

NOTICE OF MEETING
Board of Governors, Truman State University
Friday, October 18, 2019

The Board of Governors for Truman State University will hold a meeting on Friday, October 18, 2019, beginning at 1:00 p.m. The meeting will be held in the Conference Room (3000) of the Student Union Building located on the University campus in Kirksville, Missouri. The public is invited to attend.

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

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

Dated this 10th day of October, 2019.

A handwritten signature in black ink, reading "Susan L. Thomas". The signature is written in a cursive, flowing style.

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

TENTATIVE AGENDA
Board of Governors, Truman State University
Friday, October 18, 2019

Thursday, October 10, 2019

11:00 a.m. Board of Governors Academic and Student Affairs Committee Conference Call Meeting;
President's Office, McClain Hall 200
(Governors Dameron, Cozette, Middlemas and Crandall)

Tuesday, October 15, 2019

11:30 a.m. Board of Governors Finance and Auditing Committee Conference Call Meeting;
President's Office, McClain Hall 200
(Governors Burkemper, Gingrich, McClaskey and Crandall)

1:30 p.m. Board of Governors Budget and Capital Projects Committee Conference Call Meeting;
President's Office, McClain Hall 200
(Governors Miller, Bonner, O'Donnell and Crandall)

Friday, October 18, 2019

7:30 a.m. Joint Board Breakfast for Foundation Board of Directors, Alumni Board and Volunteers;
Hub, Student Union Building
(Governors Cozette, Crandall and Dameron)

8:15 a.m. Foundation Board of Directors Meeting; Conference Room, Student Union Building
(Governors Cozette, Crandall, Dameron)

12:00 noon Joint Boards Luncheon for Board of Governors, Foundation Board of Directors, Alumni
Board and Volunteers; Activities Room, Student Union Building

1:00 p.m. Open Session of Board of Governors Meeting; Conference Room, Student Union
Building

ITEM A Call to Order and Chair Report

ITEM B Minutes for Open Session of Meeting on August 3, 2019

ITEM C Recognition of Former Governor Mike LaBeth

ITEM D President's Report

ITEM E Advancement/Foundation Board Report

ITEM E.1 Revision to Alumni Association Bylaws

ITEM F Annual Staff Council Report

ITEM G Enrollment Management Report

ITEM H Finance and Auditing Committee Report

ITEM H.1 Audit Report

ITEM H.2 Financial Report

ITEM H.3 Resolution Amending Chapter 11 of the Code of Policies of the Board of
Governors Pertaining to Faculty and Staff Discount for Enrollment Fees

ITEM I Academic and Student Affairs Committee Report

ITEM J Budget and Capital Projects Committee Report

ITEM J.1 Construction Projects Report

ITEM J.2 Contracts for Construction Projects and Equipment Purchases Report

ITEM J.3 Construction Project - Replacement Storage Building Project

ITEM J.4 Construction Project - Greenwood Site Development Project
 ITEM J.5 Environmental Consulting Services – Abatement Design and Project Oversight for Greenwood Center
 ITEM K Policy Review Committee
 ITEM L Agenda Items for Future Meetings
 ITEM M Dates for Future Meetings
 ITEM N Agenda Items for Closed Session
 Closed Session of Board of Governors Meeting
 ITEM O Minutes for Closed Session of Meeting on August 3, 2019
 ITEM P Personnel Actions Report
 ITEM Q General Counsel Report
 ITEM R Real Estate
 ITEM S Motion to Adjourn

5:00 p.m. Bulldog Forever Reception; Hub, Student Union Building

6:00 p.m. Bulldog Forever Celebration Banquet recognizing Homecoming Honorees and Golden Alumni; Georgian Rooms, Student Union Building

Saturday, October 19, 2019

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

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

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

9:00 a.m. Homecoming Parade

10:30 a.m. Sandra K. Giachino Reavey Sesquicentennial Plaza Ribbon Cutting Ceremony; University Mall

11:00 a.m. Bulldog Forever Homecoming Tailgate; Parking Lots at Southwest Corner of Franklin and Patterson Streets

11:30 a.m. Golden Alumni Class Reunion/Class of 1969 and Prior Classes; Georgian Rooms, Student Union Building

1:00 p.m. Pep Rally/Crowning of Royalty; Parking Lots at Southwest Corner of Franklin and Patterson Streets

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

2:00 p.m. Bulldog Football vs. Missouri University of Science and Technology (Missouri S&T); Stokes Stadium

ITEM A

Call to Order and Chair Report

DESCRIPTION AND BACKGROUND

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

RECOMMENDED ACTION

This is a discussion item only.

ITEM B
Minutes for Open Session of Meeting on August 3, 2019

RECOMMENDED ACTION

BE IT RESOLVED that the minutes for the open session of the meeting on August 3, 2019, be approved.

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

ATTACHMENT

Minutes for Open Session of Meeting on August 3, 2019

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OPEN SESSION
OF MEETING ON
AUGUST 3, 2019

The Board of Governors for Truman State University met on Saturday, August 3, 2019, on the University campus in Kirksville, Missouri. The meeting was held in the Conference Room of the Student Union Building. The open session of the meeting was called to order shortly after 1:00 p.m. by the Vice Chair of the Board of Governors, Jennifer Kopp Dameron.

Participating in the meeting were five voting members: Sarah Burkemper, Cheryl J. Cozette, Jennifer Kopp Dameron, Nancy Gingrich and K. Brooks Miller, Jr. Board members Laura A. Crandall and Jim O'Donnell were unable to participate and their absences were recorded as excused.

Also participating in the meeting were all three non-voting members: David Lee Bonner and Mike McClaskey, the two out-of-state members, and Tiffany Middlemas, student representative. Governor Bonner participated in the meeting via conference call.

On June 3, 2019, Missouri Governor Michael L. Parson reappointed Sarah Burkemper to the Truman State University Board of Governors for a term ending January 1, 2023. The reappointment of Governor Burkemper was confirmed by the Missouri Senate on September 13, 2019.

On June 3, 2019, Missouri Governor Michael L. Parson appointed Nancy Gingrich to replace Mike LaBeth as a member of the Truman State University Board of Governors for a term ending January 1, 2025. The appointment of Governor Gingrich was confirmed by the Missouri Senate on September 13, 2019.

Call to Order

Governor Dameron, Vice Chair of the Board, called the meeting to order shortly after 1:00 p.m. and welcomed all in attendance.

Minutes for Open Session of Meeting on June 15, 2019

Governor Burkemper moved the adoption of the following resolution:

BE IT RESOLVED that the minutes for the open session of the meeting on June 15, 2019, be approved.

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

President's Report

Dr. Susan L. Thomas, University President, provided a report on several items of current interest. Two new staff members were introduced: Dr. Tyana Lange, Vice President for Enrollment Management and Marketing, and Dr. Lance Ratcliff, Dean of the School of Health Sciences and Education. The recent donation from The Sunderland Foundation of Kansas City to support the Greenwood Center renovation project with a total donation of \$1.1 million over two years was highlighted, and a selected engagements report was shared detailing the President's activities since her last report to the Board. As follow-up to the Board's discussion in June, Dr. Thomas reviewed proposed fundamental metrics related to the University's next strategic plan and noted that the next step in the process is to involve the University community. New students arrive on campus on August

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14, and activities taking place at that time were highlighted including the Opening Convocation Ceremony. President Thomas ended her report noting that SME Branding, the firm selected to assist the University with marketing, will be on campus in mid-August to meet with focus groups regarding proposals for the new University brand.

Annual Athletics Report

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

Finance and Auditing Committee Report

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

Financial Report

Governor Burkemper provided a review as of June 30, 2019, of education and general revenues and expenditures and auxiliary systems revenues and expenditures and a review as of June 30, 2019, of the Truman State University Foundation revenues and expenditures.

Academic and Student Affairs Committee Report

Governor Dameron, Chair of the Academic and Student Affairs Committee, provided a report on the committee meeting held earlier in the day.

Naming Opportunity

Governor Miller moved the adoption of the following resolution:

BE IT RESOLVED that the former Fair Apartments lot be renamed Fair Grounds in recognition of the Student Government Green Space Naming Proposal, a request which meets the requirements for naming opportunities per Board of Governors policy; and

BE IT FURTHER RESOLVED that the Board of Governors reserves the right to change or remove the name of the facility if it is determined that the name is no longer in the best interest of the University.

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

Honorary Degree Consideration

Governor Cozette, Chair of the Honorary Degree Committee provided a report on the work of the committee in reviewing the nomination of W. Jack Magruder for an Honorary Degree from Truman State University. Following discussion, Governor Burkemper moved to table the nomination pending a review of the current Honorary Degrees Policy. The motion was seconded by Governor Cozette and carried by a vote of 3 to 2 with Governors Burkemper, Cozette and Dameron voting aye and Governors Gingrich and Miller voting nay. Governor Dameron declared the motion to be duly adopted.

Budget and Capital Projects Committee Report

Governor Miller, Chair of the Budget and Capital Projects Committee, provided a report on the committee meeting held earlier in the day.

Construction Projects Report

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

Contracts for Construction Projects and Equipment Purchases

Governor Miller noted that no construction projects totaling \$25,000 to \$100,000 had been approved since the last meeting of the Board.

Operating Budgets for Fiscal Year 2020 (revised)

Governor Miller moved the adoption of the following resolution:

BE IT RESOLVED that the “Operating Budgets for Fiscal Year 2020” previously approved on June 15, 2019, be revised to reflect additional state appropriations for the Education and General Budget; and

BE IT FURTHER RESOLVED that the President of the University is authorized to adjust the operating budget should state appropriations levels change; and

BE IT FURTHER RESOLVED that a copy of the document entitled “Operating Budgets for Fiscal Year 2020 - Revised” be attached to the minutes as an exhibit.

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

Local Capital Budgets for Fiscal Year 2020

Governor Miller moved the adoption of the following resolution:

BE IT RESOLVED that the “Local State Funds Capital Budget – FY 2020” of \$1,338,000 and the proposed “Auxiliary Funds Capital Budget – FY 2020” of \$3,132,776 be approved and that copies of the budgets be attached to the minutes as exhibits.

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

State Appropriation Request for Fiscal Year 2021

Governor Miller moved the adoption of the following resolution:

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BE IT RESOLVED that the State Appropriation Request for Fiscal Year 2021 totaling \$47,555,132 be approved and ratified; and

BE IT FURTHER RESOLVED that a copy of the State Appropriation Request for Fiscal Year 2021, be attached to the minutes as an exhibit and that the President of the University be authorized to modify this request based upon input from the staff of the Coordinating Board for Higher Education, Office of Administration, and the Legislature as appropriate.

The motion was seconded by Governor Burkemper and carried by a unanimous vote of 5 to 0. Governor Dameron declared the motion to be duly adopted, and the Secretary designated a copy of the document as Exhibit C.

Engineering Services – Greenwood Site Development Project

Governor Miller moved the adoption of the following resolution:

BE IT RESOLVED that the proposal from Anderson Engineering to provide engineering services for the Greenwood Site Development Project, with the fees and work for such services to be within the guidelines of the proposal, be approved; and

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

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

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

Agenda Items for Future Meetings

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

Dates for Future Meetings

Governor Burkemper moved the adoption of the following resolution:

BE IT RESOLVED that the next regular meeting of the Board of Governors be scheduled for Friday, October 18, 2019, on the University campus in Kirksville, Missouri, beginning at 1:00 p.m., with the understanding that the Chair may alter the starting time and/or place for the meeting by giving due notice of such change; and

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

Saturday, December 7, 2019;
Saturday, February 8, 2020;
Saturday, April 4, 2020;
Saturday, June 13, 2020; and
Saturday, August 1, 2020.

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

Agenda Items for Future Meetings

Governor Burkemper moved the adoption of the following resolution:

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

1. Approval of minutes for the closed session of the last meeting under Subsection 14 of the statute for "Records which are protected from disclosure by law";
2. Individual personnel actions under Subsection 3 of the statute for "Hiring, firing, disciplining or promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded"; and
3. Confidential communications with the General Counsel; and

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

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

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

K. Brooks Miller, Jr.
Secretary of the Board of Governors

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I hereby certify that the foregoing minutes
were approved by the Board of Governors
on the 18th day of October, 2019.

Laura A. Crandall
Chair of the Board of Governors

ITEM C

Recognition of Former Governor Mike LaBeth

DESCRIPTION AND BACKGROUND

Former Governor Mike LaBeth will be recognized for his service on the Board of Governors. The following resolution was approved by the Board at their June 15th meeting.

WHEREAS, the Honorable Mike LaBeth served as a member of the Board of Governors of Truman State University from January 2013 through June 2019, serving as Secretary in 2015, Vice Chair in 2016 and Chair in 2017; and

WHEREAS, during this tenure on the Board, Governor LaBeth effectively served as Chair of the Budget and Capital Projects Committee, providing valuable leadership to the Board with the goal of best managing the resources necessary for the University to achieve success; and

WHEREAS, as a member of the Kirksville community, Governor LaBeth fostered positive and productive relationships with individuals in the community and the City of Kirksville by serving on various boards and committees including the Kirksville Area Chamber of Commerce and the Kirksville Regional Economic Development, Inc.; and

WHEREAS, hallmarks of Governor LaBeth's service on the Board include his commitment to fiscal accountability, his concern for the welfare of our students, and his willingness to serve as the Board's ambassador at various campus events including the annual Fall Opening Assembly, the Ready-or-Not Faculty and Staff Luncheon, and the Service Recognition Luncheon;

NOW, THEREFORE, BE IT RESOLVED that the Board of Governors of Truman State University hereby expresses its sincerest gratitude to the Honorable Mike LaBeth for his distinguished and commendable service as a member and officer of the Board; and

BE IT FURTHER RESOLVED that a copy of this resolution be presented to Governor LaBeth as a tangible expression of deep appreciation and felicitation.

RECOMMENDED ACTION

This is a discussion item only.

ITEM D
President's Report

DESCRIPTION AND BACKGROUND

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

RECOMMENDED ACTION

This is a discussion item only.

ITEM E

Advancement/Foundation Board Report

DESCRIPTION AND BACKGROUND

Dr. Ernie Hughes, Vice President for University Advancement, will provide a report on Advancement and the Foundation Board.

RECOMMENDED ACTION

This is a discussion item only.

ITEM E.1
Revision to Alumni Association Bylaws

DESCRIPTION AND BACKGROUND

The Truman State University Alumni Association is recommending a revision to their Bylaws. The requested changes specify roles and responsibilities to better comply with Internal Revenue Code 501(c)(3) as a nonprofit organization and clarify language to provide guidance in the future that both aligns with current practice and allows flexibility for the Alumni Association to adapt to future needs. Amendments to the alumni association bylaws are subject to the approval of the Board of Governors.

RECOMMENDED ACTION

BE IT RESOLVED that the amended Bylaws of the Truman State University Alumni Association are hereby approved. Changes to the Bylaws are shown on Exhibit A by deleting the language where the text has been ~~struck through~~, by adding new language shown which has been underlined, and by moving text which has been ~~double struck through~~ to the location of text which has been double underlined. In all other respects, the Bylaws remain unchanged and in effect.

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

ATTACHMENTS

Summary of Proposed Revisions
Exhibit A – Edited Version of the Bylaws of the Truman State University Alumni Association

Summary of Proposed Revisions

2019 Proposed Revisions to Truman State University National Alumni Association Bylaws

The 30,000-foot View

Motivation for revising the bylaws:

- Specifying roles and responsibilities to better comply with Internal Revenue Code 501(c)(3) as a nonprofit organization.
- Clarifying language to provide consistent guidance in the future that both aligns with current practice and allows flexibility for the Alumni Association to adapt to future needs.

The highest-impact proposed revisions include:

- Alumni Association members must opt-in.
- Chapters and Clubs are no longer described as “regional.”
- Chapters are required to have specific officers and to follow prescribed steps for formation, good standing, and dissolution.
- Chapters must follow a specified process for managing a treasury.
- Clubs are required to have a president and follow prescribed steps for formation, good standing, and dissolution.

A Closer Look

The following table highlights the proposed changes. For all changes in detail, compare the [Bylaws \(2006\) currently in place](#) to the proposed Bylaws (2019).

Proposed Change	Reason
Throughout <ul style="list-style-type: none"> • Modified: Wording for consistency, such as referring to the “Alumni Association” and clarification on “written” communication. 	Consistent wording and description clarifies who is responsible for what and in what manner, both for practical and legal needs.
General Provisions <ul style="list-style-type: none"> • Specified: Corporate status under the Internal Revenue Code. 	The Alumni Association is now its own nonprofit entity (rather than under the Foundation Board) and must comply accordingly.
Members <ul style="list-style-type: none"> • Added: Members shall opt-in. • Changed: Members are represented through the Board of Directors rather than having individual voting rights. 	<p>Missouri statute requires that members must consent to being a member.</p> <p>This aligns with current practice: The Board of Directors steers the Alumni Association with input from alumni and stakeholders.</p>

Summary of Revisions continued

<p>Board of Directors</p> <ul style="list-style-type: none"> • Clarified: How to determine the required number of directors. • Added: The Board may approve an extension of a director’s term if necessary to complete their term as an elected officer. • Removed: Redundant information in the Qualifications that is more applicable to the required number of directors. • Added: If a person is elected to fill an unexpected director vacancy for a term that has a year or less remaining, that remaining term will not count toward the director’s maximum 3 terms. • Changed: Special meetings will be held in Kirksville; removed alternative cities such that the Board must consent to any other location. • Clarified: A majority vote of present directors constitutes an act of the Board at a meeting, and a majority vote of all directors constitutes an act of the Board without a meeting. 	<p>Allows the Board to build clear membership and plan for succession.</p> <p>Increases the potential pool of candidates for an officer position, so a director may be elected to an office in the middle of their third term and allowed to serve the entire term of the office.</p> <p>The explanation of a director being appointed or representing a chapter is more relevant as stated in the required number of officers and in the proposed revisions to the Article VIII on Chapters.</p> <p>Since that person is serving a short term, this gives them a longer opportunity to serve on the Board, if they are nominated and re-elected.</p> <p>Because the primary operation of the Alumni Association is in Kirksville, any meeting happening elsewhere should be approved by the Board.</p> <p>This allows the Board to confidently conduct business by knowing what is required for a vote to pass and how it will be documented for both in-person meetings and cases where the Board votes by an email ballot.</p>
<p>Officers</p> <ul style="list-style-type: none"> • Added: The Board may elect or appoint additional officers. • Added: If a person is elected to fill an unexpected officer vacancy, that remaining term will not count toward the maximum two consecutive terms as an elected officer. 	<p>Flexibility to increase breadth of expertise among the officers, such as allowing for a past president.</p> <p>Since that person is serving a short term, this gives them a longer opportunity to serve as an officer, if they are nominated and elected.</p>

Summary of Revisions continued

<p>Committees</p> <ul style="list-style-type: none"> • Clarified: Committee work takes place between regular meetings of the Board. • Added: Defined roles of committee chairpersons and vice chairpersons. • Removed: 2-year committee assignment • Removed: Requirement for executive committee to nominate young alumna/us for homecoming. 	<p>Adds transparency and sets accurate expectations regarding the work of the Board.</p> <p>Adds transparency and sets accurate expectations regarding the work of committee leaders.</p> <p>Adds flexibility for a director to have a longer, deeper impact in committee work, and this matches current practice.</p> <p>While this can still continue in practice, it is not part of the governance of the Alumni Association.</p>
<p>Chapters</p> <ul style="list-style-type: none"> • Removed: All references to Chapters being “regional.” • Added: Specifics about Chapter structure and operation. Removed: Reference to the old <i>Alumni Resource Book</i> regarding Chapter structure and operation. <p>These have been specified:</p> <ul style="list-style-type: none"> ○ Required officers: president, vice president, treasurer, secretary, Board of Directors representative ○ Steps for Chapter formation ○ Qualifications for good standing ○ Qualifications for inactive status ○ Steps for Chapter dissolution, including transfer of assets 	<p>Adds flexibility to form Chapters around other shared traits, such as affinity groups.</p> <p>To better comply with the Internal Revenue Code for nonprofits, responsibility for Chapter governance and finances must be consistent and transparent. Steps for formation, good standing, inactivity, and dissolution have been added to set a clear path and shared expectations for Chapters and the Alumni Association to be good stewards of the financial, time, and talent resources of all stakeholders.</p>

Summary of Revisions continued

<p>Clubs</p> <ul style="list-style-type: none"> • Removed: All references to Clubs being “regional.” • Added: Specifics about how a Club must be structured and operate. Removed: Reference to the old <i>Alumni Resource Book</i> regarding Club structure and operation. <p>These have been specified:</p> <ul style="list-style-type: none"> ○ Required officer: president ○ Steps for Club formation ○ Qualifications for good standing ○ Qualifications for inactive status ○ Steps for Club dissolution 	<p>Adds flexibility to form Clubs around other shared traits, such as affinity groups.</p> <p>This mirrors the structure and responsibilities of Chapters, making for a smoother operation if a Club transitions to a Chapter or Chapter transitions to a Club, ensuring the foundation is set to comply with the Internal Revenue Code for nonprofits. This also sets shared expectations so the Club and Alumni Association can be good stewards of all stakeholders’ resources.</p>
<p>Fiscal Matters</p> <ul style="list-style-type: none"> • Clarified: The Alumni Association does not maintain a central treasury. • Clarified: Chapters maintain treasuries and each expenditure must be approved by the treasurer and 2 additional officers. • Clarified: Clubs do not maintain a treasury. 	<p>Identifies the Alumni Association entities that can manage money and sets guidelines for how to practice accountable stewardship of membership dues with respect to the Internal Revenue Code for nonprofits. This also highlights the key difference between Chapters and Clubs: a treasury funded by membership dues – and the organizational structure to support fiscal responsibility.</p>
<p>Indemnification and Insurance</p> <ul style="list-style-type: none"> • Changed: The Alumni Association will indemnify any member of the Board of Directors, rather than any person who is/was a director, officer, employee or agent of the Alumni Association. 	<p>This aligns the scope of guaranteed protection the University is able to offer for both indemnification and insurance, which cannot reasonably be extended to every possible agent/member of the Alumni Association. The Alumni Association may still obtain insurance for others associated with the Alumni Association if the Board elects to do so.</p>

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BYLAWS

TRUMAN STATE UNIVERSITY NATIONAL ALUMNI ASSOCIATION

ARTICLE I. GENERAL PROVISIONS.

Section 1. Name of Corporation.

The corporate name of the Alumni Association is the “Truman State University National Alumni Association,” as provided in the corporate documents on file with the Missouri Secretary of State. ~~This association was formerly known as NMSU National Alumni Association and remains the same except for the change of the name.~~ The corporation is herein called the “Alumni Association.”

Section 2. Purpose of Alumni Association.

The purpose of the Alumni Association, as set forth in the articles of incorporation and certified by the Secretary of State of the State of Missouri on September 29, 1992, is to promote the interest and welfare of Truman State University students and alumni; provide opportunities for Truman State University alumni to become acquainted through alumni activities; encourage social and professional camaraderie among alumni; and stimulate opportunities for alumni to support the University in areas of public relations, student recruitment, fund-raising, and career networking.

Section 3. Corporate Status.

The Alumni Association is a not for profit corporation, organized and existing under the provisions of the Missouri Nonprofit Corporation Act, Chapter 355 of the Missouri ~~statutes.~~ ARTICLE II. RELATIONSHIP WITH UNIVERSITY. Pursuant to the requirement Revised Statutes. Generally, the corporation is organized exclusively for charitable, educational, religious, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Service for alumni associations to qualify for tax exempt status Code. Specifically, the corporation is operated as educational organizations a public charity under Section 501(c) (3), the Alumni Association is organized for the purpose of promoting the welfare Sections 509(a)(1) and 170(b)(1)(A)(iv) for the benefit of Truman State University-It, a public university in the State of Missouri.

Section 4. Relationship with University.

The Alumni Association is subject to the control of the Truman State University Board of Governors as to its policies and funds, and it is to be operated as an integral part of the University.

ARTICLE III. ~~MEMBERS.~~ II. MEMBERSHIP.

Section 1. Members.

All persons who are graduates of Truman State University shall be members of the Alumni Association. Graduates are those who have received degrees or diplomas from the University under its current or former names since its establishment by Joseph Baldwin in 1867. Also, those persons previously designated by the University as life members of the former Alumni Association and those persons who are dues-paying members of regional Alumni Chapters shall be members, whether or not they are graduates of the University, and the manager/director of alumni activities/engagement for the University

(or a comparable administrator named by the president of the University) shall be a member. In addition, the Board of Directors of the Alumni Association or the president of the University may designate individual supporters of the University as honorary members of the Alumni Association, and they shall enjoy the same privileges and benefits as other members.

Section 2. Membership Fees.

There is no annual membership fee to be a member of the Alumni Association.

Section 3. ~~Voting Rights.~~ Member Representation.

Each member ~~present at a meeting of members~~ shall ~~be entitled to one vote on each matter submitted to a vote of~~ have representation through the members. ~~Alumni Association Board of Directors.~~

ARTICLE IV. ~~BUSINESS~~III. MEETINGS OF MEMBERS.

Section 1. Annual Meetings. ~~The~~

An annual ~~business~~ meeting of members shall be held in conjunction with the Homecoming event on the University campus in each year. The annual meeting shall be held in or near the city of Kirksville, Missouri, at a time and place to be selected and announced each year by the Board of Directors.

Section 2. Special ~~Business~~ Meetings.

Special business meetings of the members may be called by the Alumni Association president or ~~the~~ Board of Directors.

Section 3. Place of ~~Business~~ Meetings.

~~Business~~ Meetings of the members shall be held in or near the city of Kirksville, Missouri, except that the Board of Directors may by resolution designate any place within or without the state of Missouri which is reasonably accessible to the members as the place of meeting for any special ~~business~~ meeting of members.

Section 4. Notice of ~~Business~~ Meetings.

Written, ~~electronic or printed~~ notice stating the place, date, and hour of the annual ~~business~~ meeting and, in case of a special ~~business~~ meeting, the purpose(s) for which the meeting is called, shall be delivered to each member not less than seven days nor more than ninety days before the date of the meeting, ~~either electronically, personally or by mail,~~ Notice shall be delivered by or at the direction of the Alumni Association president, ~~the secretary, or the officers or persons or Board of Directors~~ calling the meeting, ~~to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited by one or more of the following means: email, postal mail, in the United States mail addressed to the member at his or her address as it appears on the records of the Alumni Association, with postage thereon prepaid or as e-mailed to the address on record. The notice may be included in person, social media, newsletters, magazines, electronic communications or other publications mailed, or e-mailed to the members~~ University website so long as the notice is reasonably obvious ~~to readers who scan the material for announcements and notices.~~

~~Section 5. Quorum.~~

~~At business meetings of members, a quorum shall consist of fifteen members of the Alumni Association. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.~~

~~Section 6. Proxies.~~

~~There shall be representation or voting by proxy at business meetings.~~

~~Section 7. Majority Vote.~~

~~The vote of a majority of the votes entitled to be cast by the members present at a business meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members.~~

ARTICLE ~~V~~IV. BOARD OF DIRECTORS.

~~Section 1. General Powers.~~Purpose of the Board of Directors.

~~The purpose of the Board of Directors is to manage~~ the business and affairs of the Alumni Association shall be managed by the board of directors, subject to the restrictions set forth in these bylaws.

~~Section 2. Number of~~ Voting Directors.

The number of directors ~~on the board with voting rights~~ shall be not less than ~~fifteen, depending upon the number of regional alumni chapters in good standing at the time of the annual meeting of members in the preceding fiscal year.~~15. All of the directors, except one, shall be elected as provided in this Article, herein called the elected directors. The ~~other director~~ Board of Directors shall be composed of the manager following:

(i) Appointed Director Representing the University

~~The director of alumni activities engagement~~ for the University or a comparable administrator shall be appointed by the president of the University, herein called the appointed director. ~~The number of~~

(ii) Elected Directors Representing Alumni Chapters

~~Each Chapter in good standing at the time of the annual meeting of members in the preceding fiscal year shall be represented by at least 1 director.~~

(iii) Elected Directors Representing Members At Large

~~At least 5 directors shall be determined by the following table: Number of chapters at time of annual meeting: Number of at-large members who do not represent a Chapter.~~

(iv) Additional Elected Directors

~~Additional directors in next fiscal year: 9~~ may be elected by a majority vote of the current Board of Directors as additional representatives of Alumni Chapters or less ~~15 10 16 11 17 12 18~~ ~~And some members At-Large.~~ These directors may be elected in order to meet the minimum as set forth, etc., etc... in these bylaws and may also be in excess of the required minimum to proportionately represent active members of the Alumni Association. The Board from time to time will evaluate the need for additional directors.

Section 3. Election of the Directors.

~~The elected directors shall be elected for two year terms.~~ New directors shall be elected by a majority vote of the current Board of Directors at the regular meeting of the Board in the spring of each year. If the election of such directors is not held at such meeting, such election shall be held as soon thereafter as convenient for the Board. A list of nominees for the available positions, ~~for which the holders' terms will expire at the end of the~~ to be filled beginning the next fiscal year, shall be submitted by the Executive Committee as hereafter provided in Article ~~VIII-V.~~

Section 4. Term of Office.

(i) Election

Directors shall be elected for ~~two~~ 2-year terms and shall take office on ~~July 1~~ the first day of the fiscal year following their election at the Board of Directors meeting. Elected directors may serve up to three consecutive terms. Directors shall continue in office until their successors are elected and assume office. ~~Directors~~ An extension of term may be granted to a director, if approved by two-thirds vote of the Board, in order to complete a term as an elected officer of the Alumni Association, as specified in Article V. Directors may be re-elected after an absence from the Board of one term (~~two~~ 2 years).

(ii) Removal

The Board can choose not to re-elect additional directors. Directors may also be removed by a two-thirds vote of the ~~members at the annual meeting.~~ Board of Directors.

~~Directors shall continue in office until their successors are elected and assume office.~~

Section 5. Qualifications.

Directors must be members of the Alumni Association to be eligible for election. ~~At least one Directors representing Alumni Chapters must be a~~ member of ~~each of the executive boards of the regional alumni chapters, which were in good standing at the time of the last annual meeting, shall be directors. These directors shall and~~ attend the ~~executive board~~ meetings of ~~their regional alumni chapter~~ the Chapter Executive Boards they represent, be an active member of the ~~regional alumni~~ Chapter, and serve as a liaison between the ~~Truman State University~~ Alumni Association Board of Directors and ~~the regional alumni chapter.~~ At least five directors shall be at large members who live in communities not served by regional alumni chapters. One director shall be the manager of alumni activities for the University, or a comparable administrator named by the president of the University. The remaining directors may be either members of regional alumni chapters or at large members. Additional directors may be elected by a majority vote of the current board of directors, as additional representatives of the regional alumni chapters or members at large. their Alumni Chapter.

Section 6. Non-Voting ~~Members~~ Directors.

The vice president for university advancement or the ~~manager~~ director of ~~alumni relations~~ engagement shall appoint non-voting ~~members~~ directors to the Board of Directors. Non-voting ~~members~~ directors include, but are not limited to, ~~alumni ambassadors and a~~ immediate past president of the Board of Directors, and a currently enrolled student representative ~~of the student alumni council.~~

Section 7. Vacancies.

Any vacancy occurring in the Board of Directors due to death, resignation, removal, disqualification, or other reason shall be filled through a nomination ~~by~~ of the ~~executive committee~~ Nominating Committee,

~~as provided in Article V, and be approved with approval~~ by a majority vote of the current Board of Directors. The person elected shall take office immediately and serve for the unexpired term of his or her predecessor in office.

Section 8. Regular Meetings.

Regular meetings of the Board of Directors shall be held at least ~~two~~² times during each fiscal year. One of these meetings shall be held in conjunction with the Homecoming event on the University campus each year at a time and place to be selected and announced by the Board. The other meetings shall be held at the times and places established, from time to time, by resolution of the Board. Although no legal notice of regular meetings need be given other than the resolution setting the time and place, the secretary will be expected to send written ~~or e-mail reminders notice~~ to the other directors.

Section 9. Special Meetings.

(i) Calling Special Meetings

Special meetings of the Board of Directors may be called by the president or any ~~four~~⁴ members of the Board. The person or persons calling a special meeting of the Board shall establish the time and place for holding any such special meeting of the Board called by them, provided, however, that special meetings shall be held in or near Kirksville, ~~Kansas City, St. Louis, Columbia, or Jefferson City~~, unless all the members of the Board consent to a different location. ~~Section 10.~~

(ii) Notice of Special Meetings.

Written, ~~(print or electronic (e-mail), or printed)~~ notice ~~of special meetings~~ stating the place, ~~day~~^{date}, and hour of the ~~meeting~~^{annual meeting and, in case of a special meeting, the purpose(s) for which the meeting is called}, shall be delivered not less than 10 days before the meeting at the direction of the president, ~~the secretary~~, or the Board members calling the ~~meetings~~^{meeting}. The notice shall state the purpose or purposes for which the meeting is called. Any notice of meeting ~~sent by mail or e-mail~~ shall be deemed delivered when deposited in the United States mail, with postage thereon prepaid, ~~addressed or when emailed~~ to the Board member at his or her ~~mailing address or email~~ address as it appears on the records of the Alumni Association ~~or when e-mailed to the members at the recorded address.~~

Section ~~11~~¹⁰. Meetings by Telecommunication.

Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in the meeting of the Board or committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can ~~hear or~~ communicate ~~electronically~~ with each other, and participation in a meeting in such manner shall constitute presence in person at the meeting.

Section ~~12~~¹¹. Waiver of Notice.

Any member of the Board of Directors may waive notice of any meeting. The attendance of a Board member at a meeting shall constitute a waiver of notice for such meeting, except where a Board member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section ~~13~~12. Quorum.

A majority of the voting directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, ~~but~~. If less than a majority is present at a meeting, a majority of the voting directors present may adjourn the meeting from time to time without further notice.

Section ~~14~~13. Manner of Acting.

(i) At a Meeting.

The ~~act~~affirmative vote of ~~the~~a majority of ~~the~~voting directors present at a meeting, at which a quorum is present, shall be the act of the Board of Directors. ~~The board of directors also~~The secretary shall record all approved actions in the minutes of the meetings of the Board.

(ii) Without Meeting.

Action required on issues that arise between regularly scheduled meetings may act by take place without a meeting, provided that each director is allowed sufficient time to review the issues. The affirmative vote, in the form of written consents, of all the majority of voting directors then in office ~~setting forth~~shall be the ~~action taken~~act of the Board of Directors. The secretary shall file the consents with the minutes of the meetings of the Board.

Section ~~15~~14. Voting.

Voting may be done in person, by mail, by email, or ~~electronically (e-mail)~~by telecommunication on matters subject to a vote of the Board of Directors.

Section ~~16~~15. Gratuitous Service.

Directors shall not receive any compensation for their services, but may receive limited reimbursement for their travel and other related expenses incurred on behalf of the Alumni Association, provided, however, that no expenses shall be reimbursed except as authorized under a policy developed by the Board of Directors and approved by the Truman State University Board of Governors.

Section ~~17~~16. Residuary Powers.

The Board of Directors shall have the powers and duties necessary or appropriate for the administration of the affairs of the Alumni Association, subject to the provisions of the statutes and these bylaws.

ARTICLE ~~VI~~V. OFFICERS.

Section 1. Officers.

The officers of the Alumni Association shall be a president, vice president, and secretary. The president and the vice president shall be elected by the Board of Directors and must be Board members to be eligible for office. ~~The manager of alumni activities for the University, or a comparable administrator named by the president of the University, shall serve as secretary. Such other officers, as may be deemed necessary, may be elected or appointed by the board. Section 2. Election and Term of Office. Nominations for president and vice president shall be accepted from the board of directors. The president and the vice president shall be elected biannually by the board of directors at the regular meeting in the spring of each year and shall take office at the beginning of the next fiscal year on July 1. If the election of such officers is not held at such meeting, such election shall be held as soon thereafter~~

~~as convenient~~Such other officers, as may be deemed necessary, may be elected or appointed by the Board, and may include but is not limited to, the immediate past president of the Alumni Association.

(i) President.

~~Each of the two elected officers shall hold office until his or her successor shall have been duly elected and accepted such position, or until he or she shall have died, resigned, or been removed in the manner hereafter provided. A director shall not serve more than two consecutive terms as president or vice president.~~Section 3. ~~Removal. Any officer or agent elected or appointed by the board of directors may be removed by a two-thirds vote of the directors then in office, whenever in their judgment the best interests of the Alumni Association would be served thereby, provided, however, such removal shall be without prejudice to the contract rights, if any, of the person so removed.~~Section 4. ~~Vacancies. A vacancy in either of the two elective offices because of death, resignation, removal, disqualification or other reason may be filled through a nomination by the board of directors and be approved by a majority vote of the current board of directors. The person appointed shall take office immediately and serve for the unexpired term of his or her predecessor in office.~~Section 5. ~~President.~~The president shall be the principal officer of the Alumni Association and shall in general supervise and control all of the business and affairs of the Alumni Association. He or she shall, when present, preside at all meetings of the members and of the Board of Directors. He or she may sign any contracts or other instruments, which the Board has properly authorized to be executed, and if required, which the president of the University or the Truman State University Board of Governors has approved. In general, he or she shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board from time to time.~~Section 6.~~

(ii) Vice President.

In the absence of the president, or in the event of the president's death, inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the president. The vice president shall serve as the liaison between the executive committee and all other committees. The vice president shall perform such other duties as from time to time may be assigned to him or her by the president or by the Board.~~Section 7.~~

(iii) Secretary.

~~The director of engagement for the University, or a comparable administrator named by the president of the University, shall serve as secretary.~~ The secretary shall furnish minutes for all meetings of the members and of the Board of Directors to the other directors within a reasonable time after each meeting and shall keep and preserve the minutes for all meetings of the members and the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provision of these bylaws or as required by law; be custodian of the corporate records of the Alumni Association; and prepare and cause to be delivered annual reports in compliance with the provisions of the statutes of the State of Missouri. In general, he or she shall perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the Board.

Section 2. Election and Term of Office.

Nominations for president and vice president shall be accepted from the Board of Directors. The president and the vice president shall be elected biennially by a majority vote of the Board of Directors at the regular meeting in the spring of each year and shall take office at the beginning of the next fiscal

year. If the election of such officers is not held at such meeting, such election shall be held as soon thereafter as convenient for the Board. Each of the two elected officers shall hold office until his or her successor shall have been duly elected and accepted such position, or until he or she shall have died, resigned, or been removed in the manner hereafter provided. A director shall not serve more than two consecutive terms as president or vice president.

Section 3. Removal.

Any officer or agent elected or appointed by the Board of Directors may be removed by a two-thirds vote of the voting directors then in office, whenever in their judgment the best interests of the Alumni Association would be served thereby, provided, however, such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies.

A vacancy in either of the two elected offices because of death, resignation, removal, disqualification or other reason may be filled through a nomination by the Board of Directors and be approved by a majority vote of the current Board. The person approved shall take office immediately and serve for the unexpired term of his or her predecessor in office.

ARTICLE VII. BOARD OF DIRECTORS ORDER OF BUSINESS

Section 1. Agenda for Meetings.

The order of business for regular or special meetings of the members and the Board of Directors shall be established by the president, subject to change by action of the Board. Directors shall submit agenda items to the president for consideration at least 30 days prior to a meeting. A written (print or electronic) agenda for each meeting shall be mailed or e-mailed provided to the directors at least seven days before each meeting.

Section 2. Parliamentary Procedure.

The procedure for meetings will be Robert's Rules of Order, except as modified by these bylaws. On questions of parliamentary procedure, a ruling by the president shall prevail, subject to an appeal to the voting members of the particular meeting.

ARTICLE VIII. COMMITTEES.

Section 1. Appointment of Committees.

The Board of Directors may create such regular or special committees as it deems appropriate. Each director shall serve on at least one committee, and the members and chairpersons of the committees shall be appointed by the president with the advice and consent of the Board. The vice president shall be an ex officio member of all committees. The work of committees shall take place between regular meetings of the Board and will be reported at Board meetings.

Section 2. Committee Leadership.

The president shall appoint a chairperson and a vice chairperson for each committee, unless otherwise designated in these bylaws. The chairperson is responsible for organizing committee meetings, priorities, and workplans; reporting committee progress to the Board; and carrying out other duties as

assigned by the Board of Directors. The vice chairperson is the successor to the chairperson—and will run committee meetings and report to the Board in the absence of the chairperson.

Section 3. Term of Office.

Each chairperson and vice chairperson of a committee shall serve a one-year term as appointed by the president. Committee members may be reassigned ~~every two years by~~at the discretion of the president with the advice and consent of the Executive Committee.

Section 4. Executive Committee.

The officers shall constitute the Executive Committee. The president shall be the chairperson of such committee. The vice president shall be the vice chairperson of the committee. Additional Executive Committee members may be added by vote of the Board of Directors and may include both voting and non-voting directors. The Executive Committee shall solicit suggestions for nominees from the ~~regional~~ Alumni Chapters and the members at-large for individuals to fill vacant positions on the Board of Directors. The Executive Committee shall make recommendations to the Board ~~of directors for new chapters. The executive committee shall nominate a young alumna/us to be awarded the young alumni of the year at homecoming, subject to the approval of the vice president for university advancement, for new Alumni Chapters and Clubs.~~ The Executive Committee shall have such powers and duties as may be vested in it from time to time by resolution of the Board.

ARTICLE ~~IX. REGIONAL~~VIII. ALUMNI CHAPTERS.

Section 1. Chapter Purpose and Operation.

~~Alumni Association~~ The University's regional alumni Chapters exist to foster and further the Alumni Association purpose as outlined in Article 1. Chapters shall be subsidiary units of the Alumni Association, and ~~the chapters~~ shall be organized and operated in accordance with the policies ~~(see definition of alumni chapters in the Alumni Resource Book)~~ adopted by the Board of Directors and approved by the Board of Governors. ~~Regional alumni~~

Section 2. Membership.

All persons who are graduates of Truman State University or have an interest in the University are eligible for membership in an Alumni Chapter. Chapters shall charge membership fees, as determined annually by the Board of Directors, to support the operation of the Chapter.

Section 3. Chapter Officers.

Each Alumni Chapter shall have a president, vice president, secretary, treasurer, and representative to the Alumni Association Board of Directors, herein called the required officers. Such other officers, as may be deemed necessary, may be added by consent of the current officers. The officers shall constitute the Chapter Executive Board. Officers must be members of the Chapter they serve.

(i) President.

The president shall be the principal officer of the Chapter and shall in general supervise and control all of the business and affairs of the Chapter. He or she shall, when present, preside at all Chapter meetings. The president shall be the Chapter's primary contact with the Office of Advancement. In general, he or she shall perform all duties incident to the office of president and such other duties as may be

prescribed from time to time by the Chapter Executive Board or the Alumni Association Board of Directors.

(ii) Vice President.

In the absence of the president, or in the event of the president's death, inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the president. The vice president shall perform such other duties as from time to time may be assigned to him or her by the president, the Chapter Executive Board, or the Alumni Association Board of Directors.

(iii) Secretary.

The secretary keeps minutes for all meetings and shall submit those minutes to the entire Chapter Executive Board and to the Office of Advancement. The secretary shall perform such other duties as from time to time may be assigned to him or her by the president, the Chapter Executive Board, or the Alumni Association Board of Directors.

(iv) Treasurer.

The treasurer will process all membership fee receipts and forward membership information to the Office of Advancement. Additionally, he or she will prepare a yearly budget for the chapter and coordinate the influx of funds for each chapter event. The treasurer will present all expenditures for approval by no fewer than 3 Chapter Executive Board officers, to be recorded in meeting minutes, and submit required financial reports to the Office of Advancement. The treasurer shall perform such other duties as from time to time may be assigned to him or her by the president, the Chapter Executive Board, or the Alumni Association Board of Directors.

(v) Representative to the Alumni Association Board of Directors

The Alumni Association Board of Directors Representative must satisfy the qualifications and duties specified in Article IV. A Chapter officer identified above may concurrently serve as Representative, or the Representative may be a Chapter officer in its own right.

Section 4. Formation.

Members of the Association residing in a given geographic location, having a particular affinity, or sharing a specific set of goals that reinforce the purpose of the Alumni Association may form a Chapter. Prospective Chapters must submit to the Office of Advancement for approval by the Alumni Association Board of Directors the following:

- proof of a viable population to sustain Chapter operation by way of a petition or other tool deemed appropriate by the Board of Directors;
- a roster of individuals committed to serve on the Chapter Executive Board, including but not limited to the required officers;
- and a proposed calendar of at least 2 events approved by the Office of Advancement for the next fiscal year.

With verification that the Office of Advancement can support a new Alumni Chapter, Chapters will be established if approved by a two-thirds vote of the Board of Directors. Upon approval, the Chapters shall commence operation the first day of the fiscal year that immediately follows.

Section 5. Good Standing.

A Chapter shall be in good standing, with all the benefits and rights granted to a Chapter, when meeting all of these annual requirements in the prior fiscal year:

- maintain a full roster of required officers;
- hold at least 2 Chapter Executive Board meetings with minutes submitted to the Office of Advancement;
- host at least 2 events approved by the Office of Advancement, providing a list of attendees for each event;
- submit timely financial statements to the Office of Advancement;

The Board from time to time will evaluate the need for additional requirements to ensure Chapters meet the purpose of the Alumni Association set forth in these bylaws and operate within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Section 6. –Probationary Status.

A Chapter that fails to meet the requirements for good standing in the prior fiscal year or is not in compliance with the bylaws of the Alumni Association shall be in probationary status. During that time, all dues-paying members may be notified of the Chapter’s standing. If at any time the Chapter Executive Board is unable to perform the duties necessary to supervise and control all business and affairs of the Chapter, the Board of Directors will serve as executors on behalf of the Chapter. Chapters in probationary status for 2 consecutive fiscal years shall be dissolved according to the procedure contained in these bylaws.

Section 7. Dissolution.

A Chapter will be dissolved if it is in probationary status for 2 consecutive fiscal years or if a vote of the current dues-paying members expresses desire to dissolve, at which point:

- The Alumni Association Board of Directors will vote to consent to the dissolution of the Chapter.
- Following Board of Directors approval, the Chapter Executive Board shall notify all current dues-paying members and must expend the Chapter treasury and close affiliate bank accounts by the end of the fiscal year.
- If the Chapter has established an endowed scholarship fund with the Truman State University Foundation, the scholarship funds shall continue to be administered as established. If the fund is not yet fully endowed, the full balance of the fund shall be awarded outright as an annual scholarship and dispersal shall be determined in consultation with the Foundation.
- The Chapter will be considered dissolved when the above are complete, and the Chapter’s representation to the Board of Directors shall be removed at the end of the coinciding fiscal year. A dissolved Chapter may choose to function henceforth as a Club.

If at any time the Chapter Executive Board is unable to perform the duties necessary to supervise and control all business and affairs of the Chapter, the Board of Directors will serve as executors on behalf of the Chapter.

~~ARTICLE X. REGIONAL IX.~~ ALUMNI CLUBS ~~The University's regional alumni~~

Section 1. Club Purpose and Operation.

Alumni Clubs exist to foster and further the Alumni Association purpose as outlined in Article 1. Clubs shall be subsidiary units of the Alumni Association. ~~The clubs and~~ shall be organized and operated in accordance with the policies ~~(see definition of alumni clubs in the Alumni Resource Book)~~ adopted by the Board of Directors and approved by the Board of Governors. Clubs receive a basic level of support from the Office of Advancement.

Section 2. Membership.

All persons who are graduates of Truman State University or have an interest in the University are eligible for membership in an Alumni Chapter. There shall be no membership fees associated with Alumni Clubs.

Section 3. Ambassador.

Each Alumni Club shall have an ambassador who shall be the Club's primary contact with the Office of Advancement and with Club members. The Ambassador or another member of the club may also serve as an At-Large member on the Alumni Association Board of Directors if nominated and elected.

Section 4. Formation.

Members of the Association residing in a given geographic location, having a particular affinity, or sharing a specific set of goals that reinforces the purpose of the Alumni Association may form a Club. Prospective Clubs must submit to the Office of Advancement for approval by the Alumni Association Board of Directors the following:

- proof of a viable population to sustain Chapter operation by way of a petition or other tool deemed appropriate by the Board of Directors;
- an individual committed to serve as the Ambassador;
- and at least 1 proposed event approved by the Office of Advancement for the next fiscal year.

With verification that the Office of Advancement can support a new Alumni Club, Clubs will be established by a two-thirds majority vote of the Board. Upon approval, the Club shall commence operation the first day of the fiscal year that immediately follows.

Section 5. ~~regional alumni clubs. Existing clubs may~~ Active Status.

A Club shall be considered active, with all the benefits and rights granted to a Club, when meeting all of these annual requirements in the prior fiscal year:

- maintain an Ambassador;
- host at least 1 event approved by the Office of Advancement, providing a list of attendees for each event.

The Board from time to time will evaluate the need for additional requirements to ensure Clubs meet the purpose of the Alumni Association set forth in these bylaws and operate within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Section 6. Dissolution.

A Club that fails to meet the requirements for active status in the prior fiscal year shall be considered inactive. A Club will be dissolved if it is inactive for 2 consecutive fiscal years.

ARTICLE X. FISCAL MATTERS.

Section 1. Alumni Association Finances.

The Alumni Association does not maintain a central treasury. The Office of Advancement may allocate funding for Alumni Association business, to be dispensed according to criteria and procedures jointly agreed upon by the Board of Directors and the Office of Advancement. The Office of Advancement prepares an annual budget, and that budget is approved by the Foundation Board.

Section 2. Alumni Chapter Finances.

Alumni Chapters collect membership dues and must maintain a treasury in compliance with Internal Revenue Code section 501(c)(3) regulations. Each expenditure must be approved by the treasurer plus to additional officers and documented accordingly in meeting minutes of the Chapter Executive Board. Chapters must annually submit to the Office of Advancement an abbreviated financial statement with supporting bank statements for review. Chapters may also request chapter status at a regular business meeting of the board of directors if they meet the requirements for active chapter status set forth by the board of directors. financial support from the Office of Advancement through criteria and procedures jointly agreed upon by the Board of Directors and the Office of Advancement. In the event a Chapter is unable to conduct business as specified in Article XIII, the Board of Directors will serve as executors to satisfy any financial requirements for the Chapter.

Section 3. Alumni Club Finances.

Alumni Clubs do not maintain a treasury. Clubs may request financial support from the Office of Advancement through criteria and procedures jointly agreed upon by the Board of Directors and the Office of Advancement.

~~ARTICLE XI. FISCAL MATTERS. Annual budgets for the Alumni Association are prepared by the Office of Advancement and approved by the Foundation Board.~~ **ARTICLE XII. BOOKS, RECORDS AND ANNUAL AUDITS.**

The ~~Truman~~ Alumni Association shall keep and maintain complete and accurate books and records of account and minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors. The Alumni Association also shall keep at its principal office a record giving the names and addresses of the members entitled to vote. All books and records of the ~~association~~ Alumni Association may be inspected by any member, or his or her agent or attorney, for any proper purpose at any reasonable time.

ARTICLE ~~XIII~~XII. FISCAL YEAR.

The fiscal year of the corporation shall begin on the 1st day of July and end on the 30th day of June in each year.

ARTICLE ~~XIV~~XIII. INDEMNIFICATION AND INSURANCE.

Section 1. Indemnification.

The ~~Truman~~ Alumni Association shall indemnify any ~~person~~member of the Board of Directors who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Alumni Association, by reason of the fact that he or she is or was a director, ~~officer,~~ ~~employee or agent~~ of the Alumni Association, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Alumni Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 2. Insurance.

The Board of Directors may elect for the ~~Truman~~ Alumni Association to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Alumni Association, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Alumni Association would have the power to indemnify him or her against such liability.

ARTICLE ~~XV~~XIV. WAIVER OF NOTICE.

Unless otherwise provided by law, whenever any notice is required to be given to any director or member of the Alumni Association under the provisions of these bylaws, the articles of incorporation, or the applicable statutes, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE ~~XVI~~XV. REPEAL OR AMENDMENT OF BYLAWS.

These bylaws may be altered, amended, or repealed and new bylaws adopted, by a majority vote of the directors then in office and present at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose, at which a quorum is present, provided, however, that proper notice of such action to change the bylaws shall be given in writing not less than seven ~~nor more than thirty~~ days before such meeting and shall set forth such proposed alteration, amendment, or new bylaws, provided further, that any alteration, amendment, repeal, or new bylaws approved by the Board

of Directors shall not become effective unless ratified by the Truman State University Board of Governors.

ITEM F

Annual Staff Council Report

DESCRIPTION AND BACKGROUND

Kara Jo Levery, Chair of Staff Council and Career Ready Coach in the University Career Center, will provide the annual report from Staff Council.

RECOMMENDED ACTION

This is a discussion item only.

ITEM G
Enrollment Management Report

DESCRIPTION AND BACKGROUND

Dr. Tyana Lange, Vice President for Enrollment Management and Marketing, will provide an enrollment management report.

RECOMMENDED ACTION

This is a discussion item only.

ITEM H
Finance and Auditing Committee Report

DESCRIPTION AND BACKGROUND

Governor Sarah Burkemper, Chair of the Finance and Auditing Committee, will provide a report on the committee meeting held on October 15.

RECOMMENDED ACTION

This is a discussion item only.

ITEM H.1
Audit Report

DESCRIPTION AND BACKGROUND

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

RECOMMENDED ACTION

This is a discussion item only.

ATTACHMENTS

Auditor Communications
Financial Statements

Truman State University



Presentation of the Results of the Annual Audit



for the year ended
June 30, 2019

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

We have audited the basic financial statements of Truman State University (the University) for the year ended June 30, 2019. Our audit was performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and presented in accordance with accounting principles generally accepted in the United States of America. Our audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. We also evaluated the appropriateness of accounting policies used by the University and the reasonableness of significant accounting estimates made by the University's management, as well as evaluated the overall presentation of the financial statements.

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

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

*

Auditor Communications

AREA	COMMENTS
<p>Auditors' Responsibility Under U.S. Generally Accepted Auditing Standards, Government Auditing Standards and the Uniform Guidance</p> <p>Our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with our assistance are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and that the University complied in all material respects with the applicable compliance requirements of its major federal programs. Our audit of the financial statements and compliance does not relieve you or management of responsibility for the accuracy of the financial statements or compliance with applicable compliance requirements.</p> <p>Professional standards also require that we obtain a significant understanding of the University's internal control to plan the audit. However such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. Accordingly, we express no such assurance.</p>	<p>We have issued the following:</p> <ul style="list-style-type: none"> ■ An unmodified opinion on the University's financial statements for the year ended June 30, 2019. ■ A report on compliance and on internal control over financial reporting based on an audit of the financial statements in accordance with Government Auditing Standards. <p>The following single audit report has also been issued:</p> <ul style="list-style-type: none"> ■ An unmodified opinion on compliance and our report on internal controls over federal financial assistance in accordance with the Uniform Guidance.

Auditor Communications *(Continued)*

AREA	COMMENTS
<p>Other Information In Documents Containing Audited Financial Statements</p>	<ul style="list-style-type: none"> ■ The 2019 audited financial statements of the University will be included in the financial statements of the State of Missouri. ■ To our knowledge, the 2019 audited financial statements are not included within any other document.
<p>Planned Scope And Timing Of The Audit</p>	<p>We performed the audit according to the planned scope and timing previously communicated to management and the Audit Committee in our engagement letter dated February 28, 2019 and on June 11, 2019, in our meeting regarding the nature, timing and extent of our audit procedures.</p>
<p>Qualitative Aspects Of Accounting Practices</p> <p>Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about appropriateness of accounting policies and their application.</p>	<ul style="list-style-type: none"> ■ Significant accounting policies are described in Note 1 to the financial statements. ■ No new accounting policies that had a material or significant impact on the financial statements were adopted and the application of existing policies was not changed. ■ We noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus. ■ The University restated the financial statements for the year ended June 30, 2018 to correct an error in the depreciable life of an improvement made to a building on campus in 1999. This is described further in Note 12 to the financial statements.

Auditor Communications *(Continued)*

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

Auditor Communications *(Continued)*

AREA	COMMENTS
<p>Financial Statement Disclosures</p> <p>The disclosures are neutral, consistent and clear. Certain disclosures are particularly sensitive because of their significance to the financial statements' users.</p>	<p>The most sensitive disclosures affecting the financial statements are:</p> <ul style="list-style-type: none"> ■ Deposits and investments ■ Long-term liabilities ■ Pension plan – MOSERS ■ Prior period adjustment
<p>Difficulties Encountered In Performing The Audit</p>	<p>There were no difficulties encountered in dealing with management related to the performance of the audit.</p>
<p>Corrected And Uncorrected Misstatements</p>	<p>During our audit procedures, we did not accumulate any uncorrected misstatements that impacted the University's change in net position in the current or prior periods. An entry was posted to correct the 2018 financial statements related to an error in depreciable life of an asset as discussed previously on page 3.</p>
<p>Disagreements With Management</p>	<p>We are pleased to report that there were no such disagreements that were encountered during the audit.</p>
<p>Management Representations</p>	<p>We will request certain representations from management that are included in a management representation letter. See attached.</p>
<p>Management Consultations With Other Independent Accountants</p>	<p>None</p>
<p>Other Audit Findings Or Issues</p>	<p>There were no matters of significant discussion that affected our retention as the University's auditors.</p>

Financial Analysis

	June 30,	
	2019	2018
Assets		
Cash	\$ 2,700	\$ 2,152
Student accounts receivable	1,087	1,096
Investments	135,834	129,266
Loans to students, net	4,613	4,841
Capital assets	196,868	202,155
Other assets	3,252	2,424
Total Assets	\$ 344,354	\$ 341,934
Deferred Outflows Of Resources	\$ 25,696	\$ 30,131

OBSERVATIONS

- Investments increased by approximately \$6.6M compared to the prior year. Investments generated a net return of \$7.4M during the current year, and new endowed gifts from donors amounted to approximately \$1.1M.
- Capital assets decreased by \$5.3M compared to the prior year. Scheduled depreciation expense on University fixed assets exceeded the costs of additions made during FY19, which included the Missouri Hall dining room and miscellaneous equipment.
- Deferred outflows of resources decreased by \$4.4M, as a result of a shift in actuarial assumptions and differences between the originally forecasted MOSERS pension plan “experience” and the actual results. This amount will be amortized to fringe benefit expense over the course of the next 3 fiscal years by the University.

Financial Analysis *(Continued)*

	June 30,	
	2019	2018
Liabilities		
Accounts payable and accrued	\$ 8,434	\$ 9,416
Other employee related obligations	1,601	1,703
Unearned revenue	2,028	2,369
Long-term debt	51,178	54,239
Net pension liability	89,261	87,257
Other liabilities	872	877
Total Liabilities	\$ 153,374	\$ 155,861
Deferred Inflows Of Resources	\$ 4,547	\$ 2,361

OBSERVATIONS

- Long-term debt decreased by \$3.1M due to scheduled payments on outstanding bonds and the energy lease project.
- The net pension liability increased by approximately \$2M over the prior year. This increase is a result of the MOSERS actuarial calculation of the University share of the unfunded liability of the plan. Given the complexities of this calculation, this actuarial valuation will always occur one fiscal year behind the current period (thus, plan is valued as of June 30, 2018 at the end of the current year). Results are primarily due to changes in the ratio of employer contributions, the return on plan assets, and the actuarial changes in assumptions. The expected return on plan assets was reduced from 7.50% to 7.25% during the current year. Note that cash contributions to the Plan were increased during the year, as the percentage of covered payroll mandated by MOSERS increased from 16.97% to 19.45%

Financial Analysis *(Continued)*

	June 30,	
	2019	2018
Revenues		
Tuition and fees, net	\$ 25,390	\$ 26,127
Grants, contracts and contributions	10,068	9,733
Auxiliary enterprises	21,952	23,752
Investment income	7,441	3,543
Revenues designated for endowment and capital expenditures:	2,761	3,402
State appropriation	39,441	39,441
Other revenues	4,110	3,107
Total Revenues	\$ 111,163	\$ 109,105

OBSERVATIONS

- Tuition and fees decreased by \$737K compared to the prior year. Overall enrollment declined approximately 400 students. The discount for institutional aid decreased slightly, and the pricing of tuition and related fees increased by 1%.
- Investment income increased by \$3.9M over the prior year. The investment income earned by the University coupled with the net endowment returns from the Foundation when combined with a net unrealized gain on the University's fixed-income portfolio produced favorable results in the current year.
- Revenues designated for endowment and capital expenditures decreased by \$641K compared to the prior year. The decrease is attributable to less funding from the University's food-service contractor than was received in FY18, as well as a decrease in Foundation Board designated funds for scholarships.

Financial Analysis *(Continued)*

	June 30,	
	2019	2018
Total Revenues (From Previous Page)	\$ 111,163	\$ 109,105
Expenses		
Salaries and Wages	44,077	44,853
Benefits	26,026	26,106
Supplies and other services	16,377	17,334
Depreciation	13,786	13,995
Other	12,611	13,590
Total Expenses	\$ 112,877	\$ 115,878
Change In Net Position	\$ (1,714)	\$ (6,774)

OBSERVATIONS

- Salaries and wages decreased by \$776K as a result of reductions, which was partially offset by a 3% salary increase for the fiscal year
- The change in net position represents the total expenses in excess of revenues for the current year. This included the non-cash component of Pension expense of \$ 8.5M in 2019 and 2018

Financial Analysis *(Continued)*

	June 30,	
	2019	2018
Net Position		
Invested in Capital Assets	\$ 144,168	\$ 147,116
Nonexpendable	34,122	33,102
Expendable	27,516	25,671
Board Designated for Scholarships	1,070	1,538
Unrestricted	5,253	6,419
Total Net Position	\$ 212,129	\$ 213,846

OBSERVATIONS

- Net position invested in capital assets decreased by \$2.9M, as a result of depreciation expense for the year in excess of the renovations and additions to capital assets in the current year, coupled with the repayment of long-term debt.
- Expendable net position increased by \$1.8M, primarily due to appreciation on the Foundation's endowment assets.
- Unrestricted net position decreased by approximately \$1.2M, mostly due to the results from operations.

Independent Auditors' Report On Additional Information

Truman State University

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

Our report on our audit of the basic financial statements of Truman State University (the University) for June 30, 2019 appears in the financial statements of the University. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information contained herein is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*

Management Representation Letter

TRUMAN STATE UNIVERSITY
A COMPONENT UNIT OF THE
STATE OF MISSOURI
FINANCIAL STATEMENTS
JUNE 30, 2019



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Independent Auditors' Report

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

Report On The Financial Statements

We have audited the accompanying financial statements of the business-type activities of Truman State University (the University), a component unit of the State of Missouri, as of and for the years ended June 30, 2019 and 2018, 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, 2019 and 2018, and its changes in financial position and cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 12 and the Pension Plan Information on pages 48 and 49 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.

Prior Period Adjustment

The University recorded a prior period adjustment to restate the June 30, 2018 financial statements. This adjustment is described in footnote 12 to the financial statements. Our opinion has not been modified as a result of this matter.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated * _____, on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

* _____

TRUMAN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Truman State University (the University) annual financial report presents management's discussion and analysis of the financial condition and performance of the University during the fiscal years ended June 30, 2019, 2018 and 2017. 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.

During fall of 2019, the University enrolled 5,231 students. The primary mission of the institution is undergraduate education, and the enrollment data reflects this mission.

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Undergraduate	4,939	5,504	5,898
Graduate	292	349	374
	<u>5,231</u>	<u>5,853</u>	<u>6,272</u>

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

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

The University has a diverse student body, and the majority of its students are residents of Missouri. However, the remaining students come from 39 other states and 48 foreign countries. Approximately 7.4% of the students are from an international origin, and 12.9% of its students are comprised of domestic minorities.

The following key indicators demonstrated that the University focused its resources on activities to enhance student learning outcomes:

Student/Faculty Ratio	16:1
Graduate and Professional School Placement Rate	31.47%

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. The change in net position measures whether the overall financial condition has improved, or worsened, during the year. However, changes in net position should be considered in conjunction with nonfinancial facts such as enrollment levels and condition of the University's 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 or that expire by the passage of time. The category of unrestricted net position is not subject to externally imposed stipulations. They may be designated by specific purposes by action of management or the Board of Governors, or may be limited by contractual agreements with outside parties.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (Continued)

Condensed Statements Of Net Position As Of June 30, 2019, 2018 And 2017

	2019	2018 - As Restated	2017
Assets			
Current Assets	\$ 21,588,425	\$ 18,549,748	\$ 26,145,255
Noncurrent Assets	322,765,263	323,385,527	322,251,641
Total Assets	344,353,688	341,935,275	348,396,896
Deferred Outflows of Resources	25,696,459	30,131,063	28,632,391
Liabilities			
Current Liabilities	15,197,650	16,374,889	16,564,099
Noncurrent Liabilities	138,176,868	139,484,969	132,936,427
Total Liabilities	153,374,518	155,859,858	149,500,526
Deferred Inflows of Resources	4,546,572	2,360,811	1,953,272
Net Position			
Net investment in capital assets	144,168,458	147,115,655	157,369,407
Restricted, nonexpendable	34,121,892	33,101,832	31,542,662
Restricted, expendable	27,515,774	25,670,823	21,513,957
Unrestricted	6,322,933	7,957,359	15,149,463
Total Net Position	\$ 212,129,057	\$ 213,845,669	\$ 225,575,489

Fiscal year 2019 net position decreased by \$1.7 million compared to 2018, primarily due to a corresponding decrease in enrollment fee revenue and an increase in pension liability (Note 6).

At June 30, 2019, 2018 and 2017, the University's current assets of \$21.6 million, \$18.5 million and \$26.1 million, respectively, were sufficient to cover current liabilities during the same periods. At June 30, 2019, noncurrent assets primarily included investments of \$122.6 million and capital assets (net of depreciation) of \$196.9 million. Capital assets were comprised of the following asset types:

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (Continued)

	2019	2018 - As Restated	2017
Buildings and improvements	\$ 169,046,775	\$172,371,102	\$ 181,835,139
Land and improvements	15,176,045	15,176,045	15,176,045
Infrastructure	6,980,643	7,651,943	8,359,227
Construction in progress	2,313,708	3,061,871	4,489,184
Furniture, fixtures and equipment	1,909,835	2,208,437	2,261,167
Library materials	1,263,711	1,508,165	1,815,925
Art and historical treasures	177,535	177,535	177,535
Total capital assets (net of accumulated depreciation)	\$ 196,868,252	\$ 202,155,098	\$ 214,114,222

The University restated financial statements for the year ended June 30, 2018 to correct an error in the depreciable life of improvements made to Violette Hall during 1999. The University's fixed asset software module had been computing depreciation expense based on a 50-year useful life. During 2019, the University discovered that this asset should have been depreciated over a 20-year useful life. The result of this correction had the following impact on the June 30, 2018 financial statements:

	As Originally Stated	Restatement	As Restated
Capital assets, net	\$ 207,388,013	\$ (5,232,915)	\$ 202,155,098
Net position	225,575,489	(4,957,498)	220,617,991
Depreciation expense	13,719,197	275,417	13,994,614
Change in net position	(6,496,905)	275,417	(6,772,322)

Total University liabilities total \$153.4 million, \$155.9 million and \$149.5 million at June 30, 2019, 2018 and 2017, respectively. At June 30, 2019, current liabilities consisted primarily of accounts payable and accrued liabilities of \$8.4 million, unearned revenue of \$2 million and the current portion of long-term debt of \$3.2 million. A large portion of noncurrent liabilities relates to the University's respective share of the unfunded portion of the State of Missouri's pension plan (Note 6). Revenue bonds represent the other significant component of noncurrent liabilities as outlined below:

	2019	2018	2017
Bonds and capital leases:			
Student Housing System Revenue Bonds 2013	\$ 15,770,000	\$ 16,615,000	\$ 17,435,000
Student Housing System Revenue Bonds 2015	10,570,000	11,095,000	11,600,000
Student Housing System Revenue Bonds 2016	17,260,000	18,025,000	18,770,000
Total bonds payable	43,600,000	45,735,000	47,805,000
Unamortized premium on bonds payable	1,097,298	1,170,219	1,243,141
Total bonds payable plus unamortized premium	44,697,298	46,905,219	49,048,141
Capital lease obligations	6,480,587	7,333,721	8,035,734
Total bonds payable and capital leases	\$ 51,177,885	\$ 54,238,940	\$ 57,083,875

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (Continued)

Moody's Investor Service recently affirmed the University's A1 rating based on a sound financial position, a strong liquidity profile, and healthy auxiliary reserves. However, Moody's did revise its outlook from stable to negative based on a challenging enrollment environment and declining Missouri high school graduates.

Statements Of Revenues, Expenses, And Changes In Net Position

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.

Condensed Statements Of Revenues, Expenses, And Changes In Net Position For The Years Ended June 30, 2019, 2018, And 2017

	2019	2018 - As Restated	2017
Total Operating Revenues	\$ 52,361,392	\$ 55,041,414	\$ 55,829,916
Total Operating Expenses	111,283,521	114,151,456	112,322,747
Operating Loss	(58,922,129)	(59,110,042)	(56,492,831)
Net Nonoperating Revenues	54,444,573	48,935,495	51,053,141
Income (loss) before other revenues, expenses, gains and losses	(4,477,556)	(10,174,547)	(5,439,690)
Appropriations, gifts and revenues restricted for capital improvements	1,691,403	1,864,362	12,689,942
Additions to permanent endowments	1,069,541	1,537,863	1,781,430
Total Increase (Decrease) In Net Position	\$ (1,716,612)	\$ (6,772,322)	\$ 9,031,682
Operating Revenues			
Tuition and fees, net	\$ 25,390,361	\$ 26,127,489	\$ 27,001,481
Federal, state grants and private contracts and grants	2,742,974	2,580,031	2,577,721
Auxiliary enterprises, net	21,951,837	23,752,057	23,783,224
Sales and services of educational activities and other	2,276,220	2,581,837	2,467,490
	\$ 52,361,392	\$ 55,041,414	\$ 55,829,916
Nonoperating Revenues			
State appropriations	\$ 39,440,512	\$ 39,440,512	\$ 40,226,391
Investment income	7,549,319	3,666,329	5,005,775
Grants, contributions and other	9,049,707	7,554,598	7,526,564
	\$ 56,039,538	\$ 50,661,439	\$ 52,758,730
Nonoperating Expenses			
Change in value of annuity and trust obligations	\$ 14,996	\$ 69,979	\$ (2,061)
Interest on capital asset related debt	1,579,969	1,655,965	1,707,650
	\$ 1,594,965	\$ 1,725,944	\$ 1,705,589

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

	2019	2018	2017
Operating Expenses			
Salaries and wages	\$ 44,077,214	\$ 44,853,254	\$ 46,137,662
Fringe benefits	26,026,477	26,105,884	24,018,568
Supplies and other services	16,377,131	17,333,904	17,586,784
Scholarship and fellowships	669,615	672,754	663,936
Depreciation	13,786,263	13,994,614	12,248,732
Utilities	3,831,149	3,950,439	4,066,030
Other	6,515,672	7,240,607	7,601,035
	<u>\$ 111,283,521</u>	<u>\$ 114,151,456</u>	<u>\$ 112,322,747</u>

Comparisons 2019 To 2018

Significant sources of revenue for the University were state appropriations at \$39.4 million in 2019 unchanged from 2018; student tuition and fees totaling \$25.4 million in 2019 compared to \$26.1 million in 2018; and auxiliary services totaling \$22 million in 2019 compared to \$23.8 million in 2018.

Operating expenses totaled \$111.3 million in 2019 compared to \$114.2 million in 2018 with salaries and wages down 2%, fringe benefits down 0.3%, supplies and other services down 6%, scholarships down 0.5%, depreciation down 2%, utilities down 3%, and other expenses down 10%.

Comparisons 2018 To 2017

The most significant sources of revenue for the University were state appropriations at \$39.4 million in 2018 compared to \$40.2 million in 2017; student tuition and fees totaling \$26.1 million in 2018 compared to \$27 million in 2017; and auxiliary services totaling \$23.8 million in 2018 unchanged from 2017.

Operating expenses totaled \$114.2 million in 2018 compared to \$112.3 million in 2017 with salaries and wages down 3%, fringe benefits up 9%, supplies and other services down 1%, scholarships up 1%, depreciation up 14%, utilities down 3%, and other expenses down 5%.

Statement of Cash Flows

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 illustrate the University's cash receipts and payments during the year.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Condensed Statements Of Cash Flows For The Years Ended June 30, 2019, 2018 And 2017

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.

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Cash And Cash Equivalents Provided By (Used In):			
Operating activities	\$ (38,096,219)	\$ (37,734,841)	\$ (38,389,986)
Noncapital financing activities	49,364,389	47,445,444	48,577,180
Capital and related financing activities	(11,715,800)	(8,567,718)	(11,298,405)
Investing activities	<u>2,899,244</u>	<u>(3,136,926)</u>	<u>958,777</u>
Net increase (decrease) in cash and cash equivalents	2,451,614	(1,994,041)	(152,434)
Cash And Cash Equivalents, Beginning Of Year	<u>6,079,261</u>	<u>8,073,302</u>	<u>8,225,736</u>
Cash And Cash Equivalents, End Of Year	<u>\$ 8,530,875</u>	<u>\$ 6,079,261</u>	<u>\$ 8,073,302</u>

The major source of operating cash was student tuition and fees (\$25.1 million, \$25.8 million and \$27 million in 2019, 2018 and 2017, respectively) and auxiliary enterprises (\$22 million, \$23.7 million and \$24.7 million in 2019, 2018 and 2017, respectively). The largest use of operating cash was payments to employees (\$61.7 million, \$62.9 million and \$64.8 million in 2019, 2018 and 2017, respectively) and payments to suppliers (\$17.1 million, \$17.7 million and \$17.3 million in 2019, 2018 and 2017, respectively).

The most significant source of noncapital financing activities was state appropriations of \$39.4 million, \$39.4 million and \$40.2 million in 2019, 2018 and 2017, respectively.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (Continued)

Expenses By Functional Categories

The University also tracks expenses by functional categories (such as Instruction, Research, and Student Services) for the State of Missouri and other external agency purposes. The functional categorization of expenses also helps the University monitor expenditures in mission-critical areas such as Instruction. For the year ended June 30, 2019, 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 follow:

	2019	%	2018	%	2017	%
Instruction	\$ 56,498,291	50.76%	\$ 58,487,403	51.24%	\$ 55,269,391	49.22%
Credit and noncredit courses						
Research	684,954	0.62%	737,389	0.65%	788,666	0.70%
Activities specifically organized to produce research outcomes from funds awarded by external agencies, as well as internally supported programs						
Public Service	2,548,649	2.29%	2,366,375	2.07%	2,115,624	1.88%
Activities that primarily provide non-instructional services to individuals and groups outside of the University. Expenditures are primarily for community service.						
Academic Support	7,303,846	6.56%	7,480,667	6.55%	7,252,515	6.46%
Supporting services to instruction, research and public service. Includes libraries, academic administration and instructional media.						
Student Services	12,437,766	11.18%	12,236,384	10.72%	12,124,171	10.79%
Activities which primarily contribute to students' well-being outside the formal instruction program. Includes admissions, registrar, student activities and financial aid administration.						
Institutional Support	8,421,425	7.57%	8,597,034	7.53%	7,879,359	7.01%
Activities which generally provide support to the entire University. Includes executive management, fiscal operations, personnel, development, fundraising activities and general admin services.						
Scholarships & Fellowships	669,615	0.60%	672,754	0.59%	663,936	0.59%
Awards for grant-in-aid stipends to students based on financial need and/or merit.						
Auxiliary Enterprises	22,718,975	20.42%	23,573,450	20.65%	26,229,085	23.35%
Expenditures of essentially self-supporting activities such as Student Union Building, housing, cafeterias and recreation center.						
Total Operating Expenses	\$ 111,283,521	100.00%	\$ 114,151,456	100.00%	\$ 112,322,747	100.00%

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Physical Plant

Following the 2018 completion of a multiyear project to renovate its residence halls and Student Union Building at a cost of nearly \$100 million, the University attended to more modest projects during fiscal year 2019. Life safety improvements were made to the Pickler Memorial Library fire suppression system at a cost of \$3.1 million. Repairs were also made to one of the two chilled water loops that provide air conditioning to several campus buildings at a cost of \$1.2 million. In addition, a new roof was installed on one of the University's largest academic buildings, Violette Hall, at a cost of \$1.2 million. A number of smaller projects including relining the natatorium and planetarium upgrades were also completed.

Other noteworthy projects were completed during fiscal year 2019 with the help of specific budget funding from the State of Missouri and special donor contributions through the Truman State University Foundation. The Greenwood building underwent a \$600,000 renovation to replace two-thirds of the exterior windows. The Missouri legislature approved \$466,667 of fiscal year 2019 budget funding for this project. The future Greenwood Autism Center will also see fiscal year 2020 improvements made possible by an additional \$1.15 million in State of Missouri special appropriations and a \$600,000 capital contribution provided by the Sunderland Foundation. In addition, the fountain plaza at the east entrance of the Student Union Building was completely renovated largely due to funding received from the Sandra K. Giachino-Reavey Trust. The Sandra K. Giachino-Reavey Sesquicentennial Plaza will open early during fiscal year 2020 at cost of \$1.3 million.

Major capital projects planned for the future include renovating Pershing Building and replacing a damaged facilities building.

Looking Forward

The University's outlook is closely related to the financial status of the State of Missouri. Traditionally, a large source of Education and General Revenue has come through state appropriations, and the operating funds received from the state for fiscal year 2019 remained unchanged from 2018. For fiscal year 2020, the General Assembly appropriated an additional \$1 million in funding for each institution of higher education, and this appropriation increase was approved by the Governor.

Additional funds were also recommended as a block for institutions to develop proposals for academic initiatives which meet state economic and workforce needs. The University was awarded two such MoExcels grants for fiscal year 2020 to create an online data management graduate certificate program and a behavioral health and counseling certificate program in the combined amount of \$271,191.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

The previous limitation on tuition increases beyond the consumer price index (CPI) was also modified by the General Assembly. This change became effective in August 2018, and it allowed the University to increase its tuition by 5% for fiscal year 2020 to offset lost revenue when state funding was decreased in prior years.

The Missouri Coordinating Board for Higher Education (CBHE) recommended utilizing three elements of the performance funding model for fiscal year 2021. The recommendation provides a 1.9% overall increase for Truman, as performance funding will be capped at the 2018 CPI increase. In addition for fiscal year 2021, the CBHE recommended a \$2 million appropriation for maintenance and repair projects at each institution of higher learning.

In terms of enrollment, fall 2019 headcount was 5,231 (down 622 students from 2018). New student enrollment decreased for the second consecutive year. Truman State University engaged an enrollment consultant, a marketing firm and reorganized internal admissions functions under new leadership at the conclusion of fiscal year 2019. These efforts are anticipated to result in a reversal of the unfavorable enrollment trend.

Additional information may be obtained by written request to Truman State University, 100 E. Normal Avenue, Kirksville, MO 63501.

TRUMAN STATE UNIVERSITY

STATEMENT OF NET POSITION

Page 1 Of 2

	June 30,	
	2019	2018 - As Restated
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,185,556	\$ 1,270,479
Restricted cash and cash equivalents	1,514,196	881,459
Restricted short-term investments	1,224,736	2,783,055
Short-term investments	11,995,367	8,965,886
Accounts receivable, net of allowance: \$109,000 - 2019, \$93,000 - 2018	1,087,197	1,096,442
Interest receivable	379,668	383,936
Federal and state grants receivable	531,021	356,741
Other receivables	736,253	251,905
Inventories	357,709	401,412
Loans to students, net of allowance: \$16,800 - 2019, \$12,900 - 2018	1,669,868	1,463,262
Prepaid expenses	906,854	695,171
Total Current Assets	21,588,425	18,549,748
Noncurrent Assets		
Investments	122,613,594	117,517,100
Loans to students, net of allowance: \$58,200 - 2019 and 2018	2,942,679	3,378,149
Capital assets, net	196,868,252	202,155,098
Cash value of life insurance	147,770	134,422
Other assets, net	192,968	200,758
Total Noncurrent Assets	322,765,263	323,385,527
Total Assets	344,353,688	341,935,275
Deferred Outflows Of Resources		
Deferred amounts on University pension contributions	5,992,327	5,973,188
Deferred amounts on debt refundings	1,288,836	1,367,176
Deferred amounts related to pension plan	18,415,296	22,790,699
Total Deferred Outflows Of Resources	25,696,459	30,131,063

TRUMAN STATE UNIVERSITY

STATEMENT OF NET POSITION

Page 2 Of 2

	June 30,	
	2019	2018 - As Restated
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 8,433,700	\$ 9,415,747
Accrued early retiree termination benefits	94,325	127,961
Accrued compensated absences	1,028,819	1,032,288
Unearned revenue	2,028,164	2,368,609
Annuities and trusts payable	75,361	88,611
Long-term debt - current portion	3,211,937	3,076,004
Deposits held in custody for others	327,344	265,669
Total Current Liabilities	15,197,650	16,374,889
Noncurrent Liabilities		
Accrued compensated absences	433,506	393,821
Accrued early retiree termination benefits	46,669	148,569
Annuities and trusts payable	469,256	522,907
Long-term debt	47,965,948	51,162,936
Net pension liability	89,261,489	87,256,736
Total Noncurrent Liabilities	138,176,868	139,484,969
Total Liabilities	153,374,518	155,859,858
Deferred Inflows Of Resources		
Deferred amounts related to pension plan	4,546,572	2,360,811
Net Position		
Net investment in capital assets	144,168,458	147,115,655
Restricted for:		
Nonexpendable:		
Endowment	29,619,136	28,636,004
Loans (Federal)	4,502,756	4,465,828
Expendable:		
Scholarships and fellowships	10,333,131	9,668,925
Loans (Foundation)	3,722,039	3,543,941
Other:		
Education & general	9,714,069	9,012,238
Capital improvement	3,398,827	3,030,345
Athletics	347,708	415,374
Unrestricted	6,322,933	7,957,359
Total Net Position	\$ 212,129,057	\$ 213,845,669

TRUMAN STATE UNIVERSITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For The Years Ended June 30,	
	2019	2018 - As Restated
Operating Revenues		
Tuition and fees, net	\$ 25,390,361	\$ 26,127,489
Federal grants and contracts	2,541,594	2,315,750
State grants and contracts	147,660	166,120
Private grants and contracts	53,720	98,161
Interest on student loans receivable	230,299	193,807
Sales and services of educational activities	494,092	682,984
Auxiliary enterprises, net	21,951,837	23,752,057
Other operating revenues	1,551,829	1,705,046
Total Operating Revenues	52,361,392	55,041,414
Operating Expenses		
Salaries and wages	44,077,214	44,853,254
Fringe benefits	26,026,477	26,105,884
Supplies and other services	16,377,131	17,333,904
Scholarships and fellowships	669,615	672,754
Depreciation	13,786,263	13,994,614
Utilities	3,831,149	3,950,439
Other	6,515,672	7,240,607
Total Operating Expenses	111,283,521	114,151,456
Operating Loss	(58,922,129)	(59,110,042)
Nonoperating Revenues (Expenses)		
State appropriations	39,440,512	39,440,512
Federal grants and contracts	5,036,079	5,295,082
Contributions	2,288,971	1,858,073
Change in value of annuity and trust obligations	(14,996)	(69,979)
Income from trusts	108,712	123,647
Investment income	7,440,607	3,542,682
Interest on capital asset-related debt	(1,579,969)	(1,655,965)
Gain on disposal of capital assets	188,092	342
Other nonoperating revenues	1,536,565	401,101
Nonoperating Revenues, Net	54,444,573	48,935,495
Loss Before Capital Contributions And Additions To Permanent Endowment	(4,477,556)	(10,174,547)
Appropriations, Gifts And Revenues Restricted For Capital Improvements	1,691,403	1,864,362
Additions To Permanent Endowment	1,069,541	1,537,863
Decrease In Net Position	(1,716,612)	(6,772,322)
Net Position - As Previously Stated	—	225,575,489
Prior Period Adjustment	—	(4,957,498)
Net Position - Beginning Of Year - As Restated	213,845,669	220,617,991
Net Position - End Of Year	\$ 212,129,057	\$ 213,845,669

TRUMAN STATE UNIVERSITY

STATEMENT OF CASH FLOWS

	For The Years Ended June 30,	
	2019	2018
Cash Flows From Operating Activities		
Tuition and fees	\$ 25,115,861	\$ 25,808,054
Grants and contracts	2,531,501	2,454,441
Payments to suppliers	(17,064,514)	(17,659,602)
Payments for utilities	(3,831,149)	(3,950,439)
Payments to employees	(61,677,372)	(62,895,768)
Payments for scholarships and fellowships	(669,615)	(672,754)
Loans issued to students	(396,944)	(892,217)
Collections of loans to students	856,107	1,030,640
Sales and services of auxiliary enterprises	21,994,005	23,722,408
Sales and services of educational activities	494,092	682,984
Other payments	(5,448,191)	(5,362,588)
Net Cash Used In Operating Activities	(38,096,219)	(37,734,841)
Cash Flows From Noncapital Financing Activities		
State appropriations	39,440,512	39,440,512
Gifts and grants for other than capital purposes	7,224,924	6,078,816
Investments subject to annuity and trust obligations	25,090	154,687
Payments of annuity and trust obligations	(106,987)	(158,590)
Endowment gifts	1,069,541	1,537,863
Other receipts	1,711,309	392,156
Net Cash Provided By Noncapital Financing Activities	49,364,389	47,445,444
Cash Flows From Capital And Related Financing Activities		
Appropriations, gifts and revenues restricted for capital improvements	1,691,403	1,864,362
Proceeds from sales of capital assets	240,923	—
Purchase of capital assets	(8,947,742)	(5,764,530)
Interest paid on capital debt and leases	(1,586,010)	(1,661,140)
Principal paid on capital debt and leases	(3,114,374)	(3,006,410)
Net Cash Used In Capital And Related Financing Activities	(11,715,800)	(8,567,718)
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	76,354,328	56,160,432
Investment income	7,444,875	3,640,153
Distributions from perpetual trusts	108,712	123,647
Purchases of investments	(81,008,671)	(63,061,158)
Net Cash Provided By (Used In) Investing Activities	2,899,244	(3,136,926)
Net Increase (Decrease) In Cash And Cash Equivalents	2,451,614	(1,994,041)
Cash And Cash Equivalents - Beginning Of Year	6,079,261	8,073,302
Cash And Cash Equivalents - End Of Year	\$ 8,530,875	\$ 6,079,261

TRUMAN STATE UNIVERSITY

STATEMENT OF CASH FLOWS *(Continued)*

	For The Years Ended June 30,	
	2019	2018
Reconciliation Of Cash And Cash Equivalents To The Statement Of Net Position		
Cash	\$ 1,185,556	\$ 1,270,479
Restricted cash - current	1,514,196	881,459
Cash equivalents included in short-term investments	5,085,692	3,195,632
Cash equivalents included in investments - noncurrent	745,431	731,691
	\$ 8,530,875	\$ 6,079,261
Reconciliation Of Operating Loss To Net Cash Used In Operating Activities		
Operating loss	\$ (58,922,129)	\$ (59,110,042)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	13,786,263	13,994,614
Net change in pension expense	8,527,639	8,438,919
Changes in assets and liabilities:		
Receivables, net	(649,383)	175,397
Inventories	43,703	74,071
Loans receivable	228,864	(55,384)
Prepaid expenses and other assets	(203,893)	201,253
Accounts payable and accrued liabilities	(527,193)	(601,022)
Unearned revenue	(340,445)	(476,879)
Accrued compensated absences and early termination benefits	(101,320)	(375,549)
Deposits held in custody for others	61,675	(219)
	\$ (38,096,219)	\$ (37,734,841)
Net Cash Used In Operating Activities		
Supplemental Disclosure Of Cash Flow Information		
Noncash gifts received	\$ 100,126	\$ 1,074,339
Accounts payable incurred for capital asset purchases	1,521,909	1,970,722
Gain on disposal of capital assets	(188,092)	(342)
Capital lease obligation incurred for capital asset purchase	53,919	161,475
Unrealized gain (loss) on investments	90,613	(154,841)
	\$ 1,578,475	\$ 2,001,353

TRUMAN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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 5,231 students.

Reporting Entity

The University determines its financial reporting entity pursuant to GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statements No. 61 and No. 80. 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.

Cash Equivalents

The University considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2019, 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 plus accrued interest, 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.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

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

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

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

All interest costs of \$1,579,969 and \$1,655,965 incurred in 2019 and 2018, respectively, 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. Approximately \$1.1 million in 2019 and \$1.5 million in 2018 of unrestricted net position is designated for academic and research programs and initiatives, and capital programs.

Classification Of Revenues

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

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 years ended June 30, 2019 and June 30, 2018 were \$25,427,023 and \$26,846,020, respectively. The total scholarship allowances on fees charged for auxiliary enterprises for the years ended June 30, 2019 and June 30, 2018 were \$1,488,849 and \$1,852,509, respectively.

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.

Reclassifications

Certain 2018 balances have been reclassified in order to conform with the presentation of the 2019 financial statements.

Subsequent Events

Management evaluates subsequent events through the date the financial statements are available for issue, which is the date of the Independent Auditors' Report.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

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, 2019, 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, 2019, the University and Foundation had the following investments and maturities:

Type	Fair Value	Maturities In Years			
		Not Applicable	0 - 5	6 - 10	More Than 10
Cash and cash equivalents	\$ 5,831,123	\$ 5,831,123	\$ —	\$ —	\$ —
Certificates of deposit	5,953,432	—	5,953,432	—	—
Domestic equity mutual funds	26,503,188	26,503,188	—	—	—
Domestic equity securities	96,832	96,832	—	—	—
Exchange traded notes	807,914	807,914	—	—	—
Fixed income securities	87,764,108	—	77,851,707	3,596,702	6,315,699
Fixed income mutual funds	1,539,974	1,539,974	—	—	—
International equity mutual funds	5,411,596	5,411,596	—	—	—
International equity securities	10,344	10,344	—	—	—
Real estate mutual funds	1,035,879	1,035,879	—	—	—
Taxable high yield mutual funds	879,307	879,307	—	—	—
	\$ 135,833,697	\$ 42,116,157	\$ 83,805,139	\$ 3,596,702	\$ 6,315,699

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

At June 30, 2018, the University and Foundation had the following investments and maturities:

Type	Maturities In Years				
	Fair Value	Not Applicable	0 - 5	6 - 10	More Than 10
Cash and cash equivalents	\$ 3,927,323	\$ 3,927,323	\$ —	\$ —	\$ —
Certificates of deposit	9,264,017	—	9,264,017	—	—
Domestic equity mutual funds	26,003,236	26,003,236	—	—	—
Domestic equity securities	79,068	79,068	—	—	—
Exchange traded notes	855,212	855,212	—	—	—
Fixed income securities	80,403,436	—	71,069,459	3,359,499	5,974,478
Fixed income mutual funds	1,434,513	1,434,513	—	—	—
International equity mutual funds	5,462,830	5,462,830	—	—	—
International equity securities	10,179	10,179	—	—	—
Real estate mutual funds	964,328	964,328	—	—	—
Taxable high yield mutual funds	861,899	861,899	—	—	—
	<u>\$ 129,266,041</u>	<u>\$ 39,598,588</u>	<u>\$ 80,333,476</u>	<u>\$ 3,359,499</u>	<u>\$ 5,974,478</u>

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.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

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.

All Treasury / Agency securities are rated as either AA+ by S&P or Aaa by Moody's.

At June 30, 2019 and 2018, the following ratings were available for the University's and Foundation's fixed income investments:

Quality Ratings	2019	2018
Treasury/Agency	\$ 53,516,280	\$ 51,276,915
AAA	2,457,180	2,759,926
AAAm	4,672,268	—
AA+	12,452,477	9,606,228
AA	2,387,949	1,783,453
AA-	1,048,417	1,530,987
A+	829,920	1,917,532
A	6,310,942	5,768,681
A-	1,248,553	869,304
A-1	—	1,737,262
A-1+	—	239,692
BBB+	71,608	192,428
BBB	2,705,850	2,652,781
B	62,664	68,247
	\$ 87,764,108	\$ 80,403,436

Custodial Credit Risk

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

Concentration Of Credit Risk

No more than 30% of the University's portfolio can be invested in callable U.S. Government agencies; no more than 50% of the portfolio can be invested in bankers acceptances and commercial paper combined; no more than 40% of the portfolio can be invested in corporate bonds; no more than 25% of the portfolio can be invested in municipal bonds; no more than 10% of the portfolio can be invested in asset-backed securities; 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.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

At June 30, 2019 and 2018, the University's and Foundation's combined investments in U.S. Treasuries exceeded 5% of the combined investment portfolio.

Foreign Currency Risk

This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The University's investment policy does not address foreign currency risk. The Foundation's investment policy permits it to hold up to 20% of total investments in international equities. The University and the Foundation had an immaterial amount in direct investments (mutual funds are not considered direct investments) in international equities at June 30, 2019.

Summary Of Carrying Values

The carrying values of deposits and investments are included in the statement of net position as follows at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Carrying value		
Deposits	\$ 2,699,752	\$ 2,151,938
Investments	<u>135,833,697</u>	<u>129,266,041</u>
	<u>\$ 138,533,449</u>	<u>\$ 131,417,979</u>
Included in the following statement of net position captions:		
Cash and cash equivalents	\$ 1,185,556	\$ 1,270,479
Restricted cash - current	1,514,196	881,459
Restricted short-term investments	1,224,736	2,783,055
Short-term investments	11,995,367	8,965,886
Long term investments	<u>122,613,594</u>	<u>117,517,100</u>
	<u>\$ 138,533,449</u>	<u>\$ 131,417,979</u>

Investment Income

Investment income for the years ended June 30, 2019 and 2018 consists of:

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 3,078,260	\$ 2,422,338
Net realized and unrealized gains on investments	<u>4,362,347</u>	<u>1,120,344</u>
	<u>\$ 7,440,607</u>	<u>\$ 3,542,682</u>

Fair Value Measurements

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

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

Level 2: Inputs to the valuation methodology include:

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

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

The University also holds Missouri Securities Investment Program (MOSIP) Liquid Series Investments of \$4,672,268 at June 30, 2019. These investments are valued at net asset value (NAV) as a practical expedient in determining fair value. MOSIP Liquid Series invests its assets in instruments in which school districts and political subdivisions are permitted to invest under Missouri law. These investments include but are not limited to U.S. Treasury and government agency securities, repurchase agreements, banker's acceptances, certificates of deposit, and commercial paper. In order to minimize NAV fluctuations and to provide liquidity to its participants, the weighted average maturity to reset of the portfolio is managed at 60 days or less.

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

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

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

At June 30, 2019, the University's and Foundation's investments were classified as follows:

Type	Fair Value	Fair Value Level		
		1	2	3
Cash and cash equivalents	\$ 5,831,123	\$ 5,831,123	\$ —	\$ —
Domestic equity mutual funds	26,503,188	26,503,188	—	—
Domestic equity securities	96,832	96,832	—	—
Exchange traded notes	807,914	807,914	—	—
Fixed income securities	83,091,840	—	83,091,840	—
Fixed income mutual funds	1,539,974	1,539,974	—	—
International equity mutual funds	5,411,596	5,411,596	—	—
International equity securities	10,344	10,344	—	—
Real estate mutual funds	1,035,879	1,035,879	—	—
Taxable high yield mutual funds	879,307	879,307	—	—
	\$ 125,207,997	\$ 42,116,157	\$ 83,091,840	\$ —

At June 30, 2018, the University's and Foundation's investments were classified as follows:

Type	Fair Value	Fair Value Level		
		1	2	3
Cash and cash equivalents	\$ 3,927,323	\$ 3,927,323	\$ —	\$ —
Domestic equity mutual funds	26,003,236	26,003,236	—	—
Domestic equity securities	79,068	79,068	—	—
Exchange traded notes	855,212	855,212	—	—
Fixed income securities	80,403,436	—	80,403,436	—
Fixed income mutual funds	1,434,513	1,434,513	—	—
International equity mutual funds	5,462,830	5,462,830	—	—
International equity securities	10,179	10,179	—	—
Real estate mutual funds	964,328	964,328	—	—
Taxable high yield mutual funds	861,899	861,899	—	—
	\$ 120,002,024	\$ 39,598,588	\$ 80,403,436	\$ —

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

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, 2019.

4. Capital Assets

Capital assets activity for the year ended June 30, 2019 was:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital Assets, Nondepreciable:					
Land	\$ 15,176,045	\$ —	\$ —	\$ —	\$ 15,176,045
Art	177,535	—	—	—	177,535
Construction in progress	3,061,871	2,313,708	—	(3,061,871)	2,313,708
Total Capital Assets, Nondepreciable	18,415,451	2,313,708	—	(3,061,871)	17,667,288
Capital Assets, Depreciable:					
Buildings and improvements	347,848,597	5,515,533	60,730	3,061,871	356,365,271
Furniture, fixtures and equipment	22,324,005	502,133	717,946	—	22,108,192
Library materials	14,708,883	156,053	540,056	—	14,324,880
Infrastructure	19,683,108	—	—	—	19,683,108
Total Capital Assets, Depreciable	404,564,593	6,173,719	1,318,732	3,061,871	412,481,451
Less Accumulated Depreciation:					
Buildings and improvements	175,477,495	11,901,731	60,730	—	187,318,496
Furniture, fixtures and equipment	20,115,568	812,724	729,935	—	20,198,357
Library materials	13,200,718	400,508	540,057	—	13,061,169
Infrastructure	12,031,165	671,300	—	—	12,702,465
Total Accumulated Depreciation	220,824,946	13,786,263	1,330,722	—	233,280,487
Total Capital Assets, Depreciable, Net	183,739,647	(7,612,544)	(11,990)	3,061,871	179,200,964
Total Capital Assets - Net	\$ 202,155,098	\$ (5,298,836)	\$ (11,990)	\$ —	\$ 196,868,252

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

Capital assets activity for the year ended June 30, 2018 was:

	Balance - As Restated	Additions	Disposals	Transfers	Ending Balance
Capital Assets, Nondepreciable:					
Land	\$ 15,176,045	\$ —	\$ —	\$ —	\$ 15,176,045
Art	177,535	—	—	—	177,535
Construction in progress	4,489,184	3,061,871	—	(4,489,184)	3,061,871
Total Capital Assets, Nondepreciable	19,842,764	3,061,871	—	(4,489,184)	18,415,451
Capital Assets, Depreciable:					
Buildings and improvements	341,652,527	2,936,059	1,229,173	4,489,184	347,848,597
Furniture, fixtures and equipment	24,522,043	851,703	3,049,741	—	22,324,005
Library materials	14,977,276	143,355	411,748	—	14,708,883
Infrastructure	19,683,108	—	—	—	19,683,108
Total Capital Assets, Depreciable	400,834,954	3,931,117	4,690,662	4,489,184	404,564,593
Less Accumulated Depreciation:					
Buildings and improvements	164,774,886	11,931,782	1,229,173	—	175,477,495
Furniture, fixtures and equipment	22,260,876	904,433	3,049,741	—	20,115,568
Library materials	13,161,351	451,115	411,748	—	13,200,718
Infrastructure	11,323,881	707,284	—	—	12,031,165
Total Accumulated Depreciation	211,520,994	13,994,614	4,690,662	—	220,824,946
Total Capital Assets, Depreciable, Net	189,313,960	(10,063,497)	—	4,489,184	183,739,647
Total Capital Assets - Net	\$ 209,156,724	\$ (7,001,626)	\$ —	\$ —	\$ 202,155,098

5. Long-Term Liabilities

The following is a summary of long-term obligation transactions for the University for the year ended June 30, 2019:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds and capital leases					
Student Housing System Revenue Bonds - 2016	\$ 18,025,000	\$ —	\$ 765,000	\$ 17,260,000	\$ 790,000
Student Housing System Revenue Bonds - 2015	11,095,000	—	525,000	10,570,000	545,000
Student Housing System Revenue Bonds - 2013	16,615,000	—	845,000	15,770,000	880,000
Total bonds payable	45,735,000	—	2,135,000	43,600,000	2,215,000
Unamortized premium on bonds payable	1,170,219	—	72,921	1,097,298	72,922
Total bonds payable plus unamortized premium	46,905,219	—	2,207,921	44,697,298	2,287,922
Capital lease obligations	7,333,721	53,319	906,453	6,480,587	924,015
Total bonds and capital leases	54,238,940	53,319	3,114,374	51,177,885	3,211,937
Other noncurrent liabilities					
Accrued termination benefits	276,530	—	135,536	140,994	94,325
Accrued compensated absences	1,426,109	103,593	69,377	1,460,325	1,026,819
Annuities and trusts payable	611,518	10,094	76,995	544,617	75,361
Total other noncurrent liabilities	2,314,157	113,687	281,908	2,145,936	1,196,505
Total noncurrent liabilities	\$ 56,553,097	\$ 167,006	\$ 3,396,282	\$ 53,323,821	\$ 4,408,442

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

The following is a summary of long-term obligation transactions for the University for the year ended June 30, 2018:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds and capital leases					
Student Housing System Revenue Bonds - 2016	\$ 18,770,000	\$ —	\$ 745,000	\$ 18,025,000	\$ 765,000
Student Housing System Revenue Bonds - 2015	11,600,000	—	505,000	11,095,000	525,000
Student Housing System Revenue Bonds - 2013	17,435,000	—	820,000	16,615,000	845,000
Total bonds payable	47,805,000	—	2,070,000	45,735,000	2,135,000
Unamortized premium on bonds payable	1,243,141	—	72,922	1,170,219	72,921
Total bonds payable plus unamortized premium	49,048,141	—	2,142,922	46,905,219	2,207,921
Capital lease obligations	8,035,734	161,475	863,488	7,333,721	868,083
Total bonds and capital leases	57,083,875	161,475	3,006,410	54,238,940	3,076,004
Other noncurrent liabilities					
Accrued termination benefits	587,175	—	310,645	276,530	127,961
Accrued compensated absences	1,491,013	98,861	163,765	1,426,109	1,032,288
Annuities and trusts payable	545,442	84,708	18,632	611,518	88,611
Total other noncurrent liabilities	2,623,630	183,569	493,042	2,314,157	1,248,860
Total noncurrent liabilities	\$ 59,707,505	\$ 345,044	\$ 3,499,452	\$ 56,553,097	\$ 4,324,864

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, 2019 and 2018 of \$544,617 and \$611,518, respectively, which represents the present value of the future annuity obligations. The liability has been determined using discount rates ranging from approximately 1% to 7%. The Foundation has segregated assets in custodial investment accounts to fund these obligations. At June 30, 2019 and 2018, the fair value of these investments was \$1,146,693 and \$1,146,527, respectively.

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 cost of the project was approximately \$10,100,000. The Contractor has projected annual savings for the University of approximately \$1,000,000 per year over a 10-year period.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

In May 2015, the University entered into a lease purchase agreement to fund the energy savings project with a financial institution. Total acquisition costs for the energy equipment and improvements to be funded by the financial institution totaled \$9,274,600. The lease is payable over a 10-year period as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 884,897	\$ 115,103	\$ 1,000,000
2021	902,037	97,963	1,000,000
2022	919,509	80,491	1,000,000
2023	937,319	62,681	1,000,000
2024	955,474	44,526	1,000,000
2025-2026	1,716,827	33,173	1,750,000
	<u>\$ 6,316,063</u>	<u>\$ 433,937</u>	<u>\$ 6,750,000</u>

Revenue Bonds Payable

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

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

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

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

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

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 2% to 4% per annum and are collateralized by a first lien on and pledge of the net revenue derived from the operation and ownership of the housing system which includes all housing, dining and social facilities owned or operated by the University.

The bond debt service requirements as of June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 2,215,000	\$ 1,447,684	\$ 3,662,684
2021	2,290,000	1,372,434	3,662,434
2022	2,365,000	1,294,584	3,659,584
2023	2,450,000	1,214,134	3,664,134
2024	2,535,000	1,130,734	3,665,734
2025-2029	14,100,000	4,290,144	18,390,144
2030-2034	15,125,000	1,852,586	16,977,586
2035-2039	2,520,000	121,950	2,641,950
	<u>\$ 43,600,000</u>	<u>\$ 12,724,250</u>	<u>\$ 56,324,250</u>

6. Pension Plans - MOSERS

General Information about the Pension Plan

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

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

Contributions. Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.0 percent of their annual pay. The University's required contribution rate for the year ended June 30, 2019, was 20.21 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.

Contributions to the pension plan from the University were \$6,144,730 and \$5,973,188 for the years ended June 30, 2019 and 2018, respectively.

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

At June 30, 2019, the University reported a liability of \$89,261,489 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was offset by the fiduciary net position obtained from MOSERS CAFR as of June 30, 2018, to determine net pension liability.

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, 2018. At the June 30, 2018 measurement date, the University's proportion was 1.6002 percent, a decrease from its proportion measured of 1.676 percent as of the June 30, 2017, measurement date.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

There were no changes in benefit terms during the MOSERS plan year ended June 30, 2018, that affected the measurement of total pension liability.

Actuarial assumptions. The total pension liability in the June 30, 2018 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%
Salary increases	3.0% to 8.5% including inflation
Wage inflation	2.5%
Investment rate of return	7.25%, compounded annually, net after investment expenses and including inflation

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015. In addition, the investment return assumption was reduced from 7.5% to 7.25% for the June 30, 2018 valuation. Other assumption changes were decreases in the payroll and wage growth assumptions.

Mortality. Mortality rates for post-retirement mortality are based on the RP-2014 Healthy Annuitant mortality table, projected to 2026 with Scale MP-2015 and scaled by 120%. The pre-retirement mortality table used is the RP-2014 Employee mortality table, projected to 2026 with Scale MP-2015 and scaled by 95% for males and 90% for females.

Long-term investment rate of return. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Policy Allocation</u>	<u>Long-Term Expected Real Rate Of Return*</u>	<u>Weighted Average Long-Term Expected Real Rate Of Return</u>
Opportunistic global equity	38.0%	5.5%	2.1%
Nominal bonds	44.0%	1.0%	0.5%
Commodities	20.0%	4.5%	0.9%
Inflation-linked bonds	39.0%	0.8%	0.3%
Alternative beta	31.0%	4.5%	1.4%
	<u>172.0%</u>		<u>5.2%</u>

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

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Discount rate. The discount rate used to measure the total pension liability was 7.25%. 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 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

Sensitivity of the University's proportionate share of the NPL

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
University's proportionate share of the net pension liability	\$ 114,024,380	\$89,261,489	\$ 68,438,764

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

Pension expense. For the years ended June 30, 2019 and 2018, the University recognized pension expense of \$14,615,307 and \$14,337,516, respectively.

TRUMAN STATE UNIVERSITYNotes To Financial Statements (*Continued*)

Deferred outflows of resources and deferred inflows of resources. At June 30, 2019 and 2018, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2019	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 203,144	\$ 2,113,278
Changes of assumptions	7,692,846	—
Net difference between projected and actual earnings on pension plan investments	10,498,273	—
Changes in proportion and differences between University contributions and proportionate share of contributions	21,033	2,433,294
University contributions subsequent to the measurement dates of June 30, 2018	5,992,327	—
	<u>\$ 24,407,623</u>	<u>\$ 4,546,572</u>

	2018	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 483,411	\$ 1,374,257
Changes of assumptions	7,656,668	218,996
Net difference between projected and actual earnings on pension plan investments	14,616,839	—
Changes in proportion and differences between University contributions and proportionate share of contributions	33,781	767,558
University contributions subsequent to the measurement dates of June 30, 2016	5,973,188	—
	<u>\$ 28,763,887</u>	<u>\$ 2,360,811</u>

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The University amounts reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020 of the University's financial statements. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the University's fiscal year following MOSERS' fiscal year as follows:

Amortization Schedule

<u>Plan Year Ending June 30</u>	<u>Amount</u>
2020	\$ 8,989,040
2021	3,690,247
2022	1,183,749
2023	5,694
	<u>\$ 13,868,730</u>

Payables to the pension plan

As of June 30, 2019, the University had payables of \$427,179 to MOSERS for the amount owed for salaries earned but not remitted as of June 30, 2019 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% and 6.19% of annual covered payroll for 2019 and 2018, respectively. The University's contributions to the plan for the years ended June 30, 2019 and 2018 were \$485,304 and \$540,304, 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 2019) and aggregate (\$1,000,000 in fiscal year 2019) reinsurance. The University has recorded a liability for expenses incurred but not reported of \$360,346 and \$673,045 as of June 30, 2019 and 2018, respectively, 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, 2019 and 2017/2018 were as follows:

Liability, July 1, 2017	\$ 600,405
Current year claims and changes in estimate	7,624,522
Claim payments	<u>(7,551,882)</u>
Liability, June 30, 2018	673,045
Current year claims and changes in estimate	6,864,944
Claim payments	<u>(7,177,643)</u>
Liability, June 30, 2019	<u><u>\$ 360,346</u></u>

Total employee health and welfare expense was \$6,581,310 and \$6,805,298 for the years ended June 30, 2019 and 2018, respectively.

9. Early Retiree Termination Benefits

The University pays health insurance premiums for qualified retired employees who have chosen to participate in early retirement programs established by the Board of Governors until the employee reached the age of 65. Separate programs were established in fiscal years 2010, 2011, 2012, 2015, 2016, 2017, and 2018. 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 \$140,994 and \$276,530 at June 30, 2019 and 2018, respectively.

During the year ended June 30, 2019, the University paid \$131,763 of reimbursements under this plan. Lump sum payments to participants totaled \$25,000 during 2019. At June 30, 2019, there were 13 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 \$2,749,217 related to construction contracts at June 30, 2019. A remaining commitment of \$1,056,205 on the Sandra K. Giachino Reavey Sesquicentennial Plaza Project comprises the majority of the outstanding construction/architect commitments.

Perkins Loan Program

The University participates in the Federal Perkins Loan Program, under which loans are provided to eligible students and repayments are made directly to the University to provide funding for future eligible participants in the program. Effective October 1, 2017, 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.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

12. Prior Period Restatement

The University has restated the financial statements for the year ended June 30, 2018 to correct an error in the depreciable life of an improvement made to a building on campus in 1999. The University's fixed asset software module had historically computed depreciation expense based on a 50-year useful life. During 2019, the University discovered that this asset should have been depreciated over a 20-year useful life. This impact of the correction of this error had the following impact on the June 30, 2018 financial statements:

	As Originally		
	Stated	Restatement	As Restated
Capital assets, net	\$ 207,388,013	\$ (5,232,915)	\$ 202,155,098
Net position, July 1, 2017	225,575,489	(4,957,498)	220,617,991
Depreciation expense	13,719,197	275,417	13,994,614
Change in net position	(6,496,905)	275,417	(6,772,322)

13. 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, 2019.

The segment consists of Housing System Revenue Bonds Series 2013, dated April 18, 2013, and Housing System Revenue Bonds Series 2015, dated May 28, 2015, and Housing System Revenue Bonds Series 2016, dated February 11, 2016. These accounts are established to account for activities of the Housing System, as defined by the bond resolutions.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The condensed financial information for the Housing System Revenue Bond Fund as of June 30, 2019 and 2018 is as follows:

Condensed Statement Of Net Position

	<u>2019</u>	<u>2018</u>
Current Assets	\$ 16,271,199	\$ 17,700,161
Noncurrent Assets		
Capital assets, net of depreciation	77,084,331	78,668,686
Other	107,765	115,555
Total Assets	93,463,295	96,484,402
Deferred Outflows Of Resources	1,288,836	1,367,176
Current Liabilities	2,107,048	4,870,052
Noncurrent Liabilities	44,615,293	45,712,157
Total Liabilities	46,722,341	50,582,209
Net Position		
Net investment in capital assets	32,338,068	30,430,245
Unrestricted	15,691,722	16,839,124
Total Net Position	\$ 48,029,790	\$ 47,269,369

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

	<u>2019</u>	<u>2018</u>
Operating Revenue		
Housing and food service, net of scholarship allowance	\$ 19,903,025	\$ 21,098,181
Other operating revenues	395,370	779,585
Total Operating Revenue	<u>20,298,395</u>	<u>21,877,766</u>
Operating Expenses		
Compensation and benefits	3,823,615	3,745,466
Supplies and other services	10,440,518	11,405,959
Depreciation	5,414,691	5,651,648
Utilities	1,672,328	1,710,586
Total Operating Expenses	<u>21,351,152</u>	<u>22,513,659</u>
Operating Loss	<u>(1,052,757)</u>	<u>(635,893)</u>
Nonoperating Revenue (Expenses)		
Student fees for capital projects	980,519	1,065,164
Investment income	1,218,889	51,505
Interest on capital asset related debt and other expenses	(1,535,249)	(1,597,109)
Funds received for capital investment	1,224,736	1,864,362
Other	(75,717)	(84,411)
Net Nonoperating Revenue	<u>1,813,178</u>	<u>1,299,511</u>
Increase In Net Position	<u>760,421</u>	<u>663,618</u>
Net Position - Beginning of Year	<u>47,269,369</u>	<u>46,605,751</u>
Net Position End Of Year	<u>\$ 48,029,790</u>	<u>\$ 47,269,369</u>

Condensed Statement Of Cash Flows

	<u>2019</u>	<u>2018</u>
Net cash provided by operating activities	\$ 4,829,990	\$ 5,139,793
Net cash used in noncapital financing activities	—	(71,202)
Net cash used in capital and related financing activities	(6,177,150)	(2,122,678)
Net cash used (provided by) in investing activities	<u>1,400,766</u>	<u>(2,920,919)</u>
Net increase in cash and cash equivalents	53,606	24,994
Cash and cash equivalents - beginning of year	<u>30,654</u>	<u>5,660</u>
Cash and cash equivalents - end of year	<u>\$ 84,260</u>	<u>\$ 30,654</u>

TRUMAN STATE UNIVERSITY

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

	June 30,				
	2019	2018	2017	2016	2015
University's proportionate of the net pension liability	1.600%	1.676%	1.674%	1.721%	1.736%
University's proportionate share of the net pension liability	\$ 89,261,489	\$ 87,256,736	\$ 77,726,342	\$ 55,252,185	\$ 40,938,147
University's covered payroll	31,102,260	32,983,265	32,430,791	33,308,792	32,701,587
University's proportionate share of the net pension liability as a percentage of its covered payroll	286.99%	264.55%	239.67%	165.88%	125.19%
Plan fiduciary net position as a percentage of the total pension liability	59.02%	60.41%	63.60%	77.62%	79.49%

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

TRUMAN STATE UNIVERSITY

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

	June 30,				
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 6,049,390	\$ 5,597,262	\$ 5,503,067	\$ 5,652,501	\$ 5,666,746
Contributions in relation to the contractually required contribution	6,049,390	5,597,262	5,503,067	5,652,501	5,666,746
University's covered payroll	31,102,260	32,983,265	32,430,791	33,308,792	32,701,587
Contributions as a percentage of covered payroll	19.45%	16.97%	16.97%	16.97%	17.33%

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

TRUMAN STATE UNIVERSITY

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION For The Year Ended June 30, 2019

1. **Changes Of Benefit Terms Or Assumptions**

Changes Of Benefit Terms

Senate Bill 62 (SB 62), which contained changes to the benefit structure for MSEP 2011, was passed by the 2017 legislature. The provisions of the bill decreased vesting from ten to five years of service, but also included provisions that essentially offset the cost of the vesting change. As a result, SB 62 had no impact on the employer contribution rate and created a decrease to the UAAL of \$1.6 million.

Changes Of Assumptions

MOSERS reduced the investment return assumption used in the June 30, 2018 valuation to 7.25%.

Mr. Mike Garzanelli
Truman State University
105 McClain Building
Kirksville, Missouri 63501

Dear Mike:

Enclosed are your copies of the financial statements for Truman State University as of June 30, 2019.

We appreciate the opportunity to be of continued service to you. If we may furnish you with any additional information, please feel free to contact us.

Very truly yours,

RubinBrown LLP

Brent W. Stevens, CPA, CGMA
Partner
Direct Dial Number: 314.290.3428
E-mail: brent.stevens@rubinbrown.com

BWS:rss

Enclosures

ITEM H.2
Financial Report

DESCRIPTION AND BACKGROUND

The Financial Report includes a review as of August 31, 2019, of education and general revenues and expenditures and auxiliary systems revenues and expenditures and a review as of August 31, 2019, of the Truman State University Foundation revenues and expenditures.

RECOMMENDED ACTION

This is a discussion item only.

ATTACHMENT

Financial Report

Truman State University Financial Report

August 31, 2019 compared to August 31, 2018

Education & General (Pages A1-A3)

Revenues fell by \$1.7M (5%) to \$32.7M primarily due to a \$1.8M tuition shortfall. While the price of FY20 tuition was increased by 5%, the loss of revenue was the result of 622 fewer students enrolled for the fall semester compared to a year ago. The revenue distribution over the last three fiscal years is outlined in Figure 1. After two months, overall revenues were at 34.6% of the fiscal 2020 budget.

State appropriations increased by \$161,666 to \$6.7M. In addition to the aforementioned unfavorable tuition variance, there was also a \$237,056 decrease in course and other fees. Study abroad revenues were \$358,904 behind prior year as a result of 50% fewer students participating in these programs. Revenue shortfalls were partially offset by a \$99,717 improvement in interest income and unrealized investment gains.

Variances in local fee revenue (excluding tuition) are outlined in Figure 2 below.

Figure 1: Education & General Revenues

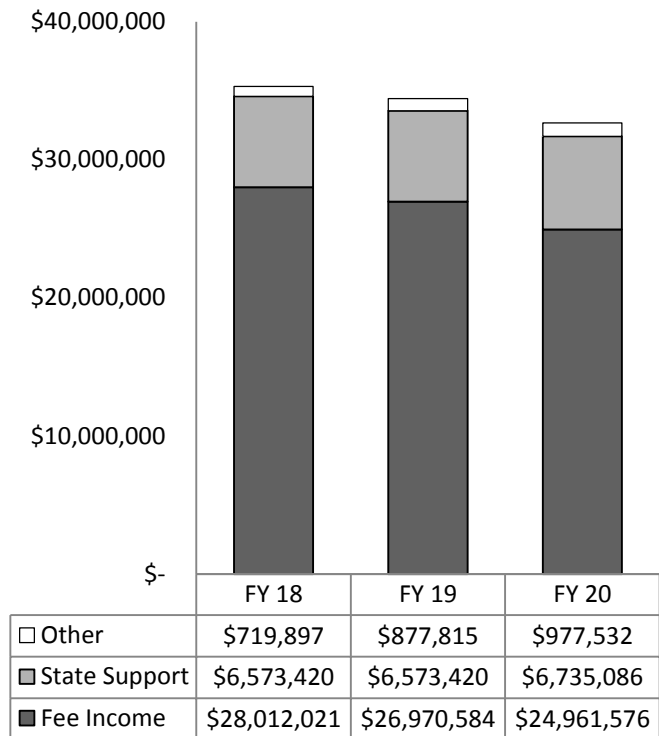
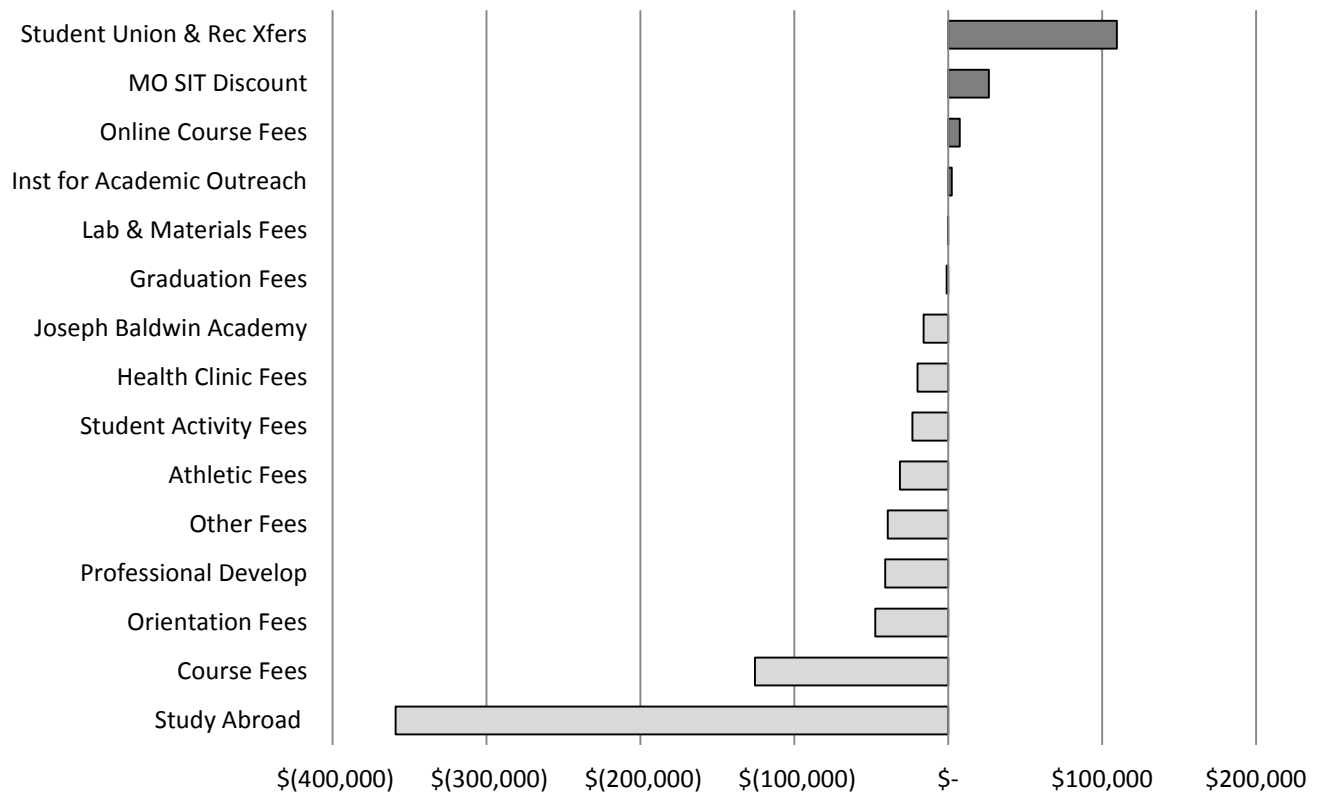


Figure 2: Local Fee Revenue Variances (FY 19 to FY 20)



Expenses fell by \$190,826 (1%) to \$19.2M primarily due to a \$581,993 (5.5%) decrease in institutional aid resulting from a reduction in freshman enrollment of 202 students.

University salaries remained unchanged at \$3.1M as a reduction of 14 faculty and staff were offset by a 3% wage increase that took effect in August 2018. Fringe benefits grew by \$207,840 (13.7%) to \$1.7M based on a \$115,475 increase in retirement costs due to a 1.56% increase in the MOSER's contribution rate. Employee insurance costs also grew by \$60,161. The increase in employee fringe benefit costs was partially offset by a \$44,735 reduction in student employment expense.

Expenses over the last three fiscal years are outlined in Figure 3. After two months, overall expenses were at 19.6% of the fiscal 2020 budget. Other operating expense variances were identified in the following categories:

- Office Contracts grew by \$160,856 (24%) based on payment timing for the Banner enterprise resource planning software. Due to last year's contract renegotiation with Ellucian, Banner ERP expenses in the prior year were not paid until November 2018.
- Equipment increased by \$124,683 due to comparatively low spending at this time last year of \$3,869. However, year-to-date equipment costs included the replacement of two fleet vehicles (\$42,984), the replacement of the Stokes Stadium scoreboard (\$46,281) and the purchase of an image generator for the planetarium (\$43,350).
- Supplies fell by \$134,379 (26%) due to a \$90,398 decrease in network supplies and software.

Auxiliary Systems (Pages B1-B3)

Auxiliary revenues fell by \$1.5M (11.9%) to \$11M primarily due to a \$1.4M shortfall in residence hall income. This variance was driven by a residency reduction of 369 students for the fall semester.

The revenue distribution over the last three fiscal years is outlined in Figure 4. After two months, overall revenues were at 43.8% of the fiscal 2020 budget.

Reduced enrollment also impacted the Student Union and Recreation Center. Fees in these areas fell by \$47,201 and \$68,567, respectively. Finally, other auxiliary revenue decreased by \$13,899 primarily due to reduced printing income.

Figure 3: Education & General Expenses

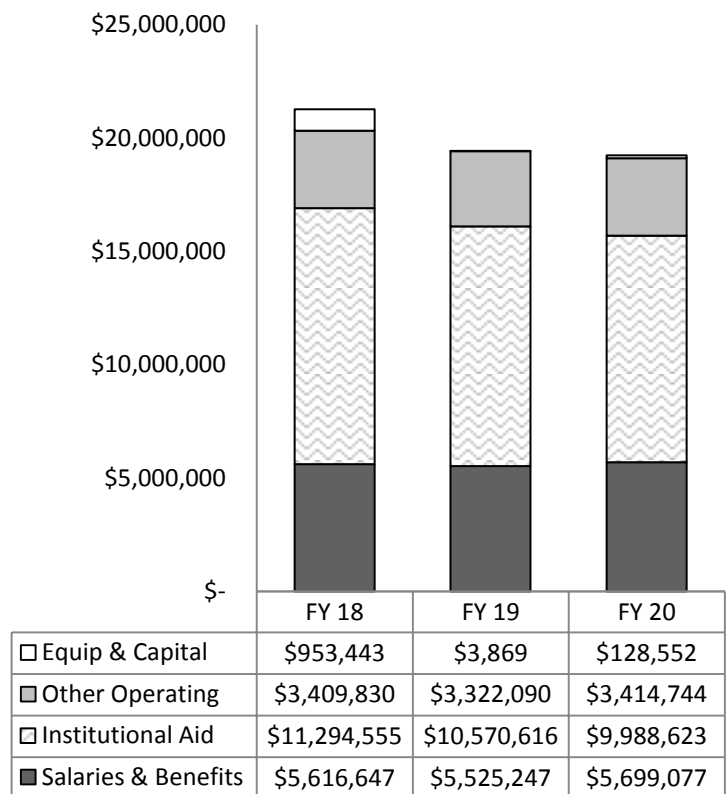
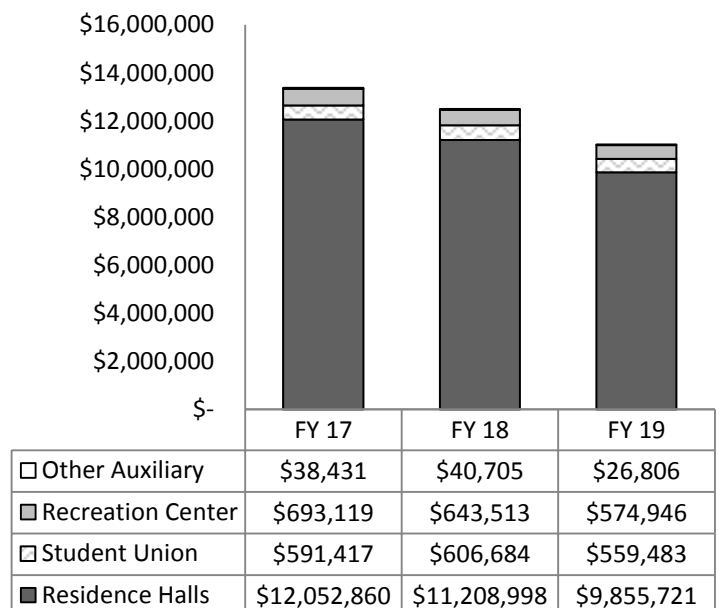


Figure 4: Auxiliary Revenues

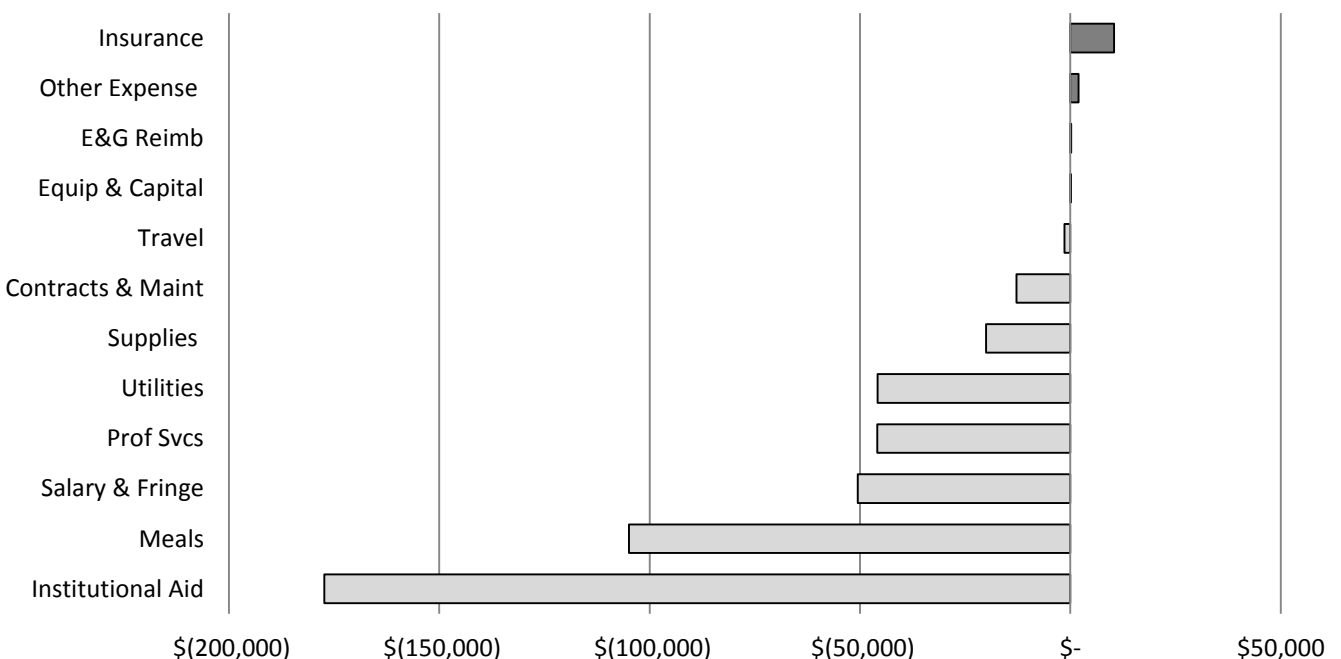


Auxiliary expenses fell by \$446,092 (10.3%) to \$3.9M primarily due to a \$177,292 reduction in institutional aid and a \$104,929 decrease in meal costs. Other expense variances were identified in the following categories:

- Salary and fringe benefits decreased by \$50,515 (4.8%) due primarily to a number of vacancies in the Residential Life department.
- Professional Services fell by \$45,880 (25.7%) based on a decrease in contractual costs paid to Johnson Controls for the automation of the HVAC and fire control systems throughout campus. The auxiliary share of this cost saving was approximately \$30,000.
- Utilities expense fell by \$45,843 (11.9%) due to decreased costs associated with the Dobson Hall closure and also due to relatively cooler summer temperatures compared to prior year.

After two months, overall expenses were at 15.2% of the fiscal 2020 budget. Year-over-year expense variances are outlined in Figure 5.

Figure 5: Auxiliary Expense Variances (FY 19 to FY 20)



Truman State University Foundation (Pages C1-C3)

Statement of Net Position (Page C1)

Fiscal year-to-date net position was \$57.5M (a \$1.4M improvement over prior year). Current assets grew by \$1.9M due to a corresponding increase in short-term investments. The increase in short-term investments included a \$600,000 contribution from the Sunderland Foundation for upcoming improvements to the Greenwood Autism Center. The short-term investment variance was also caused by certain transfers from the endowed fund to support the annual budgets for specific current uses of restricted and unrestricted funds including the Truman Fund for Excellence and the Restricted University Department budgets. Short term investments also included stock gifts to support the Bulldog B.I.T.E. and government internship programs. These funds were transferred to short-term investments later during the prior fiscal year creating a notable timing difference. Other current assets including cash, interest receivable and the current portion of loans receivable were largely consistent year-over-year.

Non-current assets fell by \$613,480 to \$52.8M based on a corresponding decrease in long-term investment of \$848,886 (primarily on an unrealized basis). The aforementioned reduction in long-term investment value was partially offset by a \$222,058 increase in student loans receivable.

Current liabilities decreased by \$50,944 to \$131,343. Current liabilities consisted primarily of \$61,406 in annuities and trusts payable, \$56,390 in accounts payable and \$13,547 in potentially refundable contributions related to the men's tennis and wrestling teams. In the event these conditional contributions meet the thresholds for funding the aforementioned athletic programs, the donations will be reclassified as assets in a future period.

Statement of Revenues, Expenditures and Changes in Net Position (Page C2)

Contributions and additions to permanent endowments were \$1.1M (up \$606,462 from prior year). The fiscal year-to-date investment loss (net of fees) was \$48,257 compared to a \$1.9M investment gain a year ago. Interest and dividends fell by \$59,708, realized gains decreased by \$43,722 and unrealized gains fell by \$1.8M.

Expenses and transfers totaled \$1.9M this year compared to \$1.1M a year ago. The variance was primarily due to a corresponding \$841,433 increase in plant transfers to Truman State University comprised of a \$1M transfer to support the Sandra K. Giachino-Reavey Sesquicentennial Plaza and \$55,000 transfer to fund improvements to the Ruth Towne Museum.

Investments Schedule (Page C3)

Overall, Foundation investments (including endowments, short-term, long-term, trusts and annuities) grew year-over-year by \$1.1M to \$56.8M. The Foundation also holds a beneficial interest in three trusts excluded from the financial statements. These trusts have increased in value by \$53,909 to \$3.8M over prior year.

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

	FY20 Budget	FY20 To Date	Percent of Budget This Year	Percent of Budget Last Year
Education & General				
Revenues				
State Sourced Income	\$ 41,660,322	\$ 6,735,086		
Local Income	\$ 52,807,896	\$ 25,939,108		
Total Budgeted Revenues	\$ 94,468,218	\$ 32,674,194	34.59%	36.14%
Rollover from prior year	\$ 3,694,896			
Total Resources to Spend	\$ 98,163,114			
Expenses				
Salaries & Fringe Benefits				
Faculty/Staff Salaries	\$ 37,125,575	\$ 3,056,815	8.23%	
Student Employment	\$ 4,077,692	\$ 916,884	22.49%	
Fringe Benefits	\$ 15,277,435	\$ 1,725,378	11.29%	
Total Salaries & Fringe Benefits	\$ 56,480,702	\$ 5,699,077	10.09%	9.79%
Equipment & Capitalized Expense	\$ 3,153,726	\$ 128,552	4.08%	0.13%
Operations				
Other Expense	\$ 15,485,686	\$ 2,939,092	18.98%	
Institutional Aid	\$ 20,143,000	\$ 9,988,623	49.59%	
Utilities	\$ 2,900,000	\$ 475,652	16.40%	
Total Operations	\$ 38,528,686	\$ 13,403,367	34.79%	35.21%
Total Education & General Expense	\$ 98,163,114	\$ 19,230,996	19.59%	19.64%

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

	<u>FY18 Receipts</u>	<u>FY19 Receipts</u>	<u>FY20 Receipts</u>	<u>Change FY19 to FY20</u>	<u>% Change FY19 to FY20</u>
Education & General					
State Appropriation					
State Appropriation	\$ 6,573,420	\$ 6,573,420	\$ 6,735,086	\$ 161,666	2.46%
Total State Sourced Income	<u>\$ 6,573,420</u>	<u>\$ 6,573,420</u>	<u>\$ 6,735,086</u>	<u>\$ 161,666</u>	<u>2.46%</u>
Enrollment Fees					
Enrollment Fees	\$ 26,125,076	\$ 24,538,677	\$ 22,766,725	\$ (1,771,952)	-7.22%
Course Fees	\$ 979,056	\$ 1,252,811	\$ 1,127,347	\$ (125,464)	-10.01%
Other Fees	\$ 196,960	\$ 471,156	\$ 433,913	\$ (37,243)	-7.90%
Student Activity Fees	\$ 245,780	\$ 220,590	\$ 197,465	\$ (23,125)	-10.48%
Athletic Fees	\$ 317,396	\$ 297,540	\$ 266,266	\$ (31,274)	-10.51%
Health Clinic Fees	\$ 147,753	\$ 189,810	\$ 169,860	\$ (19,950)	-10.51%
Total Student Fees	<u>\$ 28,012,021</u>	<u>\$ 26,970,584</u>	<u>\$ 24,961,576</u>	<u>\$ (2,009,008)</u>	<u>-7.45%</u>
Other Income	\$ 719,897	\$ 877,815	\$ 977,532	\$ 99,717	11.36%
Total Education & General	<u><u>\$ 35,305,338</u></u>	<u><u>\$ 34,421,819</u></u>	<u><u>\$ 32,674,194</u></u>	<u><u>\$ (1,747,625)</u></u>	<u><u>-5.08%</u></u>

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

	<u>FY18 Expense</u>	<u>FY19 Expense</u>	<u>FY20 Expense</u>	<u>Change FY19 to FY20</u>	<u>% Change FY19 to FY20</u>
Education & General					
Salaries & Fringe Benefits					
Faculty & Staff Salaries	\$ 3,165,052	\$ 3,046,090	\$ 3,056,815	\$ 10,725	0.35%
Student Employment	\$ 950,315	\$ 961,619	\$ 916,884	\$ (44,735)	-4.65%
Fringe Benefits	\$ 1,501,280	\$ 1,517,538	\$ 1,725,378	\$ 207,840	13.70%
Total Salary & Fringe Benefits	<u>\$ 5,616,647</u>	<u>\$ 5,525,247</u>	<u>\$ 5,699,077</u>	<u>\$ 173,830</u>	<u>3.15%</u>
Equipment & Capital Expenses	<u>\$ 953,443</u>	<u>\$ 3,869</u>	<u>\$ 128,552</u>	<u>\$ 124,683</u>	<u>3222.62%</u>
Operations					
Institutional Aid	\$ 11,294,555	\$ 10,570,616	\$ 9,988,623	\$ (581,993)	-5.51%
Travel	\$ 394,906	\$ 251,860	\$ 211,703	\$ (40,157)	-15.94%
Utilities	\$ 523,884	\$ 497,016	\$ 475,852	\$ (21,164)	-4.26%
Professional Services	\$ 288,041	\$ 310,385	\$ 367,517	\$ 57,132	18.41%
Supplies	\$ 441,181	\$ 515,222	\$ 380,843	\$ (134,379)	-26.08%
Office Contracts	\$ 662,153	\$ 663,145	\$ 824,001	\$ 160,856	24.26%
Library Acquisitions	\$ 543,317	\$ 531,983	\$ 535,665	\$ 3,682	0.69%
Communications	\$ 174,319	\$ 115,885	\$ 155,289	\$ 39,404	34.00%
Energy Lease Principal & Interest	\$ 210,000	\$ 210,000	\$ 210,000	\$ -	0.00%
Maintenance & Repair	\$ 32,204	\$ 19,579	\$ 27,213	\$ 7,634	38.99%
Other Expense	\$ 139,825	\$ 207,015	\$ 226,661	\$ 19,646	9.49%
Total Operations	<u>\$ 14,704,385</u>	<u>\$ 13,892,706</u>	<u>\$ 13,403,367</u>	<u>\$ (489,339)</u>	<u>-3.52%</u>
Total Education & General	<u>\$ 21,274,475</u>	<u>\$ 19,421,822</u>	<u>\$ 19,230,996</u>	<u>\$ (190,826)</u>	<u>-0.98%</u>

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

	FY20 Budget	FY20 To Date	Percent of Budget This Year	Percent of Budget Last Year
Auxiliary Systems				
Revenues				
Residence Halls	\$ 22,188,158	\$ 9,855,721	44.42%	
Student Union	\$ 1,260,000	\$ 559,483	44.40%	
Recreation Center	\$ 1,245,000	\$ 574,946	46.18%	
Other Auxiliary	\$ 450,000	\$ 26,806	5.96%	
Total Budgeted Revenues	\$ 25,143,158	\$ 11,016,956	43.82%	49.29%
Rollover from prior year	\$ 477,085			
Total Resources to Spend	\$ 25,620,243			
Expenses				
Salaries & Fringe Benefits				
Salaries	\$ 2,010,232	\$ 312,592	15.55%	
Student Salaries	\$ 1,499,364	\$ 213,653	14.25%	
Fringe Benefits	\$ 1,179,259	\$ 470,840	39.93%	
Total Salaries & Fringe Benefits	\$ 4,688,855	\$ 997,085	21.26%	21.38%
Equipment /Capitalized Expense	\$ 730,793	\$ 3,064	0.42%	37.00%
Operations				
Bond Principal & Interest	\$ 3,662,244	\$ -	0.00%	
Meals-Contract Food Service	\$ 8,550,000	\$ 710,230	8.31%	
Other Expense	\$ 4,047,351	\$ 1,214,520	30.01%	
Institutional Aid	\$ 1,900,000	\$ 626,922	33.00%	
Utilities	\$ 2,041,000	\$ 338,374	16.58%	
Total Operations	\$ 20,200,595	\$ 2,890,046	14.31%	16.30%
Total Auxiliary Expense	\$ 25,620,243	\$ 3,890,195	15.18%	16.72%

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

	<u>FY18 Receipts</u>	<u>FY19 Receipts</u>	<u>FY20 Receipts</u>	<u>Change FY19 to FY20</u>	<u>% Change FY19 to FY20</u>
Auxiliary					
Residence Halls	\$ 12,052,860	\$ 11,208,998	\$ 9,855,721	\$ (1,353,277)	-12.07%
Student Union	\$ 591,417	\$ 606,684	\$ 559,483	\$ (47,201)	-7.78%
Recreation Center	\$ 693,119	\$ 643,513	\$ 574,946	\$ (68,567)	-10.66%
Other Auxiliary	\$ 38,431	\$ 40,705	\$ 26,806	\$ (13,899)	-34.15%
Total Auxiliary	<u><u>\$ 13,375,827</u></u>	<u><u>\$ 12,499,900</u></u>	<u><u>\$ 11,016,956</u></u>	<u><u>\$ (1,482,944)</u></u>	<u><u>-11.86%</u></u>

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

	<u>FY18 Expense</u>	<u>FY19 Expense</u>	<u>FY20 Expense</u>	<u>Change FY19 to FY20</u>	<u>% Change FY19 to FY20</u>
Auxiliary					
Salaries & Fringe Benefits					
Administrative & Staff Salaries	\$ 318,728	\$ 321,411	\$ 312,592	\$ (8,819)	-2.74%
Student Wages	\$ 202,745	\$ 200,627	\$ 213,653	\$ 13,026	6.49%
Fringe Benefits	\$ 514,961	\$ 525,562	\$ 470,840	\$ (54,722)	-10.41%
Total Salary & Fringe Benefits	<u>\$ 1,036,434</u>	<u>\$ 1,047,600</u>	<u>\$ 997,085</u>	<u>\$ (50,515)</u>	<u>-4.82%</u>
Equipment & Capital Expenses	<u>\$ 154,525</u>	<u>\$ 2,924</u>	<u>\$ 3,064</u>	<u>\$ 140</u>	<u>4.79%</u>
Operations					
Institutional Aid	\$ 939,330	\$ 804,214	\$ 626,922	\$ (177,292)	-22.05%
Supplies	\$ 82,950	\$ 74,444	\$ 54,378	\$ (20,066)	-26.95%
Office Contracts	\$ 54,265	\$ 50,084	\$ 78,103	\$ 28,019	55.94%
Communications	\$ 10,116	\$ 10,431	\$ 10,544	\$ 113	1.08%
Meals-Contract Food Service	\$ 774,388	\$ 772,799	\$ 710,230	\$ (62,569)	-8.10%
Meals-Other	\$ 243,132	\$ 268,317	\$ 225,957	\$ (42,360)	-15.79%
Utilities	\$ 328,270	\$ 384,217	\$ 338,374	\$ (45,843)	-11.93%
Professional Services	\$ 166,016	\$ 178,688	\$ 132,808	\$ (45,880)	-25.68%
Reimbursement to E & G	\$ 497,500	\$ 502,311	\$ 502,500	\$ 189	0.04%
Maintenance & Repair	\$ 31,264	\$ 53,042	\$ 11,250	\$ (41,792)	0.00%
Other Expense	\$ 163,826	\$ 187,216	\$ 198,980	\$ 11,764	6.28%
Total Operations	<u>\$ 3,291,057</u>	<u>\$ 3,285,763</u>	<u>\$ 2,890,046</u>	<u>\$ (395,717)</u>	<u>-12.04%</u>
Total Auxiliary	<u>\$ 4,482,016</u>	<u>\$ 4,336,287</u>	<u>\$ 3,890,195</u>	<u>\$ (446,092)</u>	<u>-10.29%</u>

Truman State University Foundation
Statement of Net Position
August 31, 2018 Compared to August 31, 2019

ASSETS	31-Aug-18 FY19	31-Aug-19 FY20	Change FY19 to FY20
Current Assets			
Cash	\$ 280,695	\$ 273,300	\$ (7,395)
Short Term Investments	\$ 2,924,225	\$ 4,838,761	\$ 1,914,535
Interest Receivable	\$ 33,052	\$ 45,504	\$ 12,452
Loans Receivable, net of allowance	\$ 174,018	\$ 166,963	\$ (7,055)
Total Current Assets	\$ 3,411,990	\$ 5,324,528	\$ 1,912,538
Non-Current Assets			
Investments	\$ 52,826,586	\$ 51,977,700	\$ (848,886)
Loans Receivable, net of allowance	\$ 406,042	\$ 628,100	\$ 222,058
Cash Value of Life Insurance	\$ 134,422	\$ 147,770	\$ 13,348
Total Non-Current Assets	\$ 53,367,050	\$ 52,753,570	\$ (613,480)
Total Assets	\$ 56,779,040	\$ 58,078,098	\$ 1,299,058
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 82,309	\$ 56,390	\$ (25,919)
Refundable Advance	\$ 24,411	\$ 13,547	\$ (10,864)
Annuities & Trusts Payable	\$ 75,568	\$ 61,406	\$ (14,161)
Total Current Liabilities	\$ 182,287	\$ 131,343	\$ (50,944)
Non-Current Liabilities			
Annuities & Trusts Payable	\$ 522,907	\$ 479,216	\$ (43,691)
Total Non-Current Liabilities	\$ 522,907	\$ 479,216	\$ (43,691)
Total Liabilities	\$ 705,195	\$ 610,559	\$ (94,635)
NET POSITION	\$ 56,073,845	\$ 57,467,538	\$ 1,393,693

Truman State University Foundation
Statement of Revenues, Expenses & Changes in Net Position
August 31, 2018 Compared to August 31, 2019

	<u>31-Aug-18 FY19</u>	<u>31-Aug-19 FY20</u>	<u>Change FY19 to FY20</u>
Operating Revenue			
Interest on Student Loan Receivable	\$ 3,988	\$ 4,037	\$ 49
Total Operating Revenues	<u>\$ 3,988</u>	<u>\$ 4,037</u>	<u>\$ 49</u>
Operating Expenses			
Scholarships	\$ 550,997	\$ 589,631	\$ 38,635
Supplies & Other Services	\$ 58,196	\$ 80,131	\$ 21,935
Travel Expense	\$ 23,222	\$ 39,950	\$ 16,728
Other Expense	\$ 19,423	\$ 20,591	\$ 1,168
Total Operating Expenses	<u>\$ 651,837</u>	<u>\$ 730,304</u>	<u>\$ 78,466</u>
Operating Gain (Loss)	<u>\$ (647,849)</u>	<u>\$ (726,267)</u>	<u>\$ (78,417)</u>
Non-Operating Revenues (Expenses)			
Contributions	\$ 139,628	\$ 879,442	\$ 739,813
Interest & Dividends	\$ 204,273	\$ 144,565	\$ (59,708)
Realized Gain (Loss)	\$ 33,362	\$ (10,361)	\$ (43,722)
Unrealized Gain (Loss)	\$ 1,652,999	\$ (152,021)	\$ (1,805,020)
Other Non-Operating Income	\$ 6,221	\$ 4,747	\$ (1,474)
Other Non-Operating Expense	\$ (19,885)	\$ (30,440)	\$ (10,555)
Net Non-Operating Revenues (Expenses)	<u>\$ 2,016,598</u>	<u>\$ 835,932</u>	<u>\$ (1,180,666)</u>
Income before other Revenues, Expenses, Gains, Losses & Transfers	<u>\$ 1,368,748</u>	<u>\$ 109,665</u>	<u>\$ (1,259,083)</u>
Additions to Permanent Endowments	\$ 372,150	\$ 238,799	\$ (133,351)
Transfers to Education & General for Administration	\$ (19,883)	\$ (19,883)	\$ 0
Transfers to Education & General	\$ (100,376)	\$ (55,579)	\$ 44,797
Transfer to Auxiliary - Other	\$ (457)	\$ (231)	\$ 226
Transfer to Capital Fund -Current	\$ (89,472)	\$ -	\$ 89,472
Transfer to Capital Fund - Plant	\$ (213,749)	\$ (1,055,182)	\$ (841,433)
Increase (Decrease) in Net Assets	<u>\$ 1,316,962</u>	<u>\$ (782,411)</u>	<u>\$ (2,099,373)</u>
Net Position, Beginning of Year	\$ 54,756,883	\$ 58,249,949	
Net Position Ending Balance	<u><u>\$ 56,073,845</u></u>	<u><u>\$ 57,467,538</u></u>	<u><u>\$ 1,393,693</u></u>

**Truman State University Foundation
Investments Schedule
August 31, 2018 Compared to August 31, 2019**

Investments	31-Aug-18 FY19	31-Aug-19 FY20
	<hr/>	<hr/>
Invested with Outside Manager		
Endowment Pool	\$ 50,737,451	\$ 50,059,165
Total Endowment Pool	<hr/> \$ 50,737,451	<hr/> \$ 50,059,165
Short-Term Pool	\$ 2,924,225	\$ 4,838,761
Student Investment Fund	\$ 120,130	\$ 126,766
Long Trust	\$ 759,551	\$ 757,438
Courtright Elmwood Unitrust	\$ 33,794	\$ -
Annuities Payable - CGA	\$ 1,076,972	\$ 940,280
Fitzpatrick - CA CGA	\$ 71,153	\$ 66,816
Annuities Payable - FL CGA	\$ 27,534	\$ 27,234
Total Investments	<hr/> \$ 55,750,811 <hr/>	<hr/> \$ 56,816,460 <hr/>
 Beneficial Interest in Trusts		
Invested through Citizens Bank, Chillicothe, MO		
Ludlow Trust	\$ 241,284	\$ 240,769
Invested through First Bankers Trust, Quincy, IL		
Cozean Trust	\$ 341,909	\$ 346,388
Invested through Citizens Bank, Chillicothe, MO		
Lyle Ingraham Trust	\$ 3,169,563	\$ 3,219,508
Total Beneficial Interest in Trusts	<hr/> \$ 3,752,756 <hr/>	<hr/> \$ 3,806,665 <hr/>

ITEM H.3

Resolution Amending Chapter 11 of the Code of Policies of the Board of Governors Pertaining to Faculty and Staff Discount for Enrollment Fees

DESCRIPTION AND BACKGROUND

We are recommending a revision to Section 11.090 of the Code of Policies related to the enrollment fee discount offered to full time employees. The current policy does not recognize the differences in study abroad courses. Certain study abroad courses, such as programs taught by Truman State University faculty or semester exchange programs, are assigned standard University in-state enrollment fees. We are requesting that the policy be modified to make it clear that the enrollment fee discount is applicable to these types of study abroad courses.

Conversely, other study abroad courses include enrollment fees assigned by, and paid to, institutions other than Truman. These study abroad courses will continue to be excluded from consideration for the discount. To that end, any courses where enrollment fees are collected, and subsequently transferred in whole or in part, to another institution will not be eligible for this employee benefit.

RECOMMENDED ACTION

BE IT RESOLVED that Section 11.090 of Chapter 11 of the Code of Policies, titled Faculty and Staff Discount for Enrollment Fees is hereby amended to clarify the application of the discount. Changes to Section 11.090 are shown in the text below by deleting the language shown in **[brackets and bold type]** and by adding new language shown in ***bold underlined italics***. In all other respects, Section 11.090 remains unchanged and in effect.

11.090. Faculty and Staff Discount for Enrollment Fees. Current officers and full-time employees of the University hired prior to September 1, 2012 are accorded a 75 percent reduction in enrollment fees for **[regular on-campus]** classes for academic credit at the University. The same reduction is accorded to spouses and children of such officers or full-time employees. The same reduction is also accorded to former full-time employees and to their spouses and children, if such former full-time employee:

- (1) is disabled and has been granted a written leave of absence from the University due to such disability, or
- (2) has retired from the University and been granted emeritus status, or
- (3) has retired from the University with a minimum of fifteen (15) years of service to the University, or
- (4) has completed at least ten years full time-employment service with the University and who was employed by the University on a full-time basis at the time of his or her death.

For all new full-time employees hired after September 1, 2012, the following additional rules shall apply:

- (1) New full-time employees must be employed by the University for one year before they will be accorded a 75 percent reduction in enrollment fees for **[regular on-campus]** classes for academic credit at the University.

- (2) This same waiting period shall apply to spouses and children of such new full-time employees. The amount of the fee reduction for regular on-campus classes for academic credit at the University for spouses and children of new full-time employees shall be 75 percent.

Definitions:

--For the purpose of this policy, the term "officers" means the members of the Board of Governors and the other persons designated as officers in the bylaws of the Board of Governors, who are in office at the beginning of the applicable classes.

--The term "full-time employees" means the persons who were employed by the University prior to September 1, 2012 on a full-time basis, and who continue in such employment at the beginning of the applicable classes. Former full time employees who resume full time employment with the University subsequent to September 1, 2012 are considered "new full time employees" under this policy.

--The term "new full-time employees" means the persons who began employment with the University subsequent to September 1, 2012 on a full-time basis and who continues in such employment at the beginning of the applicable classes.

--The term "spouses" means the persons legally married to qualified officers or employees at the beginning of the applicable classes.

--The term "children" means: (1) natural or legally adopted children under the age of twenty-five (25) at the beginning of applicable classes, or (2) step-children who are legal dependents for income tax purposes and under the age of twenty-five (25) at the beginning of the applicable classes.

--The reduction in enrollment fees is not available for other relatives of such officers and employees even though such relative may live with, be supported by, or be the legal ward of such officers or employees.

--The reduction in enrollment fees applies only to in-state enrollment fees for regularly scheduled [on-campus] classes. *The reduction in enrollment fees does not apply to courses where enrollment fees are established or received by institutions other than Truman State University. The reduction in enrollment fees also* [and] does not apply to other charges, such as out-of-state tuition, course overload charges, *program fees*, supplemental class fees, *dual enrollment fees*, residence hall charges, travel costs, summer camp fees, workshop fees, academy fees, or off-campus course fees.

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

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

Governor Jennifer Kopp Dameron, Chair of the Academic and Student Affairs Committee, will provide a report on the committee meeting held on October 10.

RECOMMENDED ACTION

This is a discussion item only.

ITEM J
Budget and Capital Projects Committee Report

DESCRIPTION AND BACKGROUND

Governor K. Brooks Miller, Chair of the Budget and Capital Projects Committee, will provide a report on the committee meeting held on October 15.

RECOMMENDED ACTION

This is a discussion item only.

ITEM J.1
Construction Projects Report

DESCRIPTION AND BACKGROUND

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

RECOMMENDED ACTION

This is a discussion item only.

ATTACHMENT

Construction Projects Report

Construction Projects Report

<u>Project Project Name</u>	<u>Budget</u>	<u>Approval Date</u>	<u>Expenditure to Date</u>	<u>Completion Status*</u>	<u>Occupancy**</u>	<u>Project Completion</u>	<u>Final Project Cost</u>
Sesquicentennial Plaza/ Fountain Project	\$1,575,000	2-9-19	\$ 844,039	54%	9-20-19		
Violette Hall Roof Replacement and Recreation Center Repairs Project	\$1,485,000	2-9-19	\$ 1,307,472	88%	8-2-19		
Greenwood Window Replacement Project	\$ 650,000	2-9-19	\$ 618,302	100%	9-6-19	8-23-19	\$618,302
Natatorium Pool Liner Replacement Project	\$ 127,500	2-9-19	\$ 119,160	100%	8-1-19	9-24-19	\$119,160
Chiller Replacement Project, Violette Hall and Student Union Building (includes \$75,000 for engineering services)	\$ 850,000	4-13-19 4-18-19	\$ 558,672	66%	10-31-19		

*completion status based on payments made

**occupancy date based on primary construction contract

ITEM J.2

Contracts for Construction Projects and Equipment Purchases Report

DESCRIPTION AND BACKGROUND

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

RECOMMENDED ACTION

This is a discussion item only.

ATTACHMENT

Contracts for Construction Projects/Equipment Purchases

Contracts for Construction Projects

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

<u>Project Name</u>	<u>Cost</u>
Asphalt Paving Project	\$60,831

This project involved the resurfacing of the parking lot between McClain Hall and the Student Union Building. The existing surface was milled and an asphalt overlay reapplied. Four contractors were invited to bid, and the project was advertised in two publications. One company submitted a bid and two others submitted a "No Bid" due to scheduling conflicts. The project was awarded to W. L. Miller Company and was funded from the parking repairs budget.

Equipment Purchases

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

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

ITEM J.3

Construction Project – Replacement Storage Building Project

DESCRIPTION AND BACKGROUND

On January 24, 2019, a storage building located in the Dulaney/Baldwin complex was destroyed by fire. The 60 foot by 140 foot facility was deemed by the University’s property insurer as a complete loss. The claim process for building and content losses has been extensive. The equipment replacements, the demolition of the remaining structure, and the building replacement all required bid processes and evaluations from the insurance adjustor.

In order to receive full financial consideration for the damaged storage facility, the building will need to be replaced. The project was advertised in two general circulation newspapers, and the project was posted on the University Procurement website. Bids were solicited from ten firms, and three proposals were received from two construction companies.

The lowest bid, chosen by the insurance adjustor, was received from Sparks Constructors, Inc., Kirksville, MO in the amount of \$372,000. After the insurance adjustor applied certain discounts, the proposed replacement insurance proceeds were established at \$339,000. Costs in excess of the insurance claim proceeds will be funded by University Plant Funds. The new building will be constructed on University land east of Stokes Stadium on Florence Street. It will be utilized by the grounds crew, which is responsible for mowing and snow removal. This location will be more convenient and efficient for this group which is currently based at the Dulaney/Baldwin complex at the perimeter of campus. This following budget covers the proposed project cost and a small contingency.

RECOMMENDED ACTION

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

<u>Project Name</u>	<u>Project Budget</u>
Replacement Storage Building Project	\$389,000

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

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

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

ITEM J.4

Construction Project – Greenwood Site Development Project

DESCRIPTION AND BACKGROUND

Included in the approved FY2020 state budget is \$1.15 million toward the renovation of the Greenwood Center located at the northwest corner of East Normal Street and South Halliburton Street. Involved in this phase are structural improvements, site development such as new water, sewer and storm water lines, and exterior components including sidewalks and the parking lot. Specifications for the project were developed and it was advertised in two general circulation newspapers. Four contractors did a site visit and bids were received from three construction companies. The low bid was received from Sparks Constructors, Kirksville, Missouri. Funding is provided by the state appropriation and the total project budget including design fees, advertising, and construction is \$953,000.

RECOMMENDED ACTION

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

<u>Project Name</u>	<u>Project Budget</u>
Greenwood Site Development Project	\$953,000

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

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

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

ITEM J.5

Environmental Consulting Services – Abatement Design and Project Oversight for Greenwood Center

DESCRIPTION AND BACKGROUND

Favorable bids for the Greenwood Site Development project allow the addition of asbestos abatement at this time. This project requires a separate consultant to develop detailed specifications for bidding, and provide project oversight during the work.

Farmer Environmental Services has provided these services for several projects at Truman, and is familiar with the campus buildings and their design. The firm has already completed an abatement survey for the structure. It is recommended that this firm be utilized based on their expertise, the limited number of specialists available in this area, and their previous work on campus.

The total budget for these services includes the design fee, project oversight, air sampling, reports, and reimbursable costs for travel and supervision during the actual work. The proposed budget is \$36,500 and funds are available from the \$1,150,000 appropriation for the Greenwood project. Bids will be sought for the abatement and a recommendation for a contractor should be available for action at the December Board of Governors meeting.

RECOMMENDED ACTION

BE IT RESOLVED that the proposal from Farmer Environmental Services, LLC to provide environmental consulting services for the Greenwood Center, with the fees and work for such services to be within the guidelines of the proposal, be approved; and

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

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

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

ATTACHMENT

Proposal Summary



108 Emerald Hills Drive • Edwardsville, IL 62025
(618) 656-6988 • (866) 656-6988 • Fax (618) 656-8353
www.farmerenv.com

August 12, 2019

Mark Schultz
Campus Planner
Truman State University
100 E. Normal Avenue
Kirksville, MO 63501

Re: Future Truman State Autism Center Design
and Project Management

Dear Mr. Schultz:

Farmer Environmental Services, LLC, is pleased to submit a proposal for proposal for the environmental consulting services for the upcoming asbestos abatement to be performed at the future Autism Center. Farmer Environmental Services performed an asbestos inspection in 2016 and will provide a design based off those findings. The following outlines our fees and scope of work for the asbestos abatement consulting.

Asbestos Abatement Estimate: \$75,000 (contractor only)

Asbestos Abatement Design (lump sum fee) **\$10,500**

Includes:

- Site visit to verify/evaluate location and quantity of transite debris
- Technical Specifications and assistance editing Front Ends
- Signed, sealed design drawings by MDNR Licensed Engineer and Asbestos Abatement Designer
- Attendance at all necessary meetings
- Review of Contractor Pay Requests and approval
- Answer Contractor questions and coordinate those with Truman State

Asbestos Abatement Project Oversight and Air Sampling Professional **\$16,000**

- Time and Material
- MDNR Licensed Air Sampling Professional and Project Oversight Duties
- PCM Air Sample Analysis
- Answer Contractor questions and coordinate those with Truman State
- Project Closeout Report
- Does *not* include Lodging – that will be billed as a direct reimbursement.



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Thank you for the opportunity to submit a proposal for our services. If accepted, please authorize below and e-mail this proposal to Wynter Farmer at wynter@farmerenv.com.

Signature of Authorization: _____

Date of Authorization: _____

If there are any questions, or additional information is needed, please contact us at 618-656-6988.

Respectfully Submitted,
Wynter Farmer
Farmer Environmental Services, LLC
(electronic submittal)

ITEM K
Policy Review Committee

DESCRIPTION AND BACKGROUND

Governor Laura A. Crandall will announce the appointment of a Policy Review Committee to review the Board of Governors Honorary Degrees policy for possible revision. The members of the committee include:

David Lee Bonner
Cheryl J. Cozette
Laura A. Crandall, ex officio
Jennifer Kopp Dameron
K. Brooks Miller, Jr.

ITEM L
Agenda Items for Future Meetings

DESCRIPTION AND BACKGROUND

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

RECOMMENDED ACTION

This is a discussion item only.

ATTACHMENT

List of Projected Agenda Items

LIST OF PROJECTED AGENDA ITEMS
Regular Meetings of Board of Governors
Year Following the December 2019 Meeting

December 2019 Meeting

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

February 2020 Meeting

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

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

April 2020 Meeting

Participation in campus events

Minutes for open session of last meeting

President's report

Advancement and/or foundation report

Academic affairs report

Student affairs report

Enrollment management report

Annual faculty senate report

Financial report

Construction projects report

Depository bank for next two fiscal years (as contracts expire)

Food service contractor (as contracts expire)

Bookstore contractor (as contracts expire)

Enrollment fees for next fiscal year

Dates and agenda items for future meetings

Minutes for closed session of last meeting

Personnel actions report

Treasurers for next fiscal year

Annual general counsel evaluation and appointment for next fiscal year

Annual presidential review committee appointments

June 2020 Meeting/Retreat

Participation in campus events

Minutes for open session of last meeting

President's report

Advancement and/or foundation report

Academic affairs/assessment report

Student affairs report

Enrollment management report

Financial report

Construction projects report

State capital funds request for next legislative session

Operating budgets for next fiscal year

Salary policies for next fiscal year (expected to move to October or December)

Union agreement renewal (in even numbered years)

Dates and agenda items for future meetings

Minutes for closed session of last meeting

Personnel actions report

Tenure review

Faculty promotions

Annual presidential review

August 2020 Meeting

Participation in campus events

Minutes for open session of last meeting

President's report

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

Advancement and/or foundation report

Academic affairs report

Student affairs report

Enrollment management report

Annual athletics report

Annual staff council report

Financial report

Construction projects report

Local capital budgets for current fiscal year

State appropriation request for next fiscal year

Honorary degree consideration

Dates and agenda items for future meetings

Minutes for closed session of last meeting

Personnel actions report

Conclusion of presidential review process

October 2020 Meeting

Participation in campus events

Minutes for open session of last meeting

President's report

Advancement and/or foundation report

Academic affairs report

Student affairs report

Enrollment management report

Annual staff council report

Financial report

Audit report

Construction projects report

Dates and agenda items for future meetings

Minutes for closed session of last meeting

Personnel actions report

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

University strategic plan reports

Campus master plan reports

Reports from administrative areas

Approval of new or revised policies

Approval of architects and/or engineers for construction projects

Approval of new construction projects over \$100,000

Approval of equipment purchases and leases over \$100,000

Approval of consulting services over \$10,000

Approval of change orders for major changes in construction projects

Approval of real estate acquisitions

Litigation and legal action reports

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

ITEM M

Dates for Future Meetings

DESCRIPTION AND BACKGROUND

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

RECOMMENDED ACTION

BE IT RESOLVED that the next regular meeting of the Board of Governors be scheduled for Saturday, December 7, 2019, on the University campus in Kirksville, Missouri, beginning at 1:00 p.m., with the understanding that the Chair may alter the starting time and/or place for the meeting by giving due notice of such change; and

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

- Saturday, February 8, 2020;
- Saturday, April 4, 2020;
- Saturday, June 13, 2020;
- Saturday, August 1, 2020; and
- Friday, October 23, 2020.

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

ATTACHMENT

Calendar of Events October 2019 – October 2020

CALENDAR OF EVENTS
October 2019 - October 2020

2019

October	5	Home Football - Southwest Baptist
	10-11	Mid-Term Break (students)
	14	Admission Weekday Open House
	14-19	Homecoming Week
	18	BOARD OF GOVERNORS MEETING
	19	Home Football - Missouri S&T
November	1	Lyceum: Paul Robeson
	2	Admission Showcase Event
	2	Home Football - McKendree
	25-29	Thanksgiving Break (students)
	27-29	Thanksgiving Holiday
December	7	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)
	14	Fall Commencement, 11:00 a.m.
	23-27	Christmas Holiday
<u>2020</u>		
January	1	New Year's Day Holiday
	13	Spring Classes Begin
	20	Martin Luther King, Jr. Day Holiday (students)
	25	Admission Showcase Event
February	8	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)
March	2	Lyceum: Golden Dragon Acrobats
	9-13	Spring Break (students)
	27	Lyceum: The StepCrew
	28	Admission Showcase Event
April	4	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)
	4	Foundation Board Meeting and Banquet
	13	Term Break (students); Spring Holiday
	16	Student Research Conference
	25	Admission Showcase Event
May	9	Spring Commencement, 2:00 p.m.
	25	Memorial Day Holiday
	26	Summer School Begins
June	13	BOARD OF GOVERNORS MEETING/RETREAT (TENTATIVE DATE)
July	4	Independence Day
August	1	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)
	12	Fall Semester Begins with Truman Week
September	7	Labor Day
	19	Admission Showcase Event
	26	Family Day

Calendar of Events
October 2019 - October 2020

October	10	Admission Showcase Event
	15-16	Mid-Term Break (students)
	19-24	Homecoming Week
	23	BOARD OF GOVERNORS MEETING (TENTATIVE DATE)

ITEM N
Agenda Items for Closed Session

RECOMMENDED ACTION

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

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

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

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