitations by enhancing enrollment and exploring alternative revenue-generating opportunities.

The following table shows the amount of State appropriation for University operations as adopted by the General Assembly for fiscal year 2016 and the actual appropriations for the four preceding fiscal years, the amount of holdback by the Governor of the State under Missouri law in order to assure a balanced State budget, the net appropriation after holdback, and the percentage change in net appropriations from the prior year:

State Appropriations-Operating

Fiscal Year Ending	General Appropriation	Holdback	Net Appropriation	Change From Prior Year After Holdback
2016	$43,110,124	$1,293,304	$41,816,820	+1.19%
2015	42,602,063	1,278,062	41,324,001	+7.22%
2014	40,512,994	1,970,939(1)	38,542,055	-0.46
2013	39,919,610	1,197,588	38,722,022	-0.03
2012	40,377,812	1,644,779	38,733,033	N/A

(1) Additional holdback due to lower gaming/lottery revenues.
Source: Truman State University, Office of the Comptroller.

Student Fees and Tuition

The basic fee for students attending the University for the 2015-16 school year is $298 per credit hour for undergraduate residents of the State and $557.00 per credit hour for undergraduate nonresidents. Such basic charge includes all enrollment fees for students attending the University except room and board, student recreation building fee, student activity fee, student union fee, books and certain lab fees. These other fees are estimated at $619 per semester. The tuition fee is assessed on a per credit hour basis up to 12 hours. From 12 through 17 hours, the tuition fee is a flat $7,152 per academic year for undergraduate resident students and $13,376 per academic year for undergraduate nonresident students. Full-time students working toward graduate degrees at the University are assessed an annual graduate tuition of $343.50 per credit hour for residents of the State and $589.50 per credit hours for nonresidents.

The University estimates that fees charged students for attending the University will increase by annual CPI for Missouri resident undergraduates and by 1.5-2.5% for other students annually over the next five years. The Missouri General Assembly enacted a tuition cap on undergraduate, state resident costs beginning in the 2008-09 academic year. However, institutions may appeal this cap, which is based on the CPI, under certain circumstances. See *"BONDOWNERS' RISKS"* herein. Fees are established by Truman's Board of Governors upon the recommendation of the University's President.

Comparative Fees

The University has surveyed Missouri public institutions of higher education to determine the total charges for fees and tuition for residents of Missouri carrying 15 hours per semester for the 2015-16 school year. The institutions included in the survey and their 2015-16 fees and tuition for a full-time, resident undergraduate student were as follows:

Institution	Fees and Tuition
Harris-Stowe State University	$5,820
Missouri Southern State University	5,876
Missouri Western State University	6,652
Southeast Missouri State University	6,990
Lincoln University	7,042
Missouri State University	7,060
University of Central Missouri	7,322
Truman State University	**7,456**
Northwest Missouri State University	8,459
University of Missouri-Columbia	9,509
University of Missouri-Kansas City	9,553
Missouri University of Science and Technology	9,620
University of Missouri-St. Louis	10,065

Source: Missouri Department of Higher Education

Truman State University Foundation

The Truman State University Foundation (the "Foundation") is a separate nonprofit corporation organized to foster, cooperate and assist in the growth, development and advancement of the University, primarily by providing scholarships and supplementing faculty, departmental, athletic and other budgets. The Foundation's primary sources of revenue are private grants and contributions and earnings on investments. The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Truman's Foundation Board currently includes three members of the Board of Governors. The current Chair and immediate past-Chair of the Board of Governor's serve in this capacity, and the President of the University also serves on the Foundation Board.

The Foundation funds are not available to pay debt service on the Bonds. The Foundation provides general and scholarship funds to support the University. The following table sets forth the Foundation's total net assets for each of the last five fiscal years and is for informational purposes only.

The Foundation's spending policy for endowed accounts is determined by a 4.5% of a three year moving market average.

Net Assets

At June 30	Amount
2015	$44,238,314
2014	42,777,367
2013	37,219,906
2012	32,872,727
2011	30,858,580

Source: Truman State University, Office of the Comptroller.

Financial Aid Program

The University's financial aid program is designed to assist degree seeking students in their pursuit of a higher education at the University. The University is making a serious and concerted effort to insure that students of ability and desire have financial access to a higher education. Several major categories of student aid are available including, but not limited to, federal grants, federal loan programs, federal college or work study, state grants, University funded scholarships and Departmental scholarships. The University's students received approximately $61,998,276 in financial aid from all sources during the fiscal year ended June 30, 2015.

The table below summaries the gross tuition yield, discounting and net tuition received by the University for the last five fiscal years:

Fiscal Year Ended June 30	Gross Tuition	Discounts[1]	Net Tuition
2015	$52,973,964	$(26,080,121)	$26,893,843
2014	53,052,624	(25,377,619)	27,675,006
2013	51,822,945	(23,807,412)	28,015,534
2012	50,406,512	(23,613,544)	26,792,968
2011	48,648,047	(23,695,923)	24,952,124

(1) Discounts include scholarships, waivers, and federal grants.
Source: Truman State University, Office of the Comptroller.

Expenditures

Funds received by the University for general operations are used primarily for instructional purposes, scholarships and fellowships, institutional services (executive management, fiscal operations, personnel services, campus safety, public relations and alumni relations), student services (admissions, counseling, job placement, health services and administration), physical plant improvements, academic support (libraries, audiovisual, broadcasting and academic support), research and public services. The following table shows the amount of funds (other than federal and state grants and contracts, System funds and Foundation funds) budgeted for the current fiscal year and the amount of funds actually applied for the four preceding fiscal years, for the various operations of the University:

Expendiures (Excluding System, Restricted and Foundation Funds)

Fiscal Year Ended	Instruction	Scholarships and Fellowships	Institutional Support	Student Services	Academic Support	Research and Public Services
2016[(1)]	$49,106,652	$144,290	$8,013,343	$9,567,464	$6,886,334	$1,115,403
2015	47,499,813	161,493	6,641,783	10,056,124	6,013,885	708,509
2014	47,363,244	146,706	6,613,016	9,888,864	6,050,566	747,250
2013	45,951,989	153,645	6,206,862	9,935,031	5,875,192	615,184
2012	46,049,514	149,747	6,077,156	10,103,714	6,053,161	711,129
2011	42,911,484	171,590	5,729,721	9,530,979	6,545,545	641,122

(1) Projected amounts for the fiscal year ending June 30, 2016.
Source: Truman State University, Office of the Comptroller.

The following table shows depreciation expense which is not included in the preceding table:

Fiscal Year Ended	Depreciation
2015	$11,518,826
2014	10,974,259
2013	10,981,858
2012	11,363,766

Accounting, Budgeting and Auditing Procedures

The University accounts for the revenues and expenditures of the System on the accrual basis system of accounting. The funds to be maintained are described in "*SUMMARY OF THE BOND RESOLUTION*" in *Appendix C*.

Upon approval of the student fee and room and board rates, an annual budget of estimated income and expenditures for the coming fiscal year of the University is prepared under the direction of the Vice President for Administration, Finance and Planning for acceptance by the President, and is approved by the Board of Governors. The budget lists estimated resources and expenditures by income and expense categories.

The financial records of the University are maintained on a fiscal year basis from July 1 to June 30 and are audited annually by a firm of certified public accountants in accordance with auditing standards generally accepted in the United States of America. In the most recent year, the annual audit was performed by RubinBrown, LLP, St. Louis, Missouri. Copies of the recent audit reports are on file in the Comptroller's Office of the University and have been posted to the MSRB's EMMA system. See also "*Appendix B: Financial Statements*" hereto.

Industrial Relations

The University's physical plant workers, comprising 12% of the University's full-time work force, are a part of Laborers, Local 773, and have operated under a memorandum of agreement between the University and the union for several years. The University considers its relationship with the union to be satisfactory.

Pension Plans

The University participates, through the State of Missouri, in two retirement plans covering all employees of the University. The majority of University employees are enrolled in the Missouri State Employees' Plan ("MSEP") administered by the Missouri State Employees' Retirement System ("MOSERS"), a non-contributory, defined benefit plan. 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 non-contributory 401(a) defined contribution retirement plan, which uses TIAA-CREF as its third party administrator. The University's retirement contribution to CURP is 6.16% of covered payroll for fiscal year 2015 and will decrease to 5.89% for fiscal year 2016. The University contributed $346,733, or 6.38% of covered payroll, to CURP in fiscal year 2014. As a defined contribution plan, CURP does not have an overfunded or underfunded status and each participant's account balance belongs to that participant subject to any applicable vesting requirements for University contributions.

MSEP has two benefit structures known as MSEP (closed plan) and MSEP 2000, including the MSEP 2011 tier of MSEP 2000. Each benefit structure, including the MSEP 2011 tier, reflects changes in benefits for covered employees, including a required member contribution of 4% of pay for participants first employed on or after January 1, 2011. MOSERS also makes periodic review of the actuarial assumptions for the MSEP plan and made adjustments in July 2012, including a reduction of the nominal investment return assumption from 8.5% to 8.0%, and reductions in assumptions for wage inflation and price inflation to 3.0% and 2.5%, respectively, from 4.0% and 3.2%, respectively. In September 2014, the MOSERS governing board changed the governance policy on funding to provide, among other things, that until the actuarial funding ratio of the MOSERS plan is at least 80%, the annual actuarial required contribution rate shall not be reduced below the contribution rate determined by the June 30, 2013 actuarial valuation, which was 16.97% of covered payroll. All amounts contributed pursuant to this policy that exceed the computed employer normal cost will be applied to the unfunded accrued liability.

Information relating to the funding status of MSEP is available on the MOSERS website at www.mosers.org. The University has no means to independently verify any of the information set forth on the MOSERS website or in the MOSERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015, which is the most recent financial and actuarial information available on that website. As of June 30, 2015, MSEP had an actuarial value of assets of $8.792 billion, an actuarial accrued liability of $11.727 billion and an unfunded actuarial accrued liability of $2.935 billion, or 75.0% funded status, down from 85.9% as of June 30, 2008. Reference is made to the MOSERS 2015 Comprehensive Annual Financial Report for the assumptions and related disclosures.

Since 1999, the annual employer contributions to MSEP have been 100% of the actuarially required contributions to that plan. The actuarially required contributions include contributions for the unfunded actuarial accrued liability. The unfunded actuarial accrued liabilities are currently amortized on a closed period basis as a level percentage of payroll. In June 2013, the MOSERS board approved a change to the period over which unfunded actuarial accrued liabilities are amortized. The change was to reduce the amortization period from 30 years to 29 years beginning June 30, 2015; and then further reduce the period by one year, for each subsequent annual valuation, until the period reaches one year. The MOSERS board also voted to reexamine the amortization period in connection with the 2030 actuarial valuation to determine whether it should be reduced below 15 years or made constant at 15 years.

The table below sets forth the annual University contributions to MSEP in dollars and as a percent of covered payroll for the past five fiscal years and the announced actuarially required contribution rate for fiscal year 2016.

University Contributions to MSEP

Year Ended June 30	Annual Contribution	Percentage of Actuarially Required Contribution	Actuarially Required Contribution (% of Payroll)
2011	$4,525,092	100%	13.81%
2012	4,667,338	100	13.97
2013	4,846,289	100	14.45
2014	5,666,746	100	16.98
2015	5,625,889	100	16.97
2016	N/A[1]	100	16.97

(1) Dollar contribution for fiscal year 2016 will be the actuarially required contribution percentage specified times the covered payroll for that fiscal year.

The information in the following table is excerpted from the MOSERS Comprehensive Financial Annual Report for the year ended June 30, 2015, and sets forth the actuarial valuation of the assets and liabilities of MSEP and the unfunded liabilities and funded ratio for the past five fiscal years.

Funded Status of MSEP
($ in billions)

Year Ended June 30	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded AAL	Funded Ratio
2011	$8.022	$10.124	$2.101	79.2%
2012	7.897	10.794	2.897	73.2
2013	8.094	11.135	3.038	72.7
2014	8.637	11.494	2.856	75.1
2015	8.792	11.727	2.935	75.0

The University implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, in fiscal year 2015. This Statement required the University to record its proportional share of the net pension liability of MSEP. In June 2015, MOSERS notified the University that its proportional share of the net pension liability of MSEP was $40,938,147 as of June 30, 2014. In accordance with GASB 68, the University recorded a liability as of June 30, 2015 in that amount for its proportionate share of the net pension liability of MSEP. MOSERS determined the proportionate share of MSEP participating employers based on the actual share of contributions to MSEP 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 16.98%, which remained unchanged from the percentage used to allocate the liability as of June 30, 2013, which was the initial implementation year. The net pension liability of MSEP is based on an 8.0% discount rate, which is also the current assumed investment rate of return for the plan. MOSERS further advised the University that its proportionate share of the net pension liability using a 1% higher or lower discount rate as of June 30, 2015 would be as follows:

	1.0% Decrease (7.0%)	Current Discount Rate (8.0%)	1.0% Increase (9.0%)
University's proportionate share of net pension liability	$63,496,650	$40,938,147	$21,910,310

For the fiscal year ended June 30, 2015, the University recognized pension expense of $40,938,147 under GASB 68, which under the new accounting standards is not related to the pension contributions made by the University for the fiscal year.

Future Capital Projects

The University has completed renovations and infrastructure improvements to the University's academic facilities in excess of $64 million since 2001 and more than $3 million in improvements to the University's athletic facilities.

During the summer of 2015, (1) the roof of the Student Recreation Center was replaced (funded by Recreation Center reserves), (2) the University repaired masonry at Missouri Hall (funded by Residence Hall reserves) and (3) the University rebuilt the campus pedestrian mall that links the Student Union and McClain Hall. The approximate cost for these projects was $3,150,000. The portion of the projects attributable to the rebuilding of the campus pedestrian mall was funded by the Education and General Plant Fund.

Future renovation projects include major improvements to Baldwin Hall, a large academic building that primarily serves the English and Foreign Language departments. Funding for Baldwin Hall totaling $9.2 million was included in a state higher education bond issue bill approved by the Missouri General Assembly in May 2015. Construction will begin in July 2016, and the University will fund an estimated $5 million of the total costs out of reserves that have been accumulated over time in anticipation of the project. As noted under the caption *"THE SYSTEM – Occupancy of System"* herein, Fair Apartments will be utilized to house faculty offices during the renovation of Baldwin Hall.

Other capital projects being planned include updates to the University football field and track, and construction of a new football press box. This project is expected to begin in spring 2017 and will primarily be funded by the designated student athletic fee and donations.

* * *

APPENDIX B

UNIVERSITY'S
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
AND INDEPENDENT AUDITORS' REPORT

AND

UNIVERSITY'S HOUSING SYSTEM REVENUE BOND FUND
FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2015

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TRUMAN STATE UNIVERSITY
A COMPONENT UNIT OF THE
STATE OF MISSOURI

FINANCIAL STATEMENTS

JUNE 30, 2015

TRUMAN
STATE UNIVERSITY

Contents

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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 opinion.

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 year 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, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.* 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 Schedules on pages 45 and 46 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 November 16, 2015, 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.

RubinBrown LLP

November 16, 2015

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.

	2015	2014	2013
Undergraduate	5,853	5,910	5,898
Graduate	355	338	327
	6,208	6,248	6,225

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

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.

Condensed Statements Of Net Position
As Of June 30, 2015, 2014 And 2013

	2015	2014	2013
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.

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.

	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

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

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.

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	$102,123,380	100.00%

	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	$ 100,638,937	100.00%

	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	$ 97,948,498	100.00%

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.

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

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	37,204,222
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	299,413,999
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	6,063,142

See the accompanying notes to financial statements.

TRUMAN STATE UNIVERSITY

STATEMENT OF NET POSITION

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	17,040,933
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	102,344,377
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	11,936,552
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	9,352,083
Total Net Position	$ 211,359,501

See the accompanying notes to financial statements.

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	57,587,288
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	102,123,380
Operating Loss	(44,536,092)
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	47,384,953
Income Before Additions To Permanent Endowments	2,848,861
Additions To Permanent Endowments	1,206,971
Increase In Net Position	4,055,832
Net Position - Beginning Of Year (As Restated)	207,303,669
Net Position - End Of Year	$ 211,359,501

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	(34,725,630)
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	48,595,302
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	25,427
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 Capital and Related Financing Activities	(706,496)
Net Increase In Cash And Cash Equivalents	13,188,603
Cash And Cash Equivalents - Beginning Of Year	6,949,559
Cash And Cash Equivalents - End Of Year	$ 20,138,162

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

Reconciliation Of Cash And Cash Equivalents	
To The Statement Of Net Position	
Cash	$ 6,875,495
Restricted cash - current	10,772,901
Cash equivalents included in short-term investments	2,096,386
Cash equivalents included in investments - noncurrent	393,380
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 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
Unrealized gain on investments	336,107

See the accompanying notes to financial statements.

1. Nature Of Operations And Summary Of Significant Accounting Policies

Nature Of Operations

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

Reporting Entity

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

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

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

Basis Of Accounting And Presentation

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

During the year, the University adopted GASB Statement *No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.* 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.

As a result of implementing GASB No. 68, 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 and related deferred outflows on the University's statement of net position. The impact of these changes on the University's financial statements is as follows:

	July 1, 2014
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	5,666,746
Net position, as restated	$ 207,303,669

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.

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.

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.

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 in real estate, equity securities and mutual funds.

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

		Maturities In Years			
Type	**Fair Value**	**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	—
		$ 13,341,299	$ 56,910,947	$ 3,139,605	$ 3,736,096
Equity mutual funds and corporate stocks	26,205,974				
Fixed income funds mutual funds	1,299,679				
Real estate mutual funds	1,179,309				
	$ 105,812,909				

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.

At June 30, 2015, the following ratings were available for the University's fixed income investments, excluding U.S. Treasury Securities:

		Quality Ratings		
Type	**Fair Value**	**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	—	—	—
Money market funds	2,489,766	—	—	—
Municipal Bonds	1,405,449	492,744	586,638	226,067
U.S. Agency Securities	19,506,947	1,330,315	15,186,592	—
	$ 48,698,798	$ 2,872,206	$ 21,595,040	$ 14,005,787

		Quality Ratings			
Type	**Fair Value**	**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
Money market funds	2,489,766	—	—	—	2,489,766
Municipal Bonds	1,405,449	—	—	—	100,000
U.S. Agency Securities	19,506,947	—	—	—	2,990,040
	$ 48,698,798	$ 2,031,770	$ 36,331	$ 10,003	$ 8,147,661

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 governments deposit may not be returned to it. The University's deposit policy for the custodial credit risk requires compliance with the provisions of state law. Collateralization for the University is required for three types of investments: certificates of deposit, repurchase agreements, and letters of credit from the Federal Home Loan Bank. All securities serving as collateral shall be kept at a nonaffiliated custodial facility. The University's investment in bankers acceptances must be issued by domestic banks rated A-1, P-1, or the equivalent by at least two nationally recognized statistical rating organizations and maturity may not exceed 270 days.

Concentration Of Credit Risk

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

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

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

At June 30, 2015, the University's and Foundation's combined investments in U.S. Treasuries and a certain U.S. agency obligation (Fannie Mae Global Notes) exceeded 5% of the combined investment portfolio.

Foreign Currency Risk

This risk relates to adverse 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.

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	105,812,909
	$ 123,461,305
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	90,912,208
	$ 123,461,305

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	336,107
	$ 1,923,471

3. Endowments And Similar Funds

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

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

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.

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
	$ 9,274,600	$ 1,055,400	$ 10,330,000

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.

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:

Year Ending June 30,	Principal	Interest	Total
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
	$ 52,235,000	$ 26,098,208	$ 78,333,208

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.

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	—
	$ 5,785,408	$ 11,936,552

The University reported $5,625,889 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

Plan Year Ending June 30	Amount
2016	$ (2,928,769)
2017	(2,928,769)
2018	(2,935,358)
2019	(2,984,137)
	$ (11,777,033)

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%.

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:

Asset Class	Policy Allocation	Long-Term Expected Real Rate Of Return*	Weighted Average Long-Term Expected Real Rate Of Return
Beta Balanced	76.6%	5.7%	4.4%
Illiquids **	19.2%	7.3%	1.4%
Old Portfolio ***	4.2%	6.0%	0.2%
	100.0%		6.0%

* 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.

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.

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	(5,900,726)
Liability, June 30, 2015	$ 692,737

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.

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	97,539,137
Deferred Outflows Of Resources	277,734
Current Liabilities	3,479,534
Noncurrent Liabilities	52,842,926
Total Liabilities	56,322,460
Net Position	
Net investment in capital assets	31,581,648
Restricted	3,527,696
Unrestricted	6,385,067
Total Net Position	$ 41,494,411

Condensed Statement Of Revenues, Expenses And Changes In Net Position

Operating Revenue	
Housing and food service net of scholarship allowance	$ 19,787,246
Other operating revenues	684,347
Total Operating Revenue	20,471,593
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	19,845,608
Operating Income	625,985
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	(1,040,472)
Decrease In Net Position	(414,487)
Net Position - Beginning of Year	41,908,898
Net Position End Of Year	$ 41,494,411

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	4,214,808
Net increase (decrease) in cash and cash equivalents	(344,289)
Cash and cash equivalents - beginning of year	1,404,008
Cash and cash equivalents - end of year	$ 1,059,719

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

	2015
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%

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

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

	June 30, 2015
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%

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

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.

TRUMAN STATE UNIVERSITY HOUSING SYSTEM REVENUE BOND FUND

FINANCIAL STATEMENTS

JUNE 30, 2015

Contents

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Independent Auditors' Report

Board of Governors
Truman State University
Kirksville, Missouri

Report On The Financial Statements

We have audited the accompanying financial statements of the business type activities of the Housing System Revenue Bond Fund (the Fund) of Truman State University (the University), a component unit of the State of Missouri, as of and for the years ended June 30, 2015 and 2014 and the related notes to the financial statements, which collectively comprise the 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. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the 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 audit option.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Housing System Revenue Bond Fund of Truman State University as of June 30, 2015 and 2014, and its changes in financial position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Financial Reporting Entity

As discussed in Note 1, the basic financial statements of the Fund are intended to present the financial position, changes in financial position, and cash flows of only that portion of Truman State University that is attributable to the Fund. They do not purport to, and do not, present fairly the financial position of Truman State University as of June 30, 2015 and 2014, and its changes in financial position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has not presented management's discussion and analysis that Government Accounting Principles Generally Accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

RubinBrown LLP

December 24, 2015

TRUMAN STATE UNIVERSITY
HOUSING SYSTEM REVENUE BOND FUND

STATEMENT OF NET POSITION
June 30, 2015

	June 30, 2015	June 30, 2014
Assets		
Current Assets		
Cash and cash equivalents:		
Unrestricted	**$ 3,819**	$ 417,459
Restricted	**1,333,634**	53,946
Short-term investments	**5,848,339**	3,827,987
Restricted investments	**3,522,096**	3,458,051
Accounts receivable, net of allowance of $68,332 and $87,111 in 2015 and 2014, respectively	**233,071**	162,257
Interest receivable	**147,218**	20,508
Prepaid expenses	**5,073**	—
Total Current Assets	**11,093,250**	7,940,208
Noncurrent Assets		
Capital assets, net	**86,290,082**	90,584,315
Other assets, net	**155,805**	155,805
Total Noncurrent Assets	**86,445,887**	90,740,120
Total Assets	**97,539,137**	98,680,328
Deferred Outflows Of Resources	**277,734**	61,857
Liabilities		
Current Liabilities		
Accounts payable, accrued liabilities and other	**1,172,757**	1,005,024
Unearned revenue	**126,198**	135,069
Long-term debt - current portion	**2,270,682**	1,720,411
Deposits held in custody for others	**315,071**	356,319
Total Current Liabilities	**3,884,708**	3,216,823
Long-Term Debt	**52,437,752**	53,786,204
Total Liabilities	**56,322,460**	57,003,027
Net Position		
Net investment in capital assets	**33,517,546**	35,924,315
Restricted expendable:		
Debt service	**4,855,730**	3,458,051
Unrestricted	**3,121,135**	2,356,792
Total Net Position	**$ 41,494,411**	$ 41,739,158

See the accompanying notes to financial statements.

TRUMAN STATE UNIVERSITY
HOUSING SYSTEM REVENUE BOND FUND

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

	For The Years Ended June 30,	
	2015	2014
Operating Revenues		
Auxiliary Enterprises:		
Housing and food service, net	**$ 19,791,596**	$ 18,205,309
Bookstore	**207,856**	208,720
Other	**472,141**	391,547
Total Operating Revenues	**20,471,593**	18,805,576
Operating Expenses		
Compensation and benefits	**3,239,914**	3,311,582
Supplies and other services	**9,419,957**	8,815,734
Utilities	**1,865,832**	1,895,652
Depreciation	**5,150,165**	4,540,718
Total Operating Expenses	**19,675,868**	18,563,686
Income From Operations	**795,725**	241,890
Nonoperating Revenues (Expenses)		
Student fees	**1,068,442**	1,082,828
Investment income	**207,610**	225,621
Other nonoperating expenses	**(248,719)**	—
Interest on capital asset-related debt	**(2,067,805)**	(2,394,575)
Net Nonoperating Revenues (Expenses)	**(1,040,472)**	(1,086,126)
Decrease In Net Position	**(244,747)**	(844,236)
Net Position - Beginning Of Year	**41,739,158**	42,583,394
Net Position - End Of Year	**$ 41,494,411**	$ 41,739,158

TRUMAN STATE UNIVERSITY
HOUSING SYSTEM REVENUE BOND FUND

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

	For The Years Ended June 30, 2015	2014
Cash Flows From Operating Activities		
Sales and services of auxiliary enterprises	**$ 19,919,767**	$ 18,413,654
Payments to suppliers	**(9,515,463)**	(10,860,534)
Payments for utilities	**(1,865,832)**	(1,895,652)
Payments to employees	**(3,233,205)**	(3,385,367)
Other receipts	**430,893**	419,043
Net Cash Provided By Operating Activities	**5,736,160**	2,691,144
Cash Flows From Capital And Related Financing Activities		
Proceeds from debt issuance	**14,263,956**	—
Purchase of capital assets	**(853,194)**	(3,938,853)
Principal paid on capital related debt and leases	**(15,235,877)**	(1,635,000)
Interest paid on capital debt and leases	**(2,109,942)**	(2,436,407)
Student fees	**1,068,442**	1,082,828
Net Cash Used In Capital And Related Financing Activities	**(2,866,615)**	(6,927,432)
Cash Flows From Investing Activities		
Investment income	**80,900**	246,496
Proceeds from sales and maturities of investments	**10,251,804**	5,130,072
Purchases of investments	**(12,336,201)**	(1,116,310)
Net Cash Provided By (Used In) Investing Activities	**(2,003,497)**	4,260,258
Net Increase In Cash	**866,048**	23,970
Cash And Cash Equivalents - Beginning Of Year	**471,405**	447,435
Cash And Cash Equivalents - End Of Year	**$ 1,337,453**	$ 471,405

TRUMAN STATE UNIVERSITY
HOUSING SYSTEM REVENUE BOND FUND

STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2015
Page 2 Of 2

	For The Years Ended June 30,	
	2015	2014
Reconciliation Of Income From Operations To Net Cash Provided By Operating Activities		
Income from operations	**$ 795,725**	$ 241,890
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation expense	**5,150,165**	4,540,718
Changes in assets and liabilities:		
Receivables, net	**(70,814)**	13,854
Prepaid expenses and other assets	**(5,073)**	4,649
Accounts payable and accrued liabilities	**(124,972)**	(2,095,738)
Unearned revenue	**(8,871)**	(14,229)
Net Cash Provided By Operating Activities	**$ 5,736,160**	$ 2,691,144
Supplemental Disclosure Of Cash Flow Information		
Accounts payable incurred for capital asset purchases	**$ 2,738**	$ 283,358

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 the Board of Governors. The University is a component unit of the state of Missouri. These financial statements include the accounts of the University established by the terms of the bond resolution for Housing System Revenue Bonds Series 2008, dated February 26, 2008, 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. The financial statements reflect only the assets, liabilities, net position, revenue, expenses and transfers of the funds created by the bond resolutions of Truman State University Housing System Revenue Bonds and do not purport to reflect the financial position or changes in net position of Truman State University. Collectively the accounts are hereinafter referred to as the Housing System Revenue Bond Fund (the Fund).

Basis Of Accounting And Presentation

The Fund 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 Fund 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 Fund first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position is available.

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 assets during the reporting period. Actual results could differ from those estimates.

Investments And Investment Income

Investments in equity and debt securities 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.

Investment income consists of interest and dividend income and the net change for the year in the fair value of investments carried at fair value.

Accounts Receivable

Accounts receivable consists of charges for auxiliary enterprise services provided to students. Accounts receivable is recorded net of estimated uncollectible amounts.

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

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 $2,067,805 and $2,394,575 incurred in 2015 and 2014, respectively, were charged to expense.

Compensated Absences

University policies permits 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 assets 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 represents unearned student fees for auxiliary enterprises.

Deferred Outflows Of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until that time. At June 30, 2015, the University's deferred outflows of resources related to System Facilities consist of deferred amounts on refunding of bonds payable, which results from the difference between the reacquisition price of refunded debt and its carrying value. This amount is deferred and amortized over the shorter of the refunding or refunded debt.

Net Position

Net position of the Fund is classified in three components. Net investment in capital assets consist of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted expendable net position is net position that must be used for a particular purpose as specified by creditors, grantors or donors external to the University, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Unrestricted net position is any remaining assets less remaining liabilities that do not meet the definition of investment in capital assets or restricted expendable.

Classification Of Revenues

The Fund 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 sales and services of auxiliary enterprises.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as investment income.

Scholarship Discounts And Allowances

Student housing fee revenues 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 the student and/or third parties making payments on the students' behalf. Certain governmental grants and nongovernmental programs are recorded either as operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy student housing charges, the Fund has recorded a scholarship allowance. The scholarship allowances on housing fees for the years ended June 30, 2015 and 2014 were $1,824,507 and $1,690,730, respectively.

Income Taxes

As a state institution of higher education, the income of the University and, therefore, the Fund is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of state law. However, the University is subject to federal income tax on any unrelated business taxable income.

Reclassifications

Certain reclassifications to the 2014 amounts have been made to conform to the presentation for 2015.

2. Deposits, Investments And Investment Return

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.

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 state; or a surety bond having an aggregate value at least equal to the amount of the deposits. At June 30, 2015 and 2014, the Fund's deposits and investments were property insured or collateralized.

Investments

The University may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in corporate bonds and equity securities.

At June 30, 2015 and 2014, the Fund had the following restricted investments and maturities:

	June 30, 2015		
		Maturities In Years	
Type	Fair Value	Less Than 1	1 - 5
U.S. Agency Securities	$ 1,752,403	$ 1,752,403	$ —
U.S. Treasury Securities	801,125	801,125	—
Commercial Paper	968,568	968,568	—
	$ 3,522,096	$ 3,522,096	$ —

	June 30, 2014		
		Maturities In Years	
Type	Fair Value	Less Than 1	1 - 5
U.S. Agency Securities	$ 1,751,773	$ —	$ 1,751,773
U.S. Treasury Securities	1,706,278	892,465	813,813
	$ 3,458,051	$ 892,465	$ 2,565,586

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.

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.

At June 30, 2015 and 2014, agency securities held by the University were assigned an AA+ rating from Standard and Poor's.

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.

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. The University's deposit policy for the custodial credit risk requires compliance with the provisions of state law. Collateralization for the University is required for three types of investments: certificates of deposit, repurchase agreements, and letters of credit from the Federal Home Loan Bank. All securities serving as collateral shall be kept at a nonaffiliated custodial facility. The University's investment in bankers acceptances must be issued by domestic banks rated A-1, P-1, or the equivalent by at least two nationally recognized statistical rating organizations and maturity may not exceed 270 days.

Concentration Of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of a government investment in a single security. 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.

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.

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 Fund had no investments denominated in foreign currency at June 30, 2015 or 2014.

Summary Of Carrying Values

The carrying values of deposits and investments shown above are included in the statement of net position as follows:

	2015	2014
Carrying value:		
Deposits, including cash and certificates of deposit	**$ 2,973,550**	$ 742,505
U.S. Agency Securities	**1,752,403**	1,751,773
U.S. Treasury Securities	**801,125**	1,706,278
Pooled investments with the University	**5,180,810**	3,556,887
	$ 10,707,888	$ 7,757,443

Included in the following statement of net position captions:

	2015	2014
Unrestricted cash	**$ 3,819**	$ 417,459
Restricted cash	**1,333,634**	53,946
Restricted investments	**3,522,096**	3,458,051
Short-term investments	**5,848,339**	3,827,987
	$ 10,707,888	$ 7,757,443

Investment Income

Investment income for the years ended June 30, 2015 and 2014 consists of:

	2015	2014
Interest and dividend income	**$ 207,610**	$ 225,621

3. Capital Assets

Capital assets activity for the years ended June 30, 2015 and 2014 was:

	2015				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Buildings and improvements	$ 142,604,152	$ 5,669	$ —	$ —	$ 142,609,821
Infrastructure	1,639,087	—	—	—	1,639,087
Furniture, fixtures and equipment	1,069,794	88,948	7,002	—	1,151,740
Capital lease in progress	—	169,306	—	—	169,306
Construction in progress	—	592,008	—	—	592,008
	145,313,033	855,931	7,002	—	146,161,962
Less: Accumulated depreciation					
Buildings and improvements	53,436,669	4,982,070	—	—	58,418,739
Infrastructure	547,696	81,048	—	—	628,744
Furniture, fixtures and equipment	744,353	87,048	7,002	—	824,399
	54,728,718	5,150,165	7,002	—	59,871,881
Net capital assets	$ 90,584,315	$ (4,294,233)	$ —	$ —	$ 86,290,082

	2014				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Buildings and improvements	$ 129,437,875	$ 4,093,982	$ —	$ 9,072,295	$ 142,604,152
Infrastructure	1,619,344	19,743	—	—	1,639,087
Furniture, fixtures and equipment	1,451,614	108,486	490,306	—	1,069,794
Construction in progress	9,072,295	—	—	(9,072,295)	—
	141,581,128	4,222,211	490,306	—	145,313,033
Less: Accumulated depreciation					
Buildings and improvements	49,036,572	4,400,097	—	—	53,436,669
Infrastructure	466,648	81,048	—	—	547,696
Furniture, fixtures and equipment	1,175,086	59,573	490,306	—	744,353
	50,678,306	4,540,718	490,306	—	54,728,718
Net capital assets	$ 90,902,822	$ (318,507)	$ —	$ —	$ 90,584,315

4. Long-Term Debt

The following is a summary of long-term obligation transactions for the Fund for the years ended June 30, 2015 and 2014:

	2015				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Student Housing System Revenue Bonds - 2006	$ 13,735,000	$ —	$ 13,735,000	$ —	$ —
Student Housing System Revenue Bonds - 2008	21,170,000	—	530,000	20,640,000	550,000
Student Housing System Revenue Bonds - 2013	19,755,000	—	755,000	19,000,000	770,000
Student Housing System Revenue Bonds - 2015	—	12,595,000	—	12,595,000	495,000
Unamortized premium on bonds payable	846,615	180,082	42,137	984,560	42,137
Capital Lease Obligations	—	1,488,874	—	1,488,874	413,545
	$ 55,506,615	$ 14,263,956	$ 15,062,137	$ 54,708,434	$ 2,270,682

	2014				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Student Housing System Revenue Bonds - 2006	$ 14,120,000	$ —	$ 385,000	$ 13,735,000	$ 405,000
Student Housing System Revenue Bonds - 2008	21,680,000	—	510,000	21,170,000	530,000
Student Housing System Revenue Bonds - 2013	20,495,000	—	740,000	19,755,000	755,000
Unamortized premium on bonds payable	877,026	—	30,411	846,615	30,411
	$ 57,172,026	$ —	$ 1,665,411	$ 55,506,615	$ 1,720,411

Revenue Bonds Payable

On May 28, 2015, the University issued a series of auxiliary system revenue bonds 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.

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. The current refunding decreased the University's total debt service payments by \$4,821,742 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$3,609,390.

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 \$23,644,439 and matures in annual installments from 2009 through 2037. The proceeds were invested in certificates of deposit and government securities and disbursed as payments for construction and improvements as required.

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 from 2007 through 2035. The proceeds were invested in certificates of deposit and government securities and disbursed as payments for construction and improvements as required. This bond series was refunded by the 2015 issuance discussed above.

The student housing 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 housing 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 bonds require the University to establish and fund various Debt Service Reserve and Repair and Replacement Reserve Funds. At June 30, 2015 and 2014, 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:

Year Ending June 30,	Principal	Interest	Total
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	5,407,885	19,762,885
2031-2035	13,580,000	2,420,855	16,000,855
2036-2040	2,950,000	245,575	3,195,575
	$ 52,235,000	$ 26,098,206	$ 78,333,206

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.

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 proceeds are available in an escrow account held by the lender. A portion of this obligation has been allocated to the fund based on the percentage of the square footage of the total project that will be utilized by the Fund. The lease is payable over a 10-year period as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 413,515	$ 28,341	$ 441,856
2017	134,110	26,422	160,532
2018	136,708	23,825	160,532
2019	139,355	21,177	160,532
2020	142,055	18,478	160,532
2021-2026	523,131	51,183	574,315
	$ 1,488,874	$ 169,426	$ 1,658,300

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

5. Pension Plan

Substantially all full-time System Facilities employees are participants in the statewide Missouri State Employees' Retirement System (MOSERS).

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 agency 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 MSEP2011 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.

Pension Liabilities. 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. The Fund is not classified as an employer under the MOSERS agreements, and as such, is not required to report a proportionate share of this liability on the Fund's financial statements under *Governmental Accounting Standards.*

For more information, see the separately issued financial statements of Truman State University as of June 30, 2015.

6. 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 or the Fund.

Construction

The University had outstanding commitments of $2,184,202 related to construction contracts at June 30, 2015.

7. 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.

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Independent Auditors' Report On Supplementary Information

Board of Governors
Truman State University

We have audited the financial statements of the Housing System Revenue Bond Fund (the Fund) of Truman State University (the University), a component unit of the State of Missouri, as of and for the years ended June 30, 2015 and 2014, and our report thereon dated December 24, 2015, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the 2015 and 2014 Fund's financial statements as a whole. The supplementary information, shown on pages 23 through26, is presented for purposes of additional analysis and is not a required part of the financial statements. The combining schedule of revenues, expenses and changes in net position information has been subjected to the procedures applied in the audits of the 2015 and 2014 financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 2015 and 2014 financial statements as a whole. The schedules of insurance coverage, enrollment and fees and occupancy have not been subjected to the auditing procedures applied to the audit of the financial statements, and, accordingly, we express no opinion on them.

RubinBrown LLP

December 24, 2015

TRUMAN STATE UNIVERSITY
A COMPONENT UNIT OF THE STATE OF MISSOURI
HOUSING SYSTEM REVENUE BOND FUND

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INFORMATION
For The Years Ended June 30, 2015 And 2014

	2015			2014		
	Revenue	Plant Funds	Total	Revenue	Plant Funds	Total
Operating Revenues						
Auxiliary Enterprises:						
Housing and food service, net	$ 19,791,596	$ —	$ 19,791,596	$ 18,205,309	$ —	$ 18,205,309
Bookstore	207,856	—	207,856	208,720	—	208,720
Other	472,141	—	472,141	391,547	—	391,547
Total Operating Revenues	20,471,593	—	20,471,593	18,805,576	—	18,805,576
Operating Expenses						
Compensation and benefits	3,239,914	—	3,239,914	3,311,582	—	3,311,582
Supplies and other services	9,459,235	(39,278)	9,419,957	8,666,200	149,534	8,815,734
Utilities	1,865,832	—	1,865,832	1,895,652	—	1,895,652
Depreciation	—	5,150,165	5,150,165	—	4,540,718	4,540,718
Total Operating Expenses	14,564,981	5,110,887	19,675,868	13,873,434	4,690,252	18,563,686
Income From Operations	5,906,612	(5,110,887)	795,725	4,932,142	(4,690,252)	241,890
Nonoperating Revenues (Expenses)						
Student union fees	1,068,442	—	1,068,442	1,082,828	—	1,082,828
Investment income	158,093	49,517	207,610	172,299	53,322	225,621
Amortization of deferred loss	—	(14,762)	(14,762)	—	—	—
Bond issuance costs	(4,862)	(229,095)	(233,957)	—	—	—
Interest on capital asset-related debt	—	(2,067,805)	(2,067,805)	—	(2,394,575)	(2,394,575)
Net Nonoperating Revenues (Expenses)	1,221,673	(2,262,145)	(1,040,472)	1,255,127	(2,341,253)	(1,086,126)
Transfers (To) From Other Funds						
Mandatory - principal and interest	(3,741,880)	3,741,880	—	(4,034,805)	4,034,805	—
Nonmandatory - transfer (to) from other university funds	(3,338,223)	3,338,223	—	(2,008,486)	2,008,486	—
Total Transfers (To) From Other Funds	(7,080,103)	7,080,103	—	(6,043,291)	6,043,291	—
Increase (Decrease) In Net Position	48,182	(292,929)	(244,747)	143,978	(988,214)	(844,236)
Net Position - Beginning Of Year - As Restated	3,586,112	38,153,046	41,739,158	3,442,134	39,141,260	42,583,394
Net Position - End Of Year	$ 3,634,294	$ 37,860,117	$ 41,494,411	$ 3,586,112	$ 38,153,046	$ 41,739,158

TRUMAN STATE UNIVERSITY
A COMPONENT UNIT OF THE STATE OF MISSOURI
HOUSING SYSTEM REVENUE BOND FUND

SCHEDULE OF INSURANCE COVERAGE
For The Year Ended June 30, 2015

Coverage And Insurer	Policy Expiration Date	Amount Of Coverage
Fire and extended coverage (buildings, contents and business interruption coverage) - Marsh USA, Inc.	June 30, 2016	$ 187,167,004 *
Public liability coverage - The University is a participant in the State of Missouri Legal Defense Fund, a State self-insurance plan.		

* This amount represents the maximum coverage for any single occurrence.

SCHEDULE OF ENROLLMENT AND FEES
For The Year Ended June 30, 2015

	Fall Semester	Spring Semester	2015 Summer Session
Enrollment - full-time equivalent students on campus	5,535	5,021	773
Student Union portion of students' fees	$ 95	$ 95	$ 42
Housing contract fees			
Room and board rates with meal plan	$ 3,907	$ 3,907	

TRUMAN STATE UNIVERSITY
A COMPONENT UNIT OF THE STATE OF MISSOURI
HOUSING SYSTEM REVENUE BOND FUND

SCHEDULE OF OCCUPANCY
For The Year Ended June 30, 2015

Housing System Facility	Capacity	Average Occupancy Rate
Blanton/Nason/Brewer Hall	330	91%
Campbell Apartments		
Single apartments	130	88%
Centennial Hall	538	89%
Dobson Hall	386	86%
Fair Apartments		
Regular apartments	58	82%
Grim Hall	48	87%
Missouri Hall	508	92%
Randolph Apartments	30	45%
Ryle Hall	527	84%
West Campus Suites	416	88%

APPENDIX C

SUMMARY OF THE BOND RESOLUTION

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SUMMARY OF THE RESOLUTION

Definitions of Words and Terms

In addition to words and terms defined elsewhere in the Resolution, the following words and terms as used in the Resolution shall have the following meanings:

"Act" means Chapter 176 of the Revised Statutes of Missouri, as amended.

"Adoption Agreement" means the Adoption Agreement relating to the University's Omnibus Continuing Disclosure Agreement pursuant to which the University agrees to provide certain financial information and operating data.

"Board" means the Board of Governors of the University.

"Bond Counsel" means Gilmore & Bell, P.C., St. Louis, Missouri, or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the University.

"Bond Register" means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

"Bondowner," "Owner" or "Registered Owner" means the Person in whose name a Bond is registered on the Bond Register maintained by the Paying Agent.

"Bonds" means the Housing System Refunding Revenue Bonds, Series 2016, in the aggregate principal amount of $20,640,000* and authorized and issued pursuant to the Resolution.

"Business Day" means a day, other than a Saturday, Sunday or holiday, on which financial institutions located in New York, New York or St. Louis, Missouri are not required or authorized to remain closed.

"Code" means the Internal Revenue Code of 1986, as amended and the applicable regulations of the Treasury Department proposed or promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

"Costs of Issuance Fund" means the Costs of Issuance Fund created in the Resolution.

"Current Expenses" means all necessary expenses of operation, maintenance and repair of the System, including current maintenance charges, cost of food service, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance, and all other expenses incident to the operation of the System, but shall exclude depreciation and amortization charges, capital expenditures, interest paid on revenue bonds and all general administrative expenses of the University not related to the operation of the System, hereinafter provided for.

"Debt Service Account" means the Debt Service Account created in the Resolution.

"Defeasance Obligations" means:

(a) Cash.

(b) U.S. Treasury Certificates, Notes and Bonds, including State and Local Government Series ("SLGs").

(c) Direct obligations of the Treasury which have been stripped by the Treasury itself, as well as CATS, TIGRS and similar securities.

(d) The interest component of Resolution Funding Corp. (REFCORP) strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form.

(e) Pre-refunded municipal bonds rated the rating afforded to the United States of America by any NRSRO.

(f) Obligations issued by the following agencies that are backed by the full faith and credit of the U.S.:

(1) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

(2) Farmers Home Administration (FmHA)
Certificates of beneficial ownership

(3) Federal Financing Bank

(4) General Services Administration
Participation certificates

(5) U.S. Maritime Administration
Guaranteed Title XI financing

(6) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds;

provided that any such obligations described in (b) through (f) above are not subject to redemption prior to maturity or the date such obligations must be liquidated for their intended purposes.

"Escrow Agent" means UMB Bank, N.A., Kansas City, Missouri, and any successors or assigns.

"Escrow Agreement" means the Escrow Trust Agreement dated as of February 1, 2016, between the University and the Escrow Agent.

"Escrow Fund" means the fund by that name created in the Escrow Agreement.

"Escrowed Securities" means the direct, noncallable obligations of the United States of America, as described in the Escrow Agreement.

"Existing Bonds" means the Series 2013 Bonds and the Series 2015 Bonds.

"Existing Resolutions" means the resolutions heretofore adopted by the Board under which the Existing Bonds have been issued.

"Federal Tax Certificate" means the Federal Tax Certificate delivered in connection with the issuance of the Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

"Interest Payment Date" means each June 1 and December 1, commencing June 1, 2016.

"Net Revenues" means Revenues less Current Expenses.

"NRSRO" or "Nationally Recognized Statistical Rating Organization" means a credit rating agency registered with the United States Securities and Exchange Commission or its successor pursuant to the Securities Exchange Act of 1934, as amended.

"Parity Bonds" means the Existing Bonds and any additional bonds or other obligations hereafter issued or incurred pursuant to the Resolution hereof and standing on a parity and equality with the Bonds with respect to the payment of principal and interest from the Net Revenues of the System.

"Parity Resolutions" means the Existing Resolutions and the resolution or resolutions under which any additional Parity Bonds are hereafter issued pursuant to the Resolution.

"Paying Agent" means UMB Bank, N.A., Kansas City, Missouri, in its capacity as paying agent and bond registrar, and its successors and assigns.

"Permitted Investments" means, if and to the extent the same are at the time legal for investment of funds held under the Resolution:

(a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"); obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America; or evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(b) Federal Housing Administration debentures.

(c) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(1) Federal Home Loan Mortgage Corporation (FHLMC).

(2) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts) **-** Senior Debt obligations.

(3) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) Consolidated System-wide bonds and notes.

(4) Federal Home Loan Banks (FHL Banks) Consolidated debt obligations.

(5) Federal National Mortgage Association (FNMA) Senior debt obligations Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).

(6) Student Loan Marketing Association (SLMA) Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

(7) Financing Corporation (FICO) Debt obligations.

(8) Resolution Funding Corporation (REFCORP) Debt obligations.

(9) Tennessee Valley Authority.

(10) United States Postal Service.

(11) Private Export Funding Corporation.

(d) Unsecured certificates of deposit, time deposits, demand deposits including interest bearing money market accounts, trust deposits, trust accounts, overnight bank deposits, interest-bearing deposits, and bankers' acceptances (having maturities of not more than **30** days) of any bank rated in the highest short–term rating category, without respect to modifier, by an NRSRO at the time of purchase.

(e) Deposits, including certificates of deposit, the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC).

(f) Commercial paper (having original maturities of not more than **270** days) rated in the highest short–term rating category, without respect to modifier, by an NRSRO at the time of purchase.

(g) Money market funds rated in the second highest rating category or higher, without respect to modifier, by an NRSRO at the time of purchase.

(h) "State Obligations," which means:

(1) Direct general obligations of any state of the United States of America or any political subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated in the third highest rating category or higher, without respect to modifier, by an NRSRO at the time of purchase, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated at the time of purchase.

(2) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (i) above and rated in the highest short–term rating category, without respect to modifier, by an NRSRO at the time of purchase.

(3) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (i) above and rated in the second highest rating category or higher, without respect to modifier, by an NRSRO at the time of purchase.

(i) Pre-refunded municipal obligations rated by at least one NRSRO at the time of purchase the rating afforded to the United States of America meeting the following requirements:

(1) the municipal obligations are (A) not subject to redemption prior to maturity or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(2) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(3) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(4) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(5) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(6) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(j) Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated in the third highest rating category or higher, without respect to modifier, by an NRSRO at the time of purchase; (2) any broker-dealer with "retail customers" or a related affiliate thereof, which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated in the third highest rating category or higher, without respect to modifier, by an NRSRO at the time of purchase, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated in the third highest rating category or higher, without respect to modifier, by an NRSRO at the time of purchase, provided that:

(A) The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to maintain a rating in the third highest rating category or higher, without respect to modifier, by an NRSRO (with a market value approach);

(B) The University or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(C) The repurchase agreement shall state and an Opinion of Counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(D) All other requirements of an NRSRO in respect of repurchase agreements shall be met; and

(E) The repurchase agreement shall provide that if during its term the provider's rating by an NRSRO is withdrawn or suspended or falls below the third highest rating category, without respect to modifier, the provider must, at the direction of the University, within **10** days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the University.

Notwithstanding the above, if a repurchase agreement has a term of **270** days or less (with no evergreen provision), collateral levels need not be as specified in (i) above, so long as such collateral levels are **105%** or better.

(k) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company); provided that, by the terms of the investment agreement:

(1) interest payments are to be made to the University at times and in amounts as necessary to pay debt service on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the University hereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the Opinion of Counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(4) the University receives the opinion of domestic counsel (which opinion shall be addressed to the University) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the University;

(5) the investment agreement shall provide that the provider, if during the term of such investment agreement, fails to maintain a rating in the third highest rating category or higher, without respect to modifier, with at least two NRSROs, it shall, at the option of the University, within **10** days of receipt of publication of such downgrade, either (A) collateralize the investment agreement by delivering or transferring the collateral in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Holder of the Collateral free and clear of any third-party liens or

claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to at least two NRSROs to maintain a structured financing rating (with a market value approach) in the third highest category or higher, without respect to modifier, of such two NRSROs; or (B) within **10** days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the University;

(6) the investment agreement shall state and an Opinion of Counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and

(7) the investment agreement must provide that if during its term

(A) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the University, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the University or the Trustee, as appropriate, and

(B) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the University or the Trustee, as appropriate.

(l) Such other investments permitted by the Resolution that are rated in either of the two highest categories at the time of purchase by an NRSRO (without respect to modifier).

"Person" means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

"Rebate Fund" means the Rebate Fund created in the Resolution.

"Record Date" means the fifteenth day (whether or not a business day) of the calendar month next preceding an interest payment date.

"Refunded Bonds" means the University's Housing System Revenue Bonds, Series 2008 maturing on June 1, 2016 and thereafter, currently outstanding in the aggregate principal amount of $20,640,000.

"Resolution" means the resolution as from time to time amended in accordance with the terms thereof.

"Revenues" means all rentals, charges, fees, income and revenues derived and collected by the University from the operation and ownership of the System, including, but not limited to, the proceeds derived from the student union building fee established by the Board and collected from all enrolled students and any other student fees collected by the University and designated by the University for purposes of the System.

"Series 2013 Bonds" means the University's Housing System Refunding Revenue Bonds, Series 2013.

"Series 2015 Bonds" means the University's Housing System Refunding Revenue Bonds, Series 2015.

"System" means the student housing system heretofore established by the University and is defined as and shall be understood to include the following:

> (a) The Project and all of the facilities which heretofore comprised the student housing system, namely Missouri Hall, Ryle Hall, Centennial Hall, Dobson Hall, Nason Hall, Blanton Hall, Brewer Hall, Campbell Apartments, Randolph Apartments and the West Campus Suites, the existing student union building and additions thereto and also including, but not limited to, the dining facilities, university book store, snack bar and recreational facilities therein; and
>
> (b) All housing, dining and other auxiliary enterprises hereafter constructed, acquired, owned, or operated by the University which may become a part of said System while any bonds remain outstanding against the System.

The System shall not include (1) any facilities hereafter constructed or acquired, which are not financed with the proceeds of revenue bonds payable from the income and revenues of the System, and for which the University maintains separate and distinct operations, facilities and records or (2) any facilities currently part of the System that become inadequate, obsolete or worn out, or otherwise unsuitable, unprofitable, undesirable or unnecessary for the operation of the System.

"System Revenue Fund" means the System Revenue Fund Account referred to in the Resolution.

"University" means Truman State University.

"Valuation Date" means June 30 and December 31 of each year.

Creation of Funds

There are ratified or created and ordered to be established in the Resolution and held in the account of the University, separate and apart from all other funds and accounts, the following separate funds:

(a) Housing System Revenue Fund (the "System Revenue Fund").

(b) Costs of Issuance Fund (the "Costs of Issuance Fund").

(c) Debt Service Account for Housing System Refunding Revenue Bonds, Series 2016 (the "Debt Service Account").

(d) Rebate Fund for Housing System Refunding Revenue Bonds, Series 2016 (the "Rebate Fund").

In addition to the funds described above, the Escrow Agreement establishes the Escrow Fund to be held and administered by the Escrow Agent in accordance with the provisions of the Escrow Agreement.

Disposition of Bond Proceeds and Other Moneys

The proceeds received from the sale of the Bonds, together with other legally available funds of the University, shall be deposited or applied simultaneously with the delivery of the Bonds, as follows:

(a) There shall be deposited in the Debt Service Account any amount received on account of accrued interest on the Bonds.

(b) There shall be deposited in the Costs of Issuance Fund from the proceeds of the Bonds the sum of $__________.

(c) There shall be deposited with the Escrow Agent, the sum of $__________ (consisting of $__________ of proceeds of the Bonds and $__________ from the debt service reserve fund for the Refunded Bonds).

Application of Moneys in the Costs of Issuance Fund

Moneys in the Costs of Issuance Fund shall be used by the University for the sole purpose of paying the costs and expenses incidental to the issuance of the Bonds. The University may withdraw money from the Cost of Issuance Fund upon the execution of approved documentation in accordance with University disbursement procedures. The University shall keep and maintain adequate records pertaining to the Cost of Issuance Fund and all disbursements therefrom. Upon payment of all costs of issuance as provided in the Resolution and no later than August 1, 2016, any surplus remaining in the Costs of Issuance Fund shall be deposited in the Debt Service Account.

Application of Money in the Escrow Fund

Under the Escrow Agreement, the Escrow Agent will apply money in the Escrow Fund to purchase the Escrowed Securities and to establish an initial cash balance, if any, in accordance with the Escrow Agreement. Except as otherwise provided in the Escrow Agreement, the cash and Escrowed Securities held in the Escrow Fund will be applied by the Escrow Agent solely to the payment of the principal of and interest on the Refunded Bonds. All money deposited with the Escrow Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Refunded Bond Resolution and the Escrow Agreement.

Application of Revenues

System Revenue Fund. The Board covenants and agrees that from and after the delivery of the Bonds, and continuing as long as any of the Bonds remain outstanding and unpaid, all Revenues will be paid and deposited into the System Revenue Fund, and that said Revenues shall be segregated and kept separate and apart from all other moneys, revenues, funds and accounts of the University and shall not be commingled with any other moneys, revenues, funds and accounts of the University. The System Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in the Resolution.

Application of Moneys in Funds and Accounts. The University covenants and agrees that from and after the delivery of the Bonds and continuing so long as any of the Bonds shall remain outstanding and unpaid, the System Revenue Fund shall be expended and used by the University in the manner and order specified below, to wit:

(a) Current Expenses of the System shall be payable, as a first charge, from the System Revenue Fund as the same become due and payable.

(b) There shall next be transferred from the System Revenue Fund and deposited into the Debt Service Account, after providing for the payment of the Current Expenses of the System, the following amounts, in addition to payments and deposits otherwise required to be made therein:

(1) By May 15 and November 15 in each year, beginning May 15, 2016, a sum of money not less than the next maturing interest on the Bonds; and

(2) By May 15, 2016, a sum of money equal to the principal of the Bonds maturing on June 1, 2016, and on each May 15 and November 15 thereafter, a sum of money not less than one-half of the principal on the Bonds maturing (including pursuant to any mandatory redemptions) on the succeeding June 1.

The amounts required to be paid and credited to the Debt Service Account pursuant to the Resolution shall be so paid at the same time and on a parity with the amounts at the time required to be paid and credited to the debt service accounts established for the payment of principal and interest on any Parity Bonds under the provisions of the resolutions of the Board authorizing the Parity Bonds.

If at any time the moneys in the System Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Debt Service Account and to the debt service accounts established to pay the principal of and interest on any Parity Bonds, the available moneys in the System Revenue Fund shall, be divided among such debt service accounts in proportion to the respective principal amounts of said series of bonds at the time outstanding which are payable from the moneys in said debt service accounts.

All amounts paid and credited to the Debt Service Account shall be expended and used by the University for the sole purpose of paying the interest on and principal of the Bonds as and when the same become due on each bond payment date.

(c) Subject to making the foregoing required deposits, the Board may use the balance of excess funds in the System Revenue Fund at the close of each fiscal year (i) to redeem outstanding Bonds, or (ii) for any lawful expenditures with respect to the System, including the payment of debt service, in improving or restoring any facilities which are a part of the System or providing any such additional facilities, or (iii) for any other lawful purpose.

Deposits into and Application of Moneys in the Rebate Fund

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. Subject to the payment provisions provided in subsection (b) below, all money in the Rebate Fund shall be held in trust, to the extent required to satisfy the payment of rebatable arbitrage to the United States of America, and neither the University nor the Registered Owner of any Bond shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by the Resolution and the Federal Tax Certificate.

(b) Pursuant to the Federal Tax Certificate, the University shall remit all rebate installments and a final rebate payment to the United States. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any rebatable arbitrage shall be withdrawn and paid to the University.

(c) Notwithstanding any other provision of the Resolution, the obligation to pay rebatable arbitrage to the United States and to comply with all other requirements of the Resolution and the Federal Tax Certificate shall survive the defeasance or payment in full of the Bonds.

Payments Due on Saturdays, Sundays and Holidays

In any case when the date for making a payment on a Bond is not a Business Day, then payment of principal, redemption price or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such bond payment date, and no interest shall accrue for the period after such bond payment date.

Nonpresentment of Bonds

In the event any Bond shall not be presented for payment when the principal thereof becomes due at maturity, if funds sufficient to pay such Bond shall have been made available to the Paying Agent all liability of the University to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four years following the date when such Bond becomes due at maturity, the Paying Agent shall repay to the University the funds, without liability for interest thereon, theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the University, and the Registered Owner thereof shall be entitled to look only to the University for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the University shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Deposit and Investment of Funds

Moneys in each of the funds and accounts created by and referred to in the Resolution shall be deposited in a bank or banks located in the State of Missouri which are members of the Federal Deposit Insurance Corporation, and all such bank deposits shall be continuously and adequately secured by the banks holding such deposits as provided by the laws of the State of Missouri.

Moneys held in any fund or account referred to in the Resolution may be invested by the University in accordance with the Federal Tax Certificate, at the direction of the Board, in Permitted Investments. No such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund or account was created. All interest on any investments held in any fund or account shall accrue to and become a part of such fund or account. In determining the amount held in any fund or account under any of the provisions of the Resolution, obligations shall be valued as of the Valuation Date of each year at the market value thereof (exclusive of accrued interest). If and when the amount held in any fund or account shall be in excess of the amount required by the provisions of the Resolution, the University may direct that such excess be paid and credited to the System Revenue Fund, except that the earnings on investments held in the Rebate Fund shall accrue to and become a part of such fund and shall not be transferred to any other fund or account.

Particular Covenants of the University

The Board covenants and agrees, on behalf of itself and the University, with each of the purchasers and owners of any of the Bonds, that so long as any of the Bonds remain outstanding and unpaid, as follows:

Performance of Duties. The Board will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Resolution and in each and every Bond executed and delivered thereunder; that it will promptly pay or cause to be paid from the Net Revenues therein pledged the principal of and interest on every Bond issued thereunder, on the dates and in the places and manner prescribed in such Bond, and that it will, prior to the maturity of each installment of interest and prior to the maturity of each such Bond, at the times and in the manner prescribed therein, deposit or cause to be deposited, from the Net Revenues pledged, the amounts of money specified therein. All Bonds, when paid, shall be cancelled by the Paying Agent, and shall be delivered to or upon the order of the Board.

Legal Authority. The Board is duly authorized under the laws of the State of Missouri to create and issue the Bonds, it is lawfully qualified to pledge the Net Revenues of the Project and other income pledged to the payment of the Bonds in the manner prescribed in the Resolution and has lawfully exercised such rights, all action on its part for the creation and issuance of the Bonds has been duly and effectively taken, and the Bonds in the hands of the owners thereof are and will be valid and enforceable special obligations of the University in accordance with their terms.

Rate Covenant. The Board will, so long as any of the Bonds are outstanding against the System, operate and maintain continuously the System and the facilities and services afforded by the same and will fix, maintain and collect such reasonable rates and charges for the use of the System and its facilities as, in the judgment of the Board, will provide Revenues sufficient to (a) pay the reasonable cost of operating and maintaining the System, (b) provide and maintain the System Revenue Fund and the Debt Service Account in amounts adequate promptly to pay the principal of and interest on the Bonds as each Bond matures and as such interest falls due, (c) provide reasonable reserve funds for the payment of such principal and interest, (d) enable the University in each year to have Net Revenues from the System in an amount that will not be less than 110% of the amount required to be paid by the University in such fiscal year on account of both principal and interest on all revenue bonds of the System outstanding at the time (after deducting from such principal and interest amount the amount of funds, if any, deposited in the principal and interest account for a series of revenue bonds that is available to pay interest on such revenue bonds during the construction of System facilities financed in whole or in part by such revenue bonds). . Such System will be operated on a fiscal year basis beginning July 1 each year and ending June 30 in the following year.

Restrictions on Mortgage or Sale of System. The Board will not sell or otherwise dispose of the System or any material part thereof, or any extension or improvement thereof; provided, however, the Board may at any time permanently abandon the use of, or sell at fair market value, any of its System facilities, provided that:

(a) It is in full compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the revenues of the System, or any part thereof;

(b) In the event of sale, it will apply the proceeds to either (i) redemption of outstanding bonds in accordance with the provisions governing repayment of bonds in advance of maturity, or (ii) replacement of the facility so disposed of by another facility, the revenues of which shall be incorporated into the System as provided in the Resolution;

(c) It certifies, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing Net Revenues; and

(d) It certifies that the estimated Net Revenues of the remaining System facilities for the then next succeeding fiscal year (and any other revenues pledged as security) plus the estimated net revenues of the facilities, if any, to be added to the System satisfy the earnings test provided for in the Resolution governing the issuance of additional bonds.

<u>Operation of the System</u>. From and after the date when the Bonds shall be issued and delivered, the System, which System shall be maintained by the Board so long as any of the Bonds remain outstanding. The Board will not do or suffer any act or thing whereby the System or any part thereof might or could be impaired, and at all times it will maintain, preserve, and keep the real and tangible property constituting the System and every part thereof in good condition, repair, and working order and maintain, preserve, and keep all structures and equipment pertaining thereto and every part and parcel thereof in good condition, repair, and working order. The System and the facilities thereof and therein shall be operated and maintained under the direction and supervision of the President of the University, subject to the direction of the Board, and all fees, charges, and other revenues received from the operation of said System shall be collected by said officer, through agents or employees thereunto duly authorized, and all such revenues shall be deposited at least weekly by the University in a bank which is a member of the Federal Deposit Insurance Corporation, and shall be credited by the appropriate officer of the University, on the books of the University, to the System Revenue Fund, as provided in the Resolution.

<u>Occupancy</u>. The Board will adopt and maintain, so long as any Bonds are outstanding against the System, such parietal rules, rental rates, fees, and charges for the use of the System facilities as may be necessary to (a) assure maximum use and occupancy of said facilities, and (b) pay the cost of maintenance and operation and, together with other pledged Net Revenues, provide for the payment of the principal of and interest on the Bonds outstanding against the System and required reserves therefor.

<u>Insurance</u>. The Board will carry and maintain a reasonable amount of fire and extended coverage insurance upon all of the properties forming a part of the System insofar as the same are of an insurable nature, such insurance to be of the character and coverage and in an amount as would normally be carried by state educational institutions in Missouri operating a similar housing system. In the event of loss or damage, the University, with reasonable dispatch, will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or, if such reconstruction or replacement be unnecessary, then the University will pay and deposit the proceeds of such insurance into the System Bond Fund. The University in operating the System will use its best efforts to maintain liability protection through the provisions of the State Legal Expense Fund under Section 105.711 of the Revised Statutes of Missouri. In the event such liability protection is not available, the University will use its best efforts to obtain public liability insurance in such amounts as would normally be maintained by state educational institutions in Missouri operating a similar housing system and the proceeds derived from such insurance shall be used in paying the claims on account of which such proceeds were received. The cost of all insurance obtained pursuant to the requirements of the Resolution shall be paid as a Current Expense out of the revenues of the System.

<u>Books, Records and Accounts</u>. The Board will keep accurate financial records and proper books and accounts (entirely separate but within all other records and accounts of the University) in which complete and correct entries will be made of all dealings and transactions of or in relation to the System of the University. Such accounts shall show the amount of revenues received from the System, the application of such revenues, and all financial transactions in connection therewith. Said books shall be kept by the University according to standard governmental accounting practices.

Annual Budget. Prior to the commencement of each fiscal year, the President of the University will cause to be prepared and submitted to the Board for approval and filed in the office of the President of the University a budget setting forth the estimated receipts and expenditures of the System for the next succeeding fiscal year. The President of the University will mail a copy of said budget to the Purchaser of the Bonds upon request. Said annual budget shall be prepared in accordance with the requirements of the laws of Missouri and shall contain all information as shall be required by such laws.

Annual Audit. Annually, promptly after the end of the fiscal year, the Board will cause an audit to be made of the System for the preceding fiscal year by a certified public accountant or firm of certified public accountants to be employed by the Board for that purpose, or, where appropriate, by the State auditing official, reflecting in reasonable detail the financial condition and record of operation of the University, the System, Revenues and Current Expenses.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the President of the University. Such audits shall at all times during the usual business hours be open to the examination and inspection by any owner of any of the Bonds, or by anyone acting for or on behalf of such owner.

As soon as possible after the completion of such annual audit, the Board shall review such audit, and if any audit shall disclose that proper provision has not been made for all of the requirements of the Resolution and the law under which the Bonds are issued, the University covenants and agrees that it will promptly cure such deficiency and will promptly proceed to increase the rates, fees and charges to be charged for the use and services furnished by the System as may be necessary to adequately provide for such requirements.

Bondowner's Right of Inspection. The owner or owners of any of the Bonds shall have the right at all reasonable times to inspect the System and all records, accounts and data relating thereto, and any such owner shall be furnished all such information concerning the System and the operation thereof which such owner may reasonably request.

Parietal Rules and Regulations. The Board establishes and covenants to enforce, as long as any of the Bonds are outstanding and unpaid, the parietal rules and regulations set forth in the Resolution, in order to assure maximum occupancy and use of the facilities and services afforded by the System:

(a) In the event more space or facilities from whatever source should become available for residence hall, housing, social or dining purposes than are required by students applying for such space or facilities, the officers of the University are directed to give preference and priority to the use of the buildings and facilities constituting the System, to the extent practicable, in the occupancy and use of all of the space and services thereof, even if such preference results in the non-use of all or a part of the space or facilities available at the University at Kirksville, Missouri, in any other residence hall, house, or any other building which may be suitable or usable for residence hall, housing, social or dining purposes and concerning which no parietal rules and regulations heretofore have been adopted.

(b) To the extent that any surplus space or facilities should ever become available in the System while any of the Bonds remain outstanding and unpaid, it shall be the duty of the officers of the University to enforce a rule requiring occupancy and use, to the extent practicable and legal, of the buildings and facilities constituting the System. The University acknowledges that it requires freshmen students, unless living with a relative or guardian, married or over the age of 21, to reside in System accommodations, and that the University has this policy for educational purposes and does not intend to change the policy.

(c) The officers of the University are directed to utilize and to cause the utilization of the buildings and facilities constituting the System in such manner as will yield revenues sufficient to carry out the obligations of the University under the Resolution, to the end that the Bonds and interest thereon may be promptly paid as the same become due.

(d) The rules established shall be amended from time to time as conditions arise so as to meet changing conditions and better assure the fulfillment of the pledges made in the Resolution.

Additional Bonds

Prior Lien Bonds. The Board covenants and agrees that so long as any of the Bonds remain outstanding and unpaid, the University will not issue any additional bonds or other debt obligations payable out of the Net Revenues of the System or any part thereof which are superior to the Bonds.

Parity Bonds. The University may issue one or more additional series of revenue bonds to finance the construction or acquisition of additional facilities to be secured by a parity lien on and equally and ratably payable from the Net Revenues pledged to the Bonds ("Parity Bonds"), provided in each instance that:

(a) The University is in compliance with all covenants and undertakings in connection with all Bonds of the University then outstanding; and

(b) Any additional facility or facilities to be built or acquired from the proceeds of the additional Parity Bonds is or are to be made a part of the System, and its or their revenues are pledged as additional security for the additional Parity Bonds and all Bonds outstanding against the System; and

(c) Either (i) The University's controller (or equivalent) shall provide a certificate showing that the Net Revenues derived by the University from the operation of the System for the fiscal year immediately preceding the issuance of the additional Parity Bonds, were equal to at least 110% of the combined average annual requirements for principal and interest on all of the Existing Bonds, the Bonds and Parity Bonds then Outstanding and payable from the Net Revenues of the System, including the additional Parity Bonds proposed to be issued; or

(ii) The University's controller (or equivalent) shall provide a certificate showing the Net Revenues of the System for the fiscal year immediately following the fiscal year in which the facility or facilities to be constructed or acquired with the proceeds of the additional Parity Bonds are expected to be placed in operation (the "Test Year"), are expected to be at least 110% of the combined average annual debt service requirements in all fiscal years including and after the Test Year for principal and interest on all of the Existing Bonds, the Bonds and Parity Bonds then Outstanding and payable from the Net Revenues of the System and on the additional Parity Bonds to be issued. The estimate of future Net Revenues shall be based on occupancy of not more than ninety percent (90%). The estimate of future Net Revenues of the then-existing System shall be based on actual Net Revenues for the fiscal year next preceding the issuance of additional Parity Bonds, as adjusted, if necessary, to reflect the schedule of rates, fees and charges to become effective in succeeding fiscal years to and including the Test Year, and after giving recognition to any anticipated changes in Current Expenses of the System.

Additional Parity Bonds of the University issued under the conditions set forth in the Resolution shall stand on a parity with the Bonds and shall enjoy complete equality of lien on and claim against the Net

Revenues of the System with the Bonds, and the University shall make equal provision for paying said bonds and the interest thereon out of the System Revenue Fund.

Junior Lien Bonds. The University may issue one or more additional series of revenue bonds or other revenue obligations payable out of the Net Revenues of the System, which are junior and subordinate to the Bonds provided at the time of the issuance of such additional revenue bonds or obligations the following conditions are met:

(a) The University shall not be in default in the payment of principal of or interest on the Bonds or in making any payment at the time required to be made into the respective Funds and Accounts created by and referred to in the Resolution; and

(b) The additional facilities to be constructed or acquired from the proceeds of the additional junior lien bonds are made part of the System, and the Net Revenues derived therefrom are pledged as security for the additional bonds and all Bonds outstanding against the System.

Such additional revenue bonds or obligations shall be junior and subordinate to the Bonds so that if at any time the University shall be in default in paying either interest on or principal of the Bonds, or if the University shall be in default in making any payments required to be made by it under the provisions of the Resolution, the University shall make no payments of either principal of or interest on said junior and subordinate revenue bonds or obligations until said default or defaults be cured. In the event of the issuance of any such junior and subordinate revenue bonds or obligations, the University, subject to the provisions aforesaid, may make provision for paying the principal of and interest on said revenue bonds or obligations out of moneys in the System Revenue Fund.

Refunding Bonds. The University may, if it finds it desirable and if it achieves debt service savings, without complying with the provisions of the Resolution, to refund any of the Bonds under the provisions of any law then available if, taking into account the issuance of the proposed refunding revenue bonds and the application of the proceeds thereof and any other funds available to be applied to such refunding, the average annual debt service requirements on all Outstanding revenue bonds of the University payable out of the Net Revenues of the System will not be increased, and the refunding revenue bonds so issued shall enjoy complete equality of pledge with any of the Bonds that are not refunded, if any, upon the Net Revenues of the System.

Default and Remedies

Acceleration of Maturity in Event of Default. The University covenants and agrees that if any of the following events ("Events of Default") shall occur:

(a) Default by the University in the due and punctual payment of any interest on any Bond;

(b) Default by the University in the due and punctual payment of the principal of or redemption premium, if any, on any Bond, whether at the stated maturity or accelerated maturity thereof, or at the redemption date thereof;

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the University in the Resolution or in the Bonds contained (other than a default described in (a) or (b) above) or in any other document or instrument that secures or otherwise relates to the debt and obligations hereby secured, and the continuance thereof for a period of 60 days after written notice thereof shall have been given to the University by the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding; provided, however, if any default shall be such that it cannot be corrected within such 60-day period, it shall not constitute an Event of Default if corrective action is instituted by the University within such period and diligently pursued until the default is corrected; or

(d) The University files a petition as a debtor under the United States Bankruptcy Code.

At any time thereafter and while such Event of Default shall continue the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding may, by written notice to the University filed in the office of the President of the University or delivered in person to said President, declare the principal of all Bonds then Outstanding to be due and payable immediately, and upon any such declaration given as aforesaid, all of said Bonds shall become and be immediately due and payable, anything in the Resolution or in the Bonds contained to the contrary notwithstanding. The foregoing, however, is subject to the condition that if at any time after the principal of said Outstanding Bonds shall have been so declared to be due and payable, all arrears of interest upon all of said Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said Bonds shall have been paid in full and all other defaults, if any, by the University under the provisions of the Resolution and under the provisions of the statutes of the State of Missouri shall have been cured, then and in every such case the owners of a majority in principal amount of the Bonds then Outstanding, by written notice to the University given as specified in the Resolution may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

Remedies. The provisions of the Resolution, including the covenants and agreements therein contained, shall constitute a contract between the University and the owners of the Bonds, and the owner or owners of not less than l0% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such owner or owners against the University and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Resolution or by the constitution and laws of the State of Missouri;

(b) by suit, action or other proceedings in equity or at law to require the University, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds.

Limitation on Rights of Bondowners. No one or more Bondowners secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Resolution, or to enforce any right thereunder, except in the manner therein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of such outstanding Bonds.

Remedies Cumulative. No remedy conferred by the Resolution upon the Bondowners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Bondowner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the owners of the Bonds by the Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. In case any suit, action or proceedings taken by any Bondowner on account of any default or to enforce any right or exercise any remedy shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondowner, then, and in every such case, the University and the Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondowners shall continue as if no such suit, action or other proceedings had been brought or taken.

Defeasance

When any or all of the Bonds or the interest payments thereon shall have been paid and discharged, then the requirements contained in the Resolution and the pledge of Revenues made hereunder and all other rights granted hereby shall terminate with respect to the Bonds or the interest payments thereon so paid and discharged. Bonds or the interest payments thereon shall be deemed to have been paid and discharged and no longer be Outstanding within the meaning of the Resolution if there shall have been deposited with the Paying Agent, or other commercial bank or trust company located in the State of Missouri and having full trust powers, at or prior to the stated maturity of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such money or Defeasance Obligations, will be sufficient for the payment of the principal or redemption price of said Bonds, and/or interest to accrue on such Bonds to the stated maturity or redemption date, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds shall be redeemed prior to the stated maturity thereof, (a) the University shall have elected to redeem such Bonds, and (b) either notice of such redemption shall have been given, or the University shall have given irrevocable instructions to the Paying Agent to redeem such Bonds. Any moneys and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the University, for the purpose of paying and discharging any of the Bonds or the interest payments thereon, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All moneys and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Resolution. In the event of an advance refunding of any of the Bonds, the University shall cause to be delivered to the Paying Agent a verification report of an independent nationally recognized certified public accountant of the mathematical computation of the adequacy of the escrow established to provide for the payment of the Bonds.

Amendments

The rights and duties of the University, the Board and the Bondowners, and the terms and provisions of the Bonds or of the Resolution, may be amended or modified at any time in any respect by resolution of the Board with the written consent of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Secretary of the Board, but no such modification or alteration shall:

(a) extend the maturity of any payment of principal or interest due upon any Bond;

(b) effect a reduction in the amount which the University is required to pay by way of principal of or interest on any Bond;

(c) permit the creation of a lien on the Revenues of the System prior or equal to the lien of the Existing Bonds, the Bonds or Parity Bonds hereafter issued on a parity with the Bonds as provided;

(d) permit preference or priority of any Bonds over any other Bonds; or

(e) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Resolution.

Any provision of the Bonds or of the Resolution may, however, be amended or modified by resolution duly adopted by the Board at any time in any respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without the consent of Bondowners, the Board may amend or supplement the Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein which is not materially adverse to the interests of the Bondowners.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Secretary of the Board a copy of the resolution of the University hereinabove provided for, duly certified, as well as proof of consent to such modification by the requisite Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

The University shall furnish to the Paying Agent a copy of any amendment to the Bonds or the Resolution which affects the duties or obligations of the Paying Agent under the Resolution.

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APPENDIX D

FORM OF BOND COUNSEL OPINION

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Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, proposes to issue its approving opinion upon the issuance of the Bonds in substantially the following form:

Board of Governors of
Truman State University
Kirksville, Missouri

Commerce Bank
Kansas City, Missouri

Re: $______________ Truman State University Housing System Refunding Revenue Bonds, Series 2016

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by Truman State University (the "University"), acting through its Board of Governors (the "Board"), of the above-captioned bonds (the "Bonds"). The Bonds have been authorized and issued pursuant to Chapter 176 of the Revised Statutes of Missouri, as amended (the "Act"), and a resolution adopted by the Board (the "Bond Resolution"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Bond Resolution.

We have examined the law and a certified transcript of proceedings relating to the authorization and issuance of the Bonds and such other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion we have relied upon the representations of the University contained in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized and issued in accordance with the Constitution and statutes of the State of Missouri, including the Act.

2. The Bonds are valid and legally binding special obligations of the University, payable as to principal and interest solely from, and secured by a lien on and pledge of, the net income and revenues derived by the University from the operation of the System, after providing for the costs of operation and maintenance thereof and on a parity with the Parity Bonds as provided in the Bond Resolution, and are not payable in any manner from funds raised by taxation. The Bonds do not constitute an indebtedness of the State of Missouri, the University, the Board or the individual members of the Board within the meaning of any constitutional or statutory limitation.

3. The Bond Resolution has been duly adopted by the University and constitutes a valid and legally binding obligation of the University enforceable against the University.

4. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the University complies with all requirements of the Internal Revenue Code of 1986, as amended (the ”Code”), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The University has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

The rights of the Owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

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Book-Entry Only System

General. The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the "Book-Entry System") maintained by The Depository Trust Company ("DTC"), New York, New York.

The following information concerning DTC and DTC's book-entry system has been obtained from DTC. The University takes no responsibility for the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The

Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the University as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal, Redemption Price and Interest. Payment of principal or Redemption Price of and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the University or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or Redemption Price of and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the University or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the University or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

Participants holding a majority interest in the Bonds may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Registration, Transfer and Exchange of Bonds

The University will cause the Bond Register to be kept at the principal payment office of the Paying Agent or such other office designated by the Paying Agent for the registration, transfer and exchange of the Bonds as provided in the Resolution. Upon surrender of any Bond at the principal payment office of the Paying Agent, or at such other office designated by the Paying Agent, the Paying Agent shall transfer or exchange such Bond as provided in the Resolution.

The Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate or principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. The University and the Paying Agent shall not be required (i) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent in accordance with the Resolution and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (ii) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the University of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to the Resolution.

ADOPTION AGREEMENT

relating to

OMNIBUS CONTINUING DISCLOSURE AGREEMENT

This Adoption Agreement (the *"Adoption Agreement"*) dated February 11, 2016, relating to that certain Omnibus Continuing Disclosure Agreement dated as of April 1, 2013, as supplemented and amended to date (the *"Disclosure Agreement"*), is executed and delivered by Truman State University (the *"Issuer"*). Capitalized terms not otherwise defined in this Adoption Agreement have the meanings given those terms in the Disclosure Agreement.

WHEREAS, the Disclosure Agreement was executed and delivered by the Issuer and UMB Bank, N.A., as dissemination agent (the *"Dissemination Agent"*), for the benefit of the Beneficial Owners of the outstanding Bonds with respect to which the Issuer is an "obligated person" within the meaning of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the *"Rule"*), and governs the continuing disclosure obligations of the Issuer with respect to such Bonds;

WHEREAS, the Issuer has determined to issue its Housing System Refunding Revenue Bonds, Series 2016, in the aggregate principal amount of $20,105,000 (the *"Series 2016 Bonds"*), which Series 2016 Bonds have been offered pursuant to an Official Statement dated January 27, 2016; and

WHEREAS, the Issuer and the Dissemination Agent have determined that, in order to assist the underwriter of the Series 2016 Bonds in complying with the Rule, they will reaffirm the applicability of the Disclosure Agreement to the Series 2016 Bonds in all respects through this Adoption Agreement;

NOW, THEREFORE, the Issuer covenants and agrees for the benefit of the Beneficial Owners of the Series 2016 Bonds that the applicability of the Disclosure Agreement to the Series 2016 Bonds is hereby affirmed in all respects.

THIS ADOPTION AGREEMENT is entered into by the Issuer as of the day and year first above written.

TRUMAN STATE UNIVERSITY

By: ____________________________
Title: President of the University

UMB BANK, N.A., as dissemination agent

By: ____________________________
Title: ____________________________

ESCROW TRUST AGREEMENT

Dated as of February 1, 2016

Between

TRUMAN STATE UNIVERSITY

and

UMB BANK, N.A.,
as Escrow Agent

Entered in Connection with the Refunding and/or
Payment and Discharge of Certain Maturities of the University's
Housing System Revenue Bonds, Series 2008

ESCROW TRUST AGREEMENT

THIS ESCROW TRUST AGREEMENT dated as of February 1, 2016 (the "Agreement"), between **TRUMAN STATE UNIVERSITY** (the "University"), and **UMB BANK, N.A.,** a national banking association with its principal corporate trust office located in Kansas City, Missouri, and having full trust powers, as escrow agent (the "Escrow Agent").

RECITALS:

1. The University has heretofore duly authorized and issued, among others, a series of housing system revenue bonds, described as follows:

Series of Bonds	Date of Bonds	Original Principal Amount	Amount Outstanding
Housing System Revenue Bonds, Series 2008 (the "Series 2008 Bonds")	March 13, 2008	\$23,570,000	\$20,640,000

2. The University desires to advance refund the Series 2008 Bonds maturing on June 1, 2016 and thereafter, outstanding in the aggregate principal amount of \$20,640,000 (the "Refunded Bonds")

3. The Refunded Bonds will mature (or will be subject to redemption prior to maturity) and will have interest payable in the amounts and at the times shown on **Schedule 1** attached hereto.

4. Pursuant to a Resolution adopted by the Board of Governors of the University on January 27, 2016 (the "Refunding Bond Resolution"), the University has heretofore authorized the issuance and delivery of \$20,105,000 principal amount of Housing System Refunding Revenue Bonds, Series 2016 (the "Refunding Bonds"), for the purpose of providing funds to refund the Refunded Bonds and pay the costs of issuance of the Refunding Bonds.

5. With a portion of the proceeds of the sale of the Refunding Bonds, the University intends to provide for the payment of the principal of and interest on the Refunded Bonds through the purchase of non-callable United States Treasury Obligations described in **Schedule 2** attached hereto.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

Section 1. Definitions. The following words and terms used in this Escrow Agreement shall have the following meanings:

"Agreement" means this Escrow Trust Agreement.

"Bond Counsel" means Gilmore & Bell, P.C., or other firm of attorneys nationally recognized on the subject of municipal bonds.

"Bond Payment Date" means any date on which any principal of or interest on the Refunded Bonds is due and payable, including the Redemption Date.

"Code" means the Internal Revenue Code of 1986, as amended.

"Escrow Agent" means UMB Bank, N.A., Kansas City, Missouri, and its successor or successors at the time acting as the Escrow Agent under this Agreement.

"Escrow Fund" means the fund by that name referred to in **Section 3** of this Agreement.

"Escrowed Securities" means the securities listed on **Schedule 2** attached hereto and any Substitute Escrowed Securities.

"Paying Agent" means UMB Bank, N.A., Kansas City, Missouri, and any successor or successors at the time acting as paying agent for any of the Series 2008 Bonds.

"Redemption Date" means June 1, 2017.

"Refunded Bond Resolution" means the Resolution of the University adopted on February 26, 2008, which authorized the Refunded Bonds.

"Refunded Bonds" means the \$20,640,000 outstanding principal amount of the University's Housing System Revenue Bonds, Series 2008, as more fully described in the recitals to this Agreement.

"Refunding Bond Resolution" means the Resolution of the University adopted on January 27, 2016, authorizing the Refunding Bonds.

"Refunding Bonds" means the \$20,105,000 aggregate principal amount of Housing System Refunding Revenue Bonds, Series 2016, authorized and issued by the University pursuant to the Refunding Bond Resolution.

"Substitute Escrowed Securities" means non-callable direct obligations of the United States of America which have been acquired by the Escrow Agent and substituted for Escrowed Securities in accordance with **Section 8** of this Agreement.

"University" means Truman State University and its successors and assigns.

Section 2. Receipt of Documents. The Escrow Agent hereby acknowledges receipt of true and correct copies of the Refunding Bond Resolution and the Refunded Bond Resolution, as certified by the Secretary of the Board of Governors of the University, and reference herein to or citation herein of any provisions of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

Section 3. Creation of Escrow Fund. There is hereby created and established with the Escrow Agent the following special and irrevocable separate trust fund to be held in the custody of the Escrow Agent and designated as the "Escrow Fund for Truman State University, Housing System Revenue Bonds, Series 2008" (the "Escrow Fund").

Section 4. Verification of Certified Public Accountants. Robert Thomas CPA, LLC, Shawnee Mission, Kansas, certified public accountants, has verified the mathematical computations performed by Columbia Capital Management, LLC, financial advisor to the University with respect to the Refunded Bonds, which demonstrate that the cash held in the Escrow Fund, together with the maturing Escrowed Securities and interest to accrue thereon, will be sufficient to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds on the respective Bond Payment Dates to and including the Redemption Date, a copy of which verification report has been delivered to the University and the Escrow Agent concurrently with the execution and delivery of this Agreement.

Section 5. Deposits to the Escrow Fund. Concurrently with the execution and delivery of this Agreement, and pursuant to the provisions of the Refunding Bond Resolution, the University herewith deposits with the Escrow Agent, and the Escrow Agent acknowledges receipt and deposit into the Escrow Fund, the sum of $21,981,234.45 (consisting of $20,380,734.45 of the proceeds of the sale of the Refunding Bonds and $1,600,500.00 from the debt service reserve fund for the Refunded Bonds). The Escrow Agent shall apply such amount as follows:

(a) $21,980,949.69 shall be used to purchase the Escrowed Securities described in **Schedule 2** hereto, which shall be delivered to and deposited in the Escrow Fund.

(b) $284.76 shall be held uninvested in the Escrow Fund as a beginning balance.

Section 6. Creation of Lien. The escrow created hereby shall be irrevocable. The holders of the Refunded Bonds are hereby given an express lien on and security interest in the Escrowed Securities and the cash in the Escrow Fund and all earnings thereon until used and applied in accordance with this Agreement. The matured principal of and earnings on the Escrowed Securities and any cash in the Escrow Fund are hereby pledged and assigned and except as otherwise provided herein shall be applied solely for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds.

Section 7. Application of Cash and Escrowed Securities in the Escrow Fund.

(a) Except as otherwise expressly provided in this Section or in **Section 8** hereof, the Escrow Agent shall have no power or duty to invest any cash held hereunder or to sell, transfer or otherwise dispose of any Escrowed Securities.

(b) On or prior to each Bond Payment Date, the Escrow Agent shall withdraw from the Escrow Fund an amount equal to the principal of and interest on the Refunded Bonds becoming due and payable on such Bond Payment Date, as set forth in **Schedule 1** attached hereto, and shall forward such amount to the office of the Paying Agent, so that immediately available funds will reach the office of the Paying Agent on or before 12:00 noon, Central Time, on such Bond Payment Date. In order to make the payments required by this subsection (b), the Escrow Agent is hereby authorized to redeem or otherwise dispose of Escrowed Securities in accordance with the maturity schedules in **Schedule 2** attached hereto. The liability of the Escrow Agent to make the payments required by this subsection (b) shall be limited to the cash and Escrowed Securities in the Escrow Fund.

(c) Notwithstanding any other provisions of this Agreement, the University and the Escrow Agent hereby covenant that no part of the proceeds of the Refunding Bonds or of the money or funds in the Escrow Fund shall be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Refunding Bonds would have caused any of the Refunding Bonds to be an "arbitrage bond" under Section 148 of the Code.

(d) Upon the payment in full of the principal of, redemption premium, if any, and interest on the Refunded Bonds, all remaining cash and Escrowed Securities in the Escrow Fund, together with any interest thereon, shall be transferred by the Escrow Agent to the University for deposit in the Debt Service Fund.

(e) Cash held from time to time in the Escrow Fund shall be held uninvested or, at the written direction of the University, invested in fully collateralized, noncallable direct obligations of the United States of America maturing on or before the next Bond Payment Date that such cash will be needed.

Section 8. Substitute Escrowed Securities.

(a) If any of the Escrowed Securities are not available for delivery on the date of the issuance of the Refunding Bonds, the Escrow Agent is directed to accept substitute securities in lieu thereof, provided: (1) the substitute securities are non-callable direct obligations of the United States of America; (2) the maturing principal of and interest on such substitute securities is equal to or greater than the maturity value of such unavailable Escrowed Securities; (3) principal of and interest on the substitute securities is payable on or before the maturity date of the unavailable Escrowed Securities; and (4) the University and Bond Counsel approve such substitution in writing. If the original Escrowed Securities become available and are tendered to the Escrow Agent by or on behalf of the original purchaser of the Refunding Bonds, the Escrow Agent shall accept such Escrowed Securities, shall return the substitute securities as directed by such original purchaser and shall notify Bond Counsel and the University of the transaction.

(b) At the written request of the University and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, request the redemption of or otherwise dispose of the Escrowed Securities and to substitute for the Escrowed Securities solely cash or Substitute Escrowed Securities. The Escrow Agent shall purchase such Substitute Escrowed Securities with the proceeds derived from the sale, transfer, disposition or redemption of the Escrowed Securities together with any other funds available for such purpose. The substitution may be effected only if: (1) the substitution of the Substitute Escrowed Securities for the original Escrowed Securities occurs simultaneously; (2) the Escrow Agent receives from an independent certified public accountant acceptable to the Escrow Agent in its reasonable judgment a certification, satisfactory in form and substance to the Escrow Agent, to the effect that after such substitution, (A) the principal of and interest on the Escrowed Securities to be held in the Escrow Fund after giving effect to the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay all remaining principal of, redemption premium, if any, and interest on the Refunded Bonds as set forth on **Schedule 1** hereto, and (B) the amounts and dates of the anticipated transfers from the Escrow Fund to the Paying Agent for the Refunded Bonds will not be diminished or postponed thereby; and (3) the Escrow Agent receives a written opinion of Bond Counsel to the effect that such substitution is permitted under this Agreement and will not cause the interest on either the Refunding Bonds or the Refunded Bonds to become included in gross income for purposes of federal income taxation under then existing law. If any such substitution results in cash held in the Escrow Fund in excess of the amount required to fully fund the escrow, as certified in (2) above, the Escrow Agent shall, at the request of the University, withdraw such excess from the Escrow Fund and pay such excess to the University for deposit in the Debt Service Fund, to be applied as provided by law; provided that, a written opinion of Bond Counsel shall be delivered to the Escrow Agent to the effect that such withdrawal and application will not be contrary to State law and will not cause the interest on the Refunding Bonds or the Refunded Bonds to become included in gross income for purposes of federal income taxation.

Section 9. Redemption of Refunded Bonds. The Escrow Agent hereby acknowledges that the University has elected to call all of the Refunded Bonds maturing on June 1, 2018 and thereafter for redemption and payment prior to maturity on the Redemption Date. Notice of redemption of the Refunded Bonds maturing on June 1, 2018 and thereafter has been given to the Paying Agent by the University, as required by the Refunded Bond Resolution. The University hereby directs the Escrow

Agent to direct the Paying Agent in writing, not more than 90 days prior to the Redemption Date, to give additional notice of redemption of the Refunded Bonds, by publication or mailing as provided in the Refunded Bond Resolution, said additional notice to be given not more than 60 days nor less than 30 days prior to the Redemption Date, it being understood, however, that said additional notice is for convenience in facilitating said redemption and failure to give any such notice shall not affect the validity of the call for redemption of the Refunded Bonds.

Section 10. Reports of the Escrow Agent. As long as any of the Refunded Bonds, together with the interest thereon, have not been paid in full, the Escrow Agent shall, at least 60 days prior to each Bond Payment Date, determine the amount of money which will be available in the Escrow Fund to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds on the next Bond Payment Date. If the Escrow Agent determines that sufficient funds will not be available on such Bond Payment Date to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds, then the Escrow Agent shall certify in writing to the University (a) the amount so determined, and (b) a list of the money and Escrowed Securities held by it in the Escrow Fund on the date of such certification.

Section 11. Liability of Escrow Agent.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment, sale, transfer or other disposition made pursuant to this Agreement in compliance with the provisions hereof. The Escrow Agent shall have no lien whatsoever on any of the money or Escrowed Securities on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement or otherwise.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Escrowed Securities and money to pay the Refunded Bonds. So long as the Escrow Agent applies the Escrowed Securities and money as provided herein, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations. Notwithstanding the foregoing, the Escrow Agent shall not be relieved of liability arising from and proximate to its failure to comply fully with the terms of this Agreement.

(c) If the Escrow Agent fails to account for any of the Escrowed Securities or money received by it, said Escrowed Securities or money shall be and remain the property of the University in trust for the holders of the Refunded Bonds, and, if for any reason such Escrowed Securities or money are not applied as herein provided, the assets of the Escrow Agent shall be impressed with a trust for the amount thereof until the required application shall be made.

(d) The Escrow Agent shall not be responsible for any action or failure to take action on the part of any Paying Agent.

(e) The Escrow Agent may rely and shall be protected in acting upon or refraining from acting upon in good faith any ordinance, resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, verification, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(f) The Escrow Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement.

(g) No provision of this Agreement shall be construed to relieve the Escrow Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that the Escrow Agent shall not be liable for any error of judgment made in good faith by an authorized officer, employee or agent of the Escrow Agent, unless it shall be proved that the Escrow Agent was negligent in ascertaining the pertinent facts.

(h) Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Escrow Agent shall be subject to the provisions of this section.

Section 12. Fees and Costs of the Escrow Agent.

(a) The aggregate amount of the costs, fees and expenses of the Escrow Agent in connection with the creation of the Escrow Fund created by this Agreement and in carrying out any of the duties, terms or provisions of this Agreement is a one-time fee of $500, payable upon receipt of an invoice from the Escrow Agent.

(b) Notwithstanding the preceding paragraph, the Escrow Agent shall be entitled to reimbursement from the University of reasonable out-of-pocket, legal or extraordinary expenses incurred in carrying out the duties, terms or provisions of this Agreement. Claims for such reimbursement may be made to the University and in no event shall such reimbursement be made from funds held by the Escrow Agent pursuant to this Agreement.

Section 13. Resignation or Removal of Escrow Agent; Successor Escrow Agent.

(a) The Escrow Agent at the time acting hereunder may at any time resign and be discharged from its duties and responsibilities hereby created by giving written notice by registered or certified mail to the University and to the Paying Agent (who shall cause notice to be given to all of the owners of record of the Refunded Bonds) not less than 60 days prior to the date when the resignation is to take effect. Such resignation shall take effect immediately upon the acceptance of the University of the resignation, the appointment of a successor Escrow Agent (which may be a temporary Escrow Agent) by the University, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the cash and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the resigning Escrow Agent.

(b) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and the University and signed by the owners of a majority in principal amount of the Refunded Bonds then outstanding; provided that written notice thereof is mailed by or on behalf of the University on or before the date of such removal by registered or certified mail, postage prepaid, to all registered owners of such Refunded Bonds, who are not parties to such instruments. The Escrow Agent may also be removed by the University if the Escrow Agent fails to make timely payment on any Bond Payment Date to the Paying Agent of the amounts required to be paid by it on such Bond Payment Date by **Section 7(b)** of this Agreement; provided that written notice thereof is mailed by or on behalf of the University on or before the date of such removal by registered or certified mail, postage prepaid, to the Paying Agent and to all registered owners of such Refunded Bonds, who are not parties to such instruments. Any removal pursuant to this paragraph shall become effective upon the appointment of a successor Escrow Agent (which may be a temporary successor Escrow Agent) by the University, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the cash and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the Escrow Agent being removed.

(c) If the Escrow Agent resigns or is removed, or is dissolved, or is in the course of dissolution or liquidation, or otherwise becomes incapable of acting hereunder, or if the Escrow Agent is taken under the control of any public officer or officers, or of a receiver appointed by a court, the University shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent is appointed by the University in the manner above provided, and any such temporary Escrow Agent so appointed by the University shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

(d) If no appointment of a successor Escrow Agent or a temporary successor Escrow Agent has been made by such holders or the University pursuant to the foregoing provisions of this Section within 60 days after written notice of resignation of the Escrow Agent has been given to the University, the holder of any of the Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

(e) No successor Escrow Agent shall be appointed unless such successor Escrow Agent is a corporation with trust powers authorized to do business in the State of Missouri and organized under the banking laws of the United States or the State of Missouri and has at the time of appointment capital and surplus of not less than $25,000,000.

(f) Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the University an instrument in writing accepting such appointment hereunder, and thereupon such successor Escrow Agent without any further act, deed or conveyance shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the University, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Escrow Agent shall deliver all securities and money held by it to its successor. Should any transfer, assignment or instrument in writing from the University be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the University.

(g) Any corporation into which the Escrow Agent, or any successor to it of the duties and responsibilities created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent or any successor to it may be a party, or any entity to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, shall, if satisfactory to the University, be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 14. Limitation on Liability of the University. The University shall not be liable (a) for any loss resulting from any investment made pursuant to this Agreement, (b) for the accuracy of the calculations as to the sufficiency of the Escrowed Securities and money in the Escrow Fund to pay the principal of and interest on the Refunded Bonds, or (c) for any acts of the Escrow Agent.

Section 15. Amendments to this Agreement. This Agreement is made for the benefit of the University and the holders from time to time of the Refunded Bonds, and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the University; provided, however, that the University and the Escrow Agent may, without the consent of or notice to such holders, enter into agreements supplemental to this Agreement if such supplemental agreements do not adversely affect the rights of such holders and are not inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Agreement;

(b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

(c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified written opinion of Bond Counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Section 16. Termination. This Agreement shall terminate when all transfers required to be made by the Escrow Agent under the provisions hereof shall have been made.

Section 17. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by the Refunding Bond Resolution or this Agreement to be given to or filed with the following parties if the same is duly mailed by certified or registered mail (return receipt requested) addressed:

(a) To the University at:

Truman State University
105 McClain Hall
100 East Normal Avenue
Kirksville, Missouri 63501
Attention: Comptroller

(b) To the Escrow Agent at:

UMB Bank, N.A.
2401 Grand Boulevard, Suite 200
Kansas City, Missouri 64108
Attn: Corporate Trust Department

Section 18. Indemnification.

(a) Except as provided in **Section 14** of this Agreement, and only to the extent permitted by law, the University hereby assumes liability for and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Agent and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against the same by the University or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow

Fund established hereunder, the acceptance of the cash and securities deposited therein, the purchase of the Escrowed Securities, the retention of the Escrowed Securities or the proceeds thereof and any payment, transfer or other application of cash or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided however, that the University shall not be required to indemnify the Escrow Agent against its own negligence or willful misconduct. In no event shall the University be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement.

(b) Except as provided in **Section 11** of this Agreement, the Escrow Agent and its respective successors, assigns, agents, directors, officers, employees and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the money deposited therein, the purchase of the Escrowed Securities, the retention of the Escrowed Securities or the proceeds thereof or any payment, transfer or other application of the money or Escrowed Securities held by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel who may or may not be counsel to the University and in reliance upon the opinions of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the University.

Section 19. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the University or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 20. Successors and Assigns. All of the covenants, promises and agreements in this Agreement contained by or on behalf of the University or the Escrow Agent shall be binding upon and inure to the benefit of their respective successors and assigns whether so expressed or not.

Section 21. Electronic Storage. The transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 22. Governing Law. This Agreement shall be governed by the applicable law of the State of Missouri.

Section 23. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers or elected officials as of the date first above written.

TRUMAN STATE UNIVERSITY

By: __________________________________
Title: Comptroller

[Escrow Trust Agreement]

UMB BANK, N.A.,
as Escrow Agent

By: ________________________________
Title: Authorized Officer

SCHEDULE 1
TO ESCROW TRUST AGREEMENT

BOND PAYMENT SCHEDULE FOR REFUNDED BONDS

Date	Principal	Interest	Total
06/1/2016	$ 550,000.00	$523,525.00	$ 1,073,525.00
12/1/2016	-	512,525.00	512,525.00
06/1/2017	20,090,000.00[1]	512,525.00	20,602,525.00

(1) Includes $575,000 principal amount becoming due on 6/1/2017 and $19,515,000 principal amount being redeemed.

SCHEDULE 2
TO ESCROW TRUST AGREEMENT

SCHEDULE OF ESCROWED SECURITIES

Maturity	Type	Coupon	Yield	$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
Escrow								
05/31/2016	T-NOTE	3.250%	0.385%	100.8593750%	778,000	784,685.94	5,043.18	789,729.12
11/30/2016	T-NOTE	2.750%	0.613%	101.7031250%	230,000	233,917.19	1,261.54	235,178.73
05/31/2017	T-NOTE	2.750%	0.763%	102.5664063%	20,323,000	20,844,570.74	111,471.10	20,956,041.84
Subtotal		-	-	-	**$21,331,000**	**$21,863,173.87**	**$117,775.82**	**$21,980,949.69**
Total		-	-	-	**$21,331,000**	**$21,863,173.87**	**$117,775.82**	**$21,980,949.69**

Escrow

Cash Deposit	284.76
Cost of Investments Purchased with Bond Proceeds	21,980,949.69
Total Cost of Investments	$21,981,234.45

Delivery Date	2/11/2016

$20,105,000
TRUMAN STATE UNIVERSITY
HOUSING SYSTEM REFUNDING REVENUE BONDS
SERIES 2016

January 27, 2016

BOND PURCHASE AGREEMENT

Board of Governors
Truman State University
Kirksville, Missouri

Ladies and Gentlemen:

On the basis of the representations, warranties and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, the undersigned, Commerce Bank (the "Purchaser"), hereby offers to purchase $20,105,000 principal amount of Housing System Refunding Revenue Bonds, Series 2016 (the "Bonds") to be issued by Truman State University (the "University") under and pursuant to a Resolution adopted by the Board of Governors of the University (the "Board of Governors") on January 27, 2016 (the "Resolution"). Capitalized terms used in this Bond Purchase Agreement have the meanings set forth in the Resolution unless some other meaning is plainly indicated.

This offer is made subject to acceptance of this Bond Purchase Agreement by the University on or before 11:59 p.m., Central Time, on January 27, 2016.

SECTION 1. UNIVERSITY'S REPRESENTATIONS AND WARRANTIES

By acceptance of this Bond Purchase Agreement, the University hereby represents and warrants to the Purchaser that:

(a) The University is a public institution of higher education of the State of Missouri and a political subdivision of the State of Missouri.

(b) The University has fully complied with all provisions of the Constitution and the laws of the State of Missouri, including particularly the Act, and has full power and authority to consummate all transactions contemplated by the Resolution and this Bond Purchase Agreement, and all other related agreements.

(c) The University has duly authorized by all necessary action to be taken by the University: (1) the adoption and performance of the Resolution; (2) the execution, delivery and performance of this Bond Purchase Agreement; (3) the execution and performance of an Adoption Agreement to the Omnibus Continuing Disclosure Agreement dated as of April 2, 2013 (the "Continuing Disclosure Agreement"), between the University and UMB Bank, N.A., as dissemination agent; (4) the approval of the Official Statement; (5) the Escrow Trust Agreement dated as of February 1, 2016 (the "Escrow Trust Agreement") between the University and UMB Bank, N.A., as escrow agent; (6) the execution and performance of all other agreements and documents as may be required to be executed, delivered and performed by the University in order to carry out, give effect to and consummate the transactions contemplated by the Resolution and this Bond Purchase Agreement; and (7) the carrying out, giving effect to and consummation of the transactions contemplated by the Resolution and this Bond Purchase Agreement. Executed counterparts of the Resolution, the Continuing Disclosure Agreement and the Escrow Trust Agreement (collectively, the "Bond Documents") and all other agreements and documents specified in this Bond Purchase Agreement will be delivered to the Purchaser by the University at the Closing Time (as defined below).

(d) The Bond Documents and this Bond Purchase Agreement, when executed and delivered by the University, will be the legal, valid and binding obligations of the University enforceable in accordance with their terms, except to the extent that enforcement thereof may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other law or laws affecting the enforcement of creditors' rights generally or against entities such as the University and further subject to the availability of equitable remedies.

(e) The Bonds have been duly authorized by the University, and when issued, delivered and paid for as provided for in this Bond Purchase Agreement and in the Resolution, will have been duly executed, authenticated, issued and delivered and will constitute valid and binding special obligations of the University enforceable in accordance with their terms and entitled to the benefits and security of the Resolution (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other law or laws affecting the enforcement of creditors' rights generally or against entities such as the University and further subject to the availability of equitable remedies). The Bonds will not pledge the full faith and credit of the State of Missouri or any political subdivision thereof, including the University, nor will they be secured by a lien against any of their respective properties, except as provided for in the Resolution. The Bonds will be special limited obligations of the University payable solely out of the Net Revenues derived from the operation of the System (except to the extent paid out of moneys attributable to Bond proceeds or the income from the temporary investment thereof). The Bonds will not constitute general obligations or an indebtedness of the State of Missouri, the University, the Board of Governors or the individual members of the Board of Governors within the meaning of any constitutional or statutory provision, limitation or restriction. The University has no power to tax.

(f) The execution and delivery of the Bond Documents, the Bonds, this Bond Purchase Agreement, and the Official Statement and compliance with the provisions thereof, will not conflict with or constitute on the part of the University a violation or breach of, or a default under, any existing law, regulation, court or administrative decree or order, or any agreement, resolution, mortgage, lease or other instrument to which it is subject or by which it is or may be bound.

(g) The University is not, nor with the giving of notice or lapse of time or both would not be, in violation of or in default under any indenture, mortgage, deed of trust, loan agreement, bonds or other agreement or instrument to which the University is a party or by which it is or may be bound, except for violations and defaults which individually and in the aggregate are not material to the University or the System and will not be material to the holders of the Bonds. As of the Closing Time, no event will have occurred and be continuing which with the lapse of time or the giving of notice, or both, would constitute an event of default under the Bond Documents, this Bond Purchase Agreement or the Bonds.

(h) The information contained in the Preliminary Official Statement dated January 19, 2016, as amended and supplemented by the Official Statement dated January 27, 2016, and in any amendment or supplement thereto that may be authorized for use by the University with respect to the Bonds (collectively, the "Official Statement") is, and as of the Closing Time will be, true, correct and complete in all material respects and does not omit and will not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(i) For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, promulgated under the Securities Exchange Act of 1934, as amended (the "1934 Act"), the University hereby deems the Preliminary Official Statement to be "final" as of its date, except for the omission of the information as is permitted by Rule 15c2-12(b)(1), such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, identity of the purchasers and other terms of the Bonds depending on those matters.

(j) The financial statements of the University and of the System for the fiscal years ended June 30, 2014 and 2015, audited by RubinBrown, LLP, contained in the Official Statement, present fairly and accurately the financial condition and results of operations of the University and the System, respectively, as of the dates and for the periods specified.

(k) Neither the University nor the System has, since June 30, 2015, incurred any material liabilities and there has been no material adverse change since that date in the condition of the University or the System, financial or otherwise, other than as set forth in the Official Statement.

(l) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the University, threatened against or affecting the University or the System (or, to its knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Resolution or the validity of the Bond Documents, the Bonds, this Bond Purchase Agreement or any agreement or instrument to which the University is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Resolution.

(m) The University acknowledges and agrees that: (1) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length, commercial transaction between the University and the Purchaser; (2) in connection with such transaction, the Purchaser is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the University; (3) the Purchaser has not assumed any advisory or fiduciary responsibility to the University with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Purchaser has provided other services or is currently providing other services to the University on other matters) or any other obligation to the University except the obligations expressly set forth in this Bond Purchase Agreement; and (4) the University has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein.

(n) To its knowledge after due inquiry, the facilities comprising the System (the "System Property") are in material compliance with all Environmental Laws. The University has received no notice of any violation or alleged violation of, or of any material liability or alleged liability under, any Environmental Laws with respect to the System Property. The University will continue to comply in all material respects with all Environmental Laws with respect to the System Property. "Environmental Laws" means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to Hazardous Materials to which the University or the System Property is subject. "Hazardous Materials" means dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, material or substances (as defined in Environmental Laws), and shall include any urea formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, materials, substance, pollutant or contaminant the improper storage, disposal or release of which would subject the person so storing, disposing or releasing (or the owner of the property on which such action occurs) to any damages, penalties or liabilities under any applicable law, regulation, requirement or rule.

(o) The University or the State of Missouri owns fee simple title to the System Property free and clear of any liens or encumbrances, other than (1) leases previously disclosed to the Purchaser, (2) utility easements and other rights-of-way that do not materially affect the current use of the System Property, and (3) other minor defects and irregularities of title that do not, individually or in the aggregate materially affect the use of the System Property. The System Property is exempt from property and other taxes levied by the State of Missouri or any political subdivision thereof.

Any certificate signed by any of the authorized officials of the University or the Board of Governors and delivered to the Purchaser in connection with the Closing will be deemed a representation and warranty by the University to the Purchaser as to the statements made therein.

SECTION 2. COVENANTS AND AGREEMENTS OF UNIVERSITY

The University covenants and agrees with the Purchaser for the time period specified, and if no period is specified, for so long as any of the Bonds remain outstanding, as follows:

(a) To cooperate with the Purchaser and its counsel in any reasonable endeavor to qualify the Bonds for offering and sale under the securities or "Blue Sky" laws of the jurisdictions of the United States as the Purchaser may reasonably request; and the University will, if so requested by the Purchaser, with respect to the offer or sale of the Bonds, file written consents to suit and file written consents to service of process in any jurisdiction in which consent may be required by law or regulation so that the Bonds may be offered or sold. The University ratifies and consents to the use of drafts of the Preliminary Official Statement, the Preliminary Official Statement and drafts of the Official Statement prior to the availability of the Official Statement by the Purchaser in obtaining that qualification. The Purchaser will pay all expenses and costs (including legal, registration and filing fees) incurred in connection therewith.

(b) If, prior to the earlier of (i) 90 days after the "end of the underwriting period" (as defined in Rule 15c2-12 under the 1934 Act) or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case earlier than 25 days after the end of the underwriting period, any event occurs relating to or affecting the University or the System, as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements therein, in the light of the circumstances existing when the Official Statement is delivered to a purchaser, not materially misleading, or the Official Statement is required to be amended or supplemented to comply with law, the University will promptly prepare and furnish, at the expense of the University, to the Purchaser and to the dealers (whose names and addresses the Purchaser will furnish to the University) to which Bonds may have been sold by the Purchaser and to any other dealers upon request, any amendments or supplements to the Official Statement as may be necessary so that the statements in the Official Statement as so amended or supplemented will not, in the light of the circumstances existing when the Official Statement is delivered to a purchaser of the Bonds, be misleading or so that the Official Statement will comply with law.

(c) Within seven business days after the date of this Bond Purchase Agreement or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, the University will provide to the Purchaser sufficient copies of the Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) under the 1934 Act, and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

(d) From the date of this Bond Purchase Agreement until the Closing Time, the University will furnish the Purchaser with a copy of any proposed amendment or supplement to the Official Statement for review and will not use any proposed amendment or supplement to which the Purchaser reasonably objects.

(e) The University will undertake, pursuant to the Resolution and the Continuing Disclosure Agreement, to provide certain annual financial information and operating data and notices of the occurrence of certain events. Except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the University has materially complied with all of its previous continuing disclosure obligations under Rule 15c2-12 of the Securities and Exchange Commission.

SECTION 3. PURCHASE, SALE AND DELIVERY OF THE BONDS

On the basis of the representations, warranties, covenants and agreements contained in this Bond Purchase Agreement and in the other agreements and documents referred to in this Bond Purchase Agreement, and subject to the terms and conditions of this Bond Purchase Agreement, at the Closing Time the Purchaser agrees to purchase from the University and the University agrees to sell to the Purchaser the Bonds at a purchase price of $20,509,073.50, which equals the principal amount of the Bonds, plus a net original issue premium of $483,689.30, and less an underwriting discount of $79,615.80. The Bonds will be issued under and secured as provided in the Resolution, and the Bonds will have the maturities and interest rates as set forth on **Schedule 1** to this Bond Purchase Agreement.

The Purchaser intends to make an initial bona fide public offering of all of the Bonds at the prices set forth in **Schedule 1**; provided, however, that the Purchaser may subsequently change such offering price or prices. The Purchaser agrees to notify the University of such changes, if such changes occur prior to Closing, but failure to so notify shall not invalidate such changes. The Purchaser may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the principal amount thereof.

Prior to the Closing Time, the Purchaser will execute and deliver to the University a written certification (the "Issue Price Certificate") containing the following: (a) the initial offering price and interest rate for each maturity of the Bonds; (b) that all of the Bonds were offered to the public in a bona fide public offering at the initial offering prices on the date of this Bond Purchase Agreement; and (c) on the date of this Bond Purchase Agreement, the Purchaser reasonably expected that at least 10% of each maturity of the Bonds would be sold to the "public" at prices not higher than the initial offering prices. For purposes of the preceding sentence "public" means persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers.

At the request of the University, the Purchaser will provide information evidencing the factual basis for the Purchaser's Issue Price Certificate. This agreement by the Purchaser to provide such information will continue to apply after the Closing if (1) the University requests the information in connection with an audit or inquiry by the Internal Revenue Service or the Securities and Exchange

Commission or (2) the information is required to be retained by the University pursuant to future regulation or similar guidance from the Internal Revenue Service, the Securities and Exchange Commission or other federal or state regulatory authority.

Payment for the Bonds will be made by federal wire transfer of immediately available federal funds payable to the order of the University for the account of the University, at the offices of Gilmore & Bell, P.C., St. Louis, Missouri, at 10:00 A.M., local time, on February 11, 2016, or such other place, time or date as is mutually agreed upon by the University and the Purchaser. Upon payment, the Bonds will be delivered and released upon the instructions of the Purchaser to The Depository Trust Company, New York, New York ("DTC"). One fully-registered Bond certificate for each maturity in the principal amount of such maturity as set forth on **Schedule 1** hereto will be deposited with DTC, or delivered to UMB Bank, N.A., Kansas City, Missouri, as paying agent, for "FAST" delivery prior to the Closing Time pursuant to the rules and procedures of DTC. The date of delivery and payment is called the "Closing Date," and the hour and date of delivery and payment is called the "Closing Time."

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for any Bonds.

The net proceeds of the Bonds shall be deposited in the funds and accounts established under the Resolution.

SECTION 4. USE OF OFFICIAL STATEMENT

The University ratifies and confirms the Purchaser's use of the Preliminary Official Statement; and the University authorizes, and will make available, the Official Statement for the use by the Purchaser in connection with the sale of the Bonds.

SECTION 5. CONDITIONS TO THE PURCHASER'S OBLIGATIONS

The Purchaser's obligations under this Bond Purchase Agreement are subject to the due performance by the University of its obligations and agreements to be performed under this Bond Purchase Agreement at or prior to the Closing Time and to the accuracy and completeness of the University's representations and warranties contained in this Bond Purchase Agreement, as of the date of this Bond Purchase Agreement and as of the Closing Time, and are also subject to the following conditions:

(a) The Bonds and the Resolution will have been duly authorized, executed and delivered in the forms heretofore approved by the Purchaser with only those changes therein as are mutually agreed upon by the Purchaser and the University.

(b) At the Closing Time, the Purchaser will receive:

(1) The opinion in form and substance satisfactory to the Purchaser, dated as of the Closing Date, of Gilmore & Bell, P.C., Bond Counsel, relating to the valid authorization and issuance of the Bonds, the due authorization and adoption of the Resolution by the Board of Governors of the University, the exclusion of interest on the Bonds from gross income for federal income tax purposes and certain other matters, and the supplemental opinion of Bond Counsel covering certain matters related to the Official Statement;

(2) A certified copy of the Resolution authorizing or approving, as appropriate, the execution and delivery of the Official Statement, this Bond Purchase Agreement, the Continuing Disclosure Agreement, the Escrow Trust Agreement and the Bonds, together with a certificate dated the Closing Date to the effect that the Resolution has not been modified, amended or repealed;

(3) A certificate of the University, satisfactory in form and substance to the Purchaser, dated as of the Closing Date, to the effect that: (A) since the date of the Preliminary Official Statement there has not been any material adverse change in the business, properties, financial condition or results of operations of the University or the System, whether or not arising from transactions in the ordinary course of business, from that set forth in the Preliminary Official Statement, and except in the ordinary course of business or as set forth in the Preliminary Official Statement, the University has not incurred any material liability with respect to the System; (B) there is no action, suit, proceeding or, to the knowledge of the University, any inquiry or investigation at law or in equity or before or by any public board or body pending or, to the knowledge of the University, threatened against or affecting the University or the System, its officers or its property or, to the best of the knowledge of the University, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the System, the transactions contemplated hereby or by the Bond Documents or the Official Statement or the validity or enforceability of the Bonds, the Bond Documents or this Bond Purchase Agreement, which are not disclosed in the Official Statement; (C) to the knowledge of the University, the information contained in the Official Statement is true in all material respects and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; (D) the University and the Board of Governors have duly authorized, by all necessary action, the execution, delivery and due performance by the University and the Board of Governors of the Bond Documents and this Bond Purchase Agreement; and (E) the representations and warranties of the University set forth in this Bond Purchase Agreement were accurate and complete as of the date of this Bond Purchase Agreement and are accurate and complete as of the Closing Time;

(4) A completed Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) relating to the Bonds;

(4) A letter, satisfactory in form and substance to the Purchaser, from Moody's Investor Service, Inc., evidencing that the Bonds have received the rating of "A1" by such rating agency; and

(5) The additional certificates, legal and other documents, listed on a closing agenda to be approved by Bond Counsel and the Purchaser, as the Purchaser may reasonably request to evidence performance or compliance with the provisions of this Bond Purchase Agreement and the transactions contemplated hereby and by the Resolution, or as Bond Counsel requires in order to render its opinion, all certificates and other documents to be satisfactory in form and substance to the Purchaser.

SECTION 6. CONDITIONS TO THE UNIVERSITY'S OBLIGATIONS

The obligations of the University under this Bond Purchase Agreement are subject to the Purchaser's performance of its obligations under this Bond Purchase Agreement.

SECTION 7. THE PURCHASER'S RIGHT TO CANCEL

The Purchaser has the right to cancel its obligations under this Bond Purchase Agreement to purchase the Bonds (which cancellation will not constitute a default for purposes of **Section 3**) by notifying the University in writing of its election to cancel prior to the Closing Time, if at any time prior to the Closing Time:

(a) The Preliminary Official Statement deemed by the University to be "final" pursuant to **Section 1(i)** is thereafter amended or supplemented in a manner that may, in the reasonable judgment of the Purchaser, have a material adverse effect on the marketability of the Bonds.

(b) A committee of the House of Representatives or the Senate of the Congress of the United States has pending before it legislation that, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the University or by any similar body or upon interest received on obligations of the general character of the Bonds, or the Bonds, which, in the Purchaser's opinion, materially adversely affects the market price of the Bonds;

(c) A tentative decision with respect to legislation is reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation is favorably reported by a committee or is introduced, by amendment or otherwise, in or is passed by the House of Representatives or the Senate, or is recommended to the Congress of the United States for passage by the President of the United States, or is enacted by the Congress of the United States, or a decision by a court established under Article III of the Constitution of the United States or the Tax Court of the United States is rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service is made or proposed having the purpose or effect of imposing federal income taxation, or any other event occurs that results in the imposition of federal income taxation, upon revenues or other income of the general character to be derived by the University or by any similar body or upon interest received on obligations of the general character of the Bonds, or the Bonds, which, in the Purchaser's opinion, materially and adversely affects the market price of the Bonds;

(d) Any legislation, ordinance, rule or regulation is introduced in or is enacted by the General Assembly of the State of Missouri or by any other governmental body, department or agency of the State of Missouri, or a decision by any court of competent jurisdiction within the State of Missouri is rendered that, in the Purchaser's opinion, materially and adversely affects the market price of the Bonds, or litigation challenging the law under which the Bonds are to be issued is filed in any court in the State of Missouri;

(e) A stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter is issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the Securities Act of 1933, as amended (the "1933 Act"), the 1934 Act or the Trust Indenture Act of 1939, as amended;

(f) Legislation is enacted by the Congress of the United States of America, or a decision by a court of the United States of America is rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, including all the underlying obligations, are not exempt from registration under or from other requirements of the 1933 Act or the 1934 Act;

(g) Any event occurs or information becomes known that, in the Purchaser's opinion, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement as originally circulated, or has the effect that the Preliminary Official Statement as originally circulated contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(h) Additional material restrictions not in force as of the date of this Bond Purchase Agreement are imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(i) The New York Stock Exchange or any other national securities exchange, or any governmental authority, imposes, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increases materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Purchaser;

(j) Any general banking moratorium is established by federal, New York or Missouri authorities;

(k) A material default occurs with respect to the obligations of, or proceedings are instituted under the Federal bankruptcy laws or any similar state laws by or against, any state of the United States or any city located in the United States having a population in excess of 1,000,000 persons or any entity issuing obligations on behalf of a state or a city of that size that, in the Purchaser's opinion, materially adversely affects the market price of the Bonds;

(l) Any proceeding is pending or threatened by the Securities and Exchange Commission against the University; or

(m) A war involving the United States is declared, or any conflict involving the armed forces of the United States is escalated, an act of terrorism against the United States occurs or any other national emergency relating to the effective operation of government or the financial community occurs that, in the Purchaser's opinion, materially adversely affects the market price of the Bonds (the Purchaser acknowledges that no such war, conflict or other national emergency exists at this time).

SECTION 8. PAYMENT OF EXPENSES

Whether or not the Bonds are sold by the University to the Purchaser (unless the sale is prevented at the Closing Time by the Purchaser's default), the Purchaser will be under no obligation to pay any expenses incident to the performance of the obligations of the University hereunder. If the Bonds are sold by the University to the Purchaser, all expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds (including, without limitation, the fees and disbursements of Gilmore & Bell, P.C., as Bond Counsel, the fees and disbursements of the Purchaser, in connection with the offering and sale of the Bonds and the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Bonds, the Official Statement, this Bond Purchase Agreement and all other agreements and documents contemplated hereby) will be paid by the University out of the proceeds of the Bonds or other available funds of the University. If the Bonds are not sold by the University to the Purchasers (unless the sale is prevented at the Closing Time by the Purchaser's default), all the expenses and costs will be paid by the University.

SECTION 9. NOTICE

Any notice or other communication to be given under this Bond Purchase Agreement may be given by mailing or delivering the same in writing to the applicable person, as follows:

(a) If to the University:

Truman State University
100 East Normal
Kirksville, Missouri
Attention: Comptroller

(b) If to the Purchaser:

Commerce Bank
100 Walnut Street, 4th Floor
Kansas City, Missouri

SECTION 10. APPLICABLE LAW: NONASSIGNABILITY

This Bond Purchase Agreement is governed by the laws of the State of Missouri. This Bond Purchase Agreement may not be assigned.

SECTION 11. EXECUTION OF COUNTERPARTS

This Bond Purchase Agreement may be executed in several counterparts, each of which will be regarded as an original and all of which will constitute one and the same document.

SECTION 12. RIGHTS HEREUNDER

This Bond Purchase Agreement is made for the benefit of the University and the Purchaser, and no other person including any purchaser of the Bonds will acquire or have any rights hereunder or by virtue of this Bond Purchase Agreement.

SECTION 13. ELECTRONIC TRANSACTIONS

The transaction described herein may be conducted and this Bond Purchase Agreement and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

SECTION 14. EFFECTIVE DATE

This Bond Purchase Agreement will become effective upon acceptance by the University.

[Remainder of Page Intentionally Left Blank.]

Upon your acceptance of the offer, this Bond Purchase Agreement will be binding upon you and the Purchaser. Please acknowledge your agreement with this Bond Purchase Agreement by executing this Bond Purchase Agreement prior to the date and time specified on page 1.

Very truly yours,

COMMERCE BANK

By: __________________________________
Name: __________________________________
Title: __________________________________

Accepted and agreed to as of the date first above written:

TRUMAN STATE UNIVERSITY

By: ________________________________
Name: Troy D. Paino
Title: President, Truman State University

SCHEDULE 1

MATURITY SCHEDULE

$20,105,000
TRUMAN STATE UNIVERSITY
HOUSING SYSTEM REFUNDING REVENUE BONDS
SERIES 2016

Base CUSIP: 89802P

SERIAL BONDS

Due June 1	Principal Amount	Interest Rate	Price	CUSIP
2016	$ 610,000	2.000%	100.487%	FB8
2017	725,000	3.000	102.850	FC6
2018	745,000	3.000	104.499	FD4
2019	765,000	3.000	105.949	FE2
2020	790,000	3.000	107.094	FF9
2021	815,000	3.000	107.780	FG7
2022	835,000	3.000	108.051	FH5
2023	860,000	3.000	108.036	FJ1
2024	885,000	3.000	107.219	FK8
2025	915,000	3.000	106.040	FL6
2026	945,000	3.000	104.108	FM4
2027	970,000	3.000	102.968	FN2
2028	1,000,000	4.000	110.394	FP7
2029	1,040,000	3.000	99.021	FQ5
2033	1,170,000	3.000	97.485	FS1
2034	1,205,000	3.125	98.418	FT9
2035	1,240,000	3.125	97.652	FU6
2036	1,280,000	3.250	98.532	FV4

TERM BONDS

Due June 1	Principal Amount	Interest Rate	Price	CUSIP
2032	$3,310,000	3.000%	98.221%	FR3