

**NOTICE OF MEETING**  
**Board of Governors, Truman State University**  
**Friday, October 22, 2021**

The Board of Governors for Truman State University will hold a meeting on Friday, October 22, 2021, 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 but must follow the University's Fall 2021 Campus Plan protocols, including the Campus Mask Policy.

The tentative agenda for the meeting is attached to this notice. Items L through O 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 15<sup>th</sup> day of October, 2021.



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

**TENTATIVE AGENDA**  
**Board of Governors, Truman State University**  
**Friday, October 22, 2021**

Tuesday, October 19

- 2:00 p.m. Board of Governors Budget and Capital Projects Committee Conference Call Meeting  
President's Office, McClain Hall 200  
(Governors Gingrich, Bonner, Christofferson, and Miller)
- 3:00 p.m. Board of Governors Academic Affairs and Student Services Committee Conference Call Meeting  
President's Office, McClain Hall 200  
(Governors Cozette, McClaskey, Smeltzer, and Miller)

Wednesday, October 20

- 2:00 p.m. Board of Governors Finance and Auditing Committee Conference Call Meeting  
President's Office, McClain Hall 200  
(Governors Burkemper, Dameron, O'Donnell, and Miller)

Friday, October 22

- 8:00 a.m. Foundation Board of Directors Meeting  
Conference Room, Student Union Building  
(Governors Burkemper, Dameron, and Miller)
- 11:45 a.m. 2022 Annual Board of Governors Photograph  
Starting Location: East Entrance of Student Union Building
- 12:00 noon Board of Governors Luncheon  
Georgian Room C, 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 Vice Chair Report
  - ITEM B Minutes for Open Session of Meeting on August 7, 2021
  - ITEM C Audit Report
  - ITEM D Advancement, Foundation Board, and Alumni Board Report
  - ITEM E President's Report
  - ITEM F Finance and Auditing Committee Report
  - ITEM F.1 Financial Report
  - ITEM G Academic and Student Services Committee Report
  - ITEM H Budget and Capital Projects Committee Report
  - ITEM H.1 Construction Projects Report
  - ITEM H.2 Contracts for Construction Projects and Equipment Purchases Report
  - ITEM I Agenda Items for Future Meetings
  - ITEM J Dates for Future Meetings
  - ITEM K Agenda Items for Closed Session
- Closed Session of Board of Governors Meeting
- ITEM L Minutes for Closed Session of Meeting on August 7, 2021
  - ITEM M Personnel Actions Report

ITEM M.1 Presidential Review Committee Appointments  
ITEM N General Counsel Report  
ITEM O Motion to Resume Open Session  
Open Session of Board of Governors Meeting  
ITEM P Motion to Adjourn

5:00 p.m. The Truman Experience, which includes the Golden Alumni Diploma Ceremony, the Dogs of Distinction Alumni Awards, and a reception highlighting Academic Programs  
Beginning Location: Georgian Room, Student Union Building

Saturday, October 23

8:00 a.m. *Bulldog Forever* Homecoming 5K Run/Walk  
Barnett Hall (registration at 7 a.m.)

8:00 a.m. Continental Breakfast for Board of Governors and Homecoming Honorees  
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

9:00 a.m. *All Roads Lead Home* Homecoming Parade

11:00 a.m. *Bulldog Forever* Homecoming Tailgate (includes honored classes and golden alumni)  
Parking Lots at Southwest Corner of Franklin and Patterson Streets

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. William Jewell University  
Stokes Stadium

**ITEM A**

**Call to Order and Vice Chair Report**

**DESCRIPTION AND BACKGROUND**

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

**RECOMMENDED ACTION**

This is a discussion item only.

**ITEM B**  
**Minutes for Open Session of Meeting on August 7, 2021**

**RECOMMENDED ACTION**

BE IT RESOLVED that the minutes for the open session of the meeting on August 7, 2021, be approved.

Moved by \_\_\_\_\_  
Seconded by \_\_\_\_\_

	Aye	Nay
Vote: Burkemper	_____	_____
Cozette	_____	_____
Christofferson	_____	_____
Dameron	_____	_____
Gingrich	_____	_____
O'Donnell	_____	_____
Miller	_____	_____

**ATTACHMENT**

Minutes for Open Session of Meeting on August 7, 2021

TRUMAN STATE UNIVERSITY  
Kirksville 63501

DRAFT MINUTES  
OF THE  
BOARD OF GOVERNORS

Page 1

OPEN SESSION  
OF MEETING ON  
AUGUST 7, 2021

The Board of Governors for Truman State University met on Saturday, August 7, 2021, 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 Chair of the Board of Governors, K. Brooks Miller, Jr.

Participating in the meeting were five of the seven voting members: Sarah Burkemper, Philip J. Christofferson, Nancy Gingrich, K. Brooks Miller, Jr., and Jim O'Donnell. Governor O'Donnell participated by conference call. Cheryl J. Cozette and Jennifer Kopp Dameron were unable to participate. Governor Miller recorded their absences as excused.

Also participating were two of the three non-voting members: Mike McClaskey, an out-of-state member, and Abigail Smeltzer, student representative. Governor McClaskey participated by conference call. David Bonner, the other out-of-state member, was unable to participate. Governor Miller recorded his absences as excused.

Call to Order and Chair Report

Governor Miller, Chair of the Board, called the meeting to order and welcomed all in attendance.

Minutes for Open Session of Meetings on June 12 and June 30, 2021

Governor Christofferson moved the adoption of the following resolution:

BE IT RESOLVED that the minutes for the open session of the meetings on June 12 and June 30, 2021, be approved.

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

President's Report

University President Susan L. Thomas shared a selected engagements report and items of interest since the last meeting of the Board. Within her report, she highlighted, among other topics, Truman's Fall 2021 COVID-19 Campus Plan and the Fiscal Year 2023 budget process. Dr. Thomas also introduced Dr. Saint I. Rice. Dr. Rice assumed the position of Director of Diversity and Inclusion on May 24.

Annual Athletics Report

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

Annual Staff Council Report

Winston Vanderhoof, Chair of Staff Council and Senior Graphic Designer in Publications, provided the annual report from Staff Council.

Academic Affairs and Student Services Committee Report

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

Enrollment Management Report

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

Gender Inclusive Housing Proposal

President Thomas and Dr. Lange shared a proposed Gender Inclusive Housing option for students living on campus. This housing option is intended to provide a welcoming environment and safe space for students of all gender identities and expressions to live and thrive on campus.

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 presented the Financial Report which included a review as of June 30, 2021, of education and general revenues and expenditures and auxiliary system revenues and expenditures and a review as of June 30, 2021, of the Truman State University Foundation revenues and expenditures.

Budget and Capital Projects Committee Report

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

Construction Projects Report

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

Contracts for Construction Projects and Equipment Purchases

Governor Gingrich noted that two construction projects totaling \$25,000 to \$100,000 had been approved since the last meeting of the Board.

<u>Project Name</u>	<u>Cost</u>
South Student Union Building Parking Lot Asphalt Paving	\$55,000
Demolition of Randolph Apartments	\$32,611

Local Capital Budgets for Fiscal Year 2022

Governor Gingrich moved the adoption of the following resolution:

BE IT RESOLVED that the "Local State Funds Capital Budget – Fiscal Year 2022" of \$865,000 and the proposed "Auxiliary Funds Capital Budget – Fiscal Year 2022" of \$382,254 be approved and that a copy of the budgets be attached to the minutes as an exhibit.

TRUMAN STATE UNIVERSITY  
Kirksville 63501

DRAFT MINUTES  
OF THE  
BOARD OF GOVERNORS

Page 3

OPEN SESSION  
OF MEETING ON  
AUGUST 7, 2021

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

Operating Budgets for Fiscal Year 2022 – Revised

Governor Gingrich moved the adoption of the following resolution:

BE IT RESOLVED that the “Operating Budgets for Fiscal Year 2022 - Revised” be approved and adopted for the 2022 Fiscal Year; 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 be attached to the minutes as an exhibit.

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

State Appropriation Request for Fiscal Year 2023

Governor Gingrich moved the adoption of the following resolution:

BE IT RESOLVED that the State Appropriation Request for Fiscal Year 2023 totaling \$50,189,824 be approved and ratified; and

BE IT FURTHER RESOLVED that a copy of the State Appropriation Request for Fiscal Year 2023, 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 Miller declared the motion to be duly adopted, and the Secretary designated a copy of the document as Exhibit C

Agenda Items for Future Meetings

Governor Miller 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 22, 2021, on the University campus in Kirksville, Missouri, beginning at 1:00 p.m., with the understanding that the Chair may alter



the starting time and/or place for the meeting by giving due notice of such change;  
and

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

Saturday, December 4, 2021;  
Saturday, February 5, 2022;  
Saturday, April 9, 2022;  
Saturday, June 18, 2022; and  
Saturday, August 6, 2022.

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

Agenda Items for Closed Session

Governor Christofferson 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.

The motion was seconded by Governor Burkemper and carried by a unanimous vote of 5 to 0, with Governors  
Burkemper, Christofferson, Gingrich, Miller, and O'Donnell voting Aye. Governor Miller declared the motion  
to be duly adopted.

The closed session of the meeting began shortly after 3:00 p.m.

\* \* \* \* \*

The open session of the meeting resumed shortly after 3:45 p.m.

TRUMAN STATE UNIVERSITY  
Kirksville 63501

DRAFT MINUTES  
OF THE  
BOARD OF GOVERNORS

Page 5

OPEN SESSION  
OF MEETING ON  
AUGUST 7, 2021

There being no further business, Governor Gingrich moved that the meeting be adjourned. The motion was seconded by Governor Burkemper and carried by a unanimous vote of 5 to 0. Governor Miller declared the motion to be duly adopted, and the meeting adjourned shortly after 3:50 p.m.

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Cheryl J. Cozette  
Secretary of the Board of Governors

I hereby certify that the foregoing minutes were approved by the Board of Governors on the 22<sup>nd</sup> day of October, 2021.

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

**ITEM C**  
**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, 2021



# Auditor Communications

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, 2021. 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 (Continued)

AREA	COMMENTS
<p><b>Auditors' Responsibility Under U.S. Generally Accepted Auditing Standards, Government Auditing Standards and the Uniform Guidance</b></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"><li>■ An unmodified opinion on the University's financial statements for the year ended June 30, 2021.</li><li>■ 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.</li></ul> <p>We expect to issue:</p> <ul style="list-style-type: none"><li>■ An unmodified opinion on compliance and our report on internal controls over federal financial assistance in accordance with the Uniform Guidance.</li></ul>

# Auditor Communications (Continued)

AREA	COMMENTS
<p><b>Other Information In Documents Containing Audited Financial Statements</b></p>	<ul style="list-style-type: none"> <li>■ The 2021 audited financial statements of the University will be included in the financial statements of the State of Missouri.</li> <li>■ To our knowledge, the 2021 audited financial statements are not included within any other document.</li> </ul>
<p><b>Planned Scope And Timing Of The Audit</b></p>	<p>We performed the audit according to the planned scope and timing previously communicated to management and the Audit Committee in our engagement letter dated March 31, 2021 and on June 9, 2021, in our meeting regarding the nature, timing and extent of our audit procedures.</p>
<p><b>Qualitative Aspects Of Accounting Practices</b>            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"> <li>■ Significant accounting policies are described in Note 1 to the financial statements.</li> <li>■ 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.</li> <li>■ We noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus.</li> <li>■ No significant transactions have been recognized in a different period than when the transactions occurred.</li> </ul>



# Auditor Communications (Continued)

AREA	COMMENTS
<p><b>Management Judgments And Accounting Estimates</b></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"> <li>■ Depreciable lives used to calculate depreciation of buildings and equipment: Management's estimate of depreciable lives is based on the assets' estimated useful lives.</li> <li>■ 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.</li> <li>■ 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.</li> <li>■ Self-insurance accrual: Management estimates the future liability for incurred but not reported insurance claims.</li> <li>■ Net pension liability: Estimated based on actuarial information provided by MOSERS</li> </ul> <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><b>Financial Statement Disclosures</b> 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"> <li>■ Deposits and investments</li> <li>■ Long-term liabilities</li> <li>■ Pension plan - MOSERS</li> <li>■ Perkins Loan Program Liability</li> </ul>
<p><b>Difficulties Encountered In Performing The Audit</b></p>	<p>There were no difficulties encountered in dealing with management related to the performance of the audit.</p>
<p><b>Corrected And Uncorrected Misstatements</b></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.</p>
<p><b>Disagreements With Management</b></p>	<p>We are pleased to report that there were no such disagreements that were encountered during the audit.</p>
<p><b>Management Representations</b></p>	<p>We will request certain representations from management that are included in a management representation letter. See attached.</p>
<p><b>Management Consultations With Other Independent Accountants</b></p>	<p>None</p>
<p><b>Other Audit Findings Or Issues</b></p>	<p>There were no matters of significant discussion that affected our retention as the University's auditors.</p>

# Financial Analysis

	June 30,	
	2021	2020
<b>Assets</b>		
Cash	\$ 2,785	\$ 2,509
Student accounts receivable	957	967
Investments	167,531	139,814
Loans to students, net	3,072	3,967
Capital assets	178,370	189,311
Other assets	2,599	2,486
<b>Total Assets</b>	<b>\$ 355,314</b>	<b>\$ 339,055</b>
<b>Deferred Outflows Of Resources</b>	<b>\$ 13,817</b>	<b>\$ 18,243</b>

## OBSERVATIONS

- Investments increased by approximately \$27.7M compared to the prior year. Investments generated a net return of \$14.4M, coupled with new endowment contributions and other additions to the University and foundation investments.
- Capital assets decreased by \$10.9M compared to the prior year. Scheduled depreciation expense on University fixed assets exceeded the costs of additions made during the current year.
- 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 continue to be amortized to fringe benefit expense over the course of the next 3 fiscal years by the University.



# Financial Analysis (Continued)

	June 30,	
	2021	2020
<b>Liabilities</b>		
Accounts payable and accrued	\$ 6,350	\$ 6,244
Other employee related obligations	1,391	2,157
Unearned revenue	1,799	1,567
Long-term debt	45,706	48,166
Net pension liability	95,272	95,729
Perkins liability	2,367	3,187
Other liabilities	797	861
<b>Total Liabilities</b>	<b>\$ 153,680</b>	<b>\$ 157,910</b>
<b>Deferred Inflows Of Resources</b>	<b>\$ 4,780</b>	<b>\$ 2,908</b>

## OBSERVATIONS

- Long-term debt decreased by \$2.4M due to scheduled payments on outstanding bonds and the energy lease project.
- The net pension liability decreased by approximately \$500K over the prior year. The amount of this liability on an annual basis is based on actuarial calculations and assumptions, including the University's percentage share of annual state-wide "covered payroll". This percentage decreased from 1.58% in the prior year to 1.50%.
- The decrease in the perkins liability represents returns of funds to the Department of Education as payments made on prior loans are received by the University.

# Financial Analysis (Continued)

	June 30,	
	2021	2020
<b>Revenues</b>		
Tuition and fees, net	\$ 20,543	\$ 23,290
Grants, contracts and contributions	24,273	12,344
Auxiliary enterprises	14,220	15,497
Investment income	14,484	5,239
Revenues designated for endowment and capital expenditures	5,778	3,446
State appropriation	36,813	35,431
Other revenues	1,299	2,468
<b>Total Revenues</b>	<b>\$ 117,410</b>	<b>\$ 97,716</b>

## OBSERVATIONS

- Tuition and fees decreased by \$2.7M compared to the prior year. Total Fall enrollment declined approximately 430 students.
- Grants and contracts increased by approximately \$11.9M compared to the prior year, mostly related to the CARES act funding from Federal, State and Local sources.
- Auxiliary system revenues decreased by \$1.3M compared to the prior year, as a result of the decreased residential enrollment.

# Financial Analysis (Continued)

	June 30,	
	2021	2020
<b>Total Revenues (From Previous Page)</b>	\$ 117,410	\$ 97,716
<b>Expenses</b>		
Salaries and Wages	39,991	42,737
Benefits	22,335	29,927
Supplies and other services	13,617	12,668
Depreciation	13,693	13,123
Reclassification of Perkins loans	-	3,877
Other	13,584	11,035
<b>Total Expenses</b>	<b>\$ 103,219</b>	<b>\$ 113,366</b>
<b>Change In Net Position</b>	<b>\$ 14,192</b>	<b>\$ (15,649)</b>

## OBSERVATIONS

- Salaries and wages decreased by \$2.7M as a result of reductions
- Benefits expense decreased due to the decline of approximately \$6M of net pension expense



# Financial Analysis (Continued)

	June 30,	
	2021	2020
<b>Net Position</b>		
Invested in Capital Assets	\$ 132,646	\$ 140,824
Nonexpendable	33,312	31,741
Expendable	42,688	26,128
Board Designated for Scholarships	1,787	1,723
Net pension liability included in "unrestricted"	(92,433)	(87,289)
Unrestricted	92,670	83,354
<b>Total Net Position</b>	<b>\$ 210,670</b>	<b>\$ 196,480</b>

## OBSERVATIONS

- Net position invested in capital assets decreased by \$8.2M, 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.
- Nonexpendable funds decreased during the current year due to additional endowment gifts made
- Expendable funds increased during the year due to the receipt of new restricted gifts, as well as growth on the spendable portion of the Foundation's endowment in excess of planned spending on the Endowment.

# Independent Auditors' Report On Additional Information

Truman State University

Board of Governors, Audit Committee  
and Members of 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, 2021 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

DRAFT FOR  
DISCUSSION PURPOSES  
ONLY



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**TRUMAN STATE UNIVERSITY**  
**A COMPONENT UNIT OF**  
**THE STATE OF MISSOURI**  
**FINANCIAL STATEMENTS**  
*JUNE 30, 2021*

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## **Contents**

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	<b>Page</b>
<b>Independent Auditors' Report</b> .....	1 - 3
<b>Management's Discussion And Analysis</b> .....	4 - 13
<b>Financial Statements</b>	
Statement Of Net Position.....	14 - 15
Statement Of Revenues, Expenses And Changes In Net Position .....	16
Statement Of Cash Flows .....	17 - 18
Notes To Financial Statements .....	19 - 51
<b>Required Supplementary Information</b>	
Schedule Of The University's Proportionate Share Of The Net Pension Liability .....	52
Schedule Of University's Contributions .....	53
Notes To The Required Supplementary Information .....	54

## **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, 2021 and 2020, 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, 2021 and 2020, 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 4 through 13 and the Pension Plan Information on pages xx through xx be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required By *Government Auditing Standards***

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

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# TRUMAN STATE UNIVERSITY

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## 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, 2021, 2020 and 2019. 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.

The University adopted GASB Statement 84, for reporting fiduciary activities, and GASB Statement 87, for reporting lease liabilities, during fiscal year 2020. The implementation of these accounting standards did not have a material effect on the financial statements.

### About The University

The University was established in 1867 and is governed by a Board of Governors consisting of ten members. The University 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 2021, the University enrolled 4,225 students. The institution's primary mission is undergraduate education, and the enrollment data reflects this mission.

	2021	2020	2019
Undergraduate	3,890	4,389	4,939
Graduate	335	266	292
	4,225	4,655	5,231

## TRUMAN STATE UNIVERSITY

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### Management's Discussion And Analysis (*Continued*)

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

The University has a diverse student body, and the majority of its students are residents of Missouri. However, the remaining students come from 36 other states and 47 foreign countries. Approximately 6.6% of the students are from an international origin, and 12% 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	14:1
Graduate and Professional School Placement Rate	32.8%

### 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. It may be designated for specific purposes by actions of management or the Board of Governors, or it 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, 2021, 2020 And 2019**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>			
<b>Current Assets</b>	\$ 30,863,883	\$ 22,990,587	\$ 21,588,425
<b>Noncurrent Assets</b>	324,449,667	316,064,317	322,765,263
<b>Total Assets</b>	<b>355,313,550</b>	<b>339,054,904</b>	<b>344,353,688</b>
<b>Deferred Outflows of Resources</b>	13,816,603	18,242,723	25,696,459
<b>Liabilities</b>			
<b>Current Liabilities</b>	13,801,356	13,159,242	15,197,650
<b>Noncurrent Liabilities</b>	139,879,019	144,750,530	138,176,868
<b>Total Liabilities</b>	<b>153,680,375</b>	<b>157,909,772</b>	<b>153,374,518</b>
<b>Deferred Inflows of Resources</b>	4,779,673	2,907,772	4,546,572
<b>Net Position</b>			
Net investment in capital assets	132,646,029	140,823,724	145,457,294
Restricted, nonexpendable	33,311,631	31,740,779	34,121,892
Restricted, expendable	42,688,138	26,127,513	27,515,774
Unrestricted	2,024,307	(2,211,933)	5,034,097
<b>Total Net Position</b>	<b>\$ 210,670,105</b>	<b>\$ 196,480,083</b>	<b>\$ 212,129,057</b>

Fiscal year 2021 net position increased by \$14.2 million compared to 2020, primarily due to a \$27.7 million increase in investments, offset by decreases in capital assets and outstanding debt.

At June 30, 2021, 2020 and 2019, the University's current assets of \$30.9 million, \$23.0 million and \$21.6 million, respectively, were sufficient to cover current liabilities during the same periods. At June 30, 2021, noncurrent assets primarily included investments of \$143.9 million and capital assets (net of depreciation) of \$178.4 million. Capital assets were comprised of the following asset types:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
Buildings and improvements	\$ 151,592,268	\$ 162,228,758	\$ 169,046,775
Land and improvements	15,176,045	15,176,045	15,176,045
Infrastructure	6,991,213	7,780,544	6,980,643
Construction in progress	336,296	594,769	2,313,708
Furniture, fixtures and equipment	2,914,076	1,902,885	1,909,835
Library materials	876,652	1,048,376	1,263,711
Capital lease equipment	306,193	402,152	—
Art and historical treasures	177,535	177,535	177,535
<b>Total Capital Assets (Net Of         Accumulated Depreciation)</b>	<b>\$ 178,370,278</b>	<b>\$ 189,311,064</b>	<b>\$ 196,868,252</b>



## TRUMAN STATE UNIVERSITY

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### Management's Discussion And Analysis (*Continued*)

Total University liabilities total \$153.7 million, \$157.9 million and \$153.4 million at June 30, 2021, 2020 and 2019, respectively. At June 30, 2021, current liabilities consisted primarily of accounts payable and accrued liabilities of \$6.3 million, unearned revenue of \$1.8 million and the current portion of long-term debt of \$3.6 million. A large portion of noncurrent liabilities relates to the University's net pension liability of \$95.3 million (Note 6). In addition, based on guidance provided by GASB 33: *Accounting and Financial Reporting of Nonexchange Transactions*, the University recorded a \$3.2 million liability, and a corresponding expense, in fiscal year 2020 based on the likelihood that Perkins Loan resources would eventually have to be returned to the U.S. Department of Education. Based on subsequent payments, the remaining Perkins liability is \$2.4 million. Revenue bonds represent the final significant component of noncurrent liabilities as outlined below:

	2021	2020	2019
<b>Bonds And Capital Leases</b>			
Student Housing System Revenue Bonds 2013	\$ —	\$ —	\$ 15,770,000
Student Housing System Revenue Bonds 2015	9,465,000	10,025,000	10,570,000
Student Housing System Revenue Bonds 2016	15,655,000	16,470,000	17,260,000
Student Housing System Revenue Bonds 2020	15,200,000	15,245,000	—
Total bonds payable	40,320,000	41,740,000	43,600,000
Unamortized premium on bonds payable	511,355	547,084	1,097,298
Total bonds payable plus unamortized premium	40,831,355	42,287,084	44,697,298
Capital lease obligations	4,873,627	5,878,738	6,480,587
<b>Total Bonds Payable And Capital Leases</b>	<b>\$ 45,704,982</b>	<b>\$ 48,165,822</b>	<b>\$ 51,177,885</b>

The University refunded the 2013 Series of revenue bonds on May 1, 2020, and that obligation was replaced by new Series 2020 (Note 5). In September of 2020, Moody's Investor Service downgraded the University from an A1 rating with a negative outlook to an A2 rating with a stable outlook. Despite the downgrade, the University was still reported as having a sound financial position and a strong liquidity profile. However, Moody's noted recent enrollment losses and the University's share of the Missouri State Employees' Retirement System (MOSERS) unfunded pension liability as reasons for the downgrade.

### 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.

**TRUMAN STATE UNIVERSITY**Management's Discussion And Analysis (*Continued*)**Condensed Statements Of Revenues, Expenses, And Changes In Net Position  
For The Years Ended June 30, 2021, 2020 And 2019**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total Operating Revenues</b>	\$ 38,582,836	\$ 44,193,003	\$ 52,361,392
<b>Total Operating Expenses</b>	97,886,700	107,979,082	111,283,521
Operating Loss	(59,303,864)	(63,786,079)	(58,922,129)
<b>Net Nonoperating Revenues</b>	67,715,806	44,691,338	54,444,573
Income (loss) before other revenues, expenses, gains and losses	8,411,942	(19,094,741)	(4,477,556)
Appropriations, gifts and revenues restricted for capital improvements	4,239,003	1,408,095	1,691,403
Additions to permanent endowments	1,539,078	2,037,672	1,069,541
<b>Total Increase (Decrease) In Net Position</b>	\$ 14,190,023	\$ (15,648,974)	\$ (1,716,612)
<b>Operating Revenues</b>			
Tuition and fees, net	\$ 20,542,908	\$ 23,290,463	\$ 25,390,361
Federal, state grants and private contracts and grants	2,660,350	3,124,561	2,742,974
Auxiliary enterprises, net	14,220,163	15,496,666	21,951,837
Sales and services of educational activities and other	1,159,415	2,281,313	2,276,220
	\$ 38,582,836	\$ 44,193,003	\$ 52,361,392
<b>Nonoperating Revenues</b>			
State appropriations	\$ 36,813,351	\$ 35,430,905	\$ 39,440,512
Investment income	14,597,829	5,349,875	7,549,319
Grants, contributions and other	24,857,051	9,295,937	9,049,707
	\$ 76,268,231	\$ 50,076,717	\$ 56,039,538
<b>Nonoperating Expenses</b>			
Change in value of annuity and trust obligations	\$ 54,084	\$ 61,654	\$ 14,996
Perkins liability reclassification	—	3,877,679	—
Interest on capital asset related debt	1,240,273	1,446,046	1,579,969
Other	7,258,068	—	—
	\$ 8,552,425	\$ 5,385,379	\$ 1,594,965
<b>Operating Expenses</b>			
Salaries and wages	\$ 39,991,159	\$ 42,737,142	\$ 44,077,214
Fringe benefits	22,335,172	29,926,667	26,026,477
Supplies and other services	13,616,705	12,667,681	16,377,131
Scholarship and fellowships	629,368	693,425	669,615
Depreciation	13,693,300	13,123,011	13,786,263
Utilities	3,558,463	3,353,993	3,831,149
Other	4,062,533	5,477,163	6,515,672
	\$ 97,886,700	\$ 107,979,082	\$ 111,283,521

## TRUMAN STATE UNIVERSITY

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### Management's Discussion And Analysis (*Continued*)

#### Comparisons 2021 To 2020

Significant sources of revenue for the University were state appropriations at \$36.8 million in 2021 compared to \$35.4 million in 2020; student tuition and fees totaling \$20.5 million in 2021 compared to \$23.3 million in 2020; and auxiliary services totaling \$14.2 million in 2021 compared to \$15.5 million in 2020.

Operating expenses totaled \$97.9 million in 2021 compared to \$108.0 million in 2020 with salaries and wages down 6%, fringe benefits down 25%, supplies and other services up 7%, scholarships down 9%, depreciation up 4%, utilities up 6%, and other expenses down 26%.

#### Comparisons 2020 To 2019

Significant sources of revenue for the University were state appropriations at \$35.4 million in 2020 compared to \$39.4 million in 2019; student tuition and fees totaling \$23.3 million in 2020 compared to \$25.4 million in 2019; and auxiliary services totaling \$15.5 million in 2020 compared to \$22.0 million in 2019. Auxiliary revenue was significantly impacted by student housing related refunds associated with the COVID-19 pandemic.

Operating expenses totaled \$108 million in 2020 compared to \$111.3 million in 2019 with salaries and wages down 3%, fringe benefits up 15%, supplies and other services down 23%, scholarships up 4%, depreciation down 5%, utilities down 12%, and other expenses down 16%.

#### 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.

#### Condensed Statements Of Cash Flows For The Years Ended June 30, 2021, 2020 And 2019

	2021	2020	2019
<b>Cash And Cash Equivalents Provided By (Used In):</b>			
Operating activities	\$ (39,562,127)	\$ (38,194,860)	\$ (38,096,219)
Noncapital financing activities	55,004,214	45,962,903	49,364,389
Capital and related financing activities	(2,159,499)	(9,524,288)	(11,715,800)
Investing activities	(18,750,634)	7,302,163	2,899,244
Net increase (decrease) in cash and cash equivalents	(5,468,046)	5,545,918	2,451,614
<b>Cash And Cash Equivalents, Beginning Of Year</b>	<u>14,076,793</u>	<u>8,530,875</u>	<u>6,079,261</u>
<b>Cash And Cash Equivalents, End Of Year</b>	<u>\$ 8,608,747</u>	<u>\$ 14,076,793</u>	<u>\$ 8,530,875</u>

## TRUMAN STATE UNIVERSITY

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### Management's Discussion And Analysis (*Continued*)

The major source of operating cash was student tuition and fees (\$20.4 million, \$23.5 million and \$25.1 million in 2021, 2020 and 2019, respectively) and auxiliary enterprises (\$14.5 million, \$15 million and \$22 million in 2021, 2020 and 2019, respectively). The largest use of operating cash was payments to employees (\$57.3 million, \$60.3 million and \$61.7 million in 2021, 2020 and 2019, respectively) and payments to suppliers (\$13.7 million, \$13.4 million and \$17.1 million in 2021, 2020 and 2019, respectively).

The most significant source of noncapital financing activities was state appropriations of \$36.8 million, \$35.4 million and \$39.4 million in 2021, 2020 and 2019, respectively. The most significant use of cash in investing activities was the re-balancing of the Foundation's investment portfolio and the resulting increase in the value of investments.

# 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, 2021, depreciation 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:

	2021	%	2020	%	2019	%
<b>Instruction</b>	\$ 50,024,297	51.10%	\$ 55,641,118	51.52%	\$ 56,498,291	50.76%
Credit and noncredit courses						
<b>Research</b>	556,279	0.57%	648,955	0.60%	684,954	0.62%
Activities specifically organized to produce research outcomes from funds awarded by external agencies, as well as internally supported programs						
<b>Public Service</b>	2,326,626	2.38%	2,524,638	2.34%	2,548,649	2.29%
Activities that primarily provide non-instructional services to individuals and groups outside of the University. Expenditures are primarily for community service.						
<b>Academic Support</b>	6,755,048	6.90%	7,715,997	7.15%	7,303,846	6.56%
Supporting services to instruction, research and public service. Includes libraries, academic administration and instructional media.						
<b>Student Services</b>	12,079,224	12.34%	12,839,479	11.89%	12,437,766	11.18%
Activities which primarily contribute to students' well-being outside the formal instruction program. Includes admissions, registrar, student activities and financial aid administration.						
<b>Institutional Support</b>	8,019,510	8.20%	9,011,894	8.35%	8,421,425	7.57%
Activities which generally provide support to the entire University. Includes executive management, fiscal operations, personnel, development, fundraising activities and general admin services.						
<b>Scholarships &amp; Fellowships</b>	579,558	0.59%	693,425	0.64%	669,615	0.60%
Awards for grant-in-aid stipends to students based on financial need and/or merit.						
<b>Auxiliary Enterprises</b>	17,546,158	17.92%	18,903,576	17.51%	22,718,975	20.42%
Expenditures of essentially self-supporting activities such as Student Union Building, housing, cafeterias and recreation center.						
<b>Total Operating Expenses</b>	<u>\$ 97,886,700</u>	<u>100.00%</u>	<u>\$ 107,979,082</u>	<u>100.00%</u>	<u>\$ 111,283,521</u>	<u>100.00%</u>

## **TRUMAN STATE UNIVERSITY**

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### Management's Discussion And Analysis (*Continued*)

#### **Physical Plant**

Following the completion of a multiyear project to renovate its residence halls and the Student Union Building at a cost of nearly \$100 million, the University continued to attend to more modest projects during fiscal year 2021. The Violette Hall roof was replaced at a cost of \$769,000, and the McClain Hall elevator and a water main were replaced at a cost of \$410,000. The natatorium liner was replaced at a cost of \$118,000, minor flooring projects within select academic building were completed at a cost of \$150,000, and specific parking lots were re-paved at a cost of \$85,000.

Other noteworthy projects were initiated during the fiscal year with the help of specific budget funding from the State of Missouri. The north wing of the Pershing Building is being renovated to update the academic facility's mechanical functions and to expand the nursing laboratory. This project is anticipated to cost \$4.8M, and it was largely funded by a \$3.7M state appropriation earmarked for repair and maintenance. Similarly, the State of Missouri passed specific legislation providing \$4.6M in funding for the completion of the Greenwood Center. This important resource will provide autism treatment services to Missouri residents while training students for various professions in the healthcare sector.

Other capital expenditures planned for the immediate future include athletic field improvements and minor maintenance projects designed to preserve campus infrastructure.

#### **Looking Forward**

As a state instrumentality, the University's outlook is closely tied to the financial status of the State of Missouri. Traditionally, a large source of Education and General Revenue has been derived through state appropriations, and the operating funds received from the state for fiscal year 2021 were increased to pre-pandemic levels. For fiscal year 2022, the University's available appropriation was increased by 3.7%.

The Higher Education Student Funding Act (HEFSA) calculation allows a statutory maximum undergraduate tuition increase based primarily on the Consumer Price Index (CPI). As a result, the University also increased fiscal year 2022 tuition by 4.7% based on the HEFSA calculation. The Missouri General Assembly modified the HEFSA statute in 2021, and future tuition increases will not be capped by CPI.

In terms of enrollment, fall 2021 headcount was 4,225 (down 430 students from 2020). The University is focused on improving enrollment. It continues to execute a comprehensive and aggressive marketing plan, it is expanding popular

## **TRUMAN STATE UNIVERSITY**

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### Management's Discussion And Analysis (*Continued*)

undergraduate programs, and it recently offered new graduate programs. These new graduate programs produced a 26% increase in graduate student enrollment. Additional information may be obtained by written request to Truman State University, 100 E. Normal Avenue, Kirksville, MO 63501.

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# TRUMAN STATE UNIVERSITY

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## STATEMENT OF NET POSITION

Page 1 Of 2

	<b>June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,483,048	\$ 1,044,254
Restricted cash and cash equivalents	1,301,677	1,464,993
Restricted short-term investments	5,139,114	1,498,423
Short-term investments	18,469,485	14,231,438
Accounts receivable, net of allowance: \$108,000 in 2021, \$136,000 in 2020	957,382	967,247
Interest receivable	332,501	390,026
Federal and state grants receivable	575,923	551,175
Other receivables	113,643	142,476
Inventories	150,110	301,675
Loans to students, net of allowance: \$5,328 in 2021, \$17,200 in 2020	1,096,976	1,528,936
Prepaid expenses	1,244,024	869,944
<b>Total Current Assets</b>	<b>30,863,883</b>	<b>22,990,587</b>
<b>Noncurrent Assets</b>		
Investments	143,922,205	124,084,395
Loans to students, net of allowance: \$68,456 in 2021, \$56,600 in 2020	1,975,383	2,438,433
Capital assets, net	178,370,278	189,311,064
Cash value of life insurance	139,098	145,222
Other assets, net	42,703	85,203
<b>Total Noncurrent Assets</b>	<b>324,449,667</b>	<b>316,064,317</b>
<b>Total Assets</b>	<b>355,313,550</b>	<b>339,054,904</b>
<b>Deferred Outflows Of Resources</b>		
Deferred amounts on University pension contributions	5,391,230	6,038,093
Deferred amounts on debt refundings	806,090	857,219
Deferred amounts related to pension plan	7,619,283	11,347,411
<b>Total Deferred Outflows Of Resources</b>	<b>13,816,603</b>	<b>18,242,723</b>



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**TRUMAN STATE UNIVERSITY**

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**STATEMENT OF NET POSITION**

Page 2 Of 2

	<b>June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 6,349,537	\$ 6,242,918
Accrued early retiree termination benefits	6,709	688,206
Accrued compensated absences	944,539	995,789
Unearned revenue	1,798,625	1,566,686
Annuities and trusts payable	79,459	79,459
Long-term debt - current portion	3,643,439	2,506,523
Due to federal government - current portion	708,726	771,341
Deposits held in custody for others	270,322	308,320
<b>Total Current Liabilities</b>	<b>13,801,356</b>	<b>13,159,242</b>
<b>Noncurrent Liabilities</b>		
Accrued compensated absences	439,622	464,957
Accrued early retiree termination benefits	—	8,058
Annuities and trusts payable	447,654	473,029
Long-term debt	42,061,543	45,659,299
Due to federal government	1,658,698	2,415,862
Net pension liability	95,271,502	95,729,325
<b>Total Noncurrent Liabilities</b>	<b>139,879,019</b>	<b>144,750,530</b>
<b>Total Liabilities</b>	<b>153,680,375</b>	<b>157,909,772</b>
<b>Deferred Inflows Of Resources</b>		
Deferred amounts related to pension plan	4,779,673	2,907,772
<b>Net Position</b>		
Net investment in capital assets	132,646,029	140,823,724
Restricted for:		
Nonexpendable:		
Endowment	33,311,631	31,740,779
Expendable:		
Scholarships and fellowships	16,901,131	9,486,312
Loans	4,523,179	4,167,491
Other:		
Education & general	15,111,304	10,401,185
Capital improvement	5,589,645	1,721,048
Athletics	562,879	351,477
Unrestricted	2,024,307	(2,211,933)
<b>Total Net Position</b>	<b>\$ 210,670,105</b>	<b>\$ 196,480,083</b>

# TRUMAN STATE UNIVERSITY

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For The Years Ended June 30,	
	2021	2020
<b>Operating Revenues</b>		
Tuition and fees, net	\$ 20,542,908	\$ 23,290,463
Federal grants and contracts	2,453,344	2,866,786
State grants and contracts	181,344	245,392
Private grants and contracts	25,662	12,383
Interest on student loans receivable	212,308	247,679
Sales and services of educational activities	320,177	422,574
Auxiliary enterprises, net	14,220,163	15,496,666
Other operating revenues	626,930	1,611,060
<b>Total Operating Revenues</b>	<b>38,582,836</b>	<b>44,193,003</b>
<b>Operating Expenses</b>		
Salaries and wages	39,991,159	42,737,142
Fringe benefits	22,335,172	29,926,667
Supplies and other services	13,616,705	12,667,681
Scholarships and fellowships	629,368	693,425
Depreciation	13,693,300	13,123,011
Utilities	3,558,463	3,353,993
Other	4,062,533	5,477,163
<b>Total Operating Expenses</b>	<b>97,886,700</b>	<b>107,979,082</b>
<b>Operating Loss</b>	<b>(59,303,864)</b>	<b>(63,786,079)</b>
<b>Nonoperating Revenues (Expenses)</b>		
State appropriations	36,813,351	35,430,905
Federal grants and contracts	19,000,769	6,500,097
Contributions	2,612,021	2,718,991
Change in value of annuity and trust obligations	(54,084)	(61,654)
Income from trusts	113,555	110,918
Investment income	14,484,274	5,238,957
Interest on capital asset-related debt	(1,240,273)	(1,446,046)
Gain (loss) on disposal of capital assets	24,732	(9,795)
Other nonoperating expenses	(4,038,539)	(3,791,035)
<b>Nonoperating Revenues, Net</b>	<b>67,715,806</b>	<b>44,691,338</b>
<b>Gain (Loss) Before Capital Contributions And Additions To Permanent Endowment</b>	<b>8,411,942</b>	<b>(19,094,741)</b>
<b>Appropriations, Gifts And Revenues Restricted For Capital Improvements</b>	<b>4,239,003</b>	<b>1,408,095</b>
<b>Additions To Permanent Endowment</b>	<b>1,539,078</b>	<b>2,037,672</b>
<b>Increase (Decrease) In Net Position</b>	<b>14,190,023</b>	<b>(15,648,974)</b>
<b>Net Position - Beginning Of Year</b>	<b>196,480,082</b>	<b>212,129,057</b>
<b>Net Position - End Of Year</b>	<b>\$ 210,670,105</b>	<b>\$ 196,480,083</b>

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**TRUMAN STATE UNIVERSITY**

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**STATEMENT OF CASH FLOWS**

Page 1 Of 2

	For The Years	
	Ended June 30,	
	2021	2020
<b>Cash Flows From Operating Activities</b>		
Tuition and fees	\$ 20,411,929	\$ 23,525,106
Grants and contracts	2,625,866	2,949,344
Payments to suppliers	(13,745,226)	(13,418,802)
Payments for utilities	(3,558,463)	(3,353,993)
Payments to employees	(57,252,274)	(60,302,729)
Payments for scholarships and fellowships	(629,368)	(693,425)
Loans issued to students	(89,017)	(290,002)
Collections of loans to students	1,196,335	1,182,859
Sales and services of auxiliary enterprises	14,548,714	15,056,534
Sales and services of educational activities	320,177	422,574
Other payments	(3,390,800)	(3,272,326)
<b>Net Cash Used In Operating Activities</b>	<b>(39,562,127)</b>	<b>(38,194,860)</b>
<b>Cash Flows From Noncapital Financing Activities</b>		
State appropriations	36,813,351	35,430,905
Repayments of federal loans	(819,779)	(690,476)
Gifts and grants for other than capital purposes	21,612,790	9,159,188
Investments subject to annuity and trust obligations	—	87,330
Payments of annuity and trust obligations	(133,543)	(141,113)
Endowment gifts	1,539,078	2,037,672
Other receipts (disbursements)	(4,007,683)	79,397
<b>Net Cash Provided By Noncapital Financing Activities</b>	<b>55,004,214</b>	<b>45,962,903</b>
<b>Cash Flows From Capital And Related Financing Activities</b>		
Appropriations, gifts and revenues restricted for capital improvements	4,239,003	1,408,095
Purchase of capital assets	(2,658,829)	(6,435,714)
Interest paid on capital debt and leases	(1,278,833)	(1,484,606)
Proceeds from issuance of bonds	16,500	15,635,265
Principal paid on capital debt and leases	(2,477,340)	(18,647,328)
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(2,159,499)</b>	<b>(9,524,288)</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sales and maturities of investments	129,450,599	68,015,913
Investment income	7,389,776	5,228,599
Distributions from perpetual trusts	113,555	110,918
Purchases of investments	(155,704,564)	(66,053,267)
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>(18,750,634)</b>	<b>7,302,163</b>
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>(5,468,046)</b>	<b>5,545,918</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>14,076,793</b>	<b>8,530,875</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 8,608,747</b>	<b>\$ 14,076,793</b>

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# TRUMAN STATE UNIVERSITY

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## STATEMENT OF CASH FLOWS

Page 2 Of 2

	For The Years Ended June 30,	
	2021	2020
<b>Reconciliation Of Cash And Cash Equivalents To The Statement Of Net Position</b>		
Cash	\$ 1,483,048	\$ 1,044,254
Restricted cash - current	1,301,677	1,464,993
Cash equivalents included in short-term investments	5,539,656	6,422,189
Cash equivalents included in investments - noncurrent	284,366	5,145,357
<b>Total Cash And Cash Equivalents</b>	<b>\$ 8,608,747</b>	<b>\$ 14,076,793</b>
<b>Reconciliation Of Operating Loss To Net Cash From Operating Activities</b>		
Operating loss	\$ (59,303,864)	\$ (63,786,079)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation expense	13,693,300	13,123,011
Net change in pension expense	5,840,197	11,805,389
Changes in assets and liabilities:		
Receivables, net	13,950	693,573
Inventories	151,565	56,034
Loans receivable	895,010	645,178
Prepaid expenses and other assets	(331,580)	144,675
Accounts payable and accrued liabilities	51,494	(951,830)
Unearned revenue	231,939	(461,478)
Accrued compensated absences and early termination benefits	(766,140)	555,691
Deposits held in custody for others	(37,998)	(19,024)
<b>Net Cash Used In Operating Activities</b>	<b>\$ (39,562,127)</b>	<b>\$ (38,194,860)</b>
<b>Supplemental Disclosure Of Cash Flow Information</b>		
Noncash gifts received	\$ —	\$ 59,900
Accounts payable incurred for capital asset purchases	671,085	321,517
(Gain) loss on disposal of capital assets	(24,732)	9,795
Capital lease obligation incurred for capital asset purchase	16,500	513,730
Unrealized gain (loss) on investments	7,206,107	(1,429,515)

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**TRUMAN STATE UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021 And 2020**

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**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 4,225 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, 2021, cash equivalents consisted primarily of money market funds.

**Investments And Investment Income**

Investments in equity securities, fixed income securities, mutual funds, limited partnerships and limited liability companies 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.

**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 net realizable value. 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 \$1,240,273 and \$1,446,046 incurred in 2021 and 2020, 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 \$1.8 million and \$1.7 million of the Foundation's unrestricted net position at June 30, 2021 and 2020, respectively, is designated by the Board as an endowment for scholarships.

### **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, 2021 and 2020 were \$21,169,516 and \$23,485,558, respectively. The total scholarship allowances on fees charged for auxiliary enterprises for the years ended June 30, 2021 and 2020 were \$2,446,147 and \$1,222,504, 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.

**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.

## **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, 2021, 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, mutual funds, limited partnerships and limited liability companies.

# TRUMAN STATE UNIVERSITY

## Notes To Financial Statements (Continued)

At June 30, 2021, 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	\$ 5,824,022	\$ 5,824,022	\$ —	\$ —	\$ —
Certificates of deposit	2,516,923	—	2,516,923	—	—
Fixed income	99,541,900	10,264,429	85,033,620	3,263,044	980,807
Equity securities	27,820,430	27,820,430	—	—	—
All asset mutual funds	6,476,989	6,476,989	—	—	—
Limited partnerships and LLC's	—	—	—	—	—
Reported at Net Asset Value:					
WTC CTF Small Cap 200	2,306,908	2,306,908	—	—	—
Champlain Small Cap Fund	2,290,025	2,290,025	—	—	—
GQG global equity fund	2,459,553	2,459,553	—	—	—
Hardman Johnston Int'l equity fund	3,389,549	3,389,549	—	—	—
Industry Ventures Secondary IX LP	364,775	364,775	—	—	—
IR&M core bond fund	7,020,565	7,020,565	—	—	—
Kabouter Intl Opps Offshore Fund	1,278,110	1,278,110	—	—	—
KLCP Offshore fund	648,675	648,675	—	—	—
Lindsell Train Global equity fund	2,586,237	2,586,237	—	—	—
Newbury Equity Partners V LP	323,701	323,701	—	—	—
WB Emerging Markets growth fund	2,682,442	2,682,442	—	—	—
	<u>\$ 167,530,804</u>	<u>\$ 75,736,410</u>	<u>\$ 87,550,543</u>	<u>\$ 3,263,044</u>	<u>\$ 980,807</u>

At June 30, 2020, 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	\$ 11,685,103	\$ 11,685,103	\$ —	\$ —	\$ —
Certificates of deposits	4,652,923	—	4,652,923	—	—
Fixed income	90,640,358	620,120	74,353,604	7,876,578	7,790,056
Equity securities	31,918,399	31,918,399	—	—	—
Alternative investments	917,473	917,473	—	—	—
	<u>\$ 139,814,256</u>	<u>\$ 45,141,095</u>	<u>\$ 79,006,527</u>	<u>\$ 7,876,578</u>	<u>\$ 7,790,056</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 fixed income securities.

**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.

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Foundation's policy to limit its investments in fixed-income securities to those investments with ratings of investment grade or higher at the time of purchase by nationally recognized statistical rating organizations (NRSROs).

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.

## TRUMAN STATE UNIVERSITY

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### Notes To Financial Statements (*Continued*)

At June 30, 2021 and 2020, the following ratings were available for the University's and Foundation's fixed income investments, including certificates of deposit:

<b>Quality Ratings</b>	<b>2021</b>	<b>2020</b>
Treasury/Agency	\$ 47,647,544	\$ 49,010,026
AAA	3,712,934	3,886,882
AAAm	13,955,101	2,997,815
AA+	2,527,664	1,282,897
AA	4,919,445	5,015,235
AA-	2,934,541	5,259,963
A+	6,842,074	6,632,799
A	3,712,934	10,387,394
A-	4,592,518	5,144,275
A-1	—	2,575,994
A-1+	—	516,741
BBB+	949,639	262,227
BBB	—	2,195,961
BB	—	73,940
B	—	51,132
Mutual funds and other not rated	10,264,429	—
	<b>\$ 102,058,823</b>	<b>\$ 95,293,281</b>

### **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. No more than 18% of the overall portfolio may be invested in any one passively managed index product. In addition, no more than 18% of the overall portfolio may be invested in any one actively managed product. No more than 35% of the overall portfolio may be invested in any one investment company across multiple actively managed products. No more than 45% of the overall portfolio may be invested in any one investment company across multiple products, including actively and passively managed products. Holdings of any single stock issue in this portfolio should not exceed more than 5% of the total outstanding common stock of any one company. Unrated and below-investment grade fixed income securities are permitted within the portfolio, but shall be limited to a maximum of 25% of the market value of the portfolio at the time of the purchase for the core fixed income managers.

**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 32% 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, 2021.

## TRUMAN STATE UNIVERSITY

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### Notes To Financial Statements (*Continued*)

#### Summary Of Carrying Values

The carrying values of deposits and investments are included in the statement of net position as follows at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Carrying value		
Deposits	\$ 2,784,725	\$ 2,509,247
Investments	<u>167,530,804</u>	<u>139,814,256</u>
	<u>\$ 170,315,529</u>	<u>\$ 142,323,503</u>
Included in the following statement of net position captions:		
Cash and cash equivalents	\$ 1,483,048	\$ 1,044,254
Restricted cash - current	1,301,677	1,464,993
Restricted short-term investments	5,139,114	1,498,423
Short-term investments	18,469,485	14,231,438
Long term investments	<u>143,922,205</u>	<u>124,084,395</u>
	<u>\$ 170,315,529</u>	<u>\$ 142,323,503</u>

#### Investment Income

Investment income for the years ended June 30, 2021 and 2020 consists of:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 2,287,213	\$ 2,984,634
Net realized and unrealized gains on investments	<u>12,197,061</u>	<u>2,254,323</u>
	<u>\$ 14,484,274</u>	<u>\$ 5,238,957</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 \$13,955,101 and \$2,997,815 at June 30, 2021 and 2020, respectively. 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.

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.

## TRUMAN STATE UNIVERSITY

### Notes To Financial Statements (Continued)

During 2021, the Foundation engaged a new external investment advisory services firm, and as a result, adjusted the investment holdings within its portfolio of assets. The Foundation's current portfolio includes investments in certain limited partnerships and limited liability companies, of which an actively traded and publicly available market is not available. As such, these investments in limited partnerships and limited liability companies are recorded at fair value based on their respective Net Asset Value (NAV) per share, or equivalent, at June 30, 2021.

At June 30, 2021, the University's and Foundation's investments were classified as follows:

Type	Fair Value	Fair Value Level		
		1	2	3
Cash and cash equivalents	\$ 5,824,022	\$ 5,824,022	\$ —	\$ —
Fixed income	85,586,799	10,264,429	75,322,370	—
Equity securities	27,820,430	27,820,430	—	—
All asset mutual funds	6,476,989	6,476,989	—	—
MOSIP reported at NAV	13,955,101	—	—	—
Limited partnerships and LLC's	—	—	—	—
Reported at Net Asset Value:				
WTC CTF Small cap 200	2,306,908	—	—	—
Champlain Small Cap Fund	2,290,025	—	—	—
GQG global equity fund	2,459,553	—	—	—
Hardman Johnston Int'l equity fund	3,389,549	—	—	—
Industry Ventures Secondary IX LP	364,775	—	—	—
IR&M core bond fund	7,020,565	—	—	—
Kabouter Intl Opps Offshore Fund	1,278,110	—	—	—
KLCP Offshore fund	648,675	—	—	—
Lindsell Train Global equity fund	2,586,237	—	—	—
Newbury Equity Partners V LP	323,701	—	—	—
WB Emerging Markets growth fund	2,682,442	—	—	—
	<u>\$ 165,013,881</u>	<u>\$ 50,385,870</u>	<u>\$ 75,322,370</u>	<u>\$ —</u>

# TRUMAN STATE UNIVERSITY

## Notes To Financial Statements (Continued)

At June 30, 2020, the University's and Foundation's investments were classified as follows:

Type	Fair Value	Fair Value Level		
		1	2	3
Cash and cash equivalents	\$ 11,685,103	\$ 11,685,103	\$ —	\$ —
Fixed income	87,642,543	620,120	87,022,423	—
Equity securities	31,918,399	31,918,399	—	—
Alternative investments	917,473	917,473	—	—
MOSIP reported at NAV	2,997,815	—	—	—
	<u>\$ 135,161,333</u>	<u>\$ 45,141,095</u>	<u>\$ 87,022,423</u>	<u>\$ —</u>

Governmental accounting standards require certain disclosures regarding the nature of risks of investments reported at NAV, which are described in the table below as of June 30, 2021.

Type	Investment Strategy	Redemption Rights	Unfunded Commitments
Wtc CTF			—
Small cap			—
200			—
Champlain Small Cap Fund	The Fund's investment objective is capital appreciation. In order to achieve this objective, the Fund invests mainly in common stocks of small capitalization companies and, to a lesser extent, in common stocks of medium capitalization companies.	Available monthly, 15 days notice (c)	—
Gqg global equity fund	The investment objective of the fund is to maximize long-term capital appreciation. The fund seeks to achieve that objective by investing in equity securities or equity-linked instruments of companies located anywhere in the world, including, but not limited to, emerging markets and the United States.	Available weekly, 3 days notice	—
Hardman Johnston Int'l equity fund	The funds investment objective is to achieve long-term growth by investing in international large cap equity securities.	Available monthly, 30 days notice	—
Industry Ventures Secondary I.P.	Investment is a fund of funds, seeking to generate returns from investment in venture capital and technology buyout strategies.	Illiquid (a)	1,700,000
Ir&m core bond fund	The Fund seeks to outperform the Bloomberg Barclays U.S. Aggregate Index ("Index") by investing primarily in investment-grade fixed income securities, including obligations issued or guaranteed by the U.S. Government, its agencies, or instrumentalities; corporate securities; municipal securities; 144A securities; convertible securities; inflation-indexed securities; U.S. dollar-denominated debt of foreign issuers; structured securities including residential mortgage-backed securities (RMBS), mortgage pass-throughs and collateralized mortgage obligations (CMOs), asset-backed securities (ABS), and commercial mortgagebacked securities (CMBS); preferred and hybrid capital securities and money market instruments. These securities may have all types of interest rate payment and reset terms, including fixed rate, variable rate, floating rate, adjustable rate, zero coupon, contingent, deferred, payment-in-kind, and auction rate features. While there is no limit on the duration of the individual securities in the Fund's portfolio, the Fund normally expects to maintain a dollar-weighted average portfolio duration within 10% of the duration of the Index.	Available weekly, 2 days notice	—

# TRUMAN STATE UNIVERSITY

## Notes To Financial Statements (*Continued*)

Type	Investment Strategy	Rights	Commitments
Kabouter Intl Opps Offshore Fund	The fund's investment strategy is conducted through its investment in the master fund, whose investment objective is to achieve an above average long-term return from a portfolio invested primarily in equity securities, primarily of small and mid-size companies located outside the United States.	Available monthly, 30 days notice {d}	—
Klep Offshore fund	The investment objective of the fund is to achieve long-term growth of capital. The advisor intends to achieve the investment objective by investing in a portfolio of debt and equity securities	Illiquid a)	400,645
Lindsell Train Global equity fund	The fund is organized primarily to provide capital and income growth over the long term by investing directly in a concentrated portfolio of global equities, primarily those listed or traded on stock exchanges in developed countries worldwide	Available monthly, 14 days prior to valuation date	—
Newbury Equity Partners V LP	The Partnership operates as a "Fund of Funds" investment vehicle that seeks to realize long term returns in excess of those available through conventional investments primarily by investing in a diversified group of closed-end private funds focused on investment partnerships. Substantially all of the fund's investments are sponsored and managed by outside investment managers ("Sponsors"). The Partnership intends to acquire securities in secondary market transactions ("Secondary Investments") primarily in leveraged buyout, growth equity, mezzanine and venture capital investment funds ("Investment Partnerships"). In addition, the Partnership may make primary investments in Investment Partnerships ("Primary Investments"), direct investments in companies alongside investment Partnerships ("Co-Investments"), and Secondary Investments in companies.	Illiquid {a}	1,690,000
Wb Emerging Markets growth fund	The Fund's investment objective is to outperform the MSCI Emerging Markets IMI Index (Net). The Fund will invest in a growth-oriented, diversified portfolio. The Fund's investment philosophy seeks to invest primarily in equity securities, including common stocks and other forms of equity investments	Available monthly, 30 days notice (b)	—

Several of the investments noted above include certain additional provisions related to redemption, which are described below and correspond to the references (a) through (d) the table above:

- (a) The Fund does not currently allow for any voluntary redemptions. The Foundation does not have a current estimate on when this fund may become liquid.
- (b) The Managing Member may suspend rights to make withdrawals of capital accounts from the Fund for all or any part of any period during which the Fund suspends the valuation of its assets. Members who have submitted a withdrawal request will be promptly notified in writing of the commencement of any such period of suspension and of the termination of any such period of suspension. Withdrawal requests that specify a Transaction Date that falls within a period of suspension will be deemed to request a withdrawal on the first Transaction Date following the termination of such period of suspension unless the withdrawal.

- (c) The Manager may suspend redemptions by Members at any time if the Manager determines that the effect of redemptions, including for which redemption requests have been received, would materially impair the Fund's ability to operate in pursuit of its objectives or the remaining Members would be unfairly and materially disadvantaged.
- (d) In the event of a complete redemption or a redemption of more than 90 percent of the member's interest, the Master fund intends to pay 95 percent of the proceeds within 15 days following the redemption date, and the remainder within 15 days after its annual audit report is released for the year in which the redemption occurred.

### **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, 2021.

# TRUMAN STATE UNIVERSITY

## Notes To Financial Statements (Continued)

### 4. Capital Assets

Capital assets activity for the year ended June 30, 2021 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	594,769	336,296	—	(594,769)	336,296
Total Capital Assets, Nondepreciable	15,948,349	336,296	—	(594,769)	15,689,876
Capital Assets, Depreciable:					
Buildings and improvements	360,728,452	360,493	164,749	594,769	361,518,965
Furniture, fixtures and equipment	18,659,302	1,933,408	221,278	—	20,371,432
Library materials	13,083,914	106,948	396,562	—	12,794,300
Infrastructure	21,232,609	—	—	—	21,232,609
Capital lease equipment	728,524	16,500	—	—	745,024
Total Capital Assets, Depreciable	414,432,801	2,417,349	782,589	594,769	416,662,330
Less Accumulated Depreciation:					
Buildings and improvements	198,499,694	11,591,752	164,749	—	209,926,697
Furniture, fixtures and equipment	16,756,417	921,087	220,148	—	17,457,356
Library materials	12,035,538	278,671	396,561	—	11,917,648
Infrastructure	13,452,065	789,331	—	—	14,241,396
Capital lease equipment	326,372	112,459	—	—	438,831
Total Accumulated Depreciation	241,070,086	13,693,300	781,458	—	253,981,928
Total Capital Assets, Depreciable, Net	173,362,715	(11,275,951)	1,131	594,769	162,680,402
Total Capital Assets - Net	\$ 189,311,064	\$ (10,939,655)	\$ 1,131	\$ —	\$ 178,370,278

Capital assets activity for the year ended June 30, 2020 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	2,313,708	522,035	—	(2,240,974)	594,769
Total Capital Assets, Nondepreciable	17,667,288	522,035	—	(2,240,974)	15,948,349
Capital Assets, Depreciable:					
Buildings and improvements	356,365,271	2,546,416	—	1,816,765	360,728,452
Furniture, fixtures and equipment	21,893,398	988,844	4,222,940	—	18,659,302
Library materials	14,324,880	91,976	1,332,942	—	13,083,914
Infrastructure	19,683,108	1,125,292	—	424,209	21,232,609
Capital lease equipment	214,794	513,730	—	—	728,524
Total Capital Assets, Depreciable	412,481,451	5,266,258	5,555,882	2,240,974	414,432,801
Less Accumulated Depreciation:					
Buildings and improvements	187,318,496	11,181,198	—	—	198,499,694
Furniture, fixtures and equipment	20,145,900	777,665	4,167,148	—	16,756,417
Library materials	13,061,169	307,311	1,332,942	—	12,035,538
Infrastructure	12,702,465	749,600	—	—	13,452,065
Capital lease equipment	52,457	273,915	—	—	326,372
Total Accumulated Depreciation	233,280,487	13,289,689	5,500,090	—	241,070,086
Total Capital Assets, Depreciable, Net	179,200,964	(8,023,431)	55,792	2,240,974	173,362,715
Total Capital Assets - Net	\$ 196,868,252	\$ (7,501,396)	\$ 55,792	\$ —	\$ 189,311,064

# TRUMAN STATE UNIVERSITY

## Notes To Financial Statements (Continued)

### 5. Long-Term Liabilities

The following is a summary of long-term obligation transactions for the University for the year ended June 30, 2021:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds and capital leases					
Student Housing System Revenue Bonds - 2020	\$ 15,245,000	\$ —	\$ 45,000	\$ 15,200,000	\$ 1,135,000
Student Housing System Revenue Bonds - 2016	16,470,000	—	815,000	15,655,000	835,000
Student Housing System Revenue Bonds - 2015	10,025,000	—	560,000	9,465,000	580,000
Total bonds payable	41,740,000	—	1,420,000	40,320,000	2,550,000
Unamortized premium on bonds payable	547,084	—	35,729	511,355	72,921
Total bonds payable plus unamortized premium	42,287,084	—	1,455,729	40,831,355	2,622,921
Capital lease obligations	5,878,738	16,500	1,021,611	4,873,627	1,020,518
Total bonds and capital leases	48,165,822	16,500	2,477,340	45,704,982	3,643,439
Other noncurrent liabilities					
Accrued termination benefits	696,264	—	689,555	6,709	6,709
Accrued compensated absences	1,460,746	94,911	171,496	1,384,161	944,539
Annuities and trusts payable	552,488	54,084	79,459	527,113	79,459
Total other noncurrent liabilities	2,709,498	148,995	940,510	1,917,983	1,030,707
Total noncurrent liabilities	\$ 50,875,320	\$ 165,495	\$ 3,417,850	\$ 47,622,965	\$ 4,674,146

The following is a summary of long-term obligation transactions for the University for the year ended June 30, 2020:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds and capital leases					
Student Housing System Revenue Bonds - 2020	\$ —	\$ 15,245,000	\$ —	\$ 15,245,000	\$ 45,000
Student Housing System Revenue Bonds - 2016	17,260,000	—	790,000	16,470,000	815,000
Student Housing System Revenue Bonds - 2015	10,570,000	—	545,000	10,025,000	560,000
Student Housing System Revenue Bonds - 2013	15,770,000	—	15,770,000	—	—
Total bonds payable	43,600,000	15,245,000	17,105,000	41,740,000	1,420,000
Unamortized premium on bonds payable	1,097,298	—	550,214	547,084	72,922
Total bonds payable plus unamortized premium	44,697,298	15,245,000	17,655,214	42,287,084	1,492,922
Capital lease obligations	6,480,587	390,265	992,114	5,878,738	1,013,601
Total bonds and capital leases	51,177,885	15,635,265	18,647,328	48,165,822	2,506,523
Other noncurrent liabilities					
Accrued termination benefits	140,994	640,777	85,507	696,264	688,206
Accrued compensated absences	1,460,325	130,473	130,052	1,460,746	995,789
Annuities and trusts payable	544,617	25,676	17,805	552,488	79,459
Total other noncurrent liabilities	2,145,936	796,926	233,364	2,709,498	1,763,454
Total noncurrent liabilities	\$ 53,323,821	\$ 16,432,191	\$ 18,880,692	\$ 50,875,320	\$ 4,269,977

## TRUMAN STATE UNIVERSITY

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### Notes To Financial Statements (*Continued*)

#### **Annuities And Trusts Payable**

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, 2021 and 2020 of \$527,113 and \$552,488, 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, 2021 and 2020, the fair value of these investments was \$1,228,351 and \$1,044,245, 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.

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 was payable over a 10-year period. Remaining payments are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	973,981	26,019	1,000,000
2026	742,846	7,154	750,000
	<u>\$ 4,529,129</u>	<u>\$ 220,871</u>	<u>\$ 4,750,000</u>

#### **Revenue Bonds Payable**

On May 1, 2020, the University issued a series of auxiliary system revenue bonds in order to refund the remaining outstanding bonds from the 2013 bond issuance. The principal amount issued, with its related premium, totaled \$15,245,000 and matures in annual installments through 2033.



## TRUMAN STATE UNIVERSITY

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### Notes To Financial Statements (*Continued*)

The refunding resulted in a decrease in payments to service the new debt versus the old debt of \$1,354,024, an economic gain of \$1,334,178, and a deferred amount from refunding of \$317,866, which is being amortized over the life of the new debt.

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 was to mature in annual installments through 2033. The bonds were refunded in 2020.

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 1% 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.

## TRUMAN STATE UNIVERSITY

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### Notes To Financial Statements (*Continued*)

The bond debt service requirements as of June 30, 2021, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 2,550,000	\$ 1,105,271	\$ 3,655,271
2023	2,620,000	1,041,029	3,661,029
2024	2,690,000	974,958	3,664,958
2025	2,770,000	900,855	3,670,855
2026	2,855,000	824,269	3,679,269
2027-2031	15,435,000	2,951,849	18,386,849
2032-2036	11,400,000	856,408	12,256,408
	<b>\$ 40,320,000</b>	<b>\$ 8,654,639</b>	<b>\$ 48,974,639</b>

## 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](http://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.

## TRUMAN STATE UNIVERSITY

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### Notes To Financial Statements (*Continued*)

*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, 2021, 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 \$6,372,732 and \$6,496,501 for the years ended June 30, 2021 and 2020, respectively.

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

At June 30, 2021, the University reported a liability of \$95,271,502 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, 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, 2020. At the June 30, 2020 measurement date, the University's proportion was 1.50091 percent, a decrease from its proportion measured of 1.5846 percent as of the June 30, 2019, measurement date.

There were no changes in benefit terms during the MOSERS plan year ended June 30, 2020, that affected the measurement of total pension liability.

*Actuarial assumptions.* The total pension liability in the June 30, 2020 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	2.25%
Salary increases	2.75% to 8.35% including inflation
Wage inflation	2.25%
Investment rate of return	6.95%, compounded annually, net after investment expenses and including inflation

## TRUMAN STATE UNIVERSITY

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### Notes To Financial Statements (*Continued*)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2020. In addition, the investment return assumption was reduced from 7.1% to 6.95% for the June 30, 2020 valuation. Other assumption changes were decreases in the payroll and wage growth assumptions.

*Mortality.* Mortality rates are based on the RP-2014 Healthy Annuitant mortality table, projected from 2006 to 2026 with Scale MP-2015 and scaled by 120% for the MSEP and 98% for the Judicial Plan. The preretirement mortality table used was the RP-2014 Employee mortality table, projected from 2006 to 2026 with Scale MP-2015 and scaled by 95% for males and 90% for females for the MSEP.

*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, 2020 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%	8.3%	3.1%
Nominal bonds	44.0%	3.3%	1.5%
Commodities	20.0%	7.8%	1.6%
Inflation-linked bonds	39.0%	2.4%	0.9%
Alternative beta	31.0%	6.6%	2.0%
Cash & cash equivalents**	-72.0%	1.0%	-0.7%
	<u>100.0%</u>		<u>8.4%</u>
Correlation/volatility adjustment			-0.7%
Long-term expected net nominal return			<u>7.7%</u>
Long-term expected geometric net real return			5.2%

\* Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.

\*\* Cash and cash equivalents policy allocation amounts are negative due to use of leverage.

## TRUMAN STATE UNIVERSITY

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### Notes To Financial Statements (*Continued*)

*Discount rate.* The discount rate used to measure the total pension liability was 6.95%. 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 6.95%, 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 (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

#### **Sensitivity Of The University's Proportionate Share Of The NPL**

	<b>1% Decrease (5.95%)</b>	<b>Current Discount Rate (6.95%)</b>	<b>1% Increase (7.95%)</b>
University's proportionate share of the net pension liability	\$ 119,293,556	\$ 95,271,502	\$ 75,067,082

*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, 2021 and 2020, the University recognized pension expense of \$11,671,050 and \$18,118,452, respectively.

**TRUMAN STATE UNIVERSITY**Notes To Financial Statements (*Continued*)

*Deferred outflows of resources and deferred inflows of resources.* At June 30, 2021 and 2020, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2021</b>	
	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences between expected and actual experience	\$ 43,146	\$ 989,557
Changes of assumptions	2,518,118	—
Net difference between projected and actual earnings on pension plan investments	5,058,019	—
Changes in proportion and differences between University contributions and proportionate share of contributions	—	3,790,116
University contributions subsequent to the measurement date of June 30, 2020	5,391,230	—
	<u>\$ 13,010,513</u>	<u>\$ 4,779,673</u>
	<b>2020</b>	
	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences between expected and actual experience	\$ 81,618	\$ 1,112,805
Changes of assumptions	3,825,068	—
Net difference between projected and actual earnings on pension plan investments	7,432,440	—
Changes in proportion and differences between University contributions and proportionate share of contributions	8,285	1,794,967
University contributions subsequent to the measurement date of June 30, 2019	6,038,093	—
	<u>\$ 17,385,504</u>	<u>\$ 2,907,772</u>

## TRUMAN STATE UNIVERSITY

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### 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, 2021 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>
2021	\$ 1,243,875
2022	50,645
2023	1,102,588
2024	442,500
	<u>\$ 2,839,608</u>

#### Payables To The Pension Plan

As of June 30, 2021, the University had payables of \$410,097 to MOSERS for the amount owed for salaries earned but not remitted as of June 30, 2021 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% of annual covered payroll for 2021 and 2020. The University's contributions to the plan for the years ended June 30, 2021 and 2020 were \$468,761 and \$486,474, 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 2021) and aggregate (\$1,000,000 in fiscal year 2021) reinsurance. The University has recorded a liability for expenses incurred but not reported of \$273,276 and \$304,219 as of June 30, 2021 and 2020, 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, 2021 and 2019/2020 were as follows:

Liability, July 1, 2019	\$ 360,346
Current year claims and changes in estimate	6,132,228
Claim payments	<u>(6,188,355)</u>
Liability, June 30, 2020	304,219
Current year claims and changes in estimate	4,851,031
Claim payments	<u>(4,881,974)</u>
Liability, June 30, 2021	<u>\$ 273,276</u>

Total employee health and welfare expense was \$5,802,673 and \$6,448,927 for the years ended June 30, 2021 and 2020, 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 2016 through 2020. 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 \$6,709 and \$696,264 at June 30, 2021 and 2020, respectively.



During the year ended June 30, 2021, the University paid \$45,549 of reimbursements under this plan. Lump sum payments to participants totaled \$690,000 during 2021. At June 30, 2021, there were 2 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 \$671,085, related to construction contracts as of June 30, 2021. A commitment of \$577,400 on the Pershing North Wing Renovation 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.

The United States Department of Education (DOE) did not renew the Federal Perkins Loan Program. As a result, after a brief transition period, no new loans could be disbursed to students. The current guidance provided by the DOE stipulates that as cash is collected by the University from loans disbursed prior to October 1, 2017, such funds are to be remitted back to DOE on a proportional basis (the Perkins program was originally funded by DOE with a small percentage matched by the University). Given this recent guidance, the University has determined that it is probable that the DOE, as the provider of the original resource, will require the University to return all of the resources originally received under this program. At the time of the receipt of the resources, the University recorded nonexchange revenues, and thereby, the balance of the resources provided by the DOE resided in the University's net position.

Pursuant to the guidance provided by GASB 33: *Accounting and Financial Reporting of Nonexchange Transactions*, and based on the University's estimate that the return of these resources is probable, an expense and corresponding liability of \$3,187,203 has been recorded in the fiscal year ended June 30, 2020, on the University's financial statements. The liability was reduced by subsequent payments as calculated and required by the U.S. Department of Education. At June 30, 2021, a balance of \$2,367,424 remained as a payable on the University's statement of net position.

### **Higher Education Emergency Relief Fund**

In January 2020, an outbreak of a new strain of coronavirus, COVID-19, was identified. The World Health Organization has declared the virus a pandemic. In response, various governmental agencies have mandated stricter procedures to address the health and safety of both employees and patrons including, in certain cases, requiring the closure of operations. On March 16, 2020, in accordance with the Missouri Stay at Home Order issued by the Governor, students, staff, and faculty were transitioned to remote operations. While the University expect the impact to extend into future years, management cannot reasonably estimate the overall impact on operations, cash flows, or its overall financial position.

The Higher Education Emergency Relief Fund (HEERF), found in Section 18004 of the CARES Act, provided institutions of higher education with funding in 3 separate legislative acts over the course of 2020 and 2021. The total awards by act, and related amounts expended by the University during the years ended June 30, 2021 and 2020 are listed in the table below. The University anticipates expended the full amount of the awards within the grant period, which expires in 2022.

## TRUMAN STATE UNIVERSITY

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### Notes To Financial Statements (*Continued*)

	Total Award	Expended During The Years Ended June 30,	
		2021	2020
CARES Act - HEERF I	\$ 3,345,344	\$ 1,077,344	\$ 2,268,000
CRRSAA - HEERF II	5,119,742	3,320,582	—
ARPA - HEERF III	8,973,473	34,250	—
	<u>\$ 17,438,559</u>	<u>\$ 4,432,176</u>	<u>\$ 2,268,000</u>

## 11. Risk Management

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

## 12. Segment Information

A segment is an identifiable activity reported within a stand-alone entity for which one or more revenue bonds are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds and has related expenses, gains and losses, assets and liabilities that are required by an external party to be accounted for separately. Pursuant to the reporting requirements of GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus - an amendment of GASB Statements No. 21 and No. 34*, the University had one segment at June 30, 2021.

The segment consists of Housing System Revenue Bonds Series 2015, dated May 28, 2015, and Housing System Revenue Bonds Series 2016, dated February 11, 2016, and Housing System Revenue Bonds Series 2020, dated May 1, 2020. These accounts are established to account for activities of the Housing System, as defined by the bond resolutions.

**TRUMAN STATE UNIVERSITY**

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Notes To Financial Statements (*Continued*)

The condensed financial information for the Housing System Revenue Bond Fund as of June 30, 2021 and 2020 is as follows:

**Condensed Statement Of Net Position**

	<u>2021</u>	<u>2020</u>
<b>Current Assets</b>	<b>\$ 19,419,295</b>	<b>\$ 17,495,676</b>
<b>Noncurrent Assets</b>		
Capital assets, net of depreciation	<u>67,228,331</u>	<u>72,221,619</u>
<b>Total Assets</b>	<b><u>86,647,626</u></b>	<b><u>89,717,295</u></b>
 <b>Deferred Outflows Of Resources</b>	 <b><u>806,090</u></b>	 <b><u>857,219</u></b>
 <b>Current Liabilities</b>	 <b>3,646,095</b>	 2,342,198
<b>Noncurrent Liabilities</b>	<b><u>38,806,306</u></b>	<b><u>41,597,253</u></b>
<b>Total Liabilities</b>	<b><u>42,452,401</u></b>	<b><u>43,939,451</u></b>
 <b>Net Position</b>		
Net investment in capital assets	<b>26,104,763</b>	28,929,540
Unrestricted	<b><u>18,896,552</u></b>	<b><u>17,705,523</u></b>
 <b>Total Net Position</b>	 <b><u>\$ 45,001,315</u></b>	 <b><u>\$ 46,635,063</u></b>

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

	<u>2021</u>	<u>2020</u>
<b>Operating Revenue</b>		
Housing and food service, net of scholarship allowance	\$ 12,404,604	\$ 13,448,182
Other operating revenues	420,539	501,288
<b>Total Operating Revenue</b>	<u>12,825,143</u>	<u>13,949,470</u>
<b>Operating Expenses</b>		
Compensation and benefits	2,410,042	3,292,915
Supplies and other services	6,884,078	7,685,009
Depreciation	5,298,505	5,202,566
Utilities	1,370,795	1,387,473
<b>Total Operating Expenses</b>	<u>15,963,420</u>	<u>17,567,963</u>
<b>Operating Loss</b>	<u>(3,138,277)</u>	<u>(3,618,493)</u>
<b>Nonoperating Revenue (Expenses)</b>		
Student fees for capital projects	786,774	894,540
Investment income	85,924	1,300,719
CARES Act funding	—	1,134,000
Interest on capital asset related debt and other expenses	(1,167,939)	(1,404,306)
Funds received for capital investment	434,438	356,955
Other	1,365,332	(58,142)
<b>Net Nonoperating Revenue</b>	<u>1,504,529</u>	<u>2,223,766</u>
<b>Decrease In Net Position</b>	<u>(1,633,748)</u>	<u>(1,394,727)</u>
<b>Net Position - Beginning of Year</b>	<u>46,635,063</u>	<u>48,029,790</u>
<b>Net Position End Of Year</b>	<u>\$ 45,001,315</u>	<u>\$ 46,635,063</u>

**Condensed Statement Of Cash Flows**

	<u>2021</u>	<u>2020</u>
Net cash provided by operating activities	\$ 2,692,083	\$ 2,353,929
Net cash used in capital and related financing activities	(1,962,372)	(2,431,937)
Net cash used in (provided by) investing activities	<u>(687,242)</u>	<u>48,096</u>
Net increase (decrease) in cash and cash equivalents	42,469	(29,912)
Cash and cash equivalents - beginning of year	<u>54,348</u>	<u>84,260</u>
Cash and cash equivalents - end of year	<u>\$ 96,817</u>	<u>\$ 54,348</u>

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# TRUMAN STATE UNIVERSITY

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

	June 30,					
	2020	2019	2018	2017	2016	2015
University's proportionate of the net pension liability	1.501%	1.585%	1.600%	1.676%	1.674%	1.721%
University's proportionate share of the net pension liability	\$ 95,271,502	\$ 95,729,325	\$ 89,261,489	\$ 87,256,736	\$ 77,726,342	\$ 55,252,185
University's covered payroll	29,990,097	30,784,413	31,102,260	32,983,265	32,430,791	33,308,792
University's proportionate share of the net pension liability as a percentage of its covered payroll	317.68%	310.97%	286.99%	264.55%	239.67%	165.88%
Plan fiduciary net position as a percentage of the total pension liability	55.48%	56.72%	59.02%	60.41%	63.60%	77.62%

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.

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**TRUMAN STATE UNIVERSITY**

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

	<b>June 30,</b>					
	<b>2021</b>	2020	2019	2018	2017	2016
Contractually required contribution	<b>\$ 6,528,844</b>	\$ 6,221,531	\$ 6,049,390	\$ 5,597,262	\$ 5,503,067	\$ 5,652,501
Contributions in relation to the contractually required contribution	<b>6,528,844</b>	6,221,531	6,049,390	5,597,262	5,503,067	5,652,501
University's covered payroll	<b>29,990,097</b>	30,784,413	30,995,235	31,102,260	32,983,265	32,430,791
Contributions as a percentage of covered payroll	<b>21.77%</b>	20.21%	19.45%	16.97%	16.97%	16.97%

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

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## NOTE TO REQUIRED SUPPLEMENTARY INFORMATION For The Year Ended June 30, 2021

### 1. Changes Of Benefit Terms Or Assumptions

There were no changes in benefit terms during the fiscal year ended June 30, 2020.

Below is a summary of the changes in assumptions since the prior year:

- The investment return assumption was lowered from 7.10% to 6.95%.
- The inflation assumption was lowered from 2.35% to 2.25%.
- The payroll growth assumption was lowered from 2.35% to 2.25%.
- The wage growth assumption was lowered from 2.60% to 2.50%.
- The cost-of-living-adjustment (COLA) assumption was lowered from 1.88% to 1.80% when no minimum COLA is in effect (80% of price inflation).



**ITEM D****Advancement, Foundation Board, and Alumni Board Report****DESCRIPTION AND BACKGROUND**

Dr. Ernie Hughes, Vice President for University Advancement, will be joined by Dr. Dawn Tartaglione, President of the Foundation Board of Directors, and Jamie Matthews, President of the Alumni Board of Directors, to share updates from Advancement and the respective boards.

**RECOMMENDED ACTION**

This is a discussion item only.

**ITEM E**  
**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 F**

**Finance and Auditing Committee Report**

**DESCRIPTION AND BACKGROUND**

Governor Burkemper, Chair of the Finance and Auditing Committee, will provide a report on the committee meeting held on October 20.

**RECOMMENDED ACTION**

This is a discussion item only.

**ITEM F.1**  
**Financial Report**

**DESCRIPTION AND BACKGROUND**

The Financial Report includes a review as of August 31, 2021, of education and general revenues and expenditures and auxiliary systems revenues and expenditures and a review as of August 31, 2021, of the Truman State University Foundation revenues and expenditures.

**RECOMMENDED ACTION**

This is a discussion item only.

**ATTACHMENT**

Truman State University Financial Report  
August 31, 2021 compared to August 31, 2020

# Truman State University Financial Report

## August 31, 2021 compared to August 31, 2020

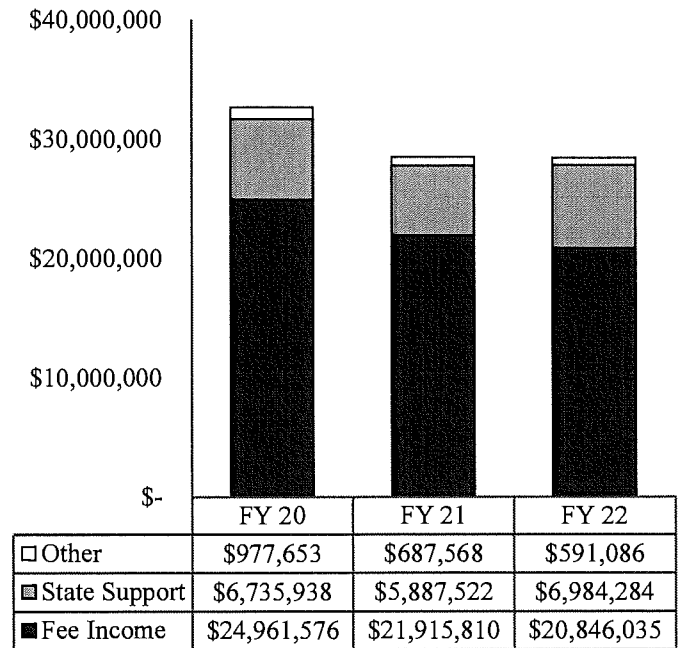
### Education & General (Pages A1-A3)

Revenues fell by \$69,495 (.24%) to \$28.4M. The revenue distribution over the last three fiscal years is outlined in Figure 1. Overall revenues were 33% of the fiscal 2022 budget.

Tuition was \$1.1M (5.5%) less than prior year. A 4.9% base tuition increase for the current academic year was offset by 430 fewer students enrolled for the fall semester.

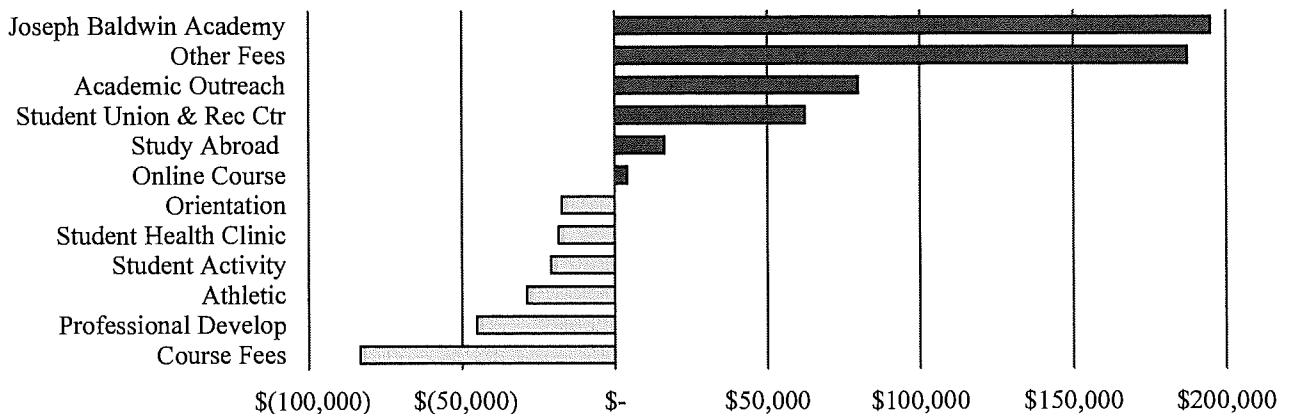
Due to a 3.7% increase in appropriation for the current fiscal year, state revenue was \$1.1M (18.6%) ahead of prior year at \$7M. It is important to note that the prior year appropriation reflected an initial withholding that was subsequently restored by the end of fiscal 2021. Assuming no change to the fiscal year 2022 appropriation, the current variance will narrow throughout this fiscal year to the aforementioned 3.7% increase.

**Figure 1: Education & General Revenues**



Other revenue fell by \$96,482 (14%) to \$591,086 due to reductions in interest assessed to student accounts, transfers from the Truman State University Foundation and receipts from the Governor's Emergency Education Relief (GEER) fund. In addition, course and other fees increased slightly by \$19,480 (1%) to \$2M due to the new \$8 per credit hour instructional technology fee (a replacement of the former online course fee that was suspended during the pandemic). The year-over-year variances in local fee revenue (excluding tuition) are outlined in Figure 2.

**Figure 2: Local Fee Revenue Variances (FY 21 to FY 22)**

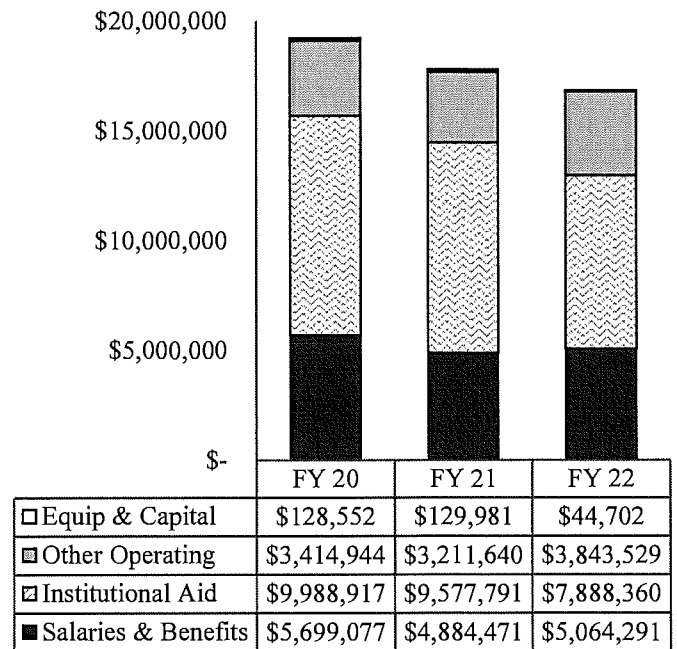


Education and general expenses fell by \$963,001 (5.4%) to \$16.8M based on a \$1.7M (17.6%) decrease in institutional aid due to 499 fewer undergraduate students compared to the prior fall term. Expenses over the last three fiscal years are outlined in Figure 3. Overall expenses were 18.2% of the fiscal 2022 budget. Other notable expense variances included:

- Other expense increased by \$293,354 (103.5%) due to increases in liability and property insurance premiums (\$114,546), summer program meals (\$45,838), and reduced reimbursements from the auxiliary system (\$84,000).

- Compensation increased by \$179,820 (3.7%). Faculty and staff salaries increased by \$360,387 (13.6%). A reduction in overall positions was offset by certain non-recurring pandemic-related items from prior year: Summer faculty and camp salaries increased by \$160,030 and \$21,101, respectively. In addition, prior year expenses were discounted by furloughs and grant reimbursements for re-purposed personnel of \$75,292 and \$153,645 respectfully. Finally, certain staff members received a \$0.40 per hour increase in January of 2021 to keep pace with Missouri's minimum wage at a cost of \$12,133. Corresponding fringe benefits increased slightly by \$10,200 (.7%) based on the corresponding .63% increase in MOSERS retirement contribution rate. Student employment was down \$190,767 (24.2%).
- Professional services grew by \$172,616 (49%) as Hannibal Regional Healthcare System was contracted to operate the Student Health Center.
- Office contracts increased by \$109,666 (11.2%) based on software license renewal pricing.
- Maintenance and repair grew by \$84,342 (227.6%) due to Ophelia Parrish carpet repairs (\$26,247), Kirk Memorial HVAC repairs (\$18,875) and general HVAC control maintenance (\$17,444).
- Equipment and capital costs decreased \$85,279 (65.6%) due to the timing differences of certain items purchased by this time last year including a public safety vehicle (\$36,051) and mowers (\$32,452).

**Figure 3: Education & General Expenses**



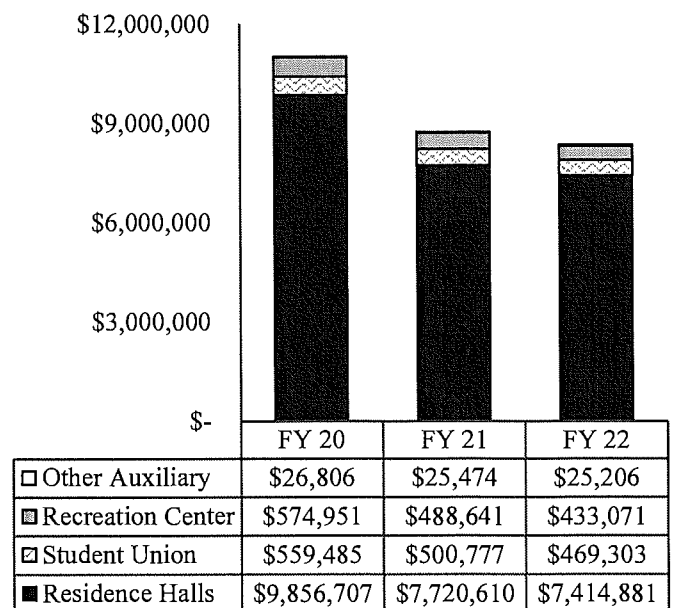
**Auxiliary Systems (Pages B1-B3)**

Auxiliary revenues fell by \$393,041 (4.5%) to \$8.3M primarily due to a \$305,729 (4%) shortfall in residence hall income. The variance was caused by 163 fewer student residents for the fall 2021 semester. Reduced enrollment also negatively impacted Student Union and Recreation Center revenues by \$31,474 and \$55,570, respectively. The revenue distribution for the last three fiscal years is outlined in Figure 4. Revenues were 46% of the fiscal 2022 budget.

Auxiliary expenses decreased by \$828,197 (21.5%) to \$3M primarily due to an \$804,566 (63.2%) reduction in institutional aid. Last year's \$2,000 Housing Support Scholarship was not offered in the current fiscal year. The resulting \$698,000 savings coupled with fewer residents resulted in reduced outlay of institutional aid. Overall expenses were 15.6% of the fiscal 2022 budget. Variances are outlined in Figure 5:

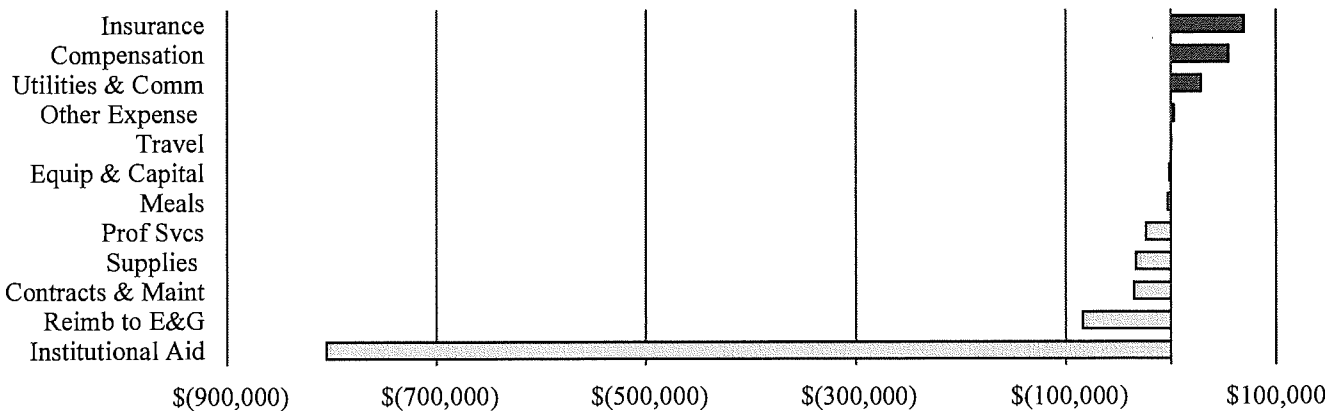
- Other expenses grew by \$67,347 (35.3%) due to an increase in insurance premiums.
- Compensation increased by \$55,023 (7.5%) to \$784,828. Prior year compensation was discounted by non-recurring furloughs and grant reimbursements for re-purposed personnel

**Figure 4: Auxiliary Revenues**



of \$9,765 and \$57,360, respectfully. Staff also received an hourly increase to keep pace with Missouri’s minimum wage at a cost of \$5,200.

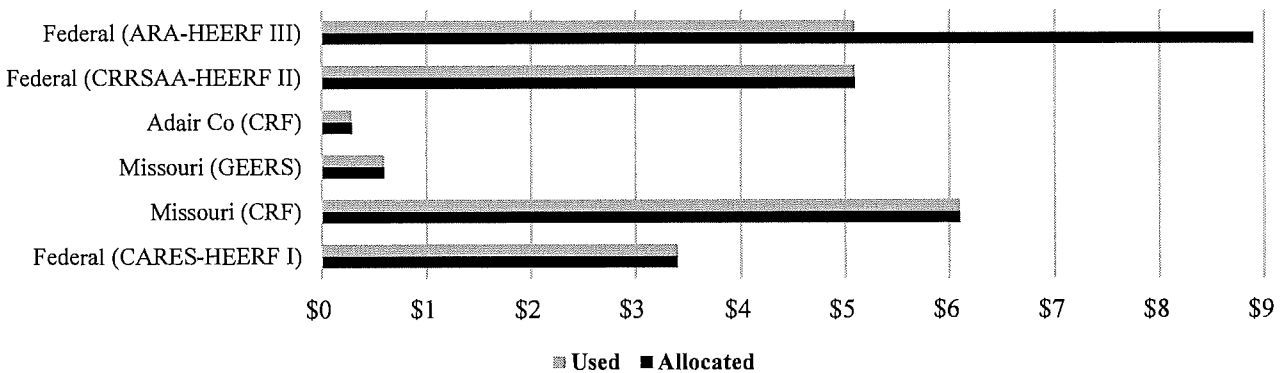
**Figure 5: Auxiliary Expense Variances (FY 21 to FY 22)**



**COVID-19 Related Federal Grant Funding**

To date, the University has been allocated \$24.4M through various grants designed to mitigate the impact of the COVID-19 pandemic. The University has received \$20.6M in grant funds from the federal Higher Education Emergency Relief Fund (HEERF) and from the Coronavirus Relief Fund (administered by the State of Missouri and Adair County). Funding allocations are illustrated in Figure 6.

**Figure 6: COVID 19 Grant Funds (in millions)**



- The University distributed \$6.6M to 2,800 students for food, housing, and technology needs. Room and board credits of \$3.9M were also provided to students following the closure of residence halls during the spring 2020 semester.
- The University received \$2.7M to upgrade technology and improve its remote instruction.
- The University was reimbursed \$2.6M for various costs including converting existing facilities into socially distanced classrooms, compensation to repurpose faculty and staff, emergency supplies and equipment, and student COVID testing.
- Finally, the University collected \$4.7M to offset the revenue impact of the pandemic.

A significant portion of these funds were applied to prior years, included in plant funds for capitalized purchases, or represented a pass through to students. As such, they were not accounted for current funds.

**Truman State University Foundation (Pages C1-C3)**

**Statement of Net Position (Page C-1)**

Net position improved by \$13.1M to \$77M. Current assets grew by \$110,106 due to a corresponding \$212,934 increase in cash, as certain donations at the end of August were awaiting transfer to investment accounts. The cash increase was offset by an \$114,707 decrease in short-term investments, as larger scholarships payments were processed slightly faster than prior year. More notably, non-current assets

increased by \$12.9M to \$71.2M due to a corresponding \$13.1M increase in investments. Long-term investment growth was largely due to the appreciation in the equity market. Current liabilities fell by \$50,369 to \$235,800 due to a corresponding \$65,660 decrease in accounts payable. The variance was caused by a transfer to the University for the Towne Museum and Visitor Center that was processed earlier than prior year. Long-term liabilities consisted of annuities and trusts payable of \$433,016, \$40,013 less than prior year.

**Statement of Revenues, Expenditures and Changes in Net Position (Page C-2)**

Contributions and additions to the permanent endowment fell \$604,003 to \$188,150. The unfavorable variance was due to a \$500,000 non-recurring gift for the Greenwood renovation project collected in the prior year. Investment related revenue fell by \$2.2M. The change in investment income was mostly unrealized as the portfolio was rebalanced to meet alternative investment capital requirements and to generate liquidity for future scholarship needs. Expenses and transfers totaled \$927,142, \$126,382 more than prior year. The expense variance was primarily caused by increases in student scholarships (\$42,635), software (\$30,632), student loan write-offs (\$20,118), insurance premiums (\$6,618) and training (\$5,163).

**Investments Schedule (Page C-3)**

Investments (including endowed, short-term, long-term, trusts and annuities) increased by \$13M to \$76.5M with the majority of the growth concentrated in the endowed pool. The Foundation also holds beneficial interests in three separate trusts, and their value increased \$348,839 to \$4.4M.



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

	<u>FY22 Budget</u>	<u>FY22 To Date</u>	<u>Percent of Budget This Year</u>	<u>Percent of Budget Last Year</u>
<b>Education &amp; General</b>				
<b>Revenues</b>				
State Sourced Income	\$ 43,201,754	\$ 6,984,284	16.17%	
Local Income	42,929,059	21,437,121	49.94%	
<b>Total Budgeted Revenues</b>	<u><b>86,130,813</b></u>	<u><b>28,421,405</b></u>	<u><b>33.00%</b></u>	<u><b>33.20%</b></u>
Rollover from prior year	6,573,895			
<b>Total Resources to Spend</b>	<u><b>\$ 92,704,708</b></u>			
<b>Expenses</b>				
<b>Salaries &amp; Fringe Benefits</b>				
Faculty/Staff Salaries	\$ 35,816,832	\$ 2,998,349	8.37%	
Student Employment	3,586,549	597,480	16.66%	
Fringe Benefits	14,141,222	1,468,462	10.38%	
<b>Total Salaries &amp; Fringe Benefits</b>	<u><b>53,544,603</b></u>	<u><b>5,064,291</b></u>	<u><b>9.46%</b></u>	<u><b>9.03%</b></u>
<b>Equipment &amp; Capitalized Expense</b>	<b>1,288,754</b>	<b>44,702</b>	<b>3.47%</b>	<b>9.88%</b>
<b>Operations</b>				
Other Expense	19,728,351	3,386,071	17.16%	
Institutional Aid	15,643,000	7,888,360	50.43%	
Utilities	2,500,000	457,458	18.30%	
<b>Total Operations</b>	<u><b>37,871,351</b></u>	<u><b>11,731,889</b></u>	<u><b>30.98%</b></u>	<u><b>35.98%</b></u>
<b>Total Education &amp; General Expense</b>	<u><b>\$ 92,704,708</b></u>	<u><b>\$ 16,840,882</b></u>	<u><b>18.17%</b></u>	<u><b>19.58%</b></u>

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

	<u>FY20 Receipts</u>	<u>FY21 Receipts</u>	<u>FY22 Receipts</u>	<u>Change FY21 to FY22</u>	<u>% Change FY21 to FY22</u>
<b>Education &amp; General</b>					
<b>State Appropriation</b>					
State Appropriation	\$ 6,735,086	\$ 5,887,522	\$ 6,984,284	\$ 1,096,762	18.63%
MOExcels Appropriation	852	-	-	-	0.00%
<b>Total State Sourced Income</b>	<u><b>6,735,938</b></u>	<u><b>5,887,522</b></u>	<u><b>6,984,284</b></u>	<u><b>1,096,762</b></u>	<u><b>18.63%</b></u>
<b>Enrollment Fees</b>					
Enrollment Fees	22,766,725	19,940,349	18,851,094	(1,089,255)	-5.46%
Course Fees	1,127,347	1,050,186	967,187	(82,999)	-7.90%
Other Fees	433,913	368,102	538,664	170,562	46.34%
Student Activity Fees	197,465	170,827	149,940	(20,887)	-12.23%
Athletic Fees	266,266	235,874	207,060	(28,814)	-12.22%
Health Clinic Fees	169,860	150,472	132,090	(18,382)	-12.22%
<b>Total Student Fees</b>	<u><b>24,961,576</b></u>	<u><b>21,915,810</b></u>	<u><b>20,846,035</b></u>	<u><b>(1,069,775)</b></u>	<u><b>-4.88%</b></u>
Other Non-Operating Income	977,653	687,568	591,086	(96,482)	-14.03%
<b>Total Education &amp; General</b>	<u><u><b>\$ 32,675,167</b></u></u>	<u><u><b>\$ 28,490,900</b></u></u>	<u><u><b>\$ 28,421,405</b></u></u>	<u><u><b>\$ (69,495)</b></u></u>	<u><u><b>-0.24%</b></u></u>

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

	<u>FY20</u> <u>Expense</u>	<u>FY21</u> <u>Expense</u>	<u>FY22</u> <u>Expense</u>	<u>Change</u> <u>FY21 to FY22</u>	<u>% Change</u> <u>FY21 to FY22</u>
<b>Education &amp; General</b>					
<b>Salaries &amp; Fringe Benefits</b>					
Faculty & Staff Salaries	\$ 3,056,815	\$ 2,637,962	\$ 2,998,349	\$ 360,387	13.66%
Student Employment	916,884	788,247	597,480	(190,767)	-24.20%
Fringe Benefits	1,725,378	1,458,262	1,468,462	10,200	0.70%
<b>Total Salary &amp; Fringe Benefits</b>	<b>5,699,077</b>	<b>4,884,471</b>	<b>5,064,291</b>	<b>179,820</b>	<b>3.68%</b>
<b>Equipment &amp; Capital Expenses</b>	<b>128,552</b>	<b>129,981</b>	<b>44,702</b>	<b>(85,279)</b>	<b>-65.61%</b>
<b>Operations</b>					
Institutional Aid	9,988,917	9,577,791	7,888,360	(1,689,431)	-17.64%
Travel	211,703	2,571	12,971	10,400	404.50%
Utilities	476,052	431,503	457,458	25,955	6.01%
Professional Services	367,517	350,532	523,148	172,616	49.24%
Supplies	380,843	289,719	288,387	(1,332)	-0.46%
Office Contracts	824,001	975,140	1,084,806	109,666	11.25%
Library Acquisitions	535,665	498,100	496,211	(1,889)	-0.38%
Communications	155,289	133,586	72,363	(61,223)	-45.83%
Energy Lease Principal & Interest	210,000	210,000	210,000	-	0.00%
Maintenance & Repair	27,213	37,063	121,405	84,342	227.56%
Other Expense	226,661	283,426	576,780	293,354	103.50%
<b>Total Operations</b>	<b>13,403,861</b>	<b>12,789,431</b>	<b>11,731,889</b>	<b>(1,057,542)</b>	<b>-8.27%</b>
<b>Total Education &amp; General</b>	<b>\$ 19,231,490</b>	<b>\$ 17,803,883</b>	<b>\$ 16,840,882</b>	<b>\$ (963,001)</b>	<b>-5.41%</b>

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

	<u>FY22 Budget</u>	<u>FY22 To Date</u>	<u>Percent of Budget This Year</u>	<u>Percent of Budget Last Year</u>
<b>Auxiliary Systems</b>				
<b>Revenues</b>				
Residence Halls	\$ 15,205,000	\$ 7,414,881		
Student Union	944,000	469,303		
Recreation Center	845,000	433,071		
Other Auxiliary	250,000	25,206		
Projected Draw on Reserves	874,986			
<b>Total Budgeted Revenues</b>	<b>18,118,986</b>	<b>8,342,461</b>	<b>46.04%</b>	<b>43.21%</b>
Rollover from prior year	1,192,881			
<b>Total Resources to Spend</b>	<b>\$ 19,311,867</b>			
<b>Expenses</b>				
<b>Salaries &amp; Fringe Benefits</b>				
Salaries	\$ 1,635,457	\$ 243,626		
Student Salaries	1,098,373	167,548		
Fringe Benefits	1,025,544	373,655		
<b>Total Salaries &amp; Fringe Benefits</b>	<b>3,759,374</b>	<b>784,828</b>	<b>20.88%</b>	<b>17.16%</b>
<b>Equipment /Capitalized Expense</b>	<b>124,500</b>	<b>62,346</b>	<b>50.08%</b>	<b>32.93%</b>
<b>Operations</b>				
Bond Principal & Interest	3,655,271	-	0.00%	
Meals-Contract Food Service	5,335,000	432,187	8.10%	
Other Expense	3,480,697	970,404	27.88%	
Institutional Aid	1,064,025	468,878	44.07%	
Utilities	1,893,000	302,605	15.99%	
<b>Total Operations</b>	<b>15,427,993</b>	<b>2,174,074</b>	<b>14.09%</b>	<b>18.47%</b>
<b>Total Auxiliary Expense</b>	<b>\$ 19,311,867</b>	<b>\$ 3,021,249</b>	<b>15.64%</b>	<b>18.34%</b>

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

	<u>FY20</u> <u>Receipts</u>	<u>FY21</u> <u>Receipts</u>	<u>FY22</u> <u>Receipts</u>	<u>Change</u> <u>FY21 to FY22</u>	<u>% Change</u> <u>FY21 to FY22</u>
<b>Auxiliary</b>					
Residence Halls	\$ 9,856,707	\$ 7,720,610	\$ 7,414,881	\$ (305,729)	-3.96%
Student Union	559,485	500,777	469,303	(31,474)	-6.29%
Recreation Center	574,951	488,641	433,071	(55,570)	-11.37%
Other Auxiliary	26,806	25,474	25,206	(268)	-1.05%
<b>Total Auxiliary</b>	<u>\$ 11,017,949</u>	<u>\$ 8,735,502</u>	<u>\$ 8,342,461</u>	<u>\$ (393,041)</u>	<u>-4.50%</u>

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

	<u>FY20 Expense</u>	<u>FY21 Expense</u>	<u>FY22 Expense</u>	<u>Change FY21 to FY22</u>	<u>% Change FY21 to FY22</u>
<b>Auxiliary</b>					
<b>Salaries &amp; Fringe Benefits</b>					
Administrative & Staff Salaries \$	312,592	\$ 208,036	\$ 243,626	\$ 35,590	17.11%
Student Wages	213,653	138,865	167,548	28,683	20.66%
Fringe Benefits	470,840	382,904	373,655	(9,249)	-2.42%
<b>Total Salary &amp; Fringe Benefits</b>	<u>997,085</u>	<u>729,805</u>	<u>784,828</u>	<u>55,023</u>	<u>7.54%</u>
<b>Equipment &amp; Capital Expenses</b>	<u>60,178</u>	<u>63,734</u>	<u>62,346</u>	<u>(1,388)</u>	<u>-2.18%</u>
<b>Operations</b>					
Institutional Aid	626,628	1,273,444	468,878	(804,566)	-63.18%
Supplies	54,378	56,737	23,521	(33,216)	-58.54%
Office Contracts	78,103	112,029	94,573	(17,456)	-15.58%
Communications	10,544	7,434	9,291	1,857	24.99%
Meals-Contract Food Service	710,230	529,665	432,187	(97,478)	-18.40%
Meals-Other	225,957	87,164	181,555	94,391	108.29%
Utilities	338,374	273,757	302,605	28,848	10.54%
Professional Services	75,694	48,270	24,512	(23,758)	-49.22%
Reimbursement to E & G	502,500	456,000	372,000	(84,000)	-18.42%
Bond Principal & Interest	-	-	-	-	0.00%
Maintenance & Repair	11,250	20,397	6,594	(13,803)	-67.67%
Other Expense	198,980	191,010	258,357	67,347	35.26%
<b>Total Operations</b>	<u>2,832,638</u>	<u>3,055,907</u>	<u>2,174,074</u>	<u>(881,833)</u>	<u>-28.86%</u>
<b>Total Auxiliary</b>	<u>\$ 3,889,901</u>	<u>\$ 3,849,446</u>	<u>\$ 3,021,249</u>	<u>\$ (828,197)</u>	<u>-21.51%</u>

**Truman State University Foundation**  
**Statement of Net Position**  
**August 31, 2020 Compared to August 31, 2021**

	<u>31-Aug-20</u> <u>FY21</u>	<u>31-Aug-21</u> <u>FY22</u>	<u>Change</u> <u>FY21 to FY22</u>
<b>Current Assets</b>			
Cash	\$ 134,874	\$ 347,809	\$ 212,934
Short Term Investments	6,066,391	5,951,684	(114,707)
Interest Receivable	59,827	69,556	9,729
Loans Receivable, net of allowance	189,738	191,888	2,150
<b>Total Current Assets</b>	<u>6,450,830</u>	<u>6,560,936</u>	<u>110,106</u>
<b>Non-Current Assets</b>			
Investments	57,503,174	70,584,217	13,081,043
Loans Receivable, net of allowance	635,210	427,105	(208,105)
Cash Value of Life Insurance	145,222	139,098	(6,124)
<b>Total Non-Current Assets</b>	<u>58,283,605</u>	<u>71,150,420</u>	<u>12,866,815</u>
<b>Total Assets</b>	<u>\$ 64,734,435</u>	<u>\$ 77,711,356</u>	<u>\$ 12,976,921</u>
<b>Current Liabilities</b>			
Accounts Payable	\$ 205,988	\$ 140,328	\$ (65,660)
Refundable Advance	15,360	16,012	652
Annuities & Trusts Payable	64,821	79,459	14,638
<b>Total Current Liabilities</b>	<u>286,169</u>	<u>235,800</u>	<u>(50,369)</u>
<b>Non-Current Liabilities</b>			
Annuities & Trusts Payable	473,029	433,016	(40,013)
<b>Total Non-Current Liabilities</b>	<u>473,029</u>	<u>433,016</u>	<u>(40,013)</u>
<b>Total Liabilities</b>	<u>\$ 759,198</u>	<u>\$ 668,816</u>	<u>\$ (90,382)</u>
<b>Net Position</b>	<u>\$ 63,975,237</u>	<u>\$ 77,042,540</u>	<u>\$ 13,067,303</u>

**Truman State University Foundation**  
**Statement of Revenues, Expenses & Changes in Net Position**  
**August 31, 2020 Compared to August 31, 2021**

	<u>31-Aug-20</u> <u>FY21</u>	<u>31-Aug-21</u> <u>FY22</u>	<u>Change</u> <u>FY21 to FY22</u>
<b>Operating Revenue</b>			
Interest on Student Loan Receivable	\$ 3,608	\$ 3,096	\$ (511)
Total Operating Revenues	<u>3,608</u>	<u>3,096</u>	<u>(511)</u>
<b>Operating Expenses</b>			
Scholarships	478,995	521,631	42,635
Supplies & Other Services	103,326	143,897	40,571
Travel Expense	364	516	151
Other Expense	17,761	72,260	54,499
Total Operating Expenses	<u>600,446</u>	<u>738,303</u>	<u>137,857</u>
<b>Operating Gain (Loss)</b>	<b><u>(596,839)</u></b>	<b><u>(735,207)</u></b>	<b><u>(138,368)</u></b>
<b>Non-Operating Revenues (Expenses)</b>			
Contributions	728,498	131,593	(596,905)
Interest & Other Distributions	90,082	29,198	(60,884)
Realized Gain (Loss)	4,490,105	4,072,220	(417,886)
Unrealized Gain (Loss)	(905,456)	(2,612,288)	(1,706,833)
Other Non-Operating Income	5,701	20,062	14,361
Other Non-Operating Expense	(44,114)	(52,605)	(8,491)
Net Non-Operating Revenues (Expenses)	<u>4,364,816</u>	<u>1,588,179</u>	<u>(2,776,637)</u>
<b>Income before other Revenues, Expenses, Gains, Losses &amp; Transfers</b>	<b>3,767,977</b>	<b>852,973</b>	<b>(2,915,005)</b>
Additions to Permanent Endowments	63,655	56,557	(7,098)
Transfers to Education & General for Administration	(19,883)	(19,883)	-
Transfers to Education & General	(80,760)	(56,872)	23,888
Transfer to Auxiliary - Other	-	(1,018)	(1,018)
Transfer to Capital Fund - Plant	<u>(55,556)</u>	<u>(58,461)</u>	<u>(2,905)</u>
Increase (Decrease) in Net Assets	<b><u>3,675,433</u></b>	<b><u>773,296</u></b>	<b><u>(2,902,138)</u></b>
Net Position, Beginning of Year	60,299,803	76,269,244	15,969,441
<b>Net Position Ending Balance</b>	<b><u>\$ 63,975,237</u></b>	<b><u>\$ 77,042,540</u></b>	<b><u>\$ 13,067,304</u></b>



**Truman State University Foundation  
Investments Schedule  
August 31, 2020 Compared to August 31, 2021**

	<u>31-Aug-20 FY21</u>	<u>31-Aug-21 FY22</u>
<b>Invested with Outside Manager</b>		
Endowed Pool	\$ 55,456,156	\$ 68,255,211
Short-Term Pool	6,066,391	5,951,684
Student Investment Fund	131,387	159,697
Long Trust	811,629	917,784
Annuities Payable - CGA	1,006,877	1,142,329
Fitzpatrick - CA CGA	68,093	75,923
Annuities Payable - FL CGA	29,031	33,274
<b>Total Investments</b>	<u><u>63,569,564</u></u>	<u><u>76,535,901</u></u>
 <b>Beneficial Interest in Trusts</b>		
 <b>Invested through Citizens Bank, Chillicothe, MO</b>		
Ludlow Trust	255,300	289,863
 <b>Invested through First Bankers Trust, Quincy, IL</b>		
Cozean Trust	365,115	398,616
 <b>Invested through Citizens Bank, Chillicothe, MO</b>		
Lyle Ingraham Trust	3,435,813	3,716,588
 <b>Total Beneficial Interest in Trusts</b>	<u><u>\$ 4,056,227</u></u>	<u><u>\$ 4,405,067</u></u>

**ITEM G**

**Academic Affairs and Student Services Committee Report**

**DESCRIPTION AND BACKGROUND**

Governor Cheryl J. Cozette, Chair of the Academic Affairs and Student Services Committee, will provide a report on the committee meeting held on October 19.

**RECOMMENDED ACTION**

This is a discussion item only.

**ITEM H**

**Budget and Capital Projects Committee Report**

**DESCRIPTION AND BACKGROUND**

Governor Nancy Gingrich, Chair of the Budget and Capital Projects Committee, will provide a report on the committee meeting held on October 19.

**RECOMMENDED ACTION**

This is a discussion item only.

**ITEM H.1**

**Construction Projects Report**

**DESCRIPTION AND BACKGROUND**

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

**RECOMMENDED ACTION**

This is a discussion item only.

**ATTACHMENT**

Construction Projects Report

## Construction Projects Report

<u>Project Name</u> <u>Cost</u>	<u>Budget</u>	<u>Approval</u> <u>Date</u>	<u>Expenditure</u> <u>to Date</u>	<u>Completion</u> <u>Status</u>	<u>Occupancy*</u>	<u>Project</u> <u>Completion</u>	<u>Final</u> <u>Project</u>
Pershing Building Renovation Project	\$4,829,000	6-30-21	\$893,104	20%	12-31-21		
Baseball Infield Synthetic Turf Project	\$ 430,000	6-30-21		0%			

\*occupancy date based on primary construction contract

**ITEM H.2****Contracts for Construction Projects and Equipment Purchases Report****DESCRIPTION AND BACKGROUND**

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

**RECOMMENDED ACTION**

This is a discussion item only.

**ATTACHMENT**

Contracts for Construction Projects/Equipment Purchases

### **Contracts for Construction Projects**

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

<u>Project Name</u>	<u>Cost</u>
None to report	

### **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 I**

**Agenda Items for Future Meetings**

**DESCRIPTION AND BACKGROUND**

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

**RECOMMENDED ACTION**

This is a discussion item only.

**ATTACHMENT**

List of Projected Agenda Items



LIST OF PROJECTED AGENDA ITEMS  
Regular Meetings of Board of Governors

December 2021 Meeting

Participation in campus events

Minutes for open session of last meeting

President's report

***Advancement report***

***Academic affairs and/or student services report***

***Enrollment management report***

Financial report

Construction projects report

Housing charges for next fiscal year

Salary policies for next calendar year

Selection of officers for next calendar year

Annual board committee appointments

Annual foundation board appointments

Dates and agenda items for future meetings

Minutes for closed session of last meeting

Personnel actions report

Paid leaves of absence for next fiscal year

Tenure review for faculty members completing their review period at end of fall semester

Annual presidential review

February 2022 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 report***

***Academic affairs and/or student services 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 2022 Meeting

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

***Advancement report***

***Academic affairs and/or student services report***

***Enrollment management report***

Annual faculty senate report  
Financial report  
Construction projects report  
Depository bank (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

June 2022 Meeting/Retreat

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

***Advancement report***

***Academic affairs and/or student services report***

***Enrollment management report***

Financial report  
Construction projects report  
State capital funds request for next legislative session  
Operating budgets for next fiscal year  
Union agreement renewal (in even numbered years)  
Dates and agenda items for future meetings  
Minutes for closed session of last meeting  
Personnel actions report  
Faculty promotion  
Faculty tenure

August 2022 Meeting

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

***Advancement report***

***Academic affairs and/or student services report***

***Enrollment management report***

Annual athletics report  
Annual staff council report

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

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

October 2022 Meeting

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

***Advancement report***

***Academic affairs and/or student services report***

***Enrollment management report***

Audit report  
Financial report  
Governmental relations services (as contract expires)  
Construction projects report  
Dates and agenda items for future meetings  
Minutes for closed session of last meeting  
Personnel actions report  
Annual presidential review committee appointments

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

**ITEM J**

**Dates for Future Meetings**

**DESCRIPTION AND BACKGROUND**

It is helpful to schedule, at least tentatively, the dates for board meetings during the next year. The tentatively scheduled dates are subject to change by the Board, but the preliminary action permits both Board members and staff members to avoid the scheduling of other activities on the targeted dates for board meetings. In addition to the regularly scheduled meetings, special meetings can be called by the 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 4, 2021, 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 5, 2022;
- Saturday, April 9, 2022;
- Saturday, June 18, 2022;
- Saturday, August 6, 2022; and
- Friday, October 7, 2022.

Moved by \_\_\_\_\_  
Seconded by \_\_\_\_\_

Vote:	Aye	Nay
Burkemper	_____	_____
Cozette	_____	_____
Christofferson	_____	_____
Dameron	_____	_____
Gingrich	_____	_____
O'Donnell	_____	_____
Miller	_____	_____

**ATTACHMENT**

Calendar of Events  
October 2021 – October 2022

**CALENDAR OF EVENTS**  
**October 2021 - October 2022**

2021

October	18-23	Homecoming Week
	22	<b>BOARD OF GOVERNORS MEETING</b>
	23	Home Football - William Jewell College
	30	Home Football - Quincy University
November	13	Admission Showcase Event
	13	Home Football - University of Indianapolis
	22-26	Thanksgiving Break (students)
	24-26	Thanksgiving Holiday
December	4	<b>BOARD OF GOVERNORS MEETING (TENTATIVE DATE)</b>
	13	Finals Week
	18	Fall Commencement
	24	Christmas Holiday
	27-29	Christmas Holiday
	30	Energy Conservation Day (campus closed)
	31	New Year's Day Holiday

2022

January	10	Spring Semester begins
	17	Martin Luther King, Jr. Day Holiday
February	5	<b>BOARD OF GOVERNORS MEETING (TENTATIVE DATE)</b>
	21	Admitted Student Event
March	7-11	Spring Break (students)
	18	Admitted Student Event
	26	Admission Showcase Event
April	1	Admitted Student Event
	9	<b>BOARD OF GOVERNORS MEETING (TENTATIVE DATE)</b>
	9	Foundation Board of Directors Meeting and Foundation Banquet (tentative)
	18	Term Break (students); Spring Holiday
	21	Student Research Conference
	23	Admission Showcase Event
May	7	Spring Commencement
	30	Memorial Day Holiday
	31	Summer Session Begins
June	18	<b>BOARD OF GOVERNORS MEETING/RETREAT (TENTATIVE DATE)</b>
July	4	Independence Day Holiday
August	6	<b>BOARD OF GOVERNORS MEETING (TENTATIVE DATE)</b>
	17	Fall Semester begins with Truman Days
September	5	Labor Day Holiday
	17	Admission Showcase Event
	24	Family Day
	24	Home Football - Tiffin University

Calendar of Events - Page 2  
October 2021 - October 2022

October	3-8	Homecoming Week
	7	<b>BOARD OF GOVERNORS MEETING (TENTATIVE DATE)</b>
	8	Home Football - Missouri University of Science and Technology
	13-14	Mid-Term Break (students)
	15	Home Football - Southwest Baptist University
	22	Admission Showcase Event

**ITEM K**  
**Agenda Items for Closed Session**

**RECOMMENDED ACTION**

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

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

Moved by \_\_\_\_\_  
Seconded by \_\_\_\_\_

	Aye	Nay
Vote: Burkemper	_____	_____
Cozette	_____	_____
Christofferson	_____	_____
Dameron	_____	_____
Gingrich	_____	_____
O'Donnell	_____	_____
Miller	_____	_____