



SOUTHEAST MISSOURI

STATE UNIVERSITY • 1873[®]

BOARD OF REGENTS MEETING*

9:00 a.m., Friday, December 18, 2020

UC Ballroom

**Via LiveStream at <https://semo.edu/board/live-meeting>
or <https://semo.edu/board/>**

[Open Session Agenda](#)

Welcome, Roll Call, and Call to Order

ACTION ITEMS:

Attachment

- | | |
|--|---|
| 1-O. Review and Approve Consent Agenda | |
| 1A. Consideration of Approval of Minutes for: <ul style="list-style-type: none">• Open Session Meeting of September 28, 2020 | A |
| 1B. Consideration of Approval of Appointment to the Show Me Center Board of Managers | B |
| 1C. Consideration of Approval of Appointments to Missouri Innovation Corporation Board of Directors | C |
| 1D. Consideration of Approval of Appointment to the River Campus Board of Managers | D |
| 1E. Consideration of Approval of Conferring Degrees for Summer & Fall 2020 | E |
| 1F. Consideration of Approval of Academic Program Changes: <ul style="list-style-type: none">• College of Education, Health, and Human Studies: New Degree – MS Applied Nutrition• College of Education, Health, and Human Studies: New Certificate – Post Master’s Certificate Psych-Mental Health Nurse Practitioner• College of Education, Health and Human Studies: New Certificate – Post Master’s Certificate Nurse Educator Certificate | F |

	Attachment
2-O. Consideration of Approval of revised fee structure for Premium Immersion and Online Intensive English programs	G
3-O. Consideration of Acceptance of Annual Audits from Rubin Brown for Year Ending June 30, 2020 <ul style="list-style-type: none">• Annual Financial Report• Single Audit Report on the Schedule of Expenditures of Federal Awards• Systems Facilities Financial Report• Report on NCAA Independent Auditor's Report on Agreed Upon Procedures	H
REPORT ITEMS:	
4-O. University President's Report	<i>verbal</i>
5-O. Department Update – Information Technology	<i>verbal</i>
6-O. Report from Student Government Representative	<i>verbal</i>
7-O. Report from Faculty Senate Chair	<i>verbal</i>
8-O. Progress Report on Contracts and Facilities Management Projects	I
9-O. FY21 Operating Budget to Actual Report	J
10-O. Consideration of Motion for “Closed Session for Appropriate Considerations:” <ul style="list-style-type: none">A. RSMo 610.021.1 -- pertaining to legal actions, causes of action or litigation involving a public governmental body and confidential/privileged communications between the Board and its attorneysB. RSMo 610.021.3 -- pertaining to the hiring, firing, disciplining or promotion of personnel	
ACTION ITEM:	
11-O. Reconvene Open Session	
12-O. Announcement of Actions Taken in Closed and Closed Executive Session	
13-O. Consideration of Approval of naming the Redhawks Athletics tennis facility the “John C. Bierk Tennis Complex”	K

	Attachment
14-O. Consideration of Approval of Amended Board of Regents By-Laws	L
15-O. Consideration of Approval of Program Prioritization Recommendations	M
16-O. Election of Board of Regents Officers	<i>verbal</i>
A. President	
B. Vice President	

REPORT ITEM:

17-O. 2021 Board of Regents Meeting Dates	N
18-O. Consideration of Motion to Adjourn Board of Regents Meeting	

**MINUTES OF THE OPEN SESSION
OF THE
SOUTHEAST MISSOURI STATE UNIVERSITY
BOARD OF REGENTS
HELD ON THE
TWENTY-FIFTH DAY OF SEPTEMBER 2020**

The Board of Regents for Southeast Missouri State University convened Open Session on Friday, September 25, 2020, at approximately 9:05 a.m., in the University Center Ballroom, on the campus of Southeast Missouri State University. Mr. Edward P. Gargas, President of the Board of Regents called the meeting to order. Regents present were: Mr. Edward P. Gargas, President of the Board of Regents; Ms. Tina L. Klocke, Vice President of the Board of Regents; Mr. Phillip M. Britt; Mr. James P. Limbaugh; Mr. Vivek Malik; Mr. Lloyd F. Smith; and Ms. Lauren Kohn, Student Representative to the Board of Regents. Regents Limbaugh and Malik participated via Zoom web conference. Quorum having been established, Board President Gargas welcomed those in attendance and outlined the Board's various agendas for the meeting.

Also present were: Dr. Carlos Vargas, President of Southeast Missouri State University; members of Executive Staff, Dr. Mike Godard, Dr. Debbie Below, Mr. Brady Barke, Dr. Trudy Lee, Dr. Brad Sheriff and Ms. Sonia Rucker. Dr. Laura Hatcher representing Faculty Senate, Mr. Logan Phillips representing Student Government, Coach Tom Matukewicz representing Redhawks Football, and student presenter Andy Behrmann also attended. Ms. Kathy Mangels, Board Treasurer; Mr. Christopher R. Martin, Board Secretary; and Mr. Al Spradling, Legal Counsel were present too. Board President Gargas presided.

SWEARING IN CEREMONY

Board President Gargas welcomed and acknowledged, Ms. Lauren Kohn, Student Representative to the Board of Regents, for her formal ceremonial swearing in. Before The Honorable Abbie Crites-Leoni, United States Magistrate Judge for the United States District Court for the Eastern District of Missouri, administered the Oath of Office, Board President Gargas offered the following remarks:

This morning we are pleased to formally welcome Lauren E. Kohn of Fenton, as the new Student Representative to the Board of Regents. Before we administer the Oath of Office, I would like to share with you some brief background on Lauren.

Ms. Kohn was appointed as Student Representative to the Board of Regents by Governor Michael L. Parson in June, for a two-year term ending January 1, 2022. Sponsored by Senator Wayne Wallingford, she had her confirmation hearing on August 5 and was subsequently confirmed by the Missouri Senate.

Ms. Kohn is a senior pursuing a Bachelor of Science in Business Administration with finance major and Spanish minor. She is member of the Jane Stephens Honors Program, and the Finance and Economics Club. In addition, she is an

Emerging Leaders graduate, First Year Leadership Program fall 2019 facilitator, and member of the Residence Hall Association. During her time at southeast, she has been a resident of the Business Learning Community and Entrepreneurship Learning Community.

Lauren is a graduate of Cor Jesu Academy in Affton, Missouri, where she was a member of the cross country team, Principal's Council and Spanish Club. She has been a volunteer for the Luke 18 Youth Group Retreat and the Appalachia Service Project. She is joined here today by her parents Tim and Barb Kohn, grandparents Frank and Pat Kohn and brother Garrett Kohn.

Please help me welcome Lauren to the Board of Regents.

To help us administer the Oath of Office this morning, we are delighted to have with us The Honorable Abbie Crites-Leoni, United States Magistrate Judge for the United States District Court, Eastern District of Missouri.

Judge Crites-Leoni graduated from Southeast Missouri State University in 1993 with a Bachelor of Arts with majors in Spanish and theatre and dance. While a student at Southeast, she was a member of the Emerging Leaders, the Honors Program, University Players and the Black Mask honorary dramatic society. She also served as a Presidential Ambassador and member of the university's Leadership Board.

Judge Crites-Leoni earned a law degree from Southern Illinois University-Carbondale and worked as an Assistant U.S. Attorney for the Eastern District of Missouri for 14 years prior to being sworn in as a U.S. Magistrate Judge in February 2014.

Crites-Leoni is the Immediate Past President of the Southeast Missouri State University Alumni Association Board of Directors. She is a founding Redhawks Level member of the Alumni Association, a member of the Copper Dome Society and recipient of the Alumni Association's Young Alumni Merit Award in 2008. Judge Crites-Leoni, thank you for being here today.

At this time, we will now call up Judge Crites-Leoni to administer the Oath of Office.

Ms. Kohn, will you please come forward, and Judge Crites-Leoni would you please administer the Oath of Office?

Please join me again in congratulating Lauren.

CONSIDERATION OF APPROVAL OF MINUTES

Board President Gargas introduced consideration of approval of the Open Session minutes from the June 22, 2020, July 17, 2020 and August 11, 2020 Board of Regents meetings. [Attachment A]

A motion was made by Regent Britt and seconded by Regent Smith to approve the open session minutes of June 22, 2020, July 17, 2020 and August 11, 2020 [Attachment A]. The motion carried unanimously.

CONSIDERATION OF APPROVAL OF SPECIAL COURSE

Board President Gargas called upon Ms. Kathy Mangels, out-going Vice President of Administration and Finance, to present a motion to approve a course fee effective Spring 2021 semester. [Attachment B].

Ms. Mangels directed the Board to the materials in Attachment B and outlined the information in Attachment 1 that outlined transferring an existing course fee to a renumbered course and attaching a \$16 course fee to a spring course. Further, she noted that the course fee will allow Masters of Science in Nursing – Family Nurse Practitioner students to have two full years of insurance coverage purchased on their behalf by the department.

A motion was made by Regent Klocke and seconded by Regent Britt to approve a course fee effective Spring 2021 semester [Attachment B]. The motion carried unanimously.

UNIVERSITY PRESIDENT'S REPORT

Board President Gargas called upon University President Vargas to deliver his University President's Report. University President Vargas shared that his report would focus in three areas: (1) University Updates; (2) Spring 2021 semester; and (2) COVID-19.

With regard to updates on University initiatives, University President Vargas offered the following:

- Southeast Missouri State University has been recognized among the top 100 best regional universities in the Midwest, according to the 2021 U.S. News & World Report Best Colleges rankings. Southeast is ranked 76th among the best regional universities in the Midwest, up two places from its 2020 ranking. Only one other Missouri public institution is ranked ahead of Southeast on this list. The rankings also listed Southeast as the 16th best public school among Midwestern regional universities. The University has been consistently ranked by U.S. News & World Report since 1993.
- Southeast Missouri State University has been recognized among the best regional universities in the Midwest, according to The Princeton Review. The education services company lists Southeast in the "Best in the Midwest" section of its "2021 Best Colleges: Region by Region" list. Southeast is one of 158 schools and one of only five public institutions in Missouri named a "Best in the Midwest" school.

- Codefi and Southeast Missouri State University have entered into a partnership to provide additional education, training and support to aspiring and practicing entrepreneurs. The collaborative efforts are made possible by a financial contribution from Codefi to the Southeast Missouri University Foundation that will supplement existing resources to provide additional experiential learning opportunities to students, as well as research and consulting services to the companies located at Codefi and others they support across southeast Missouri.
- carGO Technologies and Southeast Missouri State University recently launched “SEMO on the GO”, a new on-demand food and ride share service. The partnership brings together entities from public and private sectors to offer SEMO students, faculty and staff added convenience when carrying out daily routines. The “SEMO on the GO” app allows users to order ahead or request delivery from participating restaurants. Ride share services are also available. The app has been branded to reflect carGO’s partnership with the University and both organizations are continuing to explore the possibility of introducing additional enhancements through the app in the months ahead.
- Kathy Harper, an experienced communications and marketing leader, has been named director of University Communications at Southeast Missouri State University. Ms. Harper was selected following a national search and will begin her position on September 28. Ms. Harper brings extensive higher education experience to Southeast, having served in various roles at the University of Florida and the University of Wisconsin. She replaces Ms. Ann Hayes, who retired as director of University Communications on July 31.
- On September 11, Southeast observed Patriot Day in remembrance of the fallen who lost their lives during the attacks of Sept. 11, 2001. As part of the event, a flag ceremony was held in front of Academic Hall that included the Southeast Missouri State University Horn Studio performing the “The Star Spangled Banner” as Show-Me Gold program participants lowered the flag to half-staff. “Taps” was played by assistant professor of trumpet Dr. Kevin Tague, followed by a moment of silence. The ceremony took place amid a backdrop of 2,977 American flags placed in the lawn of Academic Hall by students and staff, the Office of Military and Veterans Services and Show-Me Gold and Air Force ROTC Detachment 205 cadets.
- The Harrison College of Business and Computing has submitted the continuous improvement report (CIR) to the Association to Advance Collegiate Schools of Business (AACSB) on August 15, 2020. This report, outlines the mission and situational analysis of the college’ business programs, a Strengths/Weaknesses/Opportunities/Threats (SWOT) outline, the deployment and intellectual contributions of business faculty as well as a section on assurances of learning strategy and results. The AACSB also requires that the CIR include examples of the College’s engagement, impact and innovation. An AACSB peer-review team (PRT) will conduct a virtual visit of the College from October 18-20. The team will make an unofficial recommendation on October 20 to reaccredit the HCBC business programs, to delay the reaccreditation decision or to remove AACSB accreditation. The official decision will be made by the AACSB board in March 2021.
- The Holland College of Arts and Media is continuing to make adjusts to its programming in response to COVID-19. Some productions have been changed from live performance in the theatres to a streaming opportunity for audience members. For example, *The*

Wolves, originally set for production in the Rust Flexible Theatre, will be filmed and streamed. *9 to 5* will occur live, but in front of a reduced audience of 25% in the Bedell. Art galleries have opened shows with guests socially distancing, artists doing Zoom art talks, and the Fault Line Film Festival is discussing a virtual festival again this year.

- The College of Education, Health, and Human Studies is continuing to navigate around significant challenges when it comes to field experiences and student-teaching experiences due to restrictions set by school districts. To allow these experiences to continue without university supervisors being required to enter school buildings, the college purchased software which allows for students to upload videos and supervisors to comment and mark videos as well as to score the videos.
- Kent Library remains accessible to Southeast's students, faculty, and staff. Community users have access to an online request form or on-demand pulling for titles they want. In June, Kent Library started a curbside pick-up of books and other materials service and curbside pick-up is continuing this fall when users request.
- The Office of Graduate Studies has processed appointments for 149 graduate assistantships for AY21, 129 funded by Graduate Studies and 20 funded either by departments or through grants and external funding. Dr. Doug Koch, Vice Provost, was appointed Vice Provost and Dean of Graduate Studies is currently working with the University President, Provost, departments, and the academic programs across campus to establish goals and timelines for growing our graduate enrollments and continuing to provide opportunities for our students.
- After a vacancy in the Dual Credit Director position, and to meet 12.5% budget reductions, the Director position was combined with the Southeast Online Director to create a Director of Southeast Online and Dual Credit. The administrative assistant position for Dual Credit has been expanded to fulltime and additional support for the area is planned.
- In Southeast Online, progress is being made toward implementation of Canvas, the new learning management system. This fall, new faculty are piloting the system in their courses. All courses will transition to Canvas in Spring 2021.
- The Office of Career Services has partnered with Career Fair Plus to bring students its first Virtual Career Expo from 9 a.m. to 3 p.m. on Wednesday, September 30. Approximately 30 local, regional and national employers are registered to meet Southeast students of all majors during this year's virtual event.
- One example of an action taken by Southeast to support student success is the creation of the Peer Advisor Support at Southeast (PASS) program. PASS provides new students with a supportive relationship with a Peer Advisor, which includes: guidance, practical advice, and ways to connect to the campus. A peer advisor is an undergraduate student employed in Academic Advising. The peer advisor meets individually one-on-one at least twice a semester with each student and communicates via email or messaging on a weekly basis. The program began in fall 2019 with a cohort of 84 students who had less than a 21 ACT and less than a 3.0 GPA. During the three year period prior to the PASS program, an average of 58.6% of students in this test score and GPA range were retained to the second year. During the first year of PASS, 67.9% of the cohort returned for a second year, marking an increase in the return rate of nine percent. A full-time academic

advisor has been reassigned to manage the PASS program in fall 2020. For fall 2021, all beginning freshmen with less than a 3.0 cumulative high school GPA will be encouraged to participate in PASS.

- Southeast Missouri State University has been awarded a \$1.9 million TRIO Student Support Services (SSS) grant from the U.S. Department of Education. The grant provides comprehensive services including academic tutoring, financial aid advice, career and college mentoring, help applying for graduate school, assistance in course selection and financial literacy. The funding will be used to support 200 Southeast students annually over a five-year period through the University's Academic Support Centers. Southeast was awarded its first SSS program grant in 1990. The new grant marks the eighth funded SSS proposal for Southeast, representing 30 years of consecutive funding to support limited income, first-generation students and/or students with disabilities. Southeast earned a perfect score for its grant proposal, recognizing the effective and efficient running of the University's TRIO Programs during its previous grant cycle from 2015-2020. This is the third time the University has earned a perfect score.
- Purchasing is evaluating a proposal received in response to an RFP for Professional Pilot Management. The successful provider will support the University's recently approved Professional Pilot bachelor's program that is scheduled to begin in fall 2021. Upon completion of reference checks, Purchasing will continue with its review of the proposals and pursue final negotiations with the potential provider as appropriate.
- For the third year running, students from Southeast Missouri State University have won scholarships from the St. Louis American Foundation and Anheuser-Busch. This year the University had three applicants and all three won; last year there were five and all five won and have graduated from the University. The recipients include Isaiah Collins and Ezarion Grant who each won a St. Louis American Foundation Scholarship valued at \$2,500 and includes a new laptop, Chromebook or iPad; and Marshall Jones, a TRIO/McNair student, who won an Anheuser-Busch Better World Scholarship valued at \$3,500 for upper class students in targeted majors. Isaiah, Ezarion and Marshall join Jordan Noble, Lift for Life Academy Valedictorian and current Southeast student, as the 2020 Dr. Donald L. Suggs Scholar with a full tuition scholarship.
- Southeast Missouri's Department of Athletics and its Student-Athlete Advisory Committee (SAAC) have revealed a voting initiative for student-athletes and the SEMO community to engage in the 2020 national, state and local elections. The initiative is aimed at raising awareness on the importance of voting to those across campus and to members of the community, particularly first-time voters. An informational website has been developed as an educational tool that includes detailed voting registration, absentee ballot information and nonpartisan candidate informational links. In addition, the Department of Athletics will not hold any team activities on Election Day (Nov. 3) so that student-athletes and staff members have every opportunity to make an impact through voting and volunteering in the community. Additional information can be found online via gosoutheast.com.
- Southeast Missouri's 2020 Athletics Hall of Fame Class has been set. This year's class includes Lance Brune (Football, 1970-1973), Edgar Jones (Football, 2003-2006), Sherry Mitchell (Women's Basketball, 1987-91), Lana Richmond (Softball Coach, 1982-2014),

Lorenz "Red" Williams, deceased (Athletic Trainer, 1967-83) and the 1986-87 Women's Basketball team. Details for this year's induction event will be announced at a later date.

- A record 58 teams participated in the 37th Annual Charlie Brune Golf Classic on September 14 at Cape Girardeau Country Club. All proceeds from the event support Southeast's Department of Athletics.
- Southeast men's basketball program will host a free virtual Redhawk Roundtable event on Wednesday, October 7 from 7-8 p.m. The Redhawk Roundtable will feature a coaches discussion with the SEMO staff and other guest speakers.
- Southeast Missouri and Southern Illinois University Carbondale will play the "War for the Wheel" football game in Carbondale on Friday, October 23. Kickoff is set for 6 p.m., CT, at Saluki Stadium. The game will count toward the 2020-21 season record and be used by the selection committee when determining the proposed 16-team playoff field. The Redhawks and the Ohio Valley Conference expect to play a seven-game spring season, followed by the FCS Playoffs. This year's "War for the Wheel" game marks the 88th meeting between SEMO and SIU in a series that dates back to 1909 when the teams crossed the Mississippi River by boat to play.
- On September 2, the SEMO football team, coaches and staff met with three veteran law enforcement officials for a social justice education seminar at the Show Me Center. Players and coaches engaged in open dialogue with Cape Girardeau Chief of Police Wes Blair, SEMO Assistant Director of Public Safety Captain Ken Gullett and former Redhawks defensive lineman Brandon McCrary, who works for the St. Louis County Jennings Department. Football student athletes submitted questions on a variety of topics ranging from diversity, why officers choose to serve their communities and what to do if situations arise in which you are involved with law enforcement, such as routine traffic stops. Following the hour-long session, student-athletes, coaches, staff and law enforcement officials socialized and ate ice cream together.
- The Veterans Plaza will be formally dedicated this afternoon. It was made possible by nearly 230 donors who contributed gifts or in-kind services exceeding \$100,000. We are anticipating guests from southeast Missouri, St. Louis, as well as throughout the country including Washington, DC, Colorado and Florida.
- University Advancement will again coordinate TAG Week (Thank A Giver), which will be celebrated October 26-30. During that week, students will be placing signage across campus to designate facilities made possible by our generous donors.
- Alumni and donors are invited to join us for a virtual event honoring members of the Copper Dome Society, 2020 Alumni Merit Award Recipients, and the 2020 Friends of the University on Thursday, October 29, 2020, at 5:30pm. Registration for the virtual event can be found at semo.edu/CopperDome.

With regard to the Spring 2021 semester, University President Vargas outlined a proposal, that, if implemented by the University, would result in adjustments to the spring calendar such as starting one week later and eliminating spring break. University President Vargas noted that the same analysis and considerations taken into account for adjusting the fall semester are being used to evaluate the spring semester, and that representatives from the Cape Girardeau Public Health Center would be supportive of any changes. He noted that conversations are on-going, and that while Faculty Senate and Student Government had given some feedback, the analyse with these groups and the Emergency Response Team would continue before a final decision is made.

With regard to COVID-19, University President Vargas shared that the University had recently launched a new data dashboard on its COVID information webpage.

During discussion, Regent Britt shared his appreciation for the actions being taken to respond to COVID-19 and noted positive comments made to him by faculty and other stakeholders about the student and University response. He also commended the students for their role in helping the University navigate the pandemic acknowledging that they have been inconvenienced as a result of some of the actions taken, yet they remain committed to their studies. Board President Gargas echoed many of the same sentiments.

STUDENT PRESENTATION

Board President Gargas called upon University President Vargas to introduce the Student Presentation. University President Vargas introduced Mr. Andy Behrmann. He stated that Mr. Behrmann is from Belleville, Illinois, and he is a senior double majoring in Biology and Chemistry. University President Vargas further noted Mr. Behrmann is currently serving as the lead research assistant at Cardiac Tissue Mechanics Laboratory, and research assistant at Nano-Bioengineering Laboratory and X-Ray Crystallography Laboratory all located in Cape Girardeau. Mr. Behrmann has also served as a research assistant at *D. melanogaster* Telomere Laboratory located in Cape Girardeau, he is a resident assistant at Cedarhurst Assisted Living located in Waterloo, Illinois, and serves as a Senior Learning Assistant with University Tutorial Services on campus. University President Vargas shared that Mr. Behrmann is the recipient of the President's Spirit of Southeast Award and is a member of Theta Xi Fraternity and President's Leadership Academy.

In his remarks, Mr. Behrmann noted that he did not originally plan to attend Southeast Missouri State University; however, after he learned more about the University and received a financial aid package, the decision became relatively easy. At first, he noted, that he did not plan to be involved in campus life at Southeast, but having participated in Greek Life, he thinks that Southeast's Greek Life system is one of the best. Mr. Behrmann also talked about his work with faculty on research, and his role as a tutor. He acknowledged the important role faculty play in the University stating that his work with faculty has been one of the coolest things he's done and it has helped him identify the professional path he wants to pursue. Closing his remarks, he talked about the importance of having the right equipment in science labs and proper investment in faculty so that the University can maintain opportunities for future students, just like the ones he's benefited from.

Following Mr. Behrmann's remarks, he engaged the Board in discussion. Regent Malik asked him his plans after graduation, to which Mr. Behrmann responded he plans to stay in Cape Girardeau to continue his research endeavors before pursuing medical school in fall 2021. Regent Limbaugh encouraged Mr. Behrmann to network with the local medical community in Cape Girardeau. Regent Smith asked Mr. Behrmann to elaborate on his comments about lab equipment and investment in faculty. In reply, Mr. Behrmann stated that both topics – equipment and faculty – are ones his peers feel are important too, and added that if the University does not have proper equipment and the right faculty then students will not enjoy the same experiences he

has, which could be a detriment to them in their professional pursuits. Concluding discussion, Regent Britt and Board President Gargas both thanked Mr. Behrmann for his remarks and wished him well in his future work.

STUDENT GOVERNMENT PRESENTATION

University President Vargas introduced, Mr. Logan Phillips, President, Southeast's Student Government Association (SGA) to provide an update.

Mr. Phillips thanked University President for the introduction and shared that since the last Board of Regents meeting he attended, the SGA has appointed its Executive Board, filled Committees, and conducted two meetings. He noted that this year is the first time in two years that SGA has all of the Senate seats. Mr. Phillips commented that SGA is working with Information Technology to explore the feasibility of a mass text messaging system to better keep students informed and they are looking at how SGA can better support and enhance student involvement on campus. He informed the Board that SGA's Diversity and Inclusion Committee is working with Vice President and Dean of Students, Ms. Sonia Rucker, on a couple of initiatives, particularly the student involvement initiative. Mr. Phillips closed by saying that SGA will be continuing several initiatives from previous years, including its events and outreach with the Department of Public Safety.

Following the remarks, Mr. Phillips and the Board engaged in discussion. Regent Klocke asked him to give the Board a sense of the attitude of students on campus in light of COVID-19 and the adjustments that have been made. In response, Mr. Phillips shared that students are paying attention to the number of cases on campuses and as the semester goes on some students have shared a belief that there will be a calming of nerves. However, he noted that students are anxious and stressed, in part because of the fall calendar adjustments that were made, and that as SGA works with University leaders on a plan for the spring 2021 student mental health will be something they ask to be considered. Concluding discussion, several Board members asked Mr. Phillips to extend their appreciation to the student body for the way in which they've responded and adapted since March and they wished him and all students well for the remainder of the semester.

FACULTY SENATE PRESENTATION

University President Vargas introduced, Dr. Laura Hatcher, Chair-Elect of Faculty Senate to provide an update. University President Vargas shared that Dr. Hatcher was representing Faculty Senate Chair, Dr. Diane Wood, who was unable to attend the meeting due to teaching responsibilities.

In presenting to the Board, Dr. Hatcher stated:

The Faculty Senate convened this fall with several challenges. In addition to being the first Senate at Southeast to begin a new school year during a pandemic, we are also tasked with assisting in the academic prioritization process. This has meant that the Senate has had to jump into its role on campus far more quickly

than we usually do, working with the administration even before the semester began to support our colleagues and community as we navigate these uncharted waters.

In addition to supporting our colleagues as they learned to use new technologies and format their classes in new ways to meet classroom safety guidelines, Senators from throughout campus are also providing a voice for Faculty this fall semester. With the help of all the legislative committee chairs of the Senate, we were able to gather comments from all academic departments on campus and provide the Emergency Response Team with a broad overview of how the opening of fall semester proceeded. This also provided us with an opportunity to provide feedback about both the needs of the faculty and the needs of our students as we move forward into spring semester.

I would like to take a moment here to mention that during the process of gathering feedback from the faculty, the Senators and their departmental colleagues expressed a great deal of gratitude for the hard work of particular offices and individuals on campus. These include Facilities Management and the Department of Public Safety, both of whom have faced daunting tasks and have worked extremely hard to keep the entire campus community safe. Faculty also expressed appreciation for the hard work of the members of the Emergency Response Team and the university administration who, over the summer and into fall semester, continue to make very difficult decisions to keep our campus community as safe as possible. The Dean of Students, Sonia Rucker, has also been very patient and supportive of faculty as we learn to navigate the differences between quarantine and isolation, and learn to support our students who are facing their own challenges related to COVID, economic recession, and the difficulty of making career plans during a pandemic. Last, but far from the least, we deeply appreciate our students for abiding by our safety regulations on campus and for being patient with their professors as we fumble with new technology and new classroom practices.

I am very pleased to report that the Senate's Executive Committee and our committee chairs continue to have an excellent working relationship with the administration and especially with Provost Godard and his office. Dr. Godard has been, as he always is, an excellent leader for Academic Affairs, and a mentor for all faculty across campus. His guidance and willingness to brainstorm ideas this fall has been indispensable as we worked through challenges in the classroom, in our advising, and in our various roles on campus. The general assistance we receive from the Provost Office has been a big help in this challenging semester.

That brings me to the major task of Faculty Senate this fall.

As you all know, we are going through a process of academic prioritization. While we do have some bills that we will be working on after we finish prioritization, because we want to make sure we do a good job with our program

reviews, the Faculty Senate Executives decided to slow our legislative work so that all Senators could focus on this process. The Senate is playing an important role in this. In our regular session meeting on October 28th, we will suspend our regular order of business to convene as a program review committee. All legislative committees, as well as the Johnson Center committee, will be involved in this program review process (a total of six committees). Each of these committees, as our committees always do, has one person from each college within its membership.

We have spent the first few weeks of the semester working closely with the Provost and Vice Provost on this process. Together, we have developed guidelines for the committees as they review the reports they receive. The Senate Executives and the legislative committee chairs have already received training on how to evaluate the program review reports. We will be training the senators on the committees in this process over the next few weeks. Each of the committees will be tasked with reviewing around twenty prioritization reports that have been submitted by programs throughout campus. Within fifteen days we will complete our reviews and deliver our reports on each of these plans to the Provost for his review. After we have completed our work, we will resume our regular order of business on November 18th.

Opening the campus, learning to teach during a pandemic, and working through the prioritization process has been the bulk of our work so far this semester. Trust me when I tell you... we look forward to resuming regular business as soon as possible.

Following her remarks, Dr. Hatcher engaged with the Board in discussion. Regent Klocke thanked Dr. Hatcher for her report and asked her to convey the Board's appreciation to the faculty for all they doing to support students and assist the University in its COVID response.

Regent Limbaugh stated that he was pleased to hear Dr. Hatcher describe a good relationship between faculty and Administration and asked her to describe how the semester is going. In reply, Dr. Hatcher shared that faculty have had to rethink how they teach and that while there has been a lot of stress, faculty are still working hard to serve students. She continued by stating that faculty are working to be as innovative and interactive as possible and that there are things faculty are learning along the way, such as new applications and processes that may provide an opportunity for continued use in the future.

Regent Smith asked how faculty and certain demographics of students, such as nontraditional students, are responding to the use and reliance of technology. Responding to the question, Dr. Hatcher shared that everyone seems to be adapting in their own way and based on their own circumstances. She noted that technology though is not the only obstacle students are working to overcome, but also personal issues such as elder care, childcare, and work schedules, which have all been impacted by COVID-19. To address these, Dr. Hatcher commented that faculty encourage all students to be overly communicative so that proper support can be provided.

Student Representative Kohn provided a thank you to faculty on behalf of all students and asked Dr. Hatcher for Faculty Senate's opinion on HyFlex classes. Dr. Hatcher commented that Faculty Senate has not explicitly discussed HyFlex as a group, however, she shared that some faculty have approached her individually with mixed reviews. She noted though that this is the first semester for such classes and that in and of itself is not enough time to make an informed decision about its success and viability, and encouraged the University to continue analyzing the offering.

Regent Britt asked how interaction with students is working since they are not all in the classroom. In response, Dr. Hatcher shared her belief that overtime people have gotten more comfortable with tools such as Zoom and Teams and that in some instances it seems students are more interactive virtual settings.

Regent Limbaugh and Board President Gargas closed discussion by thanking Dr. Hatcher for her time and again asking that she share the Board's appreciation to faculty for all that they are doing.

DEPARTMENTAL PRESENTATION

University President Vargas introduced, Mr. Tom Matukewicz (Coach Tuke), Head Coach, Redhawks Football to provide an update to the Board of Regents.

Coach Tuke shared some background on him and his family and then proceeded to reflect on his time at Southeast Missouri State University. He commented that the goal and mission of Redhawks Football is simple, "use the sport to make better men." Coach Tuke stated that his approach is very personal because as a first generation college student who was impacted by his coaches, he believes it is vital that every student knows they have someone that believes in them and that if he wants a better team or the University wants better students, there is a responsibility to help everyone at Southeast be better people. He shared the importance of recruiting locally and regionally and commending the faculty and staff at Southeast saying they are the most important people on campus. Coach Tuke talked about the importance of investing in the institution at all levels – academics, programs, infrastructure, and athletics – and he closed by thanking the Board of Regents and University Administration for their support of the University and Redhawks Athletics.

During discussion, Regent Britt asked Coach Tuke how his players are responding to the pandemic to which he responded by talking about the importance of communication and encouraging people to speak up. Regent Limbaugh praised Coach Tuke for their involvement in the community, noting that Coach Tuke is not just coaching students on the field but in and through life too. Coach Tuke thanked the Board again for their time and the comments made and concluded by acknowledging Mr. Brady Barke, Director of Athletics, and the great work he has done for Redhawks Athletics and Southeast's student athletes.

FALL 2020 CENSUS ENROLLMENT REPORT

Board President Gargas introduced, Dr. Debbie Below, Vice President for Enrollment Management and Student Success, to provide a report on enrollment for the Fall 2020 semester.

Dr. Below reminded the Board about enrollment projections that we made presented in the spring in conjunction with the Board's action on the FY21 budget, and informed them that her comments would focus on data collected upon the completion of the fourth week of the fall semester, to which she referred to as the Fall Census. Some of the points Dr. Below reviewed included, but were not limited to, student success, total headcount, beginning freshman, undergraduate transfer students, student demographic data, and web delivery.

Following her comments, Dr. Below and the Board engaged in discussion. Regent Limbaugh asked if there is a way to measure outcomes for web students verse other students. In response, Dr. Below noted there is a distinction to make between students that are completing their entire degree online and those that are just taking one online class, and noted that the University does monitor their outcomes and provides support to online students. Student Representative Kohn asked for clarification on Hyflex courses being offered during the fall semester, and after receiving a response from Dr. Below, Regent Limbaugh shared feedback from employees at his work that are currently taking classes at the University. Regent Smith made a statement about dual credit offerings and the importance of students participating in those opportunities and the benefit dual credit can bring to the institution in terms of supporting the University's enrollment goals. The final question came from Regent Klocke who asked how recruitment and campus visits are going in light of COVID-19. In reply, Dr. Below shared that while some activities remain virtual the University has returned to hosting on campus experiences too.

PROGRESS REPORT ON CONTRACTS AND FACILITIES MANAGEMENT

Board President Gargas called upon Ms. Kathy Mangels, outgoing Vice President of Finance Administration, to provide a progress report update on Contracts and Facilities Management Projects. [Attachment D].

Vice President Mangels called the Board's attention to the following items on Attachment D:

- Tunnel 51-52-53-54-55 Repair
- Conversion of the Convocation Center at the River Campus to a Dance Studio
- Gateway Fountain Repairs
- Towers West and North Elevator Upgrades

OPERATING BUDGET TO ACTUAL REPORT

Board President Gargas called upon Ms. Kathy Mangels, outgoing Vice President of Finance Administration, to provide the Operating Budget to Actual Report. [Attachment E].

Ms. Mangels called the Board's attention to the following items on Attachment E, which included a final summary of FY20 University Operating Budget to Actual as of June 30, 2020 and a FY21 report through August 31, 2020.

REPORT ON SERIES 2020 SYSTEM FACILITIES REFUNDING BOND ISSUANCE

Board President Gargas called upon Ms. Kathy Mangels, outgoing Vice President for Finance and Administration to provide a report on the Series 2020 Refunding of Series 2013A Bonds. [Attachment F].

Ms. Mangels referred the Board to a summary in their packet marked as Attachment F. She reminded the Board that they approved a parameters resolution at their May 15, 2020 meeting authorizing a competitive sale of Series 2020 bonds as long as certain parameters were met. Ms. Mangels advised the Board that Series 2020 Refunding bonds were priced on July 22, 2020 and closed on August 11, 2020. She reported that gross savings on debt service between the Series 2013A Bonds and Series 2020 Refunding Bonds will be \$5.025 million over the life of the bonds, which will be realized in varying amounts in the Residence Life Auxiliary, Student Recreation Center Auxiliary, and the Education and General Operating Fund.

Following the remarks, Board President Gargas congratulated Ms. Mangels on the results and thanked her for her years of dedication to the University. In anticipation of her up-coming retirement, Board President Gargas and other members of the Board conveyed their appreciation for Vice President Mangels' many years of service to the University, noting that the University is better because of her work. Best wishes were offered and Ms. Mangels responded with brief reflections on her tenure at the University.

REPORT ON LIFT FOR LIFE ACADEMY

Board President Gargas called upon Dr. Mike Godard, to provide an update on the Lift for Life Performance Contract.

Provost Godard offered the following background:

In September of 2017, the Southeast Missouri State University Board of Regents approved renewal of the charter for Lift for Life Academy. At the time of this Performance Contract for 2018-2023 was approved and signed by the former Provost. The performance contract is administered by Southeast Missouri State University and represent minimal levels of performance expected during the term of the contract, performance on the contract along with the annual performance evaluation program drive considerations for charter renewal, intervention, probation, and revocation.

In conversations with Department of Elementary and Secondary Education supervisors who interact regularly with the charter schools, Southeast Missouri State University's Charter School Liaison, Dr. Diana Bourisaw, has been advised to implement a contract revision more geared toward development and

progression. The format recently adopted by Washington University of St. Louis was recommended.

The revised contract addresses a few concerns unforeseen in 2017 and allows multiple data points of testing so adaptations can be made within an academic year. The Northwest Evaluation Association instruments will be administered at multiple points in the academic year. There is no change in the benchmark to St. Louis Public Schools.

Provost Godard further explained that the contract will transition from a crosswalk to a scorecard and that the current performance contract was implemented prior to the development of the elementary school at Lift for Life Academy. He noted that the revised performance contract includes assessments of the elementary students.

CONSIDERATION OF MOTION FOR CLOSED SESSION

A motion was made by Regent Britt and seconded by Regent Limbaugh to recess the Open Session and convene Closed Session for the consideration of the following:

- A. RSMo 610-021.1 – pertaining to legal actions, causes of action or litigation
- B. RSMo 610-021.3 – pertaining to the hiring, firing, disciplining or promotion of personnel
- C. RSMo 610.021.9 – pertaining to discussion of a public governmental body and negotiations with employee groups
- D. RSMo 610.021.12 – pertaining to contract negotiations
- E. RSMo 610.021.13 – pertaining to personnel records, performance ratings

A roll call vote was taken. Voting in favor were Regents Britt, Gargas, Klocke, Limbaugh, Malik, and Smith. The motion carried.

The Open Session was recessed at approximately 11:35 a.m.

ANNOUNCEMENT OF ACTIONS TAKEN IN CLOSED SESSION

Upon reconvening the Open Session at approximately 12:56 p.m. Board President Gargas called on Secretary Martin to make the following announcements regarding the Board's Closed Session:

- By a vote of 6 to 0 the Board approved the minutes of the Board's June 22, July 17 and August 11, 2020 closed session and June 22 closed executive session meetings. Regents Britt, Gargas, Klocke, Limbaugh, Malik and Smith voted to approve.
- Pursuant to RSMo 610.021.3 pertaining to hiring, firing, disciplining or promotion of personnel and by a vote of 6 to 0 the Board approved personnel actions for May, June and July 2020. Regents Britt, Gargas, Klocke, Limbaugh, Malik and Smith voted to approve.

- Pursuant to RSMo 610.021.9 pertaining to negotiations with employee groups and by a vote of 6 to 0 the Board approved amending the current three-year agreement with the International Union of Operating Engineers, effective September 27, 2020. Regents Britt, Gargas, Klocke, Limbaugh, Malik and Smith voted to approve.
- Pursuant to RSMo 610.021.3 pertaining to hiring, firing, disciplining or promotion of personnel and by a vote of 6 to 0 the Board terminated the employment of a faculty member for cause. Regents Britt, Gargas, Klocke, Limbaugh, Malik and Smith voted to approve.
- Pursuant to RSMo 610.021.12 pertaining to contracts and by a vote of 6 to 0 the Board approved the extension of the contract with Patek & Associates, LLC for Legislative Consulting Services for a period of one year from September 1, 2020, through August 2020. Regents Britt, Gargas, Klocke, Limbaugh, Malik and Smith voted to approve.
- The Board also had conversations with legal counsel per RSMo 610.021.1 pertaining to legal matters.
- By a vote of 6 to 0 the Board voted to adjourn Closed Session and reconvene the Open Session. Regents Britt, Gargas, Klocke, Limbaugh, Malik and Smith voted to approve.

CONSIDERATION OF APPOINTMENT OF BOARD OF REGENTS TREASURER

Board President Gargas called upon University President Vargas to present a motion to approve the appointment of Dr. Brad Sheriff as Treasurer of the Board of Regents, effective October 1, 2020. [Attachment H].

In outlining the motion and referring Regents to the materials in their Board packet, University President Vargas stated that the appointment of a Treasurer is required by Missouri law and that the pending retirement of Ms. Kathy Mangels, necessitates the action requested.

A motion was made by Regent Klocke and seconded by Regent Smith to approve the appointment of Dr. Brad Sheriff as Treasurer of the Board of Regents, effective October 1, 2020 [Attachment H]. The motion carried unanimously.

CONSIDERATION OF APPROVAL OF BUSINESS POLICY STATEMENT 01-19, FREEDOM OF EXPRESSION

Board President Gargas called on Mr. Chris Martin, Chief of Staff and Secretary to the Board of Regents, to present a motion to approve the addition of a new policy statement 01-19 Freedom of Expression (Attachment 1) in Section 01, Administration of the Business Policy and Procedures Manual. [Attachment I].

Mr. Martin referred Regents to materials behind Attachment I in their Board packet and reminded them that this a continuation of the item previously tabled for further discussion at the August 11, 2020 Board of Regents meeting. Mr. Martin stated that since the August meeting he had worked with legal counsel to address the questions and concerns raised by Regents with regard to clarifying certain terms and revising the policy initially proposed to include language that affirms individual rights, provides examples of expressive activity, and outlines expectations for behavior. He also noted that the University is continuing its work with legal counsel to finalize operating procedures for outdoor expressive activity, indoor expressive activity, and postings on campus that will be posted alongside the policy in the University's Business Policy and Procedures Manual.

Following his remarks, Mr. Martin and the Board engaged in brief discussion. Regent Limbaugh thanked Mr. Martin and University leadership for their work on the revised policy and stated his belief that the revised policy better defines and addresses some of the concerns previously raised and that he thinks it gives the University parameters to ensure the safety of faculty, staff students and community members on the important topic of First Amendment rights. Regent Smith concurred with Regent Limbaugh's comments and added appreciation for the overview of the proposed procedures included in the Board materials. Student Representative Kohn shared that she brought the proposed policy to the attention of Student Government and thanked the University for drafting a policy that complies with the law and is written in a way that individuals throughout campus will likely appreciate.

A motion was made by Regent Limbaugh and seconded by Regent Smith to approve the addition of a new policy statement 01-19 Freedom of Expression (Attachment 1) in Section 01, Administration of the Business Policy and Procedures Manual [Attachment I]. The motion carried unanimously.

LEGISLATIVE REPORT

Board President Gargas called upon Mr. Jewell Patek to provide a legislative update.

During his remarks, Mr. Patek reflected on the shortened legislative session as a result of COVID-19 and offered insights on state and regional elections on the November ballot. He noted that he will be working with University President Vargas and Chief of Staff Chris Martin to schedule meetings with legislators in advance of the 2021 legislative session.

CONSIDERATION OF MOTION TO ADJOURN

A motion was made by Regent Britt and seconded by Regent Malik to adjourn the meeting. During discussion of the motion, Regent Britt reminded his colleagues that a review of the Board of Regents By-Laws is on-going and if anyone has comments, questions or other feedback on the topic they should contact him or Regents Smith or Malik. Regent Malik followed making brief comments regarding preparation for Board meetings and an idea he had that could allow members to more efficiently prepare. Hearing no additional comments, Board President Gargas returned to the motion to adjourn. The motion carried unanimously.

The meeting adjourned at approximately 1:26 p.m.

Christopher R. Martin
Secretary, Board of Regents

APPROVED:

Edward P. Gargas
President, Board of Regents
Southeast Missouri State University



SOUTHEAST MISSOURI
STATE UNIVERSITY • 1873

BOARD OF REGENTS
MOTION CONSIDERATION FORM

December 18, 2020

Open Session

I. Motion to be Considered:

Approve the appointment of Eric Redinger, Associate Director of Recreation Services, to a three-year term ending December 1, 2023, as a representative of Southeast Missouri State University on the Show Me Center Board of Managers. Mr. Redinger replaces Mike Buck, Director of Recreation Services, whose term expired December 1, 2020.

II. Background:

The Multi-use Center Agreement between the City of Cape Girardeau and Southeast Missouri State University states that the City Council and the Board of Regents shall each appoint three members to the Show Me Center Board of Managers. The term of appointment is for three years, and the appointments are to be staggered so that only two members are appointed each year.

Listed below are the representatives to the Board of Managers and their expiration dates.

Term Expiration Date	City Representatives	University Representatives
December 1, 2020	Donald Kaverman*	Mike Buck
December 1, 2021	Lincoln Scott	Dr. Beth Easter
December 1, 2022	Scott Meyer	Pam Sander
December 1, 2023		

Eric Redinger is the Associate Director of Recreation Services at Southeast Missouri State University. In this role, he oversees the operation of facilities managed by the Student Recreation Center. This will be Mr. Redinger's first term on the board.

* The Cape Girardeau City Council will act on the replacement/reappointment of Donald Kaverman.

Recommended By:

Student Government _____	Chairperson _____
Faculty Senate _____	Dean _____
Administrative Council _____	Academic Council _____
VP, Enroll. Man. & Stu. Svc. _____	Provost _____
VP, Finance & Admin. <i>[Signature]</i>	President <i>[Signature]</i>
VP, University Advancement _____	

Board Action on: _____	Postpone: _____
Motion By: _____	Amend: _____
Second By: _____	Disapprove: _____
Vote: Yeas: _____ Nays: _____	Approve: _____
Abstentions: _____	Secretary: _____



SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873®

BOARD OF REGENTS
MOTION CONSIDERATION FORM

December 18, 2020

Open Session

I. Motion to be Considered:

Approve the three-year appointment to end effective October 2023, of Matt Drake to the Board of Directors of the Missouri Innovation Corporation.

II. Background:

The Bylaws of the Missouri Innovation Corporation (MIC) allow for a minimum of three directors and a maximum of nine. The Board currently has eight members, three of which are not eligible for reappointment. Board members are representative of the University's service region.

Attachment 1 outlines the name of the Directors and their appointment terms. The terms have historically been staggered into two groups to ensure that majority of the Board is not transitioning at the same time. As the activity of the MIC has become more limited, the staggering of Board terms has become less of a priority, as the intent of MIC leadership is to reduce the size of the Board. As early as next year, the MIC Board may be down to the minimum three directors. Directors may serve on the Board until they have completed two consecutive three-year terms.

The MIC was established in 2013 via the re-naming of the Missouri Research Corporation (MRC). Like the MRC, the primary focus of the MIC is to foster economic development through entrepreneurship and innovation. Unlike its predecessor, however, the MIC does so mainly from a financial, rather than programmatic, perspective. The MIC began participating in USDA Intermediary Relending Program loans and USDA Rural Microentrepreneur Assistance Program loans. These programs have since become the MIC's only remaining activity, and no new loans have been made since 2018.

Recommended By:

Student Government _____	Chairperson _____
Faculty Senate _____	Dean _____
Administrative Council _____	Academic Council _____
VP, Enroll. Man. & Stu. Suc. _____	Provost _____
VP, Finance & Admin. <i>[Signature]</i>	President <i>[Signature]</i>
VP, University Advancement _____	

Board Action on: _____	Postpone: _____
Motion By: _____	Amend: _____
Second By: _____	Disapprove: _____
Vote: Yeas: _____ Nays: _____	Approve: _____
Abstentions: _____	Secretary: _____

MISSOURI INNOVATION CORPORATION
Board of Directors

October 2020/2021

Brent Buerck

City Administrator
City of Perryville, MO
215 N West Street
Perryville MO 63775
2nd Term ends October 2021

John Ferguson II (Chair 2020)

Executive Director
Pemiscot County Port Authority
111 East 3rd Street
Caruthersville MO 63830
2nd Term ends October 2021

Dawn Dauer

The Bank of Missouri
3427 William Street
Cape Girardeau MO 63701
2nd Term ends October 2021

Jim Grebing (Vice Chair 2021)

Economic Development Director
Kennett City, Light, Gas and Water
303 S. Anthony
Kennett MO 63857
2nd Term ends October 2021

Matt Drake

President and CEO
First State Bank & Trust Co Inc
750 S Main Street
P O Box 1830
Sikeston MO 63801
2nd Term ends October 2023
(Pending Board of Regents Approval)



**SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873**

**BOARD OF REGENTS
MOTION CONSIDERATION FORM**

December 18, 2020

Open Session

I. Motion to be Considered:

Approve as representative for Southeast Missouri State University on the River Campus Board of Managers the appointment of Bradley Sheriff, Vice President for Finance and Administration, with a term expiring December 1, 2023. The appointment of Vice President Sheriff replaces Provost Mike Godard, whose term expired December 1, 2020.

II. Background:

The Cooperation Agreement for the St. Vincent Seminary Property between the City of Cape Girardeau and Southeast Missouri State University states that both the City Council and the Board of Regents shall each appoint three members to the River Campus Board of Managers. At least one of the City's appointees shall be from the hotel/motel industry. The term of office of the Board of Managers shall be for three years. The appointment of Bradley Sheriff would be effective upon confirmation by the City Council for a term expiring December 1, 2023.

Listed below are the current representatives and their expiration dates.

Term Expiration Date	City Representatives	University Representatives
December 1, 2021	Scott Meyer	Rhonda Weller-Stilson
December 1, 2022	Danielle Poyner	Trudy Lee
December 1, 2023	Sophia Han	

Bradley Sheriff is the Vice President for Finance and Administration at Southeast Missouri State University. As Vice President, he is responsible for the Budget Office, Controller's Office, Facilities Management, Information Technology, Human Resources, Public Safety and Transit, Research and Sponsored Programs, Student Financial Services, and the Show Me Center. Dr. Sheriff earned a Bachelor of Arts degree in business management from Greenville (Illinois) University, a Master of Business Administration from the University of Illinois-Springfield, and a Ph.D. in global leadership with a specialization in higher education administration from Indiana Institute of Technology.

Recommended By:

Student Government _____
 Faculty Senate _____
 Administrative Council _____
 VP, Enroll. Man. & Stu. Suc. _____
 VP, Finance & Admin. _____
 VP, University Advancement _____

Chairperson _____
 Dean _____
 Academic Council _____
 Provost _____
President _____

Board Action on: _____

Motion By: _____
 Second By: _____
 Vote: Yeas: _____ Nays: _____
 Abstentions: _____

Postpone: _____
 Amend: _____
 Disapprove: _____
 Approve: _____
 Secretary: _____



SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873

BOARD OF REGENTS
MOTION CONSIDERATION FORM

December 18, 2020

Open Session

I. Motion to be Considered:

Approve the conferring of degrees upon the candidates for Summer 2020 and Fall 2020.
Graduation pending final verification of their completion of degree requirements.

II. Background:

Pursuant to 174.160.1 RSMo. the Board of Regents is empowered to confer upon students, by diploma under the common seal, such degrees as are usually granted by the University.

Consistent with past approval of conferring of degrees for Summer and Fall, the University does not hold a commencement in the summer. Therefore, a request to approve Summer candidates is included and Fall candidates' approvals are contingent on confirmation and verification of their completion of degree requirements.

The breakdown for Summer and Fall candidates is as follows:

- Total degrees: 995
 - Undergraduate: 736
 - Masters: 226
 - Specialist: 25
- Academic Distinction: 1
- Cooperative Doctoral: 0
- Jane Stephens Honors Program: 14
- Cum Laude: 118
- Magna Cum Laude: 71
- Summa Cum Laude: 54
- 4.0 Graduates: 23

Recommended By:

Student Government _____
Faculty Senate _____
Administrative Council _____
VP, Enroll. Man. & Stu. Suc. _____
VP, Finance & Admin. _____
VP, University Advancement _____

Chairperson _____
Dean _____
Academic Council _____
Provost *[Signature]* _____
President *[Signature]* _____

Board Action on:

Motion By: _____
Second By: _____
Vote: Yeas: _____ Nays: _____
Abstentions: _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____
Secretary: _____

Southeast Missouri State University
Office of the Registrar - Candidates for Graduation
December 12, 2020

College of Education, Health and Human Studies

ASSOCIATE OF ARTS

IN CHILD CARE AND GUIDANCE

Meghan E. Douglas
Kiarra M. Long

BACHELOR OF ARTS

Dru Armitage
Ashleigh A. Armstrong
Haley Brooks
Madison P. Burke
Kayla Davis
Hillary N. Engler
Kendria J. Gilmer
Carla J. Kincheloe
Tabatha M. Piwowarczyk
Rosanne M. Prasuhn

BACHELOR OF SCIENCE

Krista A. Berns
Ellen D. Blechle
Alexis C. Blevins, I.
Cedric J. Bonds, Jr.
Emily Briesse

Abigail L. Brinker
Armon D. Cannon
Jordin P. Cannon
Kiana R. Cannon
Aaron J. Crowell
Skylar R. Deimund
Gage J. Diel
Shuhan Dong
Christina M. Dowdy
Lindsey R. Draper
Samantha L. Duffy *
Bailey M. Elder
Sierra Elliott
Hunter N. Ellis
Jarod Farnham
Autumn A. Garlock
Amie G. Hafner
Renae L. Hampton
Hannah J. Hicks
Macy J. Hill
Audrey J. Hiller
Andrea C. Himstedt
Tessa D. Holland
Skyler P. Hornbeak
Aaron N. Huber *

Courtney J. Huck
McKenzi N. Hulittle
Jessica S. Jessup
Brandy A. Kelly
Dongwoo Kim
Bydarrius D. Knighten
Alecea R. Lewis
Shayla F. Lewis
Kiarra M. Long
Garrison C. Mangels
Jillian McBride
Jordan D. McGehee
Dominique D. McPeck-Garwitz *
Bethany R. Mirly
Ericka R. Moehlenkamp
Cassandra M. Morris
Bethany E. Mungle

Madeleine C. Noonan
Logan R. Page
Logan J. Politte
Abriana R. Record
Ashley M. Reeder
Lucy M. Reynolds *
Tyler L. Rogers
Kasey L. Schunk
Tyler D. Schumacker
John C. Simon
Hannah M. Stoelting
Ava C. Tajkowski
Ashlee N. Tesson
Alicia R. Thrasher
Aaron J. Walker, Sr.
Jalen P. Walls
Avery L. Whiteside
Alfrialzo Young
Zachary R. Young

**BACHELOR OF SCIENCE
IN ATHLETIC TRAINING**

**BACHELOR OF SCIENCE
IN EDUCATION**

Pariss A. Barnes
Addison N. Barnouski
Danielle E. Barry
Leah M. Bell
Ashlee M. Blunt
Alyse N. Bollman
Haley N. Bowen
Alexa B. Braswell
Morgan Brave
Rachel A. Carlson
Chelisa A. Deere
Anna T. Drendel
Victoria M. Duenne
Alexys M. Easter *
Allison N. Elking
Christin M. Green
Madison A. Healy
Jamilyn C. Hedgecorth
Rachael A. Huntsman
Aiden R. Ice, I.
Macy V. Johnson
Kayleen M. Kampwerth
Katrina J. Karsen-Denham
Madeline L. Kennedy
Savannah Kesselring
Grady L. Leimbach
Olivia R. Litwicki
Daniel J. Lloyd
Taylor E. Long
Kaitlyn B. Lukefahr
Damaris Martel
Ashleigh T. Martin
Kaitlin E. McFerron
Laykin M. McGowan
Seth A. McMillen, Jr.
Danielle N. Mohrmann *
Cassandra J. Moore
Megan R. Mullins
Kristin Nanney

Lillian G. Norman
Garrett T. Orr
William Q. Poythress
Emily T. Pryor
Miranda R. Reinheimer
Jarrett L. Reisenbichler
Brooke A. Rheinecker
Alexia S. Robinson
Caleb J. Rosen
Victoria L. Roussin
Katelyn J. Runzi
Madison N. Schaeffer
Amy K. Schnitzmeier
Steven E. Speidel
Dana Storm
Mary P. Sztukowski *

Jessica M. Vandeven
Briana M. Warren
Leeanne M. Wehrheim
Lindsey S. Williams
Carly E. Wyatt

**BACHELOR OF SCIENCE
IN FAMILY AND CONSUMER
SCIENCES EDUCATION**

**BACHELOR OF SCIENCE
IN NURSING**

Addison M. Ackley
Harley H. Allen, I.
Hannah R. Bahr
Klara J. Beel
Asia R. Belcher
Laura Bequette
Theresa C. Borders
Taryn E. Brewer
Elaina C. Burr
Laura E. Carter
Lauren M. Cooper
Shaina L. Cooper
Kaitlin V. Crawford
Zacharias A. Dane *
Amy M. Drury
Rebecca R. Fallert
Colton S. Gaddis
Sarah Glau
Anthony J. Goetten
Adam B. Goforth
Dominique Gray
Bailey Hengst
Donna A. Hicks
Morgan Hileman
Tiffany L. Hill
Preston T. Holifield
Jenna K. Houchins
Samuel R. Howard
Anna M. Hughes
McKayla R. Hunt *
Millie R. Hurst
Moriah D. Johnston
Ethan D. Kester
Abigail M. King
Emma J. Kovacs *
Mariah A. LaFore *

Rian S. Logan
Morgan McAtee
Jill M. McLaurin
Trenton Nepean
Sydney A. Offner
Bailey N. Payne
Madeleine G. Pearson
Emma T. Roach
Zachary M. Rosecrans
Olivia M. Scalf
Sarah Schellingerhout
Andrea M. Schlinder
Madison A. Scholl
Trinity A. Shy
Sidney L. Spires
Morgan L. Stone
Tina Stone
Collin Wade
Eric D. Westrich
Jordan M. Zerwig

MASTER OF ARTS

Jeremy J. Algood *
Danielle R. Allerdissen *
Blake Angle
Jillene M. Bantau *
Ashley M. Bauman *
Tracie R. Beard *
Sarah A. Berendzen *
Kara R. Blansett *
Macy M. Bowser *
Lillian G. Bull
Camille Carroll
Emily Cissi *
Brittany M. Collins *
Amy C. Conway *
Mingyu Cui
Jeffrey S. Damerall
Paula K. Dawes
Kathryn Dinsmore
Natasha A. Dockins *
Courtney Duffy *
Deidra D. Elijah *
Mackenzie P. Foust *
Victoria E. Gilbert *
Linda M. Gilmer *
Anna L. Hacay *
Mary C. Hall *
Brooke Hansen *
Matthew Hayes *
Lisa D. Henry
Nicholas M. Hermann *
Olivia Holt
Katelyn E. Hudson
Lori L. Huey *
Ben Jones
Jeremy B. Jones
Kaci B. Jones
Kelsey A. Jones *
Alana B. Kaltenbach
Shannon D. Keasler
Margaret E. Kehoe *
Danielle A. Kelly *
Nathan Kingery *

Anastasia L. Kinsey *
 Jessica Kozlen
 Mitchell D. Madry
 Dalton A. Manche
 Beth A. Marks *
 Corie McPursifull *
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***4.0 Grade Point Average**

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December 12, 2020**

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Chelsea B. Bledsoe

Alyse N. Bollman
Taylor L. Hudspeth
Kaci B. Jones

Danielle A. Kelly *
Mikayla D. Nagel
Rebeca Shorter *

Harrison College of Business and Computing

Natallia Gray *

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Office of the Registrar
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December 12, 2020**

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Rory C. Basden
Abigail L. Becker
Rylie M. Bequette
Krista A. Berns
Alyse N. Bollman
Morgan Brave
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Ivy D. Brooks
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Lauren M. Cooper
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Alaric E. Davis
Samantha L. Duffy
Alexys M. Easter

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Baylee H. Finley
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Jane Stephens Honors Program

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SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873

BOARD OF REGENTS
MOTION CONSIDERATION FORM

December 18, 2020

Open Session

I. Motion to be Considered:

Authorize and approve a new Master of Science in Applied Nutrition Degree

II. Background:

The Bureau of Labor Statistics predicts that employment of dietitians will grow 11 percent from 2018 to 2028. The proposed Master of Science in Applied Nutrition degree program will contribute to satisfying this demand by producing qualified dietetic practitioners. The Academy of Nutrition and Dietetics explains the high rate of projected growth is due to many factors, including "increased emphasis on disease prevention, a growing and aging population, and public interest in nutrition."

In 2024, the Commission on Dietetic Registration will require students to complete a graduate degree prior to taking the Registered Dietitian (RD) credentialing exam. The proposed program offers flexible options for credentialed RD's who may be working full-time and for students who want to be RD's. Coursework will be fully online and supervised experiential learning can be completed at qualified sites across the country. Students who are credentialed RD's or have completed a Dietetic Internship (DI) can complete the program in 34 credit hours without the supervised experiential learning hour requirement. Those who need all 1,000 supervised experiential hours (e.g., one credit hour is equivalent to 500 experiential learning hours) will complete the program in 36 credit hours, thus meeting the eligibility requirements to attempt the RD credentialing exam.

Overall, this proposed transition from an accredited DI to an accredited Graduate Program with experiential learning will allow the Master of Science in Applied Nutrition Degree to be initiated and maintained with minimal expense by utilizing existing faculty and facilities.

Recommended By:

Student Government _____
Faculty Senate _____
Administrative Council _____
VP, Enroll. Man. & Stu. Suc. _____
VP, Finance & Admin. _____
VP, University Advancement _____

Chairperson _____
Dean _____
Academic Council _____
Provost *H. J. [Signature]* _____

President *[Signature]* _____

Board Action on: _____
Motion By: _____
Second By: _____
Vote: Yeas: _____ **Nays:** _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____
Secretary: _____



☒ PUBLIC

☐ INDEPENDENT

NEW PROGRAM PROPOSAL FOR ROUTINE REVIEW

When finished, please save and email to: he.academicprogramactions@dhe.mo.gov

Sponsoring Institution:

Program Title: Master of Science in Applied Nutrition

Degree/Certificate:

If other, please list:

Options:

Delivery Site: Online

CIP Classification: 51.3101

Implementation Date: 5/18/2021

Is this a new off-site location? ☐ Yes ☒ No

If yes, is the new location within your institution's current CBHE-approved service region? ☐

**If no, public institutions should consult the comprehensive review process*

Is this a collaborative program? ☐ Yes ☒ No

**If yes, please complete the collaborative programs form on last page.*

Please list similar or comparable programs at Missouri public institutions of higher education.

**For public institutions only:*

Missouri State University: Master of Science in Nutrition and Dietetics; University of Missouri: Master of Science in Nutritional Sciences; University of Central Missouri: Master of Science in Nutrition;

CERTIFICATIONS:

☒ The program is within the institution's CBHE approved mission. *(public only)*

☒ The program will be offered within the institution's CBHE approved service region. *(public only)*

☒ The program builds upon existing programs and faculty expertise

☒ The program does not unnecessarily duplicate an existing program in the geographically-applicable area.

☒ The program can be launched with minimal expense and falls within the institution's current operating budget. *(public only)*

AUTHORIZATION

--	--	--

Name/Title of Institutional Officer

Signature

Date

PROGRAM CHARACTERISTICS AND PERFORMANCE GOALS

Although all of the following guidelines may not be applicable to the proposed program, please carefully consider the elements in each area and respond as completely as possible in the format below.

Quantification of performance goals should be included wherever possible.

1. Student Preparation

- Any special admissions procedures or student qualifications required for this program which exceed regular university admissions, standards, e.g., ACT score, completion of core curriculum, portfolio, personal interview, etc. Please note if no special preparation will be required.

Applicants must submit the following in the application materials and meet these minimum criteria:

- A verification statement from an accredited Didactic Program in Dietetics (DPD)
 - A bachelor's degree or master's degree
 - A minimum undergraduate grade point average (GPA) of 3.0 on a 4.0 scale
 - A minimum Graduate Record Examination (GRE) General Test score of 290 (combined).
- Characteristics of a specific population to be served, if applicable.
 - This program is specifically for students that are currently registered dietitians or who intend to become registered dietitians.

2. Faculty Characteristics

- Any special requirements (degree status, training, etc.) for assignment of teaching for this degree/certificate. Faculty must meet requirements for graduate faculty status at Southeast Missouri State University, have a doctoral degree, and Registered Dietitian (RD) credential or terminal degree in the field of the course.
- Estimated percentage of credit hours that will be assigned to full time faculty. Please use the term "full time faculty" (and not FTE) in your descriptions here.
25 – 40% of full time faculty load will be devoted to this program.
- Expectations for professional activities, special student contact, teaching/learning innovation.
 - Faculty will be expected to maintain active membership in local and national professional organizations within their field
 - Faculty will be expected to serve on Applied Research Project Committees
 - Faculty will be expected to incorporate online pedagogical strategies and innovations into their courses based on training and guidance provided by the university's Center for Scholarship in Teaching and Learning and Southeast Online.

3. Enrollment Projections

- Student FTE majoring in program by the end of five years.
The program will begin with at least 5 students and enrollment will increase in increments of 5 each year. At the fifth year, a minimum of 25 students will be enrolled in the program.
- Percent of full time and part time enrollment by the end of five years.

STUDENT ENROLLMENT PROJECTIONS

YEAR	1	2	3	4	5
Full Time	20	25	30	35	35
Part Time	0	0	0	0	0

Total	20	25	30	35	35
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4. Student and Program Outcomes

- Number of graduates per annum at three and five years after implementation.
 - At 3 years, we predict at least 80% of enrolled students (12 / 15) students will graduate from the program per annum.
 - At 5 years, we predict at least 80% of enrolled students (20 / 25) students will graduate from the program per annum.
- Special skills specific to the program.
Graduates of the program will develop skills in the dietetics field.
Specifically:
 - Research methodology
 - Statistical analyses
 - Culinary nutrition
 - Prevention, assessment, prescription, counseling, and treatment strategies for a variety of patients and clients:
 - Athletes
 - Chronic diseases: Cardiovascular disease, type II diabetes, hypertension
 - Overweight and Obese
 - Cancer, kidney disease, and other clinical conditions
 - Leadership and food service management
 - Education strategies and application of learning theory
 - Product development and analysis
- Proportion of students who will achieve licensing, certification, or registration.
 - Within one year of graduation, 80% of graduates will achieve licensing and registration as dietitians.
- Performance on national and/or local assessments, e.g., percent of students scoring above the 50th percentile on normed tests; percent of students achieving minimal cut-scores on criterion-referenced tests. Include expected results on assessments of general education and on exit assessments in a particular discipline as well as the name of any nationally recognized assessments used.
 - Within one year of graduation, 80% of graduates will pass the Commission on Dietetic Registration's registration examination for dietitians.
- Placement rates in related fields, in other fields, unemployed.
 - Within six months of graduation, at least 80% of program graduates will be employed in a related or other field.
- Transfer rates, continuous study.
 - The program follows a cohort model and facilitates continuous study

5. Program Accreditation

- Institutional plans for accreditation, if applicable, including accrediting agency and timeline. If there are no plans to seek specialized accreditation, please provide rationale.
 - The program is accredited by the Accreditation Council for Nutrition and Dietetics (ACEND) with approval to begin on May 18, 2021 pending institutional and state approval. The accreditation term ends December 31, 2024. A comprehensive accreditation site visit is to occur between August and December 2023.

6. Program Structure

A. Total credits required for graduation: 36

B. Residency requirements, if any:

This program requires that students complete 900 supervised practice hours through field experiences and simulated activities as part of their curriculum. This requirement is in place to satisfy the credentialing and licensure requisites for the Registered Dietitian (RD). Students must live within reasonable geographic proximity of their supervised learning sites in order to fulfill this program requirement.

For graduate students that are not required to complete supervised practice hours (because they have already earned the Registered Dietitian (RD) credential), there are no specific residency requirements.

C. General education: Total credits: 0

Courses (specific courses OR distribution area and credits)

Course Number	Credits	Course Title
N/A	N/A	N/A

D. Major requirements: Total credits: 36

Course Number	Credits	Course Title
FN611	3	Foundations in Dietetics Practice
FN615	3	Culinary Nutrition
FN617	3	Applied Statistics in Health Sciences
FN620	3	Community Nutrition Programming: Advanced Concepts and Application
FN624	3	Research Methodology
FN622	3	Nutrition Counseling and Education: Advanced Concepts and Application
FN628	1	Applied Nutrition Field Experience 1
FN619	3	Metabolic Considerations in Performance and Wellness Nutrition
FN607	3	Food Science, Agriculture, and Technology
FN600	3	Advanced Application of Medical Nutrition Therapy
FN610	3	Strategic Management of Food Service Operations
FN629	1	Applied Nutrition Field Experience 2
FN645	1	Capstone Project in Applied Nutrition
FN650	3	Professional Skills and Emerging Trends in Dietetics Practice

E. Free elective credits: 0

F. Requirements for thesis, internship or other capstone experience:

This program requires that students complete an original creative project at their supervised practice sites. Students will prepare a submission-ready manuscript based on their individual research. Development, execution, and reporting of the creative project is facilitated through the coursework listed above. Course credit will be awarded for the final project in their final semester in FN645: Capstone Project in Applied Nutrition.

G. Any unique features such as interdepartmental cooperation:

- This program meets the criteria for ACEND's Future Education Model Graduate Programs. This program is accredited by ACEND and was accepted into their 3rd cohort of demonstration programs which includes training and administrative support.
- The program follows a 15 month cohort that spans from May of year one to August of year 2.
- The program is unique in that it combines face-to-face field experience hours for supervised experiential learning with fully online courses.

- Another unique feature is that curriculum is developed to incorporate some of the Competency Based Education (CBE) principles that focus on application-based education and assessments.

7. Need/Demand

☒ Student demand

- Currently, to prepare for credentialing as a Registered Dietitian, students from undergraduate dietetics programs are accepted to post-baccalaureate internship programs through a computer matching process. The match rate for internship-seeking students has been historically low, due primarily to limited spots for internship seeking students. In 2019, there were 4706 total applicants; 3044 successfully matched to an internship, representing at 65% match rate.⁷
- In 2024, the Commission on Dietetic Registration will require that students completed a graduate degree prior to taking the Registered Dietitian credentialing exam. Currently, students are required to complete supervised clinical hours following completion of a bachelor's program. The impending 2024 requirement of a graduate degree represents an additional requirement beyond existing expectations for students seeking the RD credential. The proposed program offers students an opportunity to complete a graduate degree alongside their supervised clinical experience, which offers an efficient pathway for students to complete all requirements necessary for credentialing.⁸

☒ Market demand

- The Bureau of Labor Statistics predicts that employment of dietitians will grow 11 percent from 2018 to 2028. The proposed program will contribute to satisfying this demand by producing qualified dietetic practitioners.⁹
- The Academy of Nutrition and Dietetics (AND) explains the high rate of projected growth is due to many factors, including “increased emphasis on disease prevention, a growing and aging population, and public interest in nutrition.”¹
- Another reason behind this high rate of projected growth is the increase in potential areas of employment for Registered Dietitians (RDs). The wide variety of education and training qualifies RDs for employment in hospitals and other health-care facilities, sports nutrition programs, corporate wellness programs, food and nutrition-related businesses and industries, private practices and consulting companies, community-based nutrition settings and health departments, universities and medical centers, and research settings.²

☒ Societal demand

- There are many ways Registered Dietitians (RDs) help society. The most notable is in the fight against obesity and chronic diseases. According to the Centers for Disease Control and Prevention (CDC), chronic diseases such as heart disease, cancer, and diabetes are the primary source of America's health care expenditures.³ The CDC credits poor nutrition as one of the four major contributors to the growing number of Americans with these chronic diseases. In addition, heart disease and cancer remain the first and second leading cause of death in the United States, with Diabetes being the seventh.⁴
- Registered Dietitians are uniquely prepared to provide preventable care and treatment of patients with these conditions. To become an RD, individuals must complete accredited undergraduate and post-baccalaureate programs with supervised practice requirements. Throughout this education and training, RDs accumulate a minimum of an undergraduate degree and over 1,200 hours of supervised practice. As of January 1, 2024, RDs

¹ Academy of Nutrition and Dietetics, <https://www.eatrightpro.org/about-us/what-is-an-rdn-and-dtr/what-is-a-registered-dietitian-nutritionist>

² Academy of Nutrition and Dietetics, <https://www.eatrightpro.org/about-us/what-is-an-rdn-and-dtr/what-is-a-registered-dietitian-nutritionist>

³ Centers for Disease Control and Prevention, <https://www.cdc.gov/chronicdisease/about/index.htm>

⁴ Centers for Disease Control and Prevention, <https://www.cdc.gov/nchs/fastats/leading-causes-of-death.htm>

will also be required to earn a graduate degree. These programs provide training and supervised practice in areas such as medical nutrition therapy, food service management, food science, community-based nutrition programming, and nutrition education. A major focus is placed on prevention and treatment of obesity and nutrition-related chronic diseases. Such a focus places RDs in a prime position to help society in its battle against chronic disease, which continues to be an uphill battle. Data from the CDC indicate the rates of obesity continue to climb. From 1998 – 2019, rates of obesity climbed from 30.5% to 42.4% of the adult population.⁵

- Unfortunately, the supply of RDs is outpaced by the growing number of citizens and the growing number of patients with chronic diseases. According to the Academy of Nutrition and Dietetics, the demand for Registered Dietitians will continue to grow as rates of preventable chronic diseases continue to rise.⁶ In the United States, it is estimated that for every 3,610 individuals in the United States, there is only one Registered Dietitian or Diet Technician. The Master of Science in Applied Nutrition will contribute to meeting societal demand by increasing the number of highly trained RDs available in the United States who will be able to enter the work force and provide preventative care and treatment for patients with obesity, chronic diseases, and many other conditions.

☒ I hereby certify that the institution has conducted research on the feasibility of the proposal and it is likely the program will be successful.

On July 1, 2011, the Coordinating Board for Higher Education began provisionally approving all new programs with a subsequent review and consideration for full approval after five years.

⁵ Centers for Disease Control and Prevention, <https://www.cdc.gov/obesity/data/adult.html>

⁶ Academy of Nutrition and Dietetics, <https://www.eatrightpro.org/acend/students-and-advancing-education/information-for-students/dietitian-job-outlook>

⁷ Percent change in number of openings, applicants, and applications matched to DI Programs participating in Computer Matching Process (April/November), <https://www.eatrightpro.org/-/media/eatrightpro-files/acend/program-directors/dietetic-internship-match-for-directors/1993-2019-comptr-mtchg-stats-chart.pdf?la=en&hash=52F5CEB4C8E450409E41FDF4CF9E7E67DB98CDE7>

⁸ Commission on Dietetic Registration, 2024 Graduate Degree Requirement, https://www.cdrnet.org/graduatedegree?404%3Bhttp%3A%2F%2Fwww.cdrnet.org%3A80%2Fgraduatedegree=404%3Bhttp%3A%2F%2Fwww.cdrnet.org%3A80%2Fgraduatedegree&set_ga_opt_in_cookie=1&set_ga_opt_in=Save+Settings

⁹ US Bureau of Labor Statistics, Dietitians and Nutritionists, <https://www.bls.gov/ooh/healthcare/dietitians-and-nutritionists.htm>

COLLABORATIVE PROGRAMS

- **Sponsoring Institution One:**
- **Sponsoring Institution Two:**
- **Other Collaborative Institutions:**
- **Length of Agreement:**
- **Which institution(s) will have degree-granting authority?**
- **Which institution(s) will have the authority for faculty hiring, course assignment, evaluation and reappointment decisions?**
- **What agreements exist to ensure that faculty from all participating institutions will be involved in decisions about the curriculum, admissions standards, exit requirements?**
- **Which institution(s) will be responsible for academic and student-support services, e.g., registration, advising, library, academic assistance, financial aid, etc.?**
- **What agreements exist to ensure that the academic calendars of the participating institutions have been aligned as needed?**

Please save and email this form to: he.academicprogramactions@dhe.mo.gov



**SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873**

**BOARD OF REGENTS
MOTION CONSIDERATION FORM**

December 18, 2020

Open Session

I. Motion to be Considered:

Authorize and approve a new Psychiatric Mental Health Nurse Practitioner – Post-Master's Certificate

II. Background:

According to several studies, there is a major lack of mental health care services in Missouri and many patients are going without adequate treatment. The proposed post-master's certificate will provide the needed training to nurse practitioners and improve access to mental health care for individuals within our region. The certificate will provide the necessary instruction and practicum hours to allow the nurse practitioners to sit for the Psychiatric Mental Health Nurse Practitioner (PMHNP) certification examination.

The department of nursing was able to secure funding through the Missouri State Board of Nursing Education Incentive Program (NEIP) to help develop and launch the Psychiatric Mental Health Nurse Practitioner and the Nurse Educator certificates. A total of \$93,351 was awarded for the 2020-21 academic year. The funding included \$69,351 in salaries and stipends to cover the cost of 17 credit hours of instruction by adjuncts and additional faculty loads for the two certificates. The grant also included \$10,000 to hire a consultant to assist with development of the curriculum for the Psychiatric Mental Health Nurse Practitioner certificate and \$4,000 to provide technology enhancements for the classrooms and testing preparation materials. Cost of instruction for future academic years will be covered by tuition revenue from the courses.

The Psychiatric Mental Health Nurse Practitioner – Post-Master's Certificate will be delivered online to meet the needs of working nurse practitioners. The certificate requires a minimum of 16 credit hours of instruction and 540 clinical practicum hours.

Recommended By:

Student Government _____
Faculty Senate _____
Administrative Council _____
VP, Enroll. Man. & Stu. Suc. _____
VP, Finance & Admin. _____
VP, University Advancement _____

Chairperson _____
Dean _____
Academic Council _____
Provost *[Signature]* _____

President *[Signature]* _____

Board Action on: _____
Motion By: _____
Second By: _____
Vote: Yeas: _____ Nays: _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____
Secretary: _____

☒ PUBLIC
☐ INDEPENDENT



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NEW PROGRAM PROPOSAL FOR ROUTINE REVIEW

Sponsoring Institution: Southeast Missouri State University



Psychiatric Mental Health Nurse Practitioner Post-MSN Certificate Program

Program Title:

Degree/Certificate: GRC-T-Graduate Certificate If other, please list:

Options: N/A

Delivery Site(s): Online

60.0702

CIP Classification:

*CIP Code can be cross-referenced with programs offered in your region on [MDHE's program inventory](#).
[Click here for link to NCES CIP site.](#)

Implementation Date 08/21 please use MM/YY date format.

Is this a new off-site location? No ☒ Yes ☐

If yes, is the new off-site location within your institution's current CBHE-approved service region? Yes ☐

*If no, public institutions should consult the comprehensive review process.

Is this a collaborative program? Yes ☐ No ☒ If yes, please complete the collaborative programs form on page 6.

CERTIFICATIONS:

- ☒ The program is within the institution's CBHE approved mission. (public institutions only)
- ☒ The program will be offered within the institution's CBHE approved service region. (public institutions only)
- ☒ The program builds upon existing programs and faculty expertise.
- ☒ The program does not unnecessarily duplicate an existing program in the geographically applicable area.
- ☒ The program can be launched with minimal expense and falls within the institution's current operating budget. (public institutions only)

AUTHORIZATION:

Name/Title of Institutional Officer

Signature

Date

www.dhe.mo.gov • info@dhe.mo.gov

205 Jefferson Street, P. O. Box 1469, Jefferson City, MO 65102 • (573) 751-2361 • (800) 473-6757 • Fax (573) 751-6635 7/2017

PROGRAM CHARACTERISTICS AND PERFORMANCE GOALS

Although the following guidelines may not be applicable to the proposed program, please carefully consider the elements in each area and respond as completely as possible in the format below.

Qualifications of performance goals should be included wherever possible.

If you need more than one line of text to answer questions 1–5, please attach a Word .doc.

1. Student Preparation

- Any special admissions procedures or student qualifications required for this program which exceed regular university admissions, standards, e.g., ACT score, completion of core curriculum, portfolio, personal interview, etc. Please note if no special preparation will be required.

MSN with current, unencumbered certification as a nurse practitioner, see attachment (p. 93) for all requirements

- Characteristics of a specific population to be served, if applicable.

N/A

2. Faculty Characteristics

- Any special requirements (degree status, training, etc.) for assignment of teaching for this degree/certificate.

1) MSN, DNP, or PhD in nursing AND 2) Active PMHNP Certification with practice experience

- Estimated percentage of credit hours that will be assigned to full time faculty. Please use the term “full time faculty” (and not FTE) in your descriptions here.

We estimate 75% of credit hours will be assigned to full time faculty.

- Expectations for professional activities, special student contact, teaching/learning innovation.

Nothing beyond the normal expectations of graduate nursing faculty.

3. Enrollment Projections

- Student FTE majoring in program by the end of five years.

14

- Percent of full time and part time enrollment by the end of five years.

90% full-time students and 10% part-time students by the end of five years.

STUDENT ENROLLMENT PROJECTIONS

YEAR	1	2	3	4	5
FULL TIME	6	12	12	12	12
PART TIME	0	1	1	2	2
TOTAL	6	13	13	14	14

4. Student and Program Outcomes

- Number of graduates per annum at three and five years after implementation.

We project 10 graduates per annum at three and five years after implementation.

- Special skills specific to the program.

Advanced skills in psychiatric mental health nursing. See attachment (p. 7-15) for details.

- Proportion of students who will achieve licensing, certification, or registration.

100%

- Performance on national and/or local assessments, e.g. percent of students scoring above the 50th percentile on normed tests; percent of students achieving minimal cut-scores on criterion-referenced tests. Include expected results on assessments of general education and on exit assessments in a particular discipline as well as the name of any nationally recognized assessments used.

100% will complete and pass the national certification exam after graduation.

- Placement rates in related fields, in other fields, unemployed.

100%

- Transfer rates, continuous study.

<10%

5. Program Accreditation

- Institutional plans for accreditation, if applicable, including accrediting agency and timeline. If there are no plans to seek specialized accreditation, please provide a rationale

CCNE Accreditation- we are for re-accreditation in Oct. 2020 and will submit substantive change in 2021

6. Program Structure

A. Total credits required for graduation: ¹⁶_____

B. Residency requirements, if any: ^{540 Clinical Practicum Hours}_____

C. General education: Total credits: ^{N/A}_____

Courses (specific courses OR distribution area and credits)

Course Number	Credits	Course Title
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D. Major requirements: Total credits: ¹⁶_____

Course Number	Credits	Course Title
NS670	3	Counseling and Psychoanalytic Theories
NS671	1	Neuroscience of Brain and Behavior
NS672	2	Diagnosis of Mental Disorders
NS673	2	Psychopharmacology
NS674	1	Population Mental Health I
NS675	3	PMHNP Clinical Role Practicum: Adult
NS676	1	Population Mental Health II
NS677	3	PMHNP Clinical Role Practicum: Children & Adolescents

- E. Free elective credits: 0
(sum of C, D, and E should equal A)
- F. Requirements for thesis, internship or other capstone experience: PMHNP Exit Exam
- G. Any unique features such as interdepartmental cooperation: Graduate Counseling Program- CP612

7. Need/Demand

- ☒ Student demand
- ☒ Market demand
- ☒ Societal need
- ☒ I hereby certify that the institution has conducted research on the feasibility of the proposal and it is likely the program will be successful.

On July 1, 2011, the Coordinating Board for Higher Education began provisionally approving all new programs with a subsequent review and consideration for full approval after five years.

COLLABORATIVE PROGRAMS

Sponsoring Institution One: _____

Sponsoring Institution Two: _____

Other Collaborative Institutions: _____

Length of Agreement: _____

If you need more than two lines of text to answer questions 1–5, please attach a word .doc.

1. Which institution (s) will have degree-granting authority?

2. Which institution (s) will have the authority for faculty hiring, course assignment, evaluation and reappointment decisions?

3. What agreements exist to ensure that faculty from all participating institutions will be involved in decisions about the curriculum, admissions standards, exit requirements?

4. Which institution(s) will be responsible for academic and student-support services, e.g., registration, advising, library, academic assistance, financial aid, etc.?

5. What agreements exist to ensure that the academic calendars of the participating institutions have been aligned as needed?



SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873

BOARD OF REGENTS
MOTION CONSIDERATION FORM

December 18, 2020

Open Session

I. Motion to be Considered:

Authorize and approve a new Nurse Educator – Post-Master's Certificate

II. Background:

Faculty shortages at nursing schools across Missouri and Illinois are limiting student capacity at a time when the need for professional registered nurses continues to grow. According to a 2017 report by the Missouri Hospital Association, the shortage of nurses in Missouri hospitals is at an all-time high. Almost 16 percent, or about 6,000, of staff nursing positions in Missouri hospitals are vacant.

The department of nursing was able to secure funding through the Missouri State Board of Nursing Education Incentive Program (NEIP) to help develop and launch the Psychiatric Mental Health Nurse Practitioner and the Nurse Educator certificates. A total of \$93,351 was awarded for the 2020-21 academic year. The funding included \$69,351 in salaries and stipends to cover the cost of 17 credit hours of instruction by adjuncts and additional faculty loads for the two certificates. The grant also included \$10,000 to hire a consultant to assist with development of the curriculum for the Psychiatric Mental Health Nurse Practitioner certificate and \$4,000 to provide technology enhancements for the classrooms and testing preparation materials. Cost of instruction for future academic years will be covered by tuition revenue from the courses.

The Nurse Educator – Post-Master's Certificate will be delivered online to meet the needs of working professionals. The certificate requires a minimum of 12 credit hours of instruction and 180 hours of teaching practicum. It will prepare the completers to take the national Certified Nurse Educator Exam (CNE) and step into needed education positions in order to fill the critical nursing shortages.

Recommended By:

Student Government _____
Faculty Senate _____
Administrative Council _____
VP, Enroll. Man. & Stu. Suc. _____
VP, Finance & Admin. _____
VP, University Advancement _____

Chairperson _____
Dean _____
Academic Council _____
Provost _____

President _____

Board Action on: _____

Motion By: _____

Second By: _____

Vote: Yeas: _____ Nays: _____

Postpone: _____

Amend: _____

Disapprove: _____

Approve: _____

Secretary: _____

☒ PUBLIC
☐ INDEPENDENT



SAVE

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NEW PROGRAM PROPOSAL FOR ROUTINE REVIEW

Sponsoring Institution: Southeast Missouri State University

Nurse Educator Post-MSN Certificate Program

Program Title:

Degree/Certificate: GRCT-Graduate Certificate

If other, please list:

Options: N/A

Delivery Site(s): Online

51.3803

CIP Classification:

*CIP Code can be cross-referenced with programs offered in your region on [MDHE's Program Inventory](#).
[Click here for link to NCES CIP site.](#)

Implementation Date 08/21

please use MM/YY date format.

Is this a new off-site location? No ☒ Yes ☐

If yes, is the new off-site location within your institution's current CBHE-approved service region? Yes ☐

**If no, public institutions should consult the comprehensive review process.*

Is this a collaborative program? Yes ☐ No ☒ *If yes, please complete the collaborative programs form on page 6.*

CERTIFICATIONS:

- ☒ The program is within the institution's CBHE approved mission. *(public institutions only)*
- ☒ The program will be offered within the institution's CBHE approved service region. *(public institutions only)*
- ☒ The program builds upon existing programs and faculty expertise.
- ☒ The program does not unnecessarily duplicate an existing program in the geographically applicable area.
- ☒ The program can be launched with minimal expense and falls within the institution's current operating budget. *(public institutions only)*

AUTHORIZATION:

Name/Title of Institutional Officer

Signature

Date

PROGRAM CHARACTERISTICS AND PERFORMANCE GOALS

Although the following guidelines may not be applicable to the proposed program, please carefully consider the elements in each area and respond as completely as possible in the format below.

Qualifications of performance goals should be included wherever possible.

If you need more than one line of text to answer questions 1–5, please attach a Word .doc.

1. Student Preparation

- Any special admissions procedures or student qualifications required for this program which exceed regular university admissions, standards, e.g., ACT score, completion of core curriculum, portfolio, personal interview, etc. Please note if no special preparation will be required.

MSN with current, unencumbered license as a registered nurse (RN), see attachment (p.32) for all requirements

- Characteristics of a specific population to be served, if applicable.

N/A

2. Faculty Characteristics

- Any special requirements (degree status, training, etc.) for assignment of teaching for this degree/certificate.

1) DNP or PhD in nursing

- Estimated percentage of credit hours that will be assigned to full time faculty. Please use the term “full time faculty” (and not FTE) in your descriptions here.

We estimate 100% of credit hours will be assigned to full time faculty.

- Expectations for professional activities, special student contact, teaching/learning innovation.

Nothing beyond the normal expectations of graduate nursing faculty.

3. Enrollment Projections

- Student FTE majoring in program by the end of five years.

14

- Percent of full time and part time enrollment by the end of five years.

90% full-time students and 10% part-time students by the end of five years.

STUDENT ENROLLMENT PROJECTIONS

YEAR	1	2	3	4	5
FULL TIME	6	12	12	12	12
PART TIME	0	1	1	2	2
TOTAL	6	13	13	14	14

4. Student and Program Outcomes

- Number of graduates per annum at three and five years after implementation.

We project 10 graduates per annum at three and five years after implementation.

- Special skills specific to the program.

Advanced skills nursing education. See attachment (p. 4-7) for details.

- Proportion of students who will achieve licensing, certification, or registration.

100%

- Performance on national and/or local assessments, e.g. percent of students scoring above the 50th percentile on normed tests; percent of students achieving minimal cut-scores on criterion-referenced tests. Include expected results on assessments of general education and on exit assessments in a particular discipline as well as the name of any nationally recognized assessments used.

100% will complete and pass the national certification exam after graduation.

- Placement rates in related fields, in other fields, unemployed.

100%

- Transfer rates, continuous study.

<10%

5. Program Accreditation

- Institutional plans for accreditation, if applicable, including accrediting agency and timeline. If there are no plans to seek specialized accreditation, please provide a rationale

CCNE Accreditation- we are for re-accreditation in Oct. 2020 and will submit substantive change in 2021

6. Program Structure

A. Total credits required for graduation: ¹²_____

B. Residency requirements, if any: ^{180 Clinical Practicum Hours}_____

C. General education: Total credits: ^{N/A}_____

Courses (specific courses OR distribution area and credits)

Course Number	Credits	Course Title
---------------	---------	--------------

D. Major requirements: Total credits: ¹²_____

Course Number	Credits	Course Title
NS681	3	Nursing Curriculum: Development, Assessment and Evaluation
NS682	3	Assessment & Evaluation in Nursing Education
NS683	3	Foundation of Teaching and Innovative Learning Strategies
NS684	3	Synthesis of the Nurse Educator Role/Practicum

E. Free elective credits: ⁰ _____
(sum of C, D, and E should equal A)

F. Requirements for thesis, internship or other capstone experience: Nurse Educator Synthesis Project and
Capstone

G. Any unique features such as interdepartmental cooperation: No

7. Need/Demand

☒ Student demand

☒ Market demand

☒ Societal need

☒ I hereby certify that the institution has conducted research on the feasibility of the proposal and it is likely the program will be successful.

On July 1, 2011, the Coordinating Board for Higher Education began provisionally approving all new programs with a subsequent review and consideration for full approval after five years.

COLLABORATIVE PROGRAMS

Sponsoring Institution One: _____

Sponsoring Institution Two: _____

Other Collaborative Institutions: _____

Length of Agreement: _____

If you need more than two lines of text to answer questions 1–5, please attach a word .doc.

1. Which institution (s) will have degree-granting authority?

2. Which institution (s) will have the authority for faculty hiring, course assignment, evaluation and reappointment decisions?

3. What agreements exist to ensure that faculty from all participating institutions will be involved in decisions about the curriculum, admissions standards, exit requirements?

4. Which institution(s) will be responsible for academic and student-support services, e.g., registration, advising, library, academic assistance, financial aid, etc.?

5. What agreements exist to ensure that the academic calendars of the participating institutions have been aligned as needed?



BOARD OF REGENTS

MOTION CONSIDERATION FORM

December 18, 2020

Open Session

I. Motion to be Considered:

Approve a revised fee structure for the Premium Immersion and the Online Intensive English programs effective with the Fall 2021 semester.

II. Background:

The Office of International Education and Services (IES) has historically offered an in-person Intensive English Program (IEP) with a tuition structure that has been based on our non-resident undergraduate tuition and general fee rates. IEP offerings across the nation have struggled with enrollments for several years as the international student market has become increasingly challenging. The current economic climate and travel restrictions brought on by COVID have made it even more difficult to recruit students to attend the types of on-campus programs that IES has traditionally offered. IES believes there is opportunity for growth in an online program, and successfully offered the full IEP program online in Fall of 2020.

The changes in the market, as well as the changes to the modality of course offerings, have required IES and the University to review its fee and cost structure to support long-term viability of its IEP programs. The University is proposing a flat program fee structure of \$2,750 per 8-week session for the Premium Immersion Program and the Online Intensive English Program. Students in need of an individual Intensive English course will be charged the corresponding non-resident tuition rate based on their degree level and modality. The flat program fee is comparable to the pricing offered by some of our top competitors (Attachment 1) and will better allow our agents, partners, and students to plan and discuss their best option for attending IEP. This fee and increased delivery opportunities, in conjunction with identified reductions in costs, have the potential to return IEP to profitability within two years (Attachment 2). Administration will continue to monitor and evaluate IEP enrollments and financials to ensure future profitability.

Recommended By:

Student Government _____
Faculty Senate _____
Administrative Council _____
VP, Enroll. Man. & Stu. Suc. _____
VP, Finance & Admin. *[Signature]*
VP, University Advancement _____

Chairperson _____
Dean _____
Academic Council _____
Provost _____

President *[Signature]*

Board Action on: _____
Motion By: _____
Second By: _____
Vote: Yeas: _____ Nays: _____
Abstentions: _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____
Secretary: _____

COMPETITOR PROGRAMS

Intensive English Programs are frequently affiliated with a University campus to support the English language preparation of degree-seeking international students. According to EnglishUSA, there are 42 Intensive English Programs in Missouri and in the contiguous states including Arkansas (3), Illinois (10), Iowa (2), Kansas (6), Kentucky (3), Missouri (7), Nebraska (1), Oklahoma (4), and Tennessee (6)

Following is a sampling of programs, costs and scholarships, compared to Southeast's IEP.

Table 17: IEP Competitors

University	Cost/8Week Session	Total Cost 4 Levels	Scholarship	Online Cost
Murray State University	\$1,715	\$6,860	None advertised	\$6,860, new in Spring 2021
Tennessee State University	\$2,400	\$9,600	None advertised	Not online
Missouri State University	\$2,600	\$10,400	\$1000 for partners	\$10,400
Arkansas State University*	\$3,537 (midterm arrival) \$2,949.50 (semester)	\$11,798	none advertised	Not online
University of Iowa**	\$3,017.50	\$12,070	none advertised	Not online
Southeast Missouri State	\$3,551.25	\$14,205	\$2000	\$14,205
U of Central Missouri**	\$3,669.75	\$14,679	none	\$8,761.50
Wichita State University***	\$4,600 (midterm arrival) \$3,750 (full semester)	\$15,000	\$4,800 Global Select	Not online
SIU Edwardsville**	\$3,903	\$15,388	33% for qualified students	Not online

Source: College websites and <https://www.englishusa.org/>

*Arkansas State cost/session based on mid-semester arrival = \$2500 Tuition, \$1037 fees; Cost/4 Levels based on full semester enrollment = \$4400 Tuition, \$1499 fees (x2)

** estimated for consistency; this program offers full semester courses

UCM full semester cost = Tuition + General Fees = \$7,339.50

SIUE full semester cost = \$6,568 Tuition + \$1,238 General Fees = \$7,806

Iowa full semester cost = \$5,300 Tuition + \$735 General Fees = \$6,035

*** Wichita State Cost/Session based on mid-semester arrival = \$4600 Tuition and fees; Cost/4 Levels based on full semester enrollment = \$7500 tuition and fees (x2)

Revenue vs Expenditures			
Current vs Future			
		FY22	FY23
	FY21 Budget	Revised Fees	Revised Fees
Tuition/Revenues	315,900	258,500	330,000
Agent Fees	(25,000)	(22,100)	(26,400)
Partner Discount	-	(6,000)	(7,500)
Scholarships	(80,000)	-	-
Net Tuition	\$ 210,900	\$ 230,400	\$ 296,100
Total Expenses	\$ 369,244	\$ 287,149	\$ 287,149
University Support	\$ (158,344)	\$ (56,749)	\$ 8,951

The above is based on the following assumptions:

- Tuition rate of \$2,750 per 8 week term.
- An average of 23.5 and 30 IEP students per 8 week term respectively.
- Agent Fees equal to \$2,200 per student for up to 40% of students.
- Partner Discount equal to \$250 per student per 8 week term for up to 25% of students.
- PT/OVL instruction for up to 16 hours per 8 week term

Notes: Opportunities exist for IEP to earn revenues outside of tuition through short term language programs, tutoring programs, etc. should enrollments fall short of expectation.



BOARD OF REGENTS
MOTION CONSIDERATION FORM

December 18, 2020

Open Session

I. Motion to be Considered:

Approve the acceptance of the University's annual financial statement and the System Facilities financial statement for the year ending June 30, 2020, from RubinBrown, LLP.

II. Background:

The University has prepared the financial statements in accordance with GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. The Foundation is considered a discretely presented component unit of the University that reports under the FASB model and, consequently, is presented separately from the University within the University's financial statements. The Missouri Innovation Corporation is not included in the University's financial statements because it does not meet the significance criteria for component units under GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14*.

The financial statement document (Attachment 1) consists of a Management's Discussion and Analysis; basic comparative financial statements for the University, including a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for the University as a whole; basic comparative financial statements for the Foundation, including a Statement of Financial Position and Statement of Activities; notes to the basic financial statements; and additional required supplementary information pertaining to the University's pension plan and other post-employment benefit plan. The financial report includes an unmodified opinion by RubinBrown, LLP.

The Single Audit evaluates whether the University has complied with applicable laws and regulations for each major federal program as defined under Title 2 U. S Code of Federal

Recommended By:

Student Government _____
Faculty Senate _____
Administrative Council _____
VP, Enroll. Man. & Stu. Svc. _____
VP, Finance & Admin. *[Signature]*
VP, University Advancement *[Signature]*

Chairperson _____
Dean _____
Academic Council _____
Provost _____
President *[Signature]*

Board Action on:

Motion By: _____
Second By: _____
Vote: Yeas: _____ Nays: _____
Abstentions: _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____
Secretary: _____

Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and whether there are any material weaknesses or significant deficiencies in the University's internal control structure surrounding the administration of federal awards. The Single Audit is presented in draft due to a delay in the issuance of the 2020 Compliance Supplement addendum, which will set forth the tests of compliance required to be performed over the Higher Education Emergency Relief Fund and Coronavirus Relief Fund awards received by the University during fiscal year 2020. The draft reflects the results of the Single Audit as they currently stand, with test work having been completed for Student Financial Aid and the Transit Cluster. The draft report includes an unmodified opinion on compliance and there are no findings. Several individual audit reports are contained within the Single Audit Report (Attachment 2) which address various requirements concerning the University's management of federal grant programs. The draft will be considered as approved by the Board of Regents if the report remains unchanged and there are no findings after the audit procedures related to the 2020 Compliance Supplement are performed.

A report on internal control and compliance pursuant to *Government Auditing Standards*, which is typically included in the Single Audit Report package, has been issued separately (Attachment 4) due to the delay in issuing the finalized Single Audit Report. There is one finding that is considered a significant deficiency. Finding 2020-001 noted that the University implemented a health care self-insurance plan effective on January 1, 2020. At June 30, 2020, the University is required to record a liability for claims reported but not paid and an estimate of claims incurred but not reported as of June 30, 2020. An audit adjustment was made for the liability. The University concurs with the finding and is working with its benefit consultant and its third-party administrator to ensure that it will timely receive year-end claims liability reports in the future.

The System Facilities financial statements present the activity for fiscal year 2020 for the funds established by the terms of the bond resolution for the System Facilities Revenue Bonds Series 2011B, 2013A, 2013B, 2016A, 2016B and 2016C. The basic financial statements for the System Facilities were also prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*.

The System Facilities Report (Attachment 3) consists of a Management's Discussion and Analysis; basic financial statements including a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for System Facilities, notes to the basic financial statements, and various supplemental schedules required by terms of the University's bond agreements. The financial report includes an unmodified opinion by RubinBrown, LLP.

Southeast Missouri State University



Report to the Board of Regents - Results of Annual Audit



for the year ended
June 30, 2020

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Auditor Communications

Southeast Missouri State University

Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

We have audited the financial statements of Southeast Missouri State University (the University), a component unit of the State of Missouri, as of and for the year ended June 30, 2020, and issued our report dated November 16, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility Under Generally Accepted Auditing Standards In The United States Of America And Government Auditing Standards

As stated in our engagement letter dated June 1, 2020 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 accounting principles generally accepted in the United States of America 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 requirements. Our responsibility is also to plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit in accordance with professional standards does not provide absolute assurance about, or guarantee the accuracy of, the financial statements or noncompliance with grant requirements. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is an inherent risk that material errors, fraud or illegal acts may exist and not be detected by us.

Auditor Communications (Continued)

Professional standards also require that we obtain a sufficient 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.

We have issued the following reports:

- An unmodified opinion on the University's financial statements for the year ended June 30, 2020.
- 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*.
- An unmodified opinion of the System Facilities financial statements for the year ended June 30, 2020.
- An independent accountant's report on agreed-upon procedures applied pursuant to NCAA Bylaw 3.2.4.15.

We will issue the following report once the test work is complete:

- An opinion on compliance and a report on internal controls over federal financial assistance in accordance with the Uniform Guidance.

Other Information In Documents Containing Audited Financial Statements

The 2020 audited financial statements of the University will be included in the financial statements of the State of Missouri. To our knowledge, the 2020 audited financial statements for the University are not included within any other document.

Auditor Communications (Continued)

Planned Scope And Timing Of The Audit

We performed the audit according to the planned scope and timing previously communicated to management prior to the commencement of the audit, as well as the engagement letter, regarding the nature, timing and extent of our audit procedures.

Qualitative Aspects Of Accounting Practices

Significant Accounting Policies

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. The significant accounting policies used by the University are described in Note 2 to the financial statements. No new accounting policies were adopted during the year ended June 30, 2020.

We noted no transactions entered into by the University during the year for which there was a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transactions occurred.

Auditor Communications (Continued)

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most notable estimates affecting the financial statements are:

- 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.
- The depreciable lives used to calculate depreciation: Management's estimate of the depreciable lives of buildings and building improvements, infrastructure and equipment is based on the assets' estimated useful lives.
- Net pension liability: Management estimates the future liability for pension benefits based upon an actuarial calculation that includes assumptions related to mortality, investment return, and the discount rate utilized.
- Net other postretirement employee benefit liability: Management estimates the future liability for postretirement benefits based upon an actuarial estimate of future health insurance costs for eligible retirees participating in the program.

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.

Auditor Communications (Continued)

Financial Statement Disclosures

The disclosures to the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the financial statements' users. The most sensitive disclosures affecting the financial statements are:

- Deposits and investments in Note 3 to the financial statements, which details the summary of the University's investment holdings and their respective fair values, as well as custodial credit risk, interest rate risk and credit risk related to such holdings.
- Capital assets in Note 6 to the financial statements, which details types of assets held by the University at June 30, 2020, as well as the current year additions, current year retirements, depreciation expense and total accumulated depreciation expense for the year ended June 30, 2020.
- The disclosure of long-term liabilities in Notes 8 and 9 to the financial statements, which lists the issuance and retirement of bonded debt and other notes payable during the year, the scheduled future maturity payments, and the University's compliance status with certain covenants related to the bond issues.
- Disclosures in Note 10 relating to the net pension liability and related deferred inflows and outflows of resources.
- Disclosures in Note 12 relating to the net other postretirement employee benefit liability.
- Disclosures related to the Foundation, a discretely presented component unit, in Note 17.

Difficulties in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Auditor Communications (Continued)

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, communicate them to the appropriate level of management, and request their correction.

We identified one audit adjustment that resulted in a decrease in net position of \$1,718,842 due to the recording of the self-insured health care claims liability at June 30, 2020.

We did not identify any uncorrected misstatements during our audit.

Disagreements with Management

For the purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter which could be significant to the University's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Management Representations

We requested certain representations from management that are included in the management representation letter dated November 16, 2020. A copy of the letter has been attached to this document.

Auditor Communications (Continued)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to an entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the University's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Regents and management of Southeast Missouri State University and is not intended to be and should not be used by anyone other than these specified parties.

RubinBrown LLP

November 16, 2020

Internal Control Comments

During our audit, we noted one significant deficiency in internal control. This deficiency is discussed in detail in our report on compliance and on internal control over financial reporting based on an audit of the financial statements in accordance with *Government Auditing Standards*. A summary of the deficiency is as follows:

Significant Deficiency - 2020-001

During the audit, we noted the University implemented a self-insured health care plan which became effective on January 1, 2020. At June 30, 2020, the University should record a claims liability for claims reported but not paid by the University, as well as an estimate of claims incurred but not reported as of June 30, 2020.

Due to the implementation of the plan during the current year, management did not have a standard procedure in place to ensure the liability was recorded at year-end. This resulted in a significant audit adjustment in order to record the self-insurance claims liability.

Recommendation: University management should ensure that the appropriate documents are obtained from the insurance provider at the end of the year in order to record the claims liability, and the liability is recorded as part of the University's financial closing procedures.

Views of Responsible Officials: As noted, the University implemented a new, self-insured health insurance plan effective January 1, 2020. University management is working with its benefits consultant and its third-party claims administrator to ensure that it will timely receive year-end claims liability reports in the future. These reports will support the accurate reconciliation and recording of year-end claims liabilities.

Schedule Of Assets (Thousands)

	June 30,	
	2020	2019
Assets		
Cash	\$ 33,676	\$ 12,232
Investments	31,008	55,503
Interest receivable	55	364
Accounts and note receivable	8,020	7,803
Due from federal government	7,988	2,445
Inventory	2,333	2,257
Prepaid expenses	342	379
Capital assets	441,992	449,825
Due from component unit - Foundation	5,574	5,735
Total Assets	530,988	536,543
Deferred Outflows		
Deferred outflows - pension	24,242	35,007
Deferred outflows - other post retirement benefit plan	275	—
Deferred outflows - bond refunding	9,209	5,964
Total Deferred Outflows	33,726	40,971
Total Assets And Deferred Outflows	\$ 564,714	\$ 577,514

OBSERVATIONS

Total assets and deferred outflows decreased approximately \$12.8 million over the prior year, primarily due to the following:

- Investment maturities during fiscal year 2020 caused investments to decrease and cash to increase.
- Due from federal government increased related to CARES Act funding due to the University at year-end.
- Capital assets decrease due to depreciation expense exceeding current year additions.
- Deferred outflows related to the pension plan decreased based upon the 2020 actuarial valuation.

Schedule Of Liabilities And Net Position (Thousands)

Southeast Missouri State University

	June 30,	
	2020	2019
Liabilities		
Accounts payable	\$ 5,759	\$ 4,735
Accrued compensation	8,212	8,600
Claims liability	1,719	—
Bond interest payable	1,446	1,821
Due to federal government	3,029	3,484
Funds held for others	175	155
Unearned income	11,269	10,901
Net pension liability	128,178	128,923
Bonds payable	168,285	171,688
Notes payable	299	238
Net other postretirement employee benefit liability	4,443	4,328
Total Liabilities	332,814	334,873
Deferred Inflows		
Deferred inflows - other postretirement benefit plan	323	—
Deferred inflows - pension	10,009	7,208
Total Deferred Inflows	10,332	7,208
Total Net Position	221,568	235,433
Total Liabilities, Deferred Inflows And Net Position	\$ 564,714	\$ 577,514

OBSERVATIONS

Total liabilities and deferred outflows increased by \$1.0 million, primarily due to the following:

- An increase in accounts payable of \$1.0 million related to equipment purchased and received at year-end; in particular, the purchase of pianos costing approximately \$800,000.
- An increase in claims liability of \$1.7 million related to the new self-insured status of the medial plan.
- An increase in deferred outflows of \$2.8 million due to the current year's actuarial calculations of the University's share of the MOSERS pension plan liability.
- The increased above were offset by a decrease of \$3.4 million to the bonds payable due to current year payments.

Schedule Of Revenues (Thousands)

Southeast Missouri State University

	For The Years Ended June 30,	
	2020	2019
Revenues		
Tuition and fees, net	\$ 55,747	\$ 54,314
Grants, contracts and appropriations	71,721	69,418
Capital grants and appropriations	1,005	3,209
Investment income	4,083	4,385
Auxiliary enterprises, net	22,651	28,838
Other sources	10,796	11,070
Contributions	3,513	3,894
Total Revenues	\$ 169,516	\$ 175,128

OBSERVATIONS

Total Revenues decreased by approximately \$6.6 million related to the decrease in auxiliary enterprises which includes housing revenues. Due to the COVID-19 pandemic and the subsequent closure of campus, the University refunded student housing and parking charges which resulted in the large decrease.

Schedule Of Expenses (Thousands)

	For The Years Ended June 30,	
	2020	2019
Expenses		
Salaries, wages and benefits	\$ 102,983	\$ 105,402
Scholarships and fellowships	23,049	19,328
Utilities	4,128	4,424
Supplies and other services	31,027	32,866
Deprecation and amortization	15,090	15,161
OPEB	163	86
Interest on bonds and notes payable	5,029	7,707
Loss on disposal of plant funds	1,911	315
Total Expenses	183,380	185,289
Change in Net Position	\$ (13,864)	\$ (10,161)

OBSERVATIONS

Total expenses decreased by \$1.91 million over the prior year due to the following:

- A decrease in salaries, wages and benefits of \$2.4 million largely due to continued delays in filling vacant positions.

Change in net position decreased \$3.7 million from the prior year.

Debt Covenant Compliance Calculation

System Facilities Revenues (In Thousands):	
Housing System Revenues	\$ 25,523
Student Recreation Center Revenues	2,496
Parking Systems Revenues	1,355
Total System Facilities Revenues	29,374
System Facilities Expenditures:	
Housing System Expenditures	14,576
Student Recreation Center Expenditures	1,196
Parking Systems Expenditures	660
Total System Facilities Expenditures	16,432
Net System Facilities Revenues	\$ 12,942
Debt Service	\$ 9,893
Debt Service Coverage	1.31

NOTE: The covenant are contained in the University's Revenue Bond Agreements.

Debt service coverage ratio should exceed **1.00**.

Independent Auditors' Report On Additional Information

Southeast Missouri State University

Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

Our report on our audit of the basic financial statements of Southeast Missouri State University (the University) for June 30, 2020 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.

RulinBrown LLP

November 16, 2020



Management Representation Letter



November 16, 2020

RubinBrown LLP
One North Brentwood Boulevard
Saint Louis, Missouri 63105

This representation letter is provided in connection with your audit of the financial statements of Southeast Missouri State University as of June 30, 2020 and 2019, and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of Southeast Missouri State University, and the changes in financial position and cash flows in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

We understand we are responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We acknowledge our responsibility for 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the Board of Regents is contingently liable, if any, have been properly recorded or disclosed.

10. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
11. All funds and activities are properly classified.
12. All net position components and fund balance classifications have been properly reported.
13. All interfund and intra-entity transactions and balances have been properly classified and reported.
14. Special items and extraordinary items have been properly classified and reported.
15. Deposit and investment risks have been properly and fully disclosed.
16. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
17. All required supplementary information is measured and presented within the prescribed guidelines.
18. With regard to pensions and OPEB:
 - a. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - b. Increases in benefits, elimination of benefits and all similar amendments, if any, have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.

Information Provided

19. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Regents or summaries of actions of recent meetings for which minutes have not yet been prepared.
20. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
21. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
22. We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
23. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
24. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
25. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
26. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
27. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
28. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

29. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
30. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
31. The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
32. We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.
33. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
34. There are no violations or possible violations or laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
35. There are no other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62.
36. We have disclosed to you all known actual or possible litigation, claims and assessment whose effects should be considered when preparing the financial statements. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
37. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
38. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
39. With respect to the *required supplementary information* accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the *required supplementary information* in accordance with U.S. GASB-68 and GASB 75.
 - b. We believe the *required supplementary information*, including its form and content, is measured and fairly presented in accordance with GASB 68 and GASB 75
 - c. The methods of measurement or presentation have not changed from those used in the prior period

Single Audit

40. With respect to federal awards, we represent the following to you:
 - a. We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
 - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
 - c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
 - d. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - e. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.

- f. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- g. When the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- h. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- i. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
- j. We have made available to you all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
- k. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- l. We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditor's report.
- m. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- p. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- q. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- r. We have charged costs to federal awards in accordance with applicable cost principles.
- s. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- t. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- u. The reporting package does not contain personally identifiable information.
- v. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- w. We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.
- x. We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditor's role in the preparation of the adjustments. (This representation is

required by footnote 28 to paragraph 3.18 of *Government Auditing Standards* when the auditor has a role in converting cash-basis financial statements to accrual-based financial statements.)

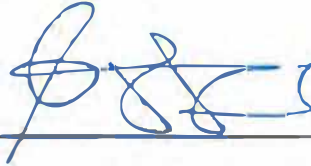
- y. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

In addition:

- z. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements.
- aa. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
- bb. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form and we are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.



Dr. Carlos Vargas, President



Brad Sheriff

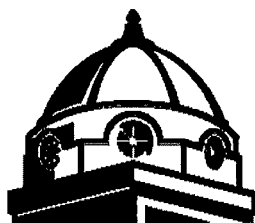
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Dr. Brad Sheriff, Vice President for Finance and Administration

Pam Sander

Pam Sander, Controller

**SOUTHEAST MISSOURI
STATE UNIVERSITY**
FINANCIAL STATEMENTS
JUNE 30, 2020



**SOUTHEAST MISSOURI
STATE UNIVERSITY • 1873**

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Independent Auditors' Report

Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

Report On The Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Southeast Missouri State University, (the University), a component unit of the State of Missouri, as of and for the years ended June 30, 2020 and 2019, 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Southeast Missouri State University as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10, the Schedules of Selected Pension Information on pages 64 and 65 and the Schedule of Selected Postemployment Healthcare Plan Information on page 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2020 on our consideration of the University's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

RubinBrown LLP

November 16, 2020

SOUTHEAST MISSOURI STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Southeast Missouri State University's (the University) basic financial statements provides a comparative overview of the University's financial performance during the years ended June 30, 2020 and 2019. The Management's Discussion and Analysis is designed to focus on current activities and resulting changes, and should be read in conjunction with the University's basic financial statements and footnotes.

Using this Report

This report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis - for Public Colleges and Universities*. These basic financial statements focus on the financial condition of the University, the results of operations, and cash flows of the University as a whole.

The Statement of Net Position includes the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the end of the fiscal year. The Statement of Net Position is a point of time financial statement. It is prepared under the accrual basis of accounting, whereby assets are recognized when the service is provided and liabilities are recognized when others provide the service, regardless of when cash is exchanged. The University's net position (the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources) is one indicator of the University's financial health. Over time, increases or decreases in net position is one indicator of the improvement or erosion of the University's financial health when considered with non-financial facts such as enrollment levels and the conditions of facilities.

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as operating, nonoperating or other. All things being equal, a public University's dependency on state appropriations and gifts will result in operating deficits. That is because the financial reporting model prescribed by GASB No. 34 classifies state appropriations and gifts as nonoperating revenues. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the basic financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The Statement of Cash Flows presents the University's flows of cash. The primary purpose of the Statement of Cash Flows is to provide information about the University's cash receipts and payments summarized by operating, capital and related financing, noncapital financing and investing activities.

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (Continued)

Financial Analysis of the University

The following table reflects the Net Position of the University as of June 30:

Condensed Statement of Net Position As of June 30, 2020, 2019 and 2018

	2020	2019	2018
Current Assets	\$ 66,623,218	\$ 50,414,050	\$ 31,880,672
Noncurrent Assets			
Capital assets, net of depreciation	441,991,391	449,824,221	452,587,892
Other	22,373,857	36,304,732	52,890,668
Total Assets	<u>530,988,466</u>	<u>536,543,003</u>	<u>537,359,232</u>
Deferred Outflows of Resources	<u>33,726,188</u>	<u>40,971,442</u>	<u>49,300,077</u>
Current Liabilities	36,126,084	33,478,798	30,481,722
Noncurrent Liabilities	<u>296,688,611</u>	<u>301,395,118</u>	<u>308,247,254</u>
Total Liabilities	<u>332,814,695</u>	<u>334,873,916</u>	<u>338,728,976</u>
Deferred Inflows of Resources	<u>10,331,604</u>	<u>7,207,800</u>	<u>2,336,766</u>
Net Position			
Net investment in capital assets	275,846,627	275,129,523	271,123,217
Restricted	3,733,379	3,731,719	4,080,729
Unrestricted	<u>(58,011,651)</u>	<u>(43,428,513)</u>	<u>(29,610,379)</u>
Total Net Position	<u>\$ 221,568,355</u>	<u>\$ 235,432,729</u>	<u>\$ 245,593,567</u>

Current assets consist primarily of cash and cash equivalents, short-term investments, accounts and grants receivable and inventories. Current assets totaled \$66.62, \$50.41, and \$31.88 million for June 30, 2020, 2019 and 2018, respectively.

The majority of noncurrent assets are capital assets, which are recorded net of accumulated depreciation. See Note 6 for a recap of the capital asset activity. In addition to capital assets, long-term investments comprised \$15.50, \$28.98, and \$44.96 million for June 30, 2020, 2019 and 2018, respectively, of total noncurrent assets.

Implementation of GASB No. 65, *Items Previously Recognized as Assets and Liabilities* requires reporting of deferred inflows and outflows of resources. Deferred outflows related to debt refundings were \$9.21, \$5.96, and \$6.59 million for June 30, 2020, 2019 and 2018, respectively.

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

During fiscal year 2015, the University implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expense associated with defined benefit pension plans. Deferred outflows were \$24.24, \$35.01 and \$42.71 million for June 30, 2020, 2019 and 2018 for deferred amounts related to pension plan and pension plan contributions. Deferred inflows were \$10.01, \$7.21 and \$2.34 million for June 30, 2020, 2019 and 2018, respectively.

Current liabilities consist primarily of accounts payable, accrued compensation, accrued claims payable, accrued interest payable and unearned income. Current liabilities also include the current portion of bonds and notes payable. Current liabilities totaled \$36.13, \$33.48, and \$30.48 million for June 30, 2020, 2019 and 2018, respectively.

Noncurrent liabilities consist primarily of long-term debt, pension and OPEB liabilities. Noncurrent liabilities totaled \$296.69, \$301.40 and \$308.25 million for June 30, 2020, 2019 and 2018, respectively. Bond debt was reduced by \$8.79 million from fiscal year 2019 to 2020. See Note 8 for detailed activity of bonds payable. The liability for pension and other postretirement benefits (OPEB) has remained stable from June 30, 2018 to June 30, 2020. Net pension liability increased slightly from \$127.98 million at June 30, 2018 to \$128.18 million at June 30, 2020 and the net other postretirement employee benefits increased from \$4.24 million at June 30, 2018 to \$4.44 million at June 30, 2020. These liabilities are determined by actuarial valuations and are required reporting under GASB Statement No. 68 and GASB Statement No. 75.

Net position represents the residual interest in the University's assets after liabilities are deducted.

	June 30,		
	2020	2019	2018
Net Position:			
Net investment in capital assets	\$ 275,846,627	\$ 275,129,523	\$ 271,123,217
Restricted:			
Nonexpendable	2,284,871	2,170,881	2,092,185
Expendable	1,448,508	1,560,838	1,988,544
Total Restricted	<u>279,580,006</u>	<u>278,861,242</u>	<u>275,203,946</u>
Unrestricted:			
Designated	27,817,729	27,552,403	31,304,229
Undesignated	(85,829,380)	(70,980,916)	(60,914,608)
Total Unrestricted	<u>(58,011,651)</u>	<u>(43,428,513)</u>	<u>(29,610,379)</u>
Total Net Position	<u>\$ 221,568,355</u>	<u>\$ 235,432,729</u>	<u>\$ 245,593,567</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Net position invested in capital assets represent the University's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Net investment in capital assets increased approximately \$4.73 million from \$271.12 million at June 30, 2018 to \$275.85 million at June 30, 2020.

Restricted net position includes the University's permanent endowment, managed by the Southeast Missouri University Foundation.

Following is a breakdown of designated unrestricted net position as of June 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Unrestricted-Designated Net Position			
Investment in inventories	\$ 2,332,855	\$ 2,257,010	\$ 2,423,535
Future operations (including capital projects)	23,102,368	23,008,797	26,636,038
Quasi-endowment	<u>2,382,506</u>	<u>2,286,596</u>	<u>2,244,656</u>
Total	<u>\$ 27,817,729</u>	<u>\$ 27,552,403</u>	<u>\$ 31,304,229</u>

The total unrestricted-undesignated net position of the University totaled \$(85.83), \$(70.81), and \$(60.91) million for June 30, 2020, 2019 and 2018 respectively. The negative unrestricted net position results from the implementation of GASB Statements No. 68 and No. 71 and the recording of a \$128.18, \$128.92 and \$127.98 million pension liability and related deferred inflows and outflows as discussed previously. Although unrestricted net position is not subject to externally imposed stipulations, all of unrestricted net position has been internally designated as of June 30, 2020. The balance of University operations undesignated, unrestricted net position has decreased approximately \$6.55 million from June 30, 2018 to June 30, 2020. University operations undesignated, unrestricted totaled \$20.14, \$24.35 and \$26.69 million at June 30, 2020, 2019 and 2018, respectively.

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (Continued)

The following schedule reflects the condensed revenues and expenses of the University for fiscal years 2020, 2019 and 2018:

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2020	2019	2018
Operating Revenues:			
Student tuition and fees, net of scholarship allowance	\$ 55,747,358	\$ 54,313,868	\$ 55,053,969
Grants and contracts	10,556,779	11,313,866	11,778,390
Auxiliary services	22,651,054	28,838,528	31,207,127
Other operating revenues	10,795,023	11,069,311	9,709,401
Total Operating Revenues	99,750,214	105,535,573	107,748,887
Operating Expenses:			
Personal service	102,983,044	105,402,422	107,634,266
Utilities and supplies	35,154,522	37,290,186	37,218,912
Scholarships	23,049,312	19,328,357	19,465,735
Depreciation	15,090,045	15,161,739	14,935,085
Other post-employment benefits (OPEB) expense	163,208	85,801	122,324
Total Operating Expenses	176,440,131	177,268,505	179,376,322
Operating Loss	(76,689,917)	(71,732,932)	(71,627,435)
Nonoperating Revenues (Expenses)			
State appropriations	39,414,435	43,961,331	43,783,556
Federal grants - restricted	21,749,516	14,144,527	14,984,408
Investment income	4,083,493	4,385,233	2,685,492
Gifts	3,512,561	3,893,110	2,879,854
Nonoperating expenses	(6,939,918)	(8,021,111)	(8,057,695)
Net Nonoperating Revenues	61,820,087	58,363,090	56,275,615
Other Revenues	1,005,456	3,209,004	2,880,838
Increase (Decrease) In Net Position	(13,864,374)	(10,160,838)	(12,470,982)
Net Position Beginning of Year	235,432,729	245,593,567	260,176,321
Adjustment due to the adoption of GASB Statement No. 75	—	—	(2,111,772)
As restated	235,432,729	245,593,567	258,064,549
Net Position End of Year	\$ 221,568,355	\$ 235,432,729	\$ 245,593,567

Total revenues were \$169.52, \$175.13, and \$174.96 million for fiscal years ended June 30, 2020, 2019 and 2018, respectively. The most significant sources of revenue for the University are student tuition and fees, state appropriations, auxiliary services, grants and contracts, including CARES funding for COVID-19 relief and federal financial aid.

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Student tuition and fees, net of scholarship allowance increased by \$.70 million and auxiliary services, net of scholarship allowance decreased by \$8.56 million from fiscal year 2018 to 2020. The decrease to auxiliary services is the result of declining enrollment and in 2020 refunds to students for housing and parking related to closing the campus in the Spring of 2020 due to the pandemic.

Student tuition and fees surpassed state appropriations as the largest source of revenue for the University in fiscal year 2007. State appropriations have been declining as a percent of total revenue from 37% in fiscal year 2002 to 23% for fiscal year 2020. The University's state appropriation for fiscal year 2018 and 2019, net of the 3% governor's reserve withholding, was \$43.53 million. The University's appropriation for fiscal year 2020 increased 2.22% to \$44.50 million, net of the 3% governor's reserve withholdings however additional COVID-19 withholdings of \$5.78 million reduced the appropriation to \$38.72 million.

Operating expenses of the University totaled \$176.44, \$177.27, and \$179.38 million for the fiscal years ended June 30, 2020, 2019 and 2018 respectively. Personnel service costs, including the costs related to faculty, staff and student labor and fringe benefits accounted for 58%, 59%, and 60% of total operating expenses for June 30, 2020, 2019 and 2018 respectively. The decrease in personnel costs are the result of longer delays in filling vacant positions and reduction of staff positions of approximately 4 percent of the University's full-time workforce in fiscal year 2018. The cost saving measures reduced salaries but fringe benefits continued to increase due to increases to retirement plan costs.

Bonds and Notes Payable

The University had outstanding bonds of approximately \$168.29, \$171.69 and \$179.02 million at June 30, 2020, 2019 and 2018, respectively. During fiscal year 2020, the University issued 2019 bonds for the purpose of partially refunding 2010B bonds. During fiscal year 2019 and 2018, there were no new bonds issued. The University made all regularly scheduled debt service payments. Please refer to the bonds payable footnote (Note 8) in the notes to the basic financial statements for additional disclosures.

The University had outstanding notes payable of approximately \$299, \$239 and \$279 thousand at June 30, 2020, 2019 and 2018, respectively. A new loan agreement used for energy efficient lighting for \$97.5 thousand was issued in 2020. No new notes were issued in fiscal years 2019 or 2018. Please refer to the notes payable footnotes (Note 9) in the notes to the basic financial statements for additional disclosures.

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Capital Assets

At June 30, 2020, 2019 and 2018, the University's investment in capital assets was as follows:

	2020	2019	2018
Land	\$ 4,217,138	\$ 4,217,138	\$ 4,217,138
Buildings and improvements	528,401,742	518,824,773	513,867,512
Leasehold improvements	4,416,323	4,416,323	4,392,555
Infrastructure	39,615,395	39,626,525	39,503,407
Equipment	47,249,851	48,241,352	48,269,730
Library books	26,714,703	26,760,998	26,605,297
Construction in progress	5,450,305	9,600,709	3,402,206
	656,065,457	651,687,818	640,257,845
Less: Accumulated depreciation	214,074,066	201,863,597	187,669,953
	<u>\$ 441,991,391</u>	<u>\$ 449,824,221</u>	<u>\$ 452,587,892</u>

At June 30, 2020, the University had initiated plans and incurred certain contractual commitments related to the construction of various facilities. The costs to complete these projects are estimated at \$3.35 million at June 30, 2020 and are to be funded from auxiliary funds and other local funds. These projects included approximately \$1.28 million for residence hall upgrades, \$.93 million for tunnel repairs and \$1.14 million for other campus renovations.

Economic Outlook

Southeast Missouri State University is the only four-year, public university located in the southeast portion of Missouri between St. Louis and the Arkansas border. Declining traditional-age college prospects, increased competition, and growing concerns about the affordability of a college education have led to a decline in overall enrollment at the University the past several academic years. The University is continuously working on strategies designed to help the institution overcome these and other challenges in order to remain an academically vibrant and financially viable engine of personal and economic development for its region and beyond.

In fall 2016, the University announced a goal to retain at least 80% of first-time, full-time students to the second year and to graduate at least 60% of first-time, full-time students in six years. Fall 2020 census data show that Southeast met the first of these goals by achieving a record high freshman to sophomore retention rate of 80%. This is seen as a good sign relative to six-year graduation rates, which have generally been trending upward. Continuing improvement in student outcomes remains, as always, on the horizon.

SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

The Board of Regents approved a \$139 million operating budget for fiscal year 2021. The University was intentionally conservative in its planning assumptions, projecting an enrollment decrease of nearly 600 (headcount) students and a 20% reduction, from FY20 funding levels, in its state appropriations. As time passed following the onset of COVID-19, hope faded that the pandemic might be short-lived and leave minimal economic damage in its wake. Southeast identified a budget need of nearly \$21 million and created a three-year plan to address it, an approach that will serve the University well in ensuring that its finances are aligned with the ever-changing higher education marketplace.

Although the myriad factors that have created headwinds over the past several years will continue to pose budgetary challenges, all of which have been exacerbated by COVID-19, the University has shown itself capable in responding to such challenges. The University is more focused than ever on maximizing its net tuition revenues, pursuing financially advantageous partnerships, and ensuring that its expenditures reflect its highest priority - student success.

Contacting the University's Financial Management

This financial report is designed to provide a general overview of the University's finances and to show the University's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to the Vice President for Finance and Administration, One University Plaza, MS 3000, Cape Girardeau, MO 63701.

SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENT OF NET POSITION

Page 1 Of 2

	June 30,	
	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 32,228,073	\$ 10,671,607
Restricted cash and cash equivalents	1,448,508	1,560,838
Short-term investments	15,505,467	26,521,760
Accrued interest receivable	54,887	364,292
Due from component unit - Foundation	885,355	1,264,045
Accounts receivable (net of allowance of \$641,022 in 2020 and \$666,254 in 2019)	5,324,027	4,396,416
Notes receivable	513,040	554,438
Due from federal government	7,988,924	2,444,721
Inventory	2,332,855	2,257,010
Prepaid expenses	342,082	378,923
Total Current Assets	66,623,218	50,414,050
Noncurrent Assets		
Investments	15,503,315	28,981,327
Due from component unit - Foundation	4,687,528	4,470,927
Notes receivable (net of allowance of \$983,874 and \$1,068,931 in 2020 and 2019, respectively)	2,183,014	2,852,478
Capital assets - non-depreciable	14,611,620	19,012,104
Capital assets, net - depreciable	427,379,771	430,812,117
Total Noncurrent Assets	464,365,248	486,128,953
Total Assets	530,988,466	536,543,003
Deferred Outflows Of Resources		
Deferred amounts on refunding of bonds payable	9,209,214	5,964,573
Deferred amounts related to other postretirement employee benefit plan	274,660	—
Deferred amounts related to pension plan	15,190,376	26,678,178
Deferred amounts related to pension contributions	9,051,938	8,328,691
Total Deferred Outflows Of Resources	33,726,188	40,971,442

SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENT OF NET POSITION**Page 2 Of 2**

	June 30,	
	2020	2019
Liabilities		
Current Liabilities		
Accounts payable	\$ 5,758,782	\$ 4,734,797
Accrued compensation	8,212,813	8,600,089
Accrued claims liability	1,718,842	—
Bond interest payable	1,445,587	1,821,129
Funds held for others	175,190	155,384
Unearned income	11,268,669	10,900,358
Current portion of bonds payable	7,520,000	7,225,000
Current portion of notes payable	26,201	42,041
Total Current Liabilities	36,126,084	33,478,798
Noncurrent Liabilities		
Due to federal government	3,029,162	3,483,872
Bonds payable	160,765,902	164,463,848
Notes payable	272,492	196,665
Net other postretirement employee benefit liability	4,442,902	4,327,989
Net pension liability	128,178,153	128,922,744
Total Noncurrent Liabilities	296,688,611	301,395,118
Total Liabilities	332,814,695	334,873,916
Deferred Inflows Of Resources		
Deferred amounts related to other postretirement employee benefit plan	322,955	—
Deferred amounts related to pension plan	10,008,649	7,207,800
Total Deferred Inflows Of Resources	10,331,604	7,207,800
Net Position		
Net investment in capital assets	275,846,627	275,129,523
Restricted for:		
Nonexpendable -		
Scholarships	2,284,871	2,170,881
Expendable -		
Debt service	1,448,508	1,560,838
Unrestricted	(58,011,651)	(43,428,513)
Total Net Position	\$ 221,568,355	\$ 235,432,729

SOUTHEAST MISSOURI UNIVERSITY FOUNDATION
(A Component Unit of Southeast Missouri State University)

STATEMENT OF FINANCIAL POSITION

	June 30,	
	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,967,454	\$ 3,052,369
Short-term investments	21,504,936	19,307,288
Receivables:		
Pledges receivable	16,462	20,667
Notes receivable	489,988	489,321
Accrued interest receivable	67,114	68,476
Prepaid insurance	5,628	5,336
Total Current Assets	<u>24,051,582</u>	<u>22,943,457</u>
Noncurrent Assets		
Investments:		
Endowment investments	79,724,308	80,898,333
Cash surrender value of life insurance	734,682	699,901
Pledges receivable (net of allowance of \$19,430 and \$43,828 in 2020 and 2019, respectively)	558,845	582,289
Long term notes receivable, net of imputed interest	2,855,085	3,247,185
Property held for resale and development	1,244,158	1,242,602
Property and equipment, net of accumulated depreciation	11,186,316	10,779,883
Total Noncurrent Assets	<u>96,303,394</u>	<u>97,450,193</u>
Total Assets	<u><u>\$ 120,354,976</u></u>	<u><u>\$ 120,393,650</u></u>
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	\$ 23,781	\$ 36,223
Due to primary institution - University	885,355	1,264,045
Note payable to bank	61,834	58,950
Funds held for others	63,616	67,635
Annuity obligations	214,895	206,154
Total Current Liabilities	<u>1,249,481</u>	<u>1,633,007</u>
Noncurrent Liabilities		
Deferred revenue	286	178,761
Note payable to bank	659,613	720,780
Annuity obligations	1,486,971	1,302,908
Due to primary institution - University	4,687,528	4,470,927
Total Noncurrent Liabilities	<u>6,834,398</u>	<u>6,673,376</u>
Total Liabilities	<u>8,083,879</u>	<u>8,306,383</u>
Net Assets		
Without donor restriction	23,613,135	23,305,723
With donor restriction	88,657,962	88,781,544
Total Net Assets	<u>112,271,097</u>	<u>112,087,267</u>
Total Liabilities And Net Assets	<u><u>\$ 120,354,976</u></u>	<u><u>\$ 120,393,650</u></u>

SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For The Years Ended June 30,	
	2020	2019
Operating Revenues		
Student tuition and fees (net of scholarship allowance of \$23,824,053 in 2020 and \$23,822,875 in 2019)	\$ 55,747,358	\$ 54,313,868
Federal grants - restricted	2,566,156	3,441,126
State grants and contracts - restricted	7,310,436	7,069,922
Nongovernmental grants and contracts - restricted	680,187	802,818
Sales and services of educational departments	2,725,971	2,887,856
Auxiliary enterprises:		
Residence life (net of scholarship allowance of \$3,820,553 in 2020 and \$4,045,844 in 2019; revenues are used as security for revenue bonds Series 2011B, 2013A, 2013B, 2016A, 2016B and 2016C)	15,452,630	20,739,429
Other auxiliary (net of scholarship allowance of \$136,774 in 2020 and \$148,640 in 2019; revenues are used as security for revenue bonds Series 2011B, 2013A, 2013B, 2016A, 2016B and 2016C)	7,198,424	8,099,099
Other operating revenues	8,069,052	8,181,455
Total Operating Revenues	99,750,214	105,535,573
Operating Expenses		
Personnel services	102,983,044	105,402,422
Scholarships	23,049,312	19,328,357
Utilities	4,127,667	4,424,519
Supplies and other services	31,026,855	32,865,667
Depreciation and amortization	15,090,045	15,161,739
Other post-employment benefit (OPEB) expense	163,208	85,801
Total Operating Expenses	176,440,131	177,268,505
Operating Loss	(76,689,917)	(71,732,932)
Nonoperating Revenues (Expenses)		
State appropriations	39,414,435	43,961,331
Federal grants - restricted	21,749,516	14,144,527
Investment income	4,083,493	4,385,233
Contributions and gifts	3,512,561	3,893,110
Interest on capital asset-related debt	(5,029,395)	(7,706,501)
Loss on disposal of plant facilities	(1,910,523)	(314,610)
Net Nonoperating Revenues	61,820,087	58,363,090
Loss Before Other Revenues, Expenses And Gains	(14,869,830)	(13,369,842)
State capital appropriations	500,000	2,905,139
Capital grants and gifts	505,456	303,865
Total Other Revenues, Expenses And Gains	1,005,456	3,209,004
Change In Net Position	(13,864,374)	(10,160,838)
Net Position - Beginning Of Year	235,432,729	245,593,567
Net Position - End Of Year	\$ 221,568,355	\$ 235,432,729

SOUTHEAST MISSOURI UNIVERSITY FOUNDATION
(A Component Unit of Southeast Missouri State University)

STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Totals
Support And Revenue			
Contributions, net of discount	\$ 680,902	\$ 3,173,428	\$ 3,854,330
Investment return	(72,728)	1,603,113	1,530,385
Rental income	587,814	9,359	597,173
Special events, net of expense	1,135	48,577	49,712
Loss on annuity and trust obligations	—	(295,663)	(295,663)
Other revenues and transfers	141,085	420,075	561,160
Net assets released from restrictions	5,082,471	(5,082,471)	—
Total Support And Revenue	<u>6,420,679</u>	<u>(123,582)</u>	<u>6,297,097</u>
Expenses And Losses			
Program expenses	5,130,797	—	5,130,797
Management and general	862,558	—	862,558
Fundraising	119,912	—	119,912
Total Expenses And Losses	<u>6,113,267</u>	<u>—</u>	<u>6,113,267</u>
Change In Net Assets	307,412	(123,582)	183,830
Net Assets - Beginning Of Year	<u>23,305,723</u>	<u>88,781,544</u>	<u>112,087,267</u>
Net Assets - End Of Year	<u>\$ 23,613,135</u>	<u>\$ 88,657,962</u>	<u>\$ 112,271,097</u>

SOUTHEAST MISSOURI UNIVERSITY FOUNDATION
(A Component Unit of Southeast Missouri State University)

STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Totals
Support And Revenue			
Contributions, net of discount	\$ 330,301	\$ 4,521,884	\$ 4,852,185
Investment return	(103,623)	5,602,094	5,498,471
Rental income	693,937	2,474	696,411
Special events, net of expense	1,549	61,306	62,855
Loss on sale of property	(8,296)	—	(8,296)
Loss on annuity and trust obligations	—	(188,615)	(188,615)
Other revenues and transfers	537,924	(12,867)	525,057
Net assets released from restrictions	4,502,326	(4,502,326)	—
Total Support And Revenue	5,954,118	5,483,950	11,438,068
Expenses And Losses			
Program expenses	4,714,011	—	4,714,011
Management and general	639,156	—	639,156
Fundraising	147,941	—	147,941
Total Expenses And Losses	5,501,108	—	5,501,108
Change In Net Assets	453,010	5,483,950	5,936,960
Net Assets - Beginning Of Year	22,852,713	83,297,594	106,150,307
Net Assets - End Of Year	\$ 23,305,723	\$ 88,781,544	\$ 112,087,267

SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENT OF CASH FLOWS

Page 1 Of 2

	For The Years Ended June 30,	
	2020	2019
Cash Flows From Operating Activities		
Tuition and fees	\$ 55,361,024	\$ 55,021,179
Grants and contracts	5,230,172	11,786,866
Auxiliary enterprises	22,758,879	28,822,674
Other receipts	11,309,624	11,162,128
Payments to vendors and suppliers	(56,108,432)	(56,905,142)
Payments to employees	(88,137,309)	(90,714,088)
Net Cash Used In Operating Activities	(49,586,042)	(40,826,383)
Cash Flows From Noncapital Financing Activities		
State appropriations	38,721,079	43,533,085
Nonoperating federal grants	21,749,516	14,144,527
Gifts received for other than capital purposes	3,392,330	3,761,669
Net Cash Provided By Noncapital Financing Activities	63,862,925	61,439,281
Cash Flows From Capital And Related Financing Activities		
Capital appropriations	500,000	2,905,139
Capital gifts received	505,456	303,865
Purchases of capital assets and payments to contractors	(10,765,828)	(10,736,240)
Proceeds from issuance of note payable	98,520	—
Proceeds from issuance of capital debt	44,595,000	—
Proceeds from disposal of capital assets	32,959	47,416
Principal paid on capital debt and notes	(53,418,533)	(6,955,547)
Interest paid on capital debt and notes	(3,267,524)	(7,576,412)
Net Cash Used In Capital And Related Financing Activities	(21,719,950)	(22,011,779)
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	103,166,218	27,125,638
Interest on investments	4,095,864	3,501,840
Purchase of investments	(78,374,879)	(22,581,693)
Net Cash Provided By Investing Activities	28,887,203	8,045,785
Net Increase In Cash And Cash Equivalents	21,444,136	6,646,904
Cash And Cash Equivalents - Beginning Of Year	12,232,445	5,585,541
Cash And Cash Equivalents - End Of Year	\$ 33,676,581	\$ 12,232,445
Supplemental Disclosure Of Cash Flow Information		
Noncash transactions:		
Capital asset purchases included in accounts payable	\$ 1,356,242	\$ 2,793,219
Unrealized gain on investments	258,785	734,491

SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENT OF CASH FLOWS

Page 2 Of 2

	For The Years Ended June 30,	
	2020	2019
Reconciliation Of Operating Loss To Net Cash		
From Operating Activities:		
Operating loss	\$ (76,689,917)	\$ (71,732,932)
Adjustments to reconcile operating loss to net cash		
from operating activities:		
Depreciation expense	15,090,045	15,161,739
Workers compensation and unemployment expenses		
paid by state	693,356	428,246
Gifts in kind from Southeast Missouri University		
Foundation	120,231	131,441
Changes in deferred outflows related to other		
postretirement benefit plan	(274,660)	—
Changes in deferred outflows related to pension plan	11,487,802	7,294,602
Changes in deferred outflows related to pension contributions	(723,247)	410,596
Changes in deferred inflows related to pension plan	2,800,849	4,871,034
Changes in deferred inflows related to other		
postretirement benefit plan	322,955	—
Changes in assets and liabilities:		
Receivables, net	(5,598,863)	921,001
Inventories	(75,845)	166,525
Prepaid expenses	36,841	(48,616)
Accounts payable	2,134,406	(404,508)
Unearned revenues	368,311	233,668
Accrued compensation	(387,276)	737,493
Accrued claims liability	1,718,842	—
Deposits held for others	19,806	(28,836)
Net other postretirement employee benefit liability	114,913	85,801
Net pension liability	(744,591)	946,363
Net Cash Used In Operating Activities	\$ (49,586,042)	\$ (40,826,383)

SOUTHEAST MISSOURI STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 And 2019

1. Organization

Southeast Missouri State University (the University) was established in 1873 as the Southeast Missouri Normal School. Since then the school has been named the Southeast Missouri State Teachers' College and the Southeast Missouri State College. In 1972, the Missouri State legislature adopted the school's current name. The University is a state assisted regional institution of higher education, offering instructional programs and other learning experiences at the certificate, associate, baccalaureate, masters and specialist levels. The University is governed by a six-member Board of Regents, appointed by the Governor and confirmed by the Senate of the State of Missouri. The University is considered a component unit of the State of Missouri.

2. Basis Of Accounting And Presentation And Summary Of Significant Accounting Policies

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 Standard Board (GASB).

The basic financial statements of the University have been prepared using the economic resource measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for public colleges and universities and is presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements - Management's Discussion and Analysis for Public Colleges and Universities*.

Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows 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 are available.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Reporting Entity:

GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, provides guidance as to the financial reporting of component units (legally separate organizations for which the University is financially accountable). The University has adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This statement amends GASB Statement No. 14 to provide additional guidance for determining whether certain organizations, for which the University is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the University. The Missouri Innovation Corporation is not included in the University's financial statements because it does not meet the criteria set forth for component units under GASB Statement No. 61 or GASB Statement No. 39. However, it is considered a related entity.

The Southeast Missouri University Foundation (the Foundation) is a legally separate tax-exempt entity, which meets the criteria set forth for component units under GASB Statement No. 39. The Foundation provides financial support for the objectives, purposes, and programs of the University. Although the University does not control the timing, purpose, or amount of receipts from the Foundation, the resources (and income thereon) which the Foundation holds and invests are restricted to the activities of the University. Because these resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

The Foundation is a private nonprofit organization that reports under generally accepted accounting principles set forth by the Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial report for these differences. The Foundation's significant notes are summarized in Note 17.

During the years ended June 30, 2020 and 2019, the Foundation distributed \$4,568,352 and \$3,956,980, respectively, to the University for both restricted and unrestricted purposes.

Complete financial statements for the Foundation can be obtained by sending a written request to: Southeast Missouri University Foundation, Wehking Alumni Center, One University Plaza, Cape Girardeau, Missouri, 63701.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Summary Of Significant Accounting Policies:

Cash And Cash Equivalents - The University considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are combined on the statement of cash flows and represent cash and repurchase agreements.

Investments - The University accounts for its investments at fair value. Certificates of deposit are accounted for at amortized cost, which approximates fair value. Changes in unrealized gain (loss) in the carrying value of the investments are reported as a component of investment income in the statement of revenues, expenses and changes in net position.

Fair Value Measurements - The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs use to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Due From Component Unit-Foundation - The University bills the Foundation monthly for the use of University services. The final billing for the fiscal year is not paid by the Foundation and received by the University until the following fiscal year, therefore creating a receivable for the University. Additionally, the University participates in the Foundation's investment pool. As the University does not have title to these investments, their share of the investment pool is recorded as a Due from Component Unit - Foundation.

Inventories - Inventories consist of office, store, farm and physical plant supplies and are recorded at cost using the first-in, first-out method. Textbooks available for rental are recorded at the lower of cost (using the first-in, first-out method) or market (net realizable value).

Capital Assets - Physical properties are recorded at cost or, when donated, at acquisition value at date of gift. All financially significant building and infrastructure additions and improvements are capitalized if the life of the building is extended. Additionally, all purchases of equipment, furnishings and other personal property with a useful life greater than one year and costing \$5,000 or greater are capitalized.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Depreciation on equipment is computed using the straight line method with depreciation beginning in the month after acquisition and none in the year of disposal. Depreciation is computed on all other assets using the straight-line method, with a full-year expense in the year after acquisition and partial depreciation through the month of disposition. Expenditures for construction in progress are capitalized with depreciation beginning when the project is completed. Capital assets are depreciated over the estimated useful lives as follows:

	<u>Years</u>
Capital Assets	
Buildings and site improvements	10 to 50
Infrastructure	10 to 50
Leasehold improvements	9 to 15
Library books	30
Machinery and tools	5 to 20
Office equipment and furnishings	5 to 20
Scientific equipment and other	5 to 50
Computer hardware and software	4 to 5
Vehicles	4 to 6

When capital assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources, 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 and 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 on employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Compensated Absences - University employees earn vacation benefits based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation pay based upon the nature of separation (death, retirement or termination). Certain limitations have been placed on the hours of vacation that employees may accumulate and carry over for payment at termination, retirement or death. Unused hours exceeding these limitations are forfeited.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

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 University's permanent endowment funds.

Expendable - Net position whose use by the University is subject to 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 Regents or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic and research programs and initiatives, and capital projects, excluding the pension obligation.

Operating And Nonoperating Revenues - The University's policy for defining operating activities as reported on the Statement of Revenues, Expenses, and Changes in Net Position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Operating revenues include student tuition and fees net of scholarship allowances and auxiliary activities. Nearly all of the University's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement No. 34. Nonoperating revenues include revenues from activities that have the characteristics of nonexchange transactions such as gifts and contributions and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting* and GASB Statement No. 34, such as state appropriations and investment income and certain federal, state and nongovernmental grants and contracts.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Unearned Income - Unearned income consists of the University's dining services vendor's investment in facilities that will be amortized over the life of the contract, and summer school tuition not earned during the current year.

Tuition, Discounts And Allowances - Student tuition and fee revenues and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by the students or third parties on behalf of the students. Certain grants, including federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenue, while Pell grants are recorded as nonoperating revenue in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a discount and allowance.

Deferred Outflows And Inflows Of Resources - In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and therefore will not be recognized as an outflow of resources until then. At June 30, 2020 and 2019, the University's deferred outflows of resources consist of deferred amounts on refunding of bonds payable, which results from the difference between the reacquisition price of refunded debt and its carrying value. This amount is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Deferred outflows also include contributions to MOSERS retirement plan which were made subsequent to the plan's measurement date. Finally, deferred outflows also include the University's proportionate share of collective deferred outflows of resources for the University's MOSERS retirement plan and the deferred outflows for the other postretirement benefit plan.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources consist of the acquisition of net position that is applicable to a future reporting period or periods and so will not be recognized as inflow of resources until then. As of June 30, 2020 and 2019, the University's deferred inflows consist of the University's proportionate share of the collective deferred inflows of resources for the MOSERS retirement plan and the deferred inflows for the other postretirement benefit plan.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Amortization - The deferred amount on refunding is amortized as interest on capital related debt using the bonds outstanding method. Deferred outflows related to the current fiscal year pension contributions will be fully amortized to pension expense in the following year. Deferred inflows and outflows related to the proportionate share of the collective deferred amounts will be netted together and amortized to pension expense according to the amortization schedule provided by the MOSERS retirement plan. Deferred inflows and outflows related to the other postretirement benefit plan will be amortized according to the amortization schedule provided by the actuary.

Auxiliary Activities - Auxiliary activities mainly represent revenues generated from University housing and food service, textbook rentals and various other departmental activities that provide services to the students, faculty, staff and general public.

Income Taxes - The University is classified as a political subdivision of the State of Missouri under Internal Revenue Code Section 115(a) and is therefore exempt from federal income taxes. Certain activities of the University may be subject to taxation as unrelated business income.

Use Of Estimates - The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

3. Deposits And Investments

Deposits:

Custodial Credit Risk. This represents 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 state law.

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 of 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. The University maintains a depository contract and pledge agreement with its safekeeping bank that complies with the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

As of June 30, 2020 and 2019, the University had no deposits exposed to custodial credit risk.

Foreign Currency Risk. This represents the risk related to adverse effects on the fair value of a deposit from changes in exchange rates. As of June 30, 2020 and 2019, the University had no exposure to foreign currency risk as the University had no deposits held by international banks.

Investments:

The University may invest in United States Treasury Securities, United States Agency Securities, repurchase agreements, collateralized public deposits (certificates of deposits) and banker's acceptances.

At June 30, 2020, the University had the following investments and maturities:

Investment Type	Credit Rating	Fair Value	Investment Maturities (In Years)	
			< 1 Year	1-5 Years
U.S. Agency Obligations	*	\$ 27,996,491	\$ 12,993,176	\$ 15,003,315

At June 30, 2019, the University had the following investments and maturities:

Investment Type	Credit Rating	Fair Value	Investment Maturities (In Years)	
			< 1 Year	1-5 Years
U.S. Treasury Obligations	*	\$ 11,014,677	\$ 11,014,677	\$ —
U.S. Agency Obligations	*	42,238,410	13,702,852	28,535,558
Total		\$ 53,253,087	\$ 24,717,529	\$ 28,535,558

*U.S. Treasury and Agency obligations are rated Aaa by Moody's Investor Services and AAA by Standard and Poor's Corporation.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of ensuring the safety of principal invested, the University's investment policy is to diversify investments so as to minimize the potential loss on individual securities. The maturities are structured to meet cash flow needs of the University, thereby avoiding the need to sell securities in the open market prior to maturity. Callable securities are restricted to securities callable at par only.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the University's policy to limit its credit risk by:

1. Only investing with reputable financial institutions, brokers and dealers.
2. Diversifying the investments so as to minimize the potential loss on individual securities.
3. Structuring the investments so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
4. Investing operating funds primarily in shorter-term securities.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Collateralization equal to at least 100% of the market value (including accrued interest) is required for repurchase agreements. In accordance with the investment policy, the University addresses custodial credit risk by diversifying its investment portfolio and maintaining a standard of quality for its investments. The University had no investments exposed to custodial credit risk at June 30, 2020 and 2019.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government investment in a single issuer. According to the University's investment policy, investments shall be diversified to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of securities. The types of investments that can be held in the University's portfolio include U.S. Treasury and Agency securities, repurchase agreements, collateralized public deposits, commercial paper and banker's acceptances. No more than 5% of the total market value of the portfolio may be invested in banker's acceptances issued by any one commercial bank and no more than 5% of the total market value of the portfolio may be invested in commercial paper of any one issuer.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

The University's investments in U.S. Agency Obligations consist of Freddie Mac, Fannie Mae, Federal Farm Credit Bank, and Federal Home Loan Bank securities. The concentration in each category at year-end is as follows:

	2020	2019
U.S. Treasury Note	0.00%	20.68%
Freddie Mac	53.59%	28.12%
Fannie Mae	0.00%	16.37%
Federal Farm Credit Bank	42.86%	24.31%
Federal Home Loan Bank	3.55%	10.52%
	100.00%	100.00%

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. As of June 30, 2020 and 2019, the University had no exposure to foreign currency risk as there were no foreign investments in the University's portfolio.

Summary Of Fair Values:

The fair value of deposits and investments are as follows:

	2020	2019
Deposits		
Cash in bank	\$ 5,449,366	\$ 4,663,778
Cash on hand	189,958	63,747
Bankers acceptance	262,291	—
Repurchase agreement	28,037,257	7,504,920
Certificates of deposit	2,750,000	2,250,000
	36,688,872	14,482,445
Investments		
US Government Treasury Obligations	—	11,014,677
US Government Agency Obligations	27,996,491	42,238,410
	27,996,491	53,253,087
	\$ 64,685,363	\$ 67,735,532

Included in the following statement of net position captions:

	2020	2019
Cash and cash equivalents	\$ 32,228,073	\$ 10,671,607
Restricted cash and cash equivalents	1,448,508	1,560,838
Short-term investments	15,505,467	26,521,760
Long-term investments	15,503,315	28,981,327
	\$ 64,685,363	\$ 67,735,532

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The University has the following recurring fair value measurements as of June 30, 2020:

- Government Agency Obligations of \$27,996,491 valued using a matrix pricing model (Level 2 inputs).

The University has the following recurring fair value measurements as of June 30, 2019:

- U. S. Treasury Securities of \$11,014,677 valued using a matrix pricing model (Level 2 inputs).
- Government Agency Obligations of \$42,238,410 valued using a matrix pricing model (Level 2 inputs).

Investment Income

Investment income for the years ended June 30, 2020 and 2019 consists of:

	2020	2019
Interest and dividend income	\$ 3,786,459	\$ 3,676,109
Realized gain (loss) on investments	38,249	(25,367)
Net increase in fair value of investments	258,785	734,491
	<u>\$ 4,083,493</u>	<u>\$ 4,385,233</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)**4. Accounts Receivable**

The composition of accounts receivable at June 30, 2020 and 2019 is summarized as follows:

	2020	2019
Student billings	\$ 5,153,984	\$ 3,713,709
Departmental operations	211,084	297,776
State and private grants	484,346	433,381
Capital project funding	—	268,561
Auxiliary operations	33,857	141,682
Other	81,778	207,561
	5,965,049	5,062,670
Less: Allowance for doubtful accounts	641,022	666,254
	\$ 5,324,027	\$ 4,396,416

5. Notes Receivable

The composition of notes receivable at June 30, 2020 and 2019 is summarized as follows:

	2020	2019
Federal loan programs	\$ 3,679,928	\$ 4,475,847
Less: Allowance for doubtful accounts	983,874	1,068,931
	\$ 2,696,054	\$ 3,406,916

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

6. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance - June 30, 2019	Additions	Retirements	Balance - June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 4,217,138	\$ —	\$ —	\$ 4,217,138
Library books	5,194,257	—	(250,080)	4,944,177
Construction in progress	9,600,709	7,387,520	(11,537,924)	5,450,305
Total capital assets not being depreciated	19,012,104	7,387,520	(11,788,004)	14,611,620
Capital assets, being depreciated:				
Building and improvements	518,824,773	11,503,388	(1,926,419)	528,401,742
Infrastructure	39,626,525	34,536	(45,666)	39,615,395
Leasehold improvements	4,416,323	—	—	4,416,323
Equipment	48,241,352	1,609,391	(2,600,892)	47,249,851
Library books	21,566,741	203,785	—	21,770,526
Total capital assets being depreciated	632,675,714	13,351,100	(4,572,977)	641,453,837
Less accumulated depreciation for:				
Building and improvements	142,625,254	11,531,166	(387,459)	153,768,961
Infrastructure	9,855,048	779,640	(10,758)	10,623,930
Leasehold improvements	693,789	236,893	—	930,682
Equipment	37,758,129	1,890,748	(2,481,359)	37,167,518
Library books	10,931,377	651,598	—	11,582,975
Total accumulated depreciation	201,863,597	15,090,045	(2,879,576)	214,074,066
Total capital assets being depreciated, net	430,812,117	(1,738,945)	(1,693,401)	427,379,771
Capital assets, net	\$ 449,824,221	\$ 5,648,575	\$ (13,481,405)	\$ 441,991,391

The estimated cost to complete construction in progress at June 30, 2020 is \$3,350,194 of which funds are available from auxiliary funds and other local sources. Projects in progress include upgrades to Student Housing, Athletic facilities, and Academic Building renovations and infrastructure.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance - June 30, 2018	Additions	Retirements	Balance - June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 4,217,138	\$ —	\$ —	\$ 4,217,138
Library books	5,286,552	—	(92,295)	5,194,257
Construction in progress	3,402,206	11,514,132	(5,315,629)	9,600,709
Total capital assets not being depreciated	12,905,896	11,514,132	(5,407,924)	19,012,104
Capital assets, being depreciated:				
Building and improvements	513,867,512	5,279,056	(321,795)	518,824,773
Infrastructure	39,503,407	123,118	—	39,626,525
Leasehold improvements	4,392,555	23,768	—	4,416,323
Equipment	48,269,730	887,654	(916,032)	48,241,352
Library books	21,318,745	247,996	—	21,566,741
Total capital assets being depreciated	627,351,949	6,561,592	(1,237,827)	632,675,714
Less accumulated depreciation for:				
Building and improvements	131,333,654	11,417,548	(125,948)	142,625,254
Infrastructure	9,080,564	774,484	—	9,855,048
Leasehold improvements	459,620	234,169	—	693,789
Equipment	36,516,642	2,083,634	(842,147)	37,758,129
Library books	10,279,473	651,904	—	10,931,377
Total accumulated depreciation	187,669,953	15,161,739	(968,095)	201,863,597
Total capital assets being depreciated, net	439,681,996	(8,600,147)	(269,732)	430,812,117
Capital assets, net	\$ 452,587,892	\$ 2,913,985	\$ (5,677,656)	\$ 449,824,221

The estimated cost to complete construction in progress at June 30, 2019 was \$7,197,747 of which the majority is available from bond proceeds, state capital appropriations and other local sources. Projects in progress include Student Housing Upgrades, University Center, Athletic facility upgrades, and Academic Building Renovations.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)**7. Accounts Payable**

The composition of accounts payable at June 30, 2020 and 2019 is summarized as follows:

	2020	2019
Equipment purchases	\$ 1,018,965	\$ 116,641
Supplies and operating expenses	3,383,575	1,824,937
Capital improvements	1,227,824	2,536,647
Retainage - capital projects	128,418	256,572
	<u>\$ 5,758,782</u>	<u>\$ 4,734,797</u>

8. Bonds Payable

Bonds payable at June 30, 2020 are summarized as follows:

	Balance - June 30, 2019	Principal Additions	Principal Payments	Balance - June 30, 2020
Educational Facilities Taxable Revenue Bonds Series 2010B	\$ 49,090,000	\$ —	\$ (47,600,000)	\$ 1,490,000
System Facilities Revenue Bonds Series 2011B	1,445,000	—	(715,000)	730,000
System Facilities Revenue Bonds Series 2013A	68,245,000	—	(2,825,000)	65,420,000
System Facilities Revenue Bonds Series 2016A	16,675,000	—	(2,025,000)	14,650,000
System Facilities Taxable Revenue Bonds Series 2016B	8,500,000	—	(215,000)	8,285,000
System Facilities Revenue Bonds Series 2016C	25,025,000	—	—	25,025,000
Educational Facilities Refunding Revenue Bonds Series 2019	—	44,595,000	—	44,595,000
	<u>\$ 168,980,000</u>	<u>\$ 44,595,000</u>	<u>\$ (53,380,000)</u>	160,195,000
Less: Current maturities (due within one year)				7,520,000
Less: Discount on bond payable				35,303
Add: Premium on bond payable				8,126,205
				<u>\$ 160,765,902</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Bonds payable at June 30, 2019 are summarized as follows:

	Balance - June 30, 2018	Principal Additions	Principal Payments	Balance - June 30, 2019
Educational Facilities Taxable Revenue Bonds Series 2010B	\$ 50,490,000	\$ —	\$ (1,400,000)	\$ 49,090,000
System Facilities Revenue Bonds Series 2011B	2,140,000	—	(695,000)	1,445,000
System Facilities Revenue Bonds Series 2013A	70,930,000	—	(2,685,000)	68,245,000
System Facilities Revenue Bonds Series 2016A	18,600,000	—	(1,925,000)	16,675,000
System Facilities Taxable Revenue Bonds Series 2016B	8,710,000	—	(210,000)	8,500,000
System Facilities Revenue Bonds Series 2016C	25,025,000	—	—	25,025,000
	<u>\$ 175,895,000</u>	<u>\$ —</u>	<u>\$ (6,915,000)</u>	168,980,000
Less: Current maturities (due within one year)				7,225,000
Less: Discount on bond payable				664,589
Add: Premium on bond payable				3,373,437
				<u>\$ 164,463,848</u>

On July 24, 2019, the Board of Regents issued \$44,595,000 of Educational Facilities Refunding Revenue Bonds Series 2019 for the purpose of partially refunding Series 2010B Taxable Educational Facilities Revenue Bonds (Build America Bonds). The partial refunding decreased the University's total debt service payments by \$5,130,254 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$4,780,216.

During 2019, the partial refunding of the Series 2010B bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$5,472,703. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through 2041 using the bonds outstanding method.

The Series 2019 bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2019 bonds maturing October 1, 2030 and thereafter may be called to redemption and payment prior to maturity on or after October 1, 2029 in lots of \$5,000 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity.

The Series 2019 bonds bear interest at rates varying from 3% to 5% and mature serially through fiscal year 2041.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

On August 10, 2016, the Board of Regents issued \$25,025,000 of System Facilities Revenue Bonds Series 2016C for the purpose of partially refunding Series 2011B System Facilities Revenue bonds. The partial refunding decreased the University's total debt service payments by \$3,068,337 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$2,723,714.

During 2016, the advance refunding of the Series 2011B bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,767,433. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through 2042 using the bonds outstanding method.

The Series 2016C bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2016C bonds maturing April 1, 2025 and thereafter may be called to redemption and payment prior to maturity on or after April 1, 2024 in lots of \$5,000 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2016C bonds maturing April 1, 2037, April 1, 2039 and April 1, 2042 are subject to mandatory redemption and payment prior to maturity at the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, in accordance with the following schedule:

Series 2016C Bonds Maturing April 1, 2037	
<u>Years</u>	<u>Amount</u>
2036-2037	\$2,840,000
Series 2016C Bonds Maturing April 1, 2039	
<u>Years</u>	<u>Amount</u>
2038-2039	\$3,005,000
Series 2016C Bonds Maturing April 1, 2042	
<u>Years</u>	<u>Amount</u>
2040-2042	\$4,850,000

The Series 2016C bonds, collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at rates varying from 2.00% to 4.00% and mature serially through fiscal year 2042.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

On February 26, 2016, the Board of Regents issued \$21,710,000 of System Facilities Revenue Bonds Series 2016A and \$8,920,000 of Taxable System Facilities Revenue Bonds Series 2016B for the purpose of refunding \$23,555,000 Systems Facilities Revenue bonds Series 2011 and constructing, furnishing, and equipping a facility for Greek student housing and certain other expansions, renovations, and improvements to System Facilities. The refunding decreased the University's total debt service payments by \$2,830,120 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$2,808,956.

During 2016, the refunding of the Series 2011 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$609,621. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through 2032 using the bonds outstanding method.

The Series 2016A and 2016B bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2016A bonds maturing April 1, 2026 and thereafter may be called to redemption prior to maturity on or after April 1, 2025 in lots of \$5,000 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The series 2016B bonds maturing April 1, 2027 and thereafter, at the option of the University may be called to redemption prior to maturity on or after April 1, 2026 in lots of \$5,000 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2016B bonds maturing April 1, 2031, April 1, 2036 and April 1, 2045 are subject to mandatory redemption prior to maturity at the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, in accordance with the following schedule:

Series 2016B Bonds Maturing April 1, 2031	
<u>Years</u>	<u>Amount</u>
2027-2031	\$1,350,000
Series 2016B Bonds Maturing April 1, 2036	
<u>Years</u>	<u>Amount</u>
2032-2036	\$1,625,000
Series 2016B Bonds Maturing April 1, 2045	
<u>Years</u>	<u>Amount</u>
2037-2045	\$3,935,000

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The Series 2016A bonds, collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at rates varying from 3.00% to 5.00% and mature serially through fiscal year 2032. The Series 2016B bonds also collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at rates varying from 1.375%-4.37% and mature serially through 2045.

On February 28, 2013, the Board of Regents issued \$82,555,000 of System Facilities Revenue Bonds Series 2013A and \$2,050,000 of Taxable System Facilities Revenue Bonds Series 2013B for the purpose of constructing and furnishing a facility for student housing and related education and performance activities in the River Campus area of the University campus; and for the purpose of advanced refunding \$7,805,000 System Facilities Revenue bonds Series 2006A and \$51,615,000 System Facilities Revenue Bonds Series 2008. The advanced refunding decreased the University's total debt service payments by \$9,712,950 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$3,188,038.

During 2013, the advance refunding of the Series 2006A and Series 2008 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$380,948 and \$7,162,605, respectively. These differences, reported in the accompanying basic financial statements as a deferred outflow of resources, are being charged to operations through 2021 using the bonds outstanding method.

The Series 2013A and 2013B bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2013A bonds maturing April 1, 2021 and thereafter shall be subject to redemption on or after April 1, 2020 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2013A bonds, collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at rates varying from 2.60% to 5.00% and mature serially through fiscal year 2043. The Series 2013B bonds matured in 2018. Extraordinary Option Redemption at 100% for the Series 2013A bonds may take place upon the occurrence of certain special conditions or events.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

On December 22, 2011, the Board of Regents issued \$28,980,000 of System Facilities Revenue Bonds Series 2011B for the purpose of constructing, furnishing and equipping a five-story, 262-bed residence hall with 180 parking spaces, constructing a chiller and boiler plant and funding capitalized interest on the Series 2011B bonds. The Series 2011B bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2011 bonds maturing April 1, 2018 and thereafter shall be subject to redemption on or after April 1, 2017 as follows:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
April 1, 2019 - April 1, 2042	100%

Extraordinary Option Redemption at 100% may occur upon the occurrence of certain special conditions or events. The Series 2011B bonds bear interest at rates varying from 2.4% to 2.8% and mature serially through fiscal year 2021.

On August 10, 2016, the University issued \$25,025,000 Series 2016C System Facilities Revenue Bonds to partially fund the Series 2011B bonds. The University will pay principal and interest through 2021 on the nondefeased Series 2011B bonds. During fiscal year 2017, the University refunded the Series 2011B bonds maturing April 1, 2022 - April 1, 2042. The refunded Series 2011B bonds were placed in escrow and were removed from the University's financial statements.

On December 8, 2010, the Board of Regents approved a resolution to issue bonds providing construction proceeds for campus facility renovations and repair projects including renovations to Academic Hall, renovations and an addition to Magill Hall and the University science laboratories, and deferred maintenance projects over the next five years, and conversion of the campus power plant to natural gas installation.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

On December 16, 2010, the Health and Educational Facilities Authority of the State of Missouri issued \$4,760,000 Educational Facilities Revenue Bond Series 2010A and \$54,495,000 Taxable Educational Facilities Revenue Bonds Series 2010B (Build America Bonds). The Series 2010A bonds were paid in full at final maturity on October 1, 2014. The Series 2010B bonds shall pay interest semiannually on April 1 and October 1. The University participates in the Build America Bonds program relative to the Series 2010B bonds. Build America Bonds were created under section 1531 of Title 1 of Division B of the American Recovery and Reinvestment Act, and provide a federal subsidy of 35% of the interest paid on the bonds to the issuer. Due to sequestration, subsidy payments were reduced by 8.7% in September 2013, by 7.2% in March 2014, 7.3% in March 2015, 6.8% in March 2016, 6.9% in March 2017 and 6.6% in March 2018. The University received a 6.6% reduction in the September 2018 subsidy payment. The order does not affect payments for future years, although the University has been informed that there could be additional sequester orders for future fiscal years through and including fiscal year 2021.

At the option of the University, the Series 2010B bonds maturing October 1, 2021 and thereafter shall be subject to redemption on or after October 1, 2020 at a redemption price of 100% of the principal amount. The Series 2010B bonds bear interest at rates varying from 4.625% to 6.875% and mature serially through fiscal year 2041. The true interest cost after the federal subsidy averages 4.316%. The qualifying bonds were redeemed with the 2019 bond issue refinancing.

The System Facilities is composed of the Housing System, the Student Union Facility (University Center), Textbook Services, the Student Recreation Center, the Outdoor Recreation Fields, and the Parking and Transit system. Revenue derived from the operation of these facilities is pledged for the retirement of the outstanding 2011B, 2013A, 2013B, 2016A, 2016B and 2016C Series Bonds. Under the provisions of these bond resolutions, the University covenants to establish rates for the use and services of the System Facilities sufficient to fund operations, maintain reserves, and provide revenues to pay principal and interest on the bonds. Refer to Note 16 for a summary of System Facilities pledged revenue for fiscal years 2020 and 2019.

Interest expense on bonded debt was \$5,232,750 and \$7,697,047 for 2020 and 2019, respectively.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

Scheduled fiscal year maturities of System Facilities and Educational Facilities bonds payable and related interest are as follows:

Year	Principal	Interest
2021	\$ 7,520,000	\$ 5,743,233
2022	4,285,000	5,454,731
2023	4,790,000	5,320,606
2024	6,445,000	5,155,692
2025	7,505,000	4,895,180
2026-2030	41,815,000	20,104,171
2031-2035	38,450,000	12,417,728
2036-2040	36,545,000	5,480,519
2041-2045	12,840,000	807,940
	<u>\$ 160,195,000</u>	<u>\$ 65,379,800</u>

9. Notes Payable

Notes payable at June 30, 2020 are summarized as follows:

	Balance - June 30, 2019	Principal Additions	Principal Payments	Balance - June 30, 2020
Chartwell's-Olive's and Skylight Terrace Expansion	\$ 238,706	\$ —	\$ (33,610)	\$ 205,096
Department of Natural Resources Energy Loan	—	98,520	(4,923)	93,597
	<u>\$ 238,706</u>	<u>\$ 98,520</u>	<u>\$ (38,533)</u>	<u>298,693</u>
Less: Current maturities (due within one year)				<u>26,201</u>
				<u>\$ 272,492</u>

Notes payable at June 30, 2019 are summarized as follows:

	Balance - June 30, 2018	Principal Additions	Principal Payments	Balance - June 30, 2019
Chartwell's-Olive's and Skylight Terrace Expansion	\$ 279,253	\$ —	\$ (40,547)	\$ 238,706
Less: Current maturities (due within one year)				<u>42,041</u>
				<u>\$ 196,665</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

On July 1, 2009, the University entered into an agreement with Chartwells, the University's contracted food service provider, for the construction of dining facilities in the new residence hall and expansion of the University Center to provide additional dining space. The University will make monthly principal payments, totaling \$577,870 through fiscal year 2031. The note is noninterest bearing. Interest has been imputed using a rate of 3.625%.

The University entered into a loan agreement dated May 19, 2017 with the Missouri Department of Economic Development-Division of Energy to provide energy efficient lighting in Crisp Hall, an academic building. The loan was approved for \$97,545 with an interest rate of 2.75% and a loan origination fee of 1% of the principal loan amount. An extension request was approved in October 2017. The promissory note of \$98,520 was executed on October 8, 2019. The University will make semi-annual principal and interest payments through July 1, 2029.

Interest expense was \$7,089 and \$9,454 for 2020 and 2019, respectively. Scheduled fiscal year maturities on notes payable and related interest are as follows:

Year	Principal	Interest
2021	\$ 26,201	\$ 5,455
2022	26,706	4,950
2023	27,221	4,436
2024	27,748	3,909
2025	28,285	3,371
2026-2030	143,995	8,390
2031	18,537	139
	<u>\$ 298,693</u>	<u>\$ 30,650</u>

10. Retirement Plan - Missouri State Employees' Retirement System

General Information about the Pension Plan

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

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Benefits provided. MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000 and MSEP2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR.

Contributions. Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP2011 Plan are required to contribute 4% of their annual pay. The University's required contribution rate for the year ended June 30, 2020, was 21.77% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The contribution rate for the MOSERS plan year ended June 30, 2019 was 20.215%, which is the year of measurement for the net pension liability. Contributions to the pension plan from the University were \$9,051,938 and \$8,328,691 for the years ended June 30, 2020 and 2019, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020 and 2019, the University reported a liability of \$128,178,153 and \$128,922,744, respectively, for its proportionate share of the net pension liability. The net pension liability at June 30, 2020 and 2019 was measured as of June 30, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates.

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, 2019. At June 30, 2019, the University's proportion was 2.12175%, a decrease from its proportion measured using 2.3112% as of the June 30, 2018 measurement date.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

During the MOSERS plan year ended June 30, 2019, there were changes to reduce the long-term expected rate of return on investments from 7.25% to 7.10%, which increase the total pension liability.

During the MOSERS plan year ended June 30, 2018, there were changes to reduce the long-term expected rate of return on investments from 7.50% to 7.25%, which increase the total pension liability.

For the years ended June 30, 2020 and 2019, the University recognized pension expense of \$21,872,950 and \$21,849,296, respectively. At June 30, 2020, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 109,284	\$ 1,490,006
Changes of assumptions	5,121,629	—
Net difference between projected and actual earnings on pension plan investments	9,951,772	—
Changes in proportion and differences between University contributions and proportionate share of contributions	7,691	8,518,643
University contributions subsequent to the measurement date of June 30, 2019	9,051,938	—
	<u>\$ 24,242,314</u>	<u>\$ 10,008,649</u>

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

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 293,407	\$ 3,052,263
Changes of assumptions	11,110,982	—
Net difference between projected and actual earnings on pension plan investments	15,162,936	—
Changes in proportion and differences between University contributions and proportionate share of contributions	110,853	4,155,537
University contributions subsequent to the measurement date of June 30, 2018	8,328,691	—
	<u>\$ 35,006,869</u>	<u>\$ 7,207,800</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Deferred outflows of resources of \$9,051,938 resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. 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:

<u>Plan Year Ending June 30:</u>	<u>Amount</u>
2021	\$ 3,335,966
2022	245,000
2023	526,675
2024	1,074,086
	<u>\$ 5,181,727</u>

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation, which is also the date of measurement for financial reporting purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.35%, approximate
Salary increases	2.85% - 8.35% annually including inflation
Wage inflation	2.35% annually
Investment rate of return	7.10% per year, compounded annually, net after investment expenses and including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant mortality table, projected from 2016 to 2026 with Scale MP-2015 and scaled by 120%. The pre-retirement mortality table is the RP-2014 Employee mortality table, projected from 2016 to 2026 with Scale MP-2015 and scaled by 95% for males and 90% for females.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015. In addition, the Board reaffirmed its previous decision to reduce the investment return assumption from 7.25% to 7.10% for the June 30, 2019 valuation.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

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, 2019 are summarized in the following table:

Old Portfolio

Asset Class	Policy Allocation	Long-Term Expected Real Rate Of Return*	Weighted Average Long-Term Expected Real Rate Of Return
Opportunistic global equities	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%	0.0%	-0.7%
	<u>100.0%</u>		<u>8.4%</u>

New Portfolio

Asset Class	Policy Allocation	Long-Term Expected Real Rate Of Return*	Weighted Average Long-Term Expected Real Rate Of Return
Global public equities	30.0%	7.7%	2.3%
Global private equities	15.0%	9.3%	1.4%
Long treasuries	25.0%	3.5%	0.9%
Core bonds	10.0%	3.1%	0.3%
Commodities	5.0%	5.5%	0.3%
TIPS	25.0%	2.7%	0.7%
Private real assets	5.0%	7.1%	0.3%
Public real assets	5.0%	7.7%	0.4%
Hedge funds	10.0%	4.8%	0.2%
Alternative beta	10.0%	5.3%	0.5%
Private credit	5.0%	9.5%	0.5%
Cash & cash equivalents **	-40.0%	0.0%	0.0%
	<u>105.0%</u>		<u>7.8%</u>

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

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

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Discount rate. The discount rate used to measure the total pension liability was 7.10%. 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 of 7.10% was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
University's proportionate share of the net pension liability	\$ 161,702,866	\$ 128,178,153	\$ 99,992,023

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

Payables to the Pension Plan

As of June 30, 2020 and 2019, the University had payables of \$857,395 and \$806,566, respectively, due to MOSERS for legally required contributions to the plan.

11. Retirement Plan - College And University Retirement Plan

Beginning July 1, 2002, in accordance with Section 104.1200 through 104.1215 of the Revised Statutes of Missouri, employees hired who meet the criteria of an "education employee" participate in the College and University Retirement Plan (CURP). It is a noncontributory 401(a) defined contribution plan for education employees at regional colleges/universities in Missouri. The MOSERS has been given the responsibility by law to implement and oversee the administration of the plan. The TIAA group of companies is the third-party administrator for the CURP and manages the investment options under the plan. Contributions made by the University are self-directed by participants into their selected individual accounts. By law, the CURP contribution rate is equal to 1% less than the normal cost contribution rate of the Missouri State Employees' Plan 2000 (MSEP 2000). After participating in CURP for at least six years, a faculty member may elect to become a member of MOSERS.

The University is required to contribute to CURP at a statutorily determined rate; the rate was 6.00% of annual covered payroll for 2020 and 2019, respectively. The University's contributions to CURP for the years ended June 30, 2020 and 2019 were \$1,036,349 and \$1,029,973, respectively, which equaled the required contributions for those years.

12. Postemployment Healthcare Plan

Plan Description. The University provides a one-time opportunity for retirees to continue medical insurance coverage. Retirees after October 22, 2010 who elect to continue medical insurance are required to pay monthly premiums determined by plan type elected and Medicare eligibility. Pre-65 retirees who retired prior to October 22, 2010 who elect to continue medical insurance are required to pay monthly premiums on the basis of an implicit rate subsidy calculation. Monthly premiums for pre-October 22, 2010 participating retirees under 65 years of age are subsidized by the University at the rate of 1% for every year of active service to the University. Pre-October 22, 2010 retiree's adjusted monthly premium cost will not go below 80% of the premium amount. Financial statements for the plan are not available.

The University's annual other postemployment benefit (OPEB) cost (expense) is calculated based on an actuarial valuation prepared in accordance with the parameters of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Employees Covered by Benefit Terms. As of June 30, 2019, the following employees were covered by the benefit terms:

Active employees eligible for coverage	1,018
Inactive employees or beneficiaries currently receiving benefits	45
	<hr/>
	1,063

Net OPEB Liability. The University's net OPEB liability of \$4,442,902 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The University's net OPEB liability of \$4,327,989 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2017 and rolled forward to June 30, 2019.

Actuarial Assumptions and Methods. The net OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	June 30, 2020	June 30, 2019
Discount Rate	3.36%	3.10%
Annual Wage Increases	3.00%	3.00%
Price Inflation	2.50%	2.50%
Healthcare Cost Trend Rates	8% for 2020, decreasing 0.25% per year	8% for 2018, decreasing 0.5% per year to an ultimate rate of 5% for 2025 and later years

Discount Rate. The University's plan is pay as you go and there is not a trust set up to hold plan assets, therefore the long-term expected rate of return is not a factor in determining the discount rate. The discount rate reflects the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met. The source of the index rate used for the actuarial valuation is the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates were based on Pub-2010 General Headcount - Weighted Mortality with Scale MP-2019.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Changes in the Net OPEB Liability:

Balance at June 30, 2019	\$ 4,327,989
Service cost	258,097
Interest cost	148,277
Net benefits paid by employer	(236,736)
Other changes	(54,725)
Net Change	<u>114,913</u>
Balance at June 30, 2020	<u><u>\$ 4,442,902</u></u>
Balance at June 30, 2018	\$ 4,242,188
Service cost	271,452
Interest cost	126,667
Net benefits paid by employer	(312,318)
Net Change	<u>85,801</u>
Balance at June 30, 2019	<u><u>\$ 4,327,989</u></u>

The following changes of assumptions are in accordance with GASB 75:

- The discount rate was increased from 3.10% to 3.36%
- Per-capita costs were updated to reflect experience since the previous valuation
- The plan election assumption for future retirees was adjusted to account for the addition Base plan option
- The mortality assumption was updated to the "RP" base mortality with future mortality improvements based on the most recent scale Pub-2010.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Sensitivity Results. The following presents the net OPEB liability of the University as of June 30, 2020 and 2019, as well as what the University's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	Current Discount		
	1% Decrease (2.36%)	Rate (3.36%)	1% Increase (4.36%)
University's net OPEB liability	\$ 4,820,861	\$ 4,442,902	\$ 4,100,973

	June 30, 2019		
	Current Discount		
	1% Decrease (2.10%)	Rate (3.10%)	1% Increase (4.10%)
University's net OPEB liability	\$ 4,785,183	\$ 4,327,989	\$ 3,921,993

The following presents the net OPEB liability of the University as of June 30, 2020 and 2019, as well as what the University's net OPEB liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

- The current health care trend rate is 8% decreasing by 0.25% annually to an ultimate rate of 4.50%
- The 1% decrease in health care trend rate would be 7% decreasing by 0.25% annually to an ultimate rate of 3.5%
- The 1% increase in health care trend rate would be 9% decreasing by 0.25% annually to an ultimate rate of 5.5%

	June 30, 2020		
	Current Trend		
	1% Decrease	Rate	1% Increase
University's net OPEB liability	\$ 3,986,414	\$ 4,442,902	\$ 4,977,461

	June 30, 2019		
	Current Trend		
	1% Decrease	Rate	1% Increase
University's net OPEB liability	\$ 3,861,011	\$ 4,327,989	\$ 4,878,307

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

For the years ended June 30, 2020 and 2019, the University recognized OPEB expense of \$163,208 and \$85,801, respectively. At June 30, 2020, the University reported deferred inflows of resources or deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ —	\$ 322,955
Changes of assumptions	274,660	—
	<u>\$ 274,660</u>	<u>\$ 322,955</u>

There were no deferred inflows of resources or deferred outflows of resources related to OPEB at June 30, 2019.

Payables to the OPEB Plan

As of June 30, 2020 and 2019, the University had payables of \$105,222 and \$109,264, respectively, of outstanding healthcare premiums related to the OPEB.

13. Contingencies And Risk Management

The University is subject to various legal proceedings and claims which arise in the ordinary course of its operations. In the opinion of the University management, the amount of ultimate liability with respect to these actions will not materially affect the overall financial position of the University.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the University's financial position.

University employees are covered under Worker's Compensation by the State of Missouri. Claims are submitted to the State and paid by the State on behalf of the University. Total claims paid for the University employees for fiscal year 2020 and fiscal year 2019 were \$693,356 and \$428,246, respectively.

The majority of University employees are also covered by unemployment insurance administered by the State of Missouri Division of Employment Security.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

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. The University purchases commercial insurance and also receives coverage through the State of Missouri for these risks of loss. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The University has purchased property on occasion that requires monitoring for environmental issues that could result in liability. As of June 30, 2020 and 2019, the University is not aware of any material environmental liability.

Effective January 1, 2020, the University established a self-insured medical program covering substantially all employees. The University's liability has been limited by the purchase of specific (\$250,000 individual deductible limit in calendar year 2020) and aggregate (\$10,356,822 deductible in calendar year 2020) reinsurance. The University has recorded a liability for expenses incurred but not reported of approximately \$492,869 as of June 30, 2020, which is included in the accrued claims liability 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. As the plan was formed during fiscal year 2020, changes in the balance of the insurance reserve liability are not presented for fiscal year 2019. Changes in the balance of the insurance reserve liability during the year ended June 30, 2020 were as follows:

Liability, July 1, 2019	\$ —
Current year claims and changes in estimates	4,182,906
Claim payments	<u>2,464,064</u>
Liability, June 30, 2020	<u>\$ 1,718,842</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

14. Net Position

Restricted - Net position is restricted when constraints placed are either externally imposed, or are imposed by law or enabling legislation. The composition of restricted net position at June 30, 2020 and 2019 was:

	2020	2019
Nonexpendable		
Scholarships	\$ 2,284,871	\$ 2,170,881
Expendable		
Debt service	1,448,508	1,560,838
Total Restricted	\$ 3,733,379	\$ 3,731,719

Unrestricted - Unrestricted net position is not subject to externally imposed stipulations; however, it may be subject to internal designations. For example, unrestricted net position may be designated for specific purposes by action of the Board of Regents or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is internally designated for academic programs and initiatives, investment in inventories and capital programs. Designated unrestricted net position was \$27,817,729 and \$27,552,403 at June 30, 2020 and 2019, respectively. Undesignated, unrestricted net position, including those of auxiliary operations, was \$(85,198,920) and \$(70,814,403) at June 30, 2020 and 2019, respectively.

Undesignated unrestricted net position at June 30, 2020 and 2019 consists of the following:

	2020	2019
Undesignated Unrestricted		
Net pension liability at June 30, offset by pension-related deferred inflows and outflows, net of amounts included in restricted net position	\$ (105,336,032)	\$ (95,160,967)
All other operations of the University, including auxiliary operations	20,137,112	24,346,564
Total undesignated unrestricted net position	\$ (85,198,920)	\$ (70,814,403)

As of June 30, 2020, University operations undesignated unrestricted net position consists of \$564,884 US Government Loan Programs, \$1,547,110 Auxiliary Undesignated and Unrestricted Undesignated of \$18,025,118.

As of June 30, 2019, University operations undesignated unrestricted net position consists of \$654,127 US Government Loan Programs, \$4,159,286 Auxiliary Undesignated and Unrestricted Undesignated of \$19,533,151.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

15. Operating Leases

The University has entered into several operating leases for equipment. These leases will expire on various dates through fiscal year 2022. Future minimum lease payments at June 30, 2020 were:

<u>Year</u>	<u>Amount</u>
2021	\$ 85,638
2022	21,304
	<u>\$ 106,942</u>

16. 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. The University has one segment that meets 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*. As of June 30, 2020 and 2019, the University's outstanding bond debt includes System Facilities Revenue Bonds. The System Facilities is composed of the Housing System, the Student Union facility, the Student Recreation Center, the Parking and Transit System, Textbook Services, and the Outdoor Recreation Fields. Revenue derived from the operation of these facilities is pledged for the retirement of the outstanding Series 2011B, Series 2013A & 2013B, Series 2016A, Series 2016B & Series 2016C bonds and payment of interest thereon semi-annually on April 1 and October 1.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The condensed financial information for the System Facilities Revenue Bond Fund as of June 30, 2020 and 2019 is as follows:

Condensed Statement Of Net Position

	2020	2019
Current Assets	\$ 10,249,681	\$ 11,358,720
Noncurrent Assets		
Capital assets, net of depreciation	167,250,507	170,060,216
Total Assets	<u>177,500,188</u>	<u>181,418,936</u>
Deferred Outflows Of Resources	<u>5,378,705</u>	<u>5,964,573</u>
Current Liabilities	8,958,471	8,472,843
Noncurrent Liabilities	111,281,416	117,919,923
Total Liabilities	<u>120,239,887</u>	<u>126,392,766</u>
Net Position		
Net investment in capital assets	54,680,283	51,907,604
Restricted	—	6,995
Unrestricted	<u>7,958,723</u>	<u>9,076,144</u>
Total Net Position	<u>\$ 62,639,006</u>	<u>\$ 60,990,743</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

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

	2020	2019
Operating Revenue		
Housing contracts, net of scholarship allowance	\$ 20,460,855	\$ 21,336,020
Textbook sales and rentals	1,537,120	1,565,283
Student recreation center fees	2,259,531	2,333,358
Parking fees and fines	1,217,504	1,505,457
Student union building fees	257,537	267,000
Other operating revenues	1,876,240	2,974,775
Total Operating Revenue	27,608,787	29,981,893
Operating Expenses		
Personnel service	4,639,443	4,909,238
Contract food service	5,755,178	6,910,564
Utilities and maintenance	3,066,181	3,095,659
Book purchases	966,517	1,065,938
Depreciation	4,761,449	4,724,901
Other operating expenses	2,727,942	3,001,243
Total Operating Expenses	21,916,710	23,707,543
Operating Income	5,692,077	6,274,350
Nonoperating Revenue (Expenses)		
Investment income	172,644	256,475
Interest on capital asset related debt	(4,216,458)	(4,469,637)
Net Nonoperating Expenses	(4,043,814)	(4,213,162)
Increase In Net Position	1,648,263	2,061,188
Net Position Beginning Of Year	60,990,743	58,929,555
Net Position End Of Year	\$ 62,639,006	\$ 60,990,743

Condensed Statement Of Cash Flows

	2020	2019
Net cash provided by operating activities	\$ 9,992,218	\$ 9,803,102
Net cash used in capital and related financing activities	(11,176,166)	(11,261,407)
Net cash provided by investing activities	172,644	256,475
Net decrease in cash and cash equivalents	(1,011,304)	(1,201,830)
Cash and cash equivalents - beginning of year	10,330,569	11,532,399
Cash and cash equivalents - end of year	\$ 9,319,265	\$ 10,330,569

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)**17. Southeast Missouri University Foundation**

The following disclosures pertain to the University's discretely presented component unit - the Foundation:

Investments And Investment Return

Investments at June 30, 2020 and 2019 consisted of the following:

	2020	2019
Cash and money market funds	\$ 1,117,780	\$ 1,125,338
Certificates of deposit	294,074	288,874
Equities:		
Domestic	20,054,361	20,452,125
Developing international	3,371,145	3,500,884
Mutual funds:		
Domestic	24,478,701	8,660,600
Developing international	10,272,369	10,126,559
Emerging market	10,476,484	10,863,201
International fixed income	14,482,854	13,245,790
Other	5,733,502	22,169,401
Corporate bonds	5,310,826	4,531,154
Asset back securities	454,500	516,069
U.S. Treasury securities	810,635	643,306
U.S. government obligations	2,325,430	2,817,587
Municipal securities	898,812	437,071
Alternative strategies	1,147,771	827,662
	101,229,244	100,205,621
Less: short-term investments	21,504,936	19,307,288
	<u>\$ 79,724,308</u>	<u>\$ 80,898,333</u>

Total investment return is comprised of the following as of June 30:

	2020	2019
Interest and dividends, net of fees	\$ 2,174,389	\$ 1,976,533
Unrealized and realized investment gains	(644,004)	3,521,938
	<u>\$ 1,530,385</u>	<u>\$ 5,498,471</u>

SOUTHEAST MISSOURI STATE UNIVERSITY**Notes To Financial Statements (Continued)****Pledges Receivable**

Pledges receivable at June 30 consists of:

	2020	2019
Pledges receivable	\$ 595,309	\$ 648,340
Allowance for doubtful accounts	(20,002)	(45,384)
	<u>\$ 575,307</u>	<u>\$ 602,956</u>

Property And Equipment

Property and equipment at June 30 consists of:

	2020	2019
Land	\$ 7,620,564	\$ 6,967,461
Buildings and improvement	8,246,149	8,246,149
Vehicles and equipment	257,071	257,071
	<u>16,123,784</u>	<u>15,470,681</u>
Less: Accumulated depreciation	4,937,468	4,690,798
	<u>\$ 11,186,316</u>	<u>\$ 10,779,883</u>

Notes Receivable

Notes receivable at June 30 consists of:

	2020	2019
City of Cape Girardeau	\$ 2,877,392	\$ 3,239,504
APG Limited	467,681	497,002
	<u>3,345,073</u>	<u>3,736,506</u>
Less: Current maturities due within one year	489,988	489,321
	<u>\$ 2,855,085</u>	<u>\$ 3,247,185</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

On March 14, 2013, the Foundation sold 247.43 acres to the City of Cape Girardeau (the City). The City signed a 12-year, noninterest bearing promissory note for the amount of \$5,520,000 to the Foundation. The City shall pay 12 annual installments of \$460,000. Imputed interest amount was calculated using the long-term applicable federal rate for the month of March 2013, which was 2.66%. In April 2017, an additional \$920,000 was added to the note as a result of a joint capital project between the City and the University. The City signed a new promissory note with the Foundation to fund the City's share of the capital improvements and the Foundation will reimburse the University as funds are collected from the City.

On December 9, 2013, the Foundation sold the property located at 401 and 505 Washington Avenue to APG Limited, LLC. APG Limited signed a 10-year promissory note with an interest rate of 2.25% for the amount of \$647,000 to the Foundation. APG Limited shall pay 119 payments of \$3,350 and a final balloon payment of \$362,378.

Aggregate annual maturities of notes receivable at June 30, 2020 are:

<u>Year</u>	<u>Amount</u>
2021	\$ 489,988
2022	490,670
2023	491,367
2024	492,080
2025	492,809
Thereafter	1,230,767
	<u>3,687,681</u>
Less: Imputed interest on loan	<u>342,608</u>
	<u>\$ 3,345,073</u>

Notes Payable To Bank

Notes payable to bank at June 30 consists of:

	<u>2020</u>	<u>2019</u>
First Missouri State Bank - 315 South Lorimier	\$ 171,167	\$ 188,233
Montgomery Bank - South Lorimier & 334 Morgan Oak	550,280	591,497
	<u>721,447</u>	<u>779,730</u>
Less: Current maturities due within one year	<u>61,834</u>	<u>58,950</u>
	<u>\$ 659,613</u>	<u>\$ 720,780</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Aggregate annual maturities of notes payable at June 30, 2020 are:

Year	Amount
2021	\$ 61,834
2022	64,892
2023	182,445
2024	412,276
	<u>\$ 721,447</u>

On December 28, 2012, the Foundation purchased property located at 315 South Lorimier in Cape Girardeau, Missouri. To finance the purchase, the Foundation entered into a promissory note with First Missouri State Bank in the amount of \$289,220 with a maturity date of December 28, 2017. The Foundation renewed the note during the year with a revised maturity date of December 28, 2022. Current payments on the note are regular payments of \$2,139 and one lump sum payment estimated at \$126,447. The interest rate of the promissory note is 4.60%.

On August 8, 2018, the Foundation entered into a promissory note with Montgomery Bank in the amount of \$624,389 to consolidate and refinance the South Lorimier (A) and 334 Morgan Oak (B) notes. The promissory note requires 59 monthly principal and interest of \$5,817, with one balloon payment estimated at \$410,961 due at maturity on August 8, 2023. The promissory note bears interest at 4.91% per annum.

Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are available for the following purposes or periods:

	2020	2019
Scholarships	\$ 77,241,226	\$ 77,761,711
Loans	170,825	166,396
Other	11,245,911	10,853,437
	<u>\$ 88,657,962</u>	<u>\$ 88,781,544</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2020	2019
Scholarships	\$ 3,004,859	\$ 2,406,997
Loans	895	769
Other purpose restrictions accomplished	2,076,717	2,094,560
	<u>\$ 5,082,471</u>	<u>\$ 4,502,326</u>

Annuity Obligations

The Foundation has been the recipient of several gift annuities and charitable remainder trusts, which require future payments to the contributors or their named beneficiaries. The assets received from the donor are recorded at fair values. The Foundation has recorded a liability of \$1,474,996 and \$1,209,186 at June 30, 2020 and 2019, respectively, which represents the present value of the future annuity obligations. The liability has been determined using a discount rate of 2.97% and 5.85% at June 30, 2020 and 2019, respectively.

Operating Leases

The Foundation leases certain plant assets to the University. These leases will expire on various dates through fiscal year 2028. Future minimum lease payments at June 30, 2020 were:

Year	Amount
2021	\$ 368,799
2022	368,800
2023	309,704
2024	261,243
2025	235,211
Thereafter	1,090,308
	<u>\$ 2,634,065</u>

18. COVID-19

The outbreak of 2019 coronavirus (COVID-19), which was recognized as a global pandemic by the World Health Organization, has prompted governmental entities, businesses, organizations, and Universities to implement preventative and protective measures, including how business activities are conducted. The pandemic has resulted in a widespread economic downturn and created significant uncertainty, volatility and disruption in financial and business activities. The extent of the pandemic's impact on the University's operations and financial condition will depend on future developments, which are uncertain, including, but not limited to, the duration and severity of the pandemic, the effects of the pandemic on the economy, the remedial actions and stimulus measures adopted by the federal government, and to what extent normal economic and business activities can resume.

The Higher Education Emergency Relief Fund (HEERF), found in Section 18004 of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides funding to institutions of higher education. The University signed and returned the Certification and Agreement to the U.S. Department of Education for the HEERF Funds for Emergency Financial Aid Grants. In keeping with the terms of the certification, the University will use no less than 50% of the funds received, as stated under 18004(a)(1) of the CARES Act, to provide Emergency Financial Aid Grants directly to students. The University was notified that it was entitled to receive approximately \$6,830,000 to be distributed in two installments.

Institutions are authorized to grant funding with the only statutory requirement that the funds be used to cover student's expenses related to the disruption of campus operations due to coronavirus including eligible expenses such as food, housing, course materials, technology, health care, and childcare. Loss of a job is not a result of the disruption of campus operations and does not qualify for HEERF. Institutions are given latitude on how to distribute the funding and this means that each institution may develop its own system and process for determining how to allocate these funds. Secretary of Education Betsy DeVos encouraged the leadership of each institution to prioritize students with the greatest need.

The University is distributing the Emergency Financial Aid Grants that are required to be distributed directly to students under Section 18004(a)(1) of the CARES Act immediately following application by the students for the funds and will continue until the entire \$3,415,107, 50% of the allocation, has been disbursed. At June 30, 2020, approximately \$2,026,000 had been disbursed to students.

SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

From the second installment of approximately \$3,415,000 and consistent with Section 18004 of the CARES Act, funds were distributed as refunds for spring semester student housing and dining costs. Revenues recorded as nonoperating non-exchange grants related to the student portion and institutional portion of the HEERF funding totaled approximately \$5,441,000 for the year ended June 30, 2020.

Additional funding of up to approximately \$4,490,000 is available through the State's distribution of the Coronavirus Relief Funds to help cover costs associated with reopening campus for the Fall 2020 semester and to assist in expanding remote learning capabilities. Associated costs must be paid and submitted to the State of Missouri by December 1, 2020.

The University also received \$927,399 of Governor's Emergency Education Relief Funds (GEER) to support the ability of the University to continue to provide educational services and support the ongoing functionality of the institution. Associated costs must be paid by June 15, 2021.

Additionally, Coronavirus Relief Funds (CRF) of \$380,292 was awarded to the University by Cape Girardeau County. Associated costs must be paid and submitted by December 30, 2020.

19. Subsequent Event

On August 11, 2020, the University issued \$57,480,000 Series 2020 System Facilities Refunding Revenue Bonds to pay off the Series 2013 bonds.

Required Supplementary Information

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULES OF SELECTED PENSION INFORMATION MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

June 30, 2020
(In Thousands)

Schedule Of University's Proportionate Share Of The Net Pension Liability

	Measurement Date As Of June 30:					
	2019	2018	2017	2016	2015	2014
University's proportion of the net pension liability	2.1217%	2.3112%	2.4578%	2.4563%	2.4420%	2.3902%
University's proportionate share of the net pension liability	\$ 128,178,153	\$ 128,922,744	\$ 127,976,381	\$ 114,021,149	\$ 78,422,893	\$ 56,354,914
University's covered-employee payroll	41,219,232	44,921,805	48,380,403	47,570,877	47,277,247	46,027,547
University's proportionate share of net pension liability as a percentage of its covered-employee payroll	310.97%	286.99%	264.52%	239.69%	165.88%	122.44%
Plan fiduciary net position as a percentage of the total pension liability	56.72%	59.02%	60.41%	63.60%	72.62%	79.49%

Notes: The above schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Information provided is based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Schedule Of University's Contributions

	Fiscal Year End As Of June 30:									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Required contribution	\$ 9,051,938	\$ 8,328,691	\$ 8,739,287	\$ 8,209,302	\$ 8,072,759	\$ 8,022,949	\$ 8,096,002	\$ 6,602,853	\$ 6,335,969	\$ 6,192,472
Contributions in relation to the required contribution	9,051,938	8,328,691	8,739,287	8,208,979	8,072,759	8,022,949	8,096,002	6,602,853	6,335,969	6,192,472
University's covered-employee payroll	45,855,765	41,219,232	44,921,805	48,380,403	47,570,877	47,277,247	47,679,635	45,694,484	45,354,109	44,840,492
Contributions as a percentage of covered-employee payroll	19.74%	20.21%	19.45%	16.97%	16.97%	16.97%	16.98%	14.45%	13.97%	13.81%

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULES OF SELECTED PENSION INFORMATION MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

June 30, 2020

(In Thousands)

Changes Of Benefit Terms Or Assumptions

Changes to assumptions in valuation reports included a change in the discount rate from 7.25% for the measurement date as of June 30, 2018 recorded by the University at June 30, 2019 to 7.10% for the measurement date as of June 30, 2019 recorded by the University at June 30, 2020.

Senate Bill 62 (SB62), which contained changes to the benefit structure for MSEP 2011, was passed by the 2017 legislature. The provisions of the bill decreased vesting from ten to five years of service, but also included provisions that essentially offset the cost of the vesting change. As a result, SB 62 had no impact on the employer contribution rate and created a decrease to the UAAL of \$1.6 million.

During the MOSERS plan year ended June 30, 2018, there were changes to reduce the long-term expected rate of return on investments from 7.50% to 7.25%, which increased the total pension liability. During the MOSERS plan year ended June 30, 2017, there were changes to reduce the long-term expected rate of return on investments from 7.65% to 7.50%, which increased the total pension liability.

Changes to assumptions for the year ended June 30, 2016 were related to changes in the mortality table, investment returns, and salary increases.

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULES OF SELECTED POSTEMPLOYMENT HEALTHCARE PLAN INFORMATION

June 30, 2020

	As of June 30,		
	2020	2019	2018
Service cost	\$ 258,097	\$ 271,452	\$ 263,545
Interest cost	148,277	126,667	123,611
Net benefits paid by employer	(236,736)	(312,318)	(264,832)
Other changes	(54,725)	—	—
Net change in total OPEB liability	114,913	85,801	122,324
Total OPEB liability - beginning of year	4,327,989	4,242,188	4,119,864
Total OPEB liability - end of year	\$ 4,442,902	\$ 4,327,989	\$ 4,242,188
Covered employee payroll	52,941,848	60,235,272	58,480,847
Total OPEB liability as a percentage of covered employee payroll	8.39%	7.19%	7.25%

Notes:

The above schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SOUTHEAST MISSOURI
STATE UNIVERSITY
SINGLE AUDIT REPORT
JUNE 30, 2020

DRAFT

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**Independent Auditors' Report On Internal
Control Over Financial Reporting And On
Compliance And Other Matters Based On An
Audit Of Financial Statements Performed In
Accordance With *Government Auditing Standards***

Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Southeast Missouri State University, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Southeast Missouri State University's basic financial statements, and have issued our report thereon dated November 16, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southeast Missouri State University's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questions Costs as item 2020-001 that we consider to be a significant deficiency.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

University's Response to Findings

The University's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questions Costs. The University's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose Of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 16, 2020

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

Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

Report On Compliance For Each Major Federal Program

We have audited Southeast Missouri State University's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2020. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the University's major federal programs based on our audit of the types of compliance referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion On Each Major Federal Program

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report On Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purposes.

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

We have audited the financial statements of the business-type activities and discretely presented component unit of the University as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We have issued our report thereon dated November 16, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

* _____, except for paragraph 10,
which is as of November 16, 2020

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures	Expenditures To Sub- Recipients
United States Department of Agriculture					
Passed through Natural Resources Conservation Services	Conservation Compliance FY19	N/A	10.072	\$ 40,299	\$ —
Passed through Missouri Department of Agriculture	Specialty Crop 18	AM17010XXXXG015	10.170	4,402	—
Passed through Arkansas State University	Resilient Cropping year 1 FY18	2018-70001-27817	10.326	22,269	—
Direct	Ag Advanced Tech 19	29-016-155563610	10.351	10,726	—
Passed through Missouri Department of Health and Senior Services	Child and Adult Care Food Program: USYC Food Program	ERS4611-2646	10.558	48,489	—
Passed through Natural Resources Conservation Services	BMP for Water Quality 19	NR186424XXXXG012	10.902	23,147	—
Direct	Organic Horticulture 17	69-6424-17-010	10.912	4,636	—
Total United States Department of Agriculture				153,968	—
United States Fish and Wildlife Service					
Direct	Landscape Conservation 18	F17AC01005	15.678	3,765	—
Total United States Fish and Wildlife Services				3,765	—
Federal Transit Administration					
Direct	Shuttle Service 2020	N/A	20.507	123,788	—
Direct	Shuttle CARES Act	N/A	20.507	76,873	—
Direct	Shuttle Bus Purchase 2018	N/A	20.507	48,450	—
Total Federal Transit Administration				249,111	—
Department of Treasury					
Passed through State of Missouri	Coronavirus Relief Fund - Response and Reopen MO CARES	N/A	21.019	1,408,665	—
Passed through State of Missouri	Coronavirus Relief Fund - Remote Learning MO	N/A	21.019	233,711	—
Passed through Cape County, Missouri	Coronavirus Relief Fund	N/A	21.019	112,891	—
Total Department of Treasury				1,755,267	—

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For The Year Ended June 30, 2020

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Program Or Cluster Title</u>	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Expenditures To Sub- Recipients</u>
National Endowment for the Humanities					
Passed through the Missouri Humanities Council	Promotion of the Humanities Programs Faulkner and Marquez 2019	2167	45.129	\$ 1,531	\$ —
				1,531	—
Total National Endowment for the Humanities					
National Science Foundation					
Direct	Research and Development Cluster:				
	Powder Xray Diffractometer	1919985	47.049	50,711	—
	NSF DEB Conferences 20	2021054	47.074	26	—
	Total Research and Development Cluster			50,737	—
				50,737	—
Total National Science Foundation					
Small Business Administration					
Passed through University of Missouri - Columbia	Small Business Development Center:				
	SBDC 2020	N/A	59.037	78,433	—
	SBDC Portable Assistance 2019	C00063534-1	59.037	32,610	—
	SBTDC 2019	C00063862-3	59.037	22,498	—
				133,541	—
Total Small Business Administration					
United States Department of Education					
Passed through University of Central Missouri	Mideast Meets Midwest 17	POL001-SEMO	84.016	735	—
Direct	Student Financial Aid Cluster:				
	Federal Supplemental Educational Opportunity Grant Program FY19	P007A182382	84.007	32,886	—
	Federal Supplemental Educational Opportunity Grant Program FY20	P007A192382	84.007	367,073	—
	Federal Work Study Program FY20	P033A192382	84.033	255,312	—
	Federal Perkins Loan Program	N/A	84.038	4,475,847	—
	Federal Pell Grant Program FY19	P063P181752	84.063	2,451	—
	Federal Pell Grant Program FY20	P063P191752	84.063	14,443,893	—
	Federal Direct Loan Program FY19	P268K191752	84.268	241,519	—
	Federal Direct Loan Program FY20	P268K201752	84.268	36,517,915	—
	Transition to Teaching (TEACH) FY20	P379T201752	84.379	49,761	—
	Total Student Financial Aid Cluster			56,386,657	—

See the notes to schedule of expenditures of federal awards.

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For The Year Ended June 30, 2020

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Program Or Cluster Title</u>	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Expenditures To Sub- Recipients</u>
Direct	Trio Cluster:				
	Student Support Services 2018	P042A100954	84.042	\$ 9	\$ —
	Student Support Services 2019	P042A151250-18	84.042	293,771	—
	Student Support Services Supplement 2019	P042A151250-18	84.042	52,300	—
	McNair Post-Baccalaureate Achievement 2019	P1217A170269-18	84.217	260,613	—
	Total Trio Cluster			606,693	—
Passed through Missouri Department of Elementary and Secondary Education	Pathways 2019	N/A	84.048A	678	—
Direct	CCAMPIS Redhawk FLT 20	N/A	84.335A	79,590	—
Direct	Higher Education Emergency Relief Fund - Student	N/A	84.425E	2,026,302	—
Direct	Higher Education Emergency Relief Fund - Institution	N/A	84.425F	3,415,107	—
				5,441,409	—
Total United States Department of Education				62,515,762	—
United States Department of Health and Human Services					
Passed through Missouri Department of Health and Senior Services	Alzheimer's Evaluation Survey	N/A	93.051	400	—
Passed through Missouri Department of Health and Senior Services	Addressing Asthma 2018	DH100020001	93.070	1	—
	Addressing Asthma 2019	AOC18380069	93.070	3,903	—
	Addressing Asthma 2020	AOC18380069-2	93.070	27,028	—
				30,932	—
Passed through Missouri Department of Health and Senior Services	Community Health Worker 19	AOC19380216	93.426	703	—
	Community Health Worker Year 4	AOC19380216	93.426	30,025	—
				30,728	—

See the notes to schedule of expenditures of federal awards.

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (*Continued*)
For The Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures	Expenditures To Sub- Recipients
Passed through Missouri Department of Health and Senior Services	Bootheel MCH Focus Group 19	N/A	93.870	\$ 52,769	\$ —
Passed through Missouri Department of Mental Health	Block Grants for Prevention and Treatment of Substance Abuse:				
	Southeast Regional Support Center 2018	SDA420P1209	93.959	7,092	—
	Southeast Regional Support Center 2019	SDA420P1209	93.959	1,663	—
	Southeast Regional Support Center Tobacco 18	N/A	93.959	1,274	—
	Southeast Regional Support Center Tobacco 2020	N/A	93.959	5,447	—
	Partnership for Success 2019	SDA420P1209	93.959	89,912	—
	Partnership for Success 2020	N/A	93.959	109,849	—
	MHFA Training 2018	N/A	93.959	2,407	—
	PRC C2000 20	N/A	93.959	163,837	—
	PRC MHFA20	N/A	93.959	174	—
	Coalition Support FY20	N/A	93.959	3,000	—
				<u>384,655</u>	<u>—</u>
Passed through Mississippi County Health Department	Resource Mapping 20	N/A	93.912	5,469	—
Total United States Department of Health and Human Services				<u>504,953</u>	<u>—</u>
Total Expenditures of Federal Awards				<u>\$ 65,368,635</u>	<u>\$ —</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2020

1. Basis Of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards programs of Southeast Missouri State University (the University) for the year ended June 30, 2020. The information in this Schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. Basis Of Accounting And Relationship To The Financial Statements

Federal financial assistance revenues from the Federal Work Study, the Federal Pell Grant Program and the Federal Supplemental Educational Opportunity Grant programs are reported in the University's financial statements as federal grant revenues. The activity of the Federal Direct Loan Program is not included in the University's financial statements, as the benefits of this program are awarded directly to students and not to the University.

Amounts reported in the accompanying Schedule are presented using the accrual basis of accounting, which is described in Note 2 to the University's financial statements. Related federal financial reports are prepared on the cash basis of accounting.

3. Loan Programs

The following schedule represents loans advanced by the University for Federal Direct Loans and loans advanced plus loans outstanding as of the beginning of the year for Federal Perkins Loans, for the year ended June 30, 2020:

	CFDA #	Amount Reported on SEFA
Student Financial Aid:		
Department of Education:		
Federal Direct Loans	84.268	\$ 36,759,434
Federal Perkins Loans	84.038	4,475,847

The above amounts are included as federal expenditures in the Schedule.

SOUTHEAST MISSOURI STATE UNIVERSITY

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

4. Indirect Costs

The Department of Health and Human Services has approved a maximum provisional indirect cost rate of 49%. The University recovers indirect costs at the maximum rate of 49% of salaries and wages including fringe benefits under federal programs that allow full indirect cost reimbursement, and recovers indirect costs at varying rates below 49% on other federal programs that do not follow full indirect cost recovery. Total indirect costs recovered under all federal programs were \$221,204 for the year ended June 30, 2020.

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2020

Section I - Summary Of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were presented in accordance with generally accepted accounting principles:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(s) identified? X yes _____ none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(s) identified? _____ yes X none reported

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

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

_____ yes X no

Identification Of Major Programs:

Student Financial Aid Cluster:

CFDA #84.007 - U.S. Department of Education - Federal Supplemental Educational Opportunity Grant Program

CFDA #84.033 - U.S. Department of Education - Federal Work Study Program

CFDA #84.063 - U.S. Department of Education - Federal Pell Grant Program

CFDA #84.268 - U.S. Department of Education - Federal Direct Loan Program

CFDA #84.038 - U.S. Department of Education - Federal Perkins Loan Program

CFDA #84.379 - U.S. Department of Education - Teacher Assistance for College and Higher Education Grants

Federal Transit Cluster:

CFDA #20.507 - U.S. Department of Transportation – Federal Transit Formula Grant

CFDA #21.019 – U.S. Department of Treasury – Coronavirus Relief Fund

CFDA #84.425 – U.S. Department of Education – Higher Education Emergency Relief Fund

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X yes _____ no

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For The Year Ended June 30, 2020

Section II - Financial Statement Finding

Finding 2020-001 Significant Deficiency

Criteria: The University should implement a control over the health care self-insurance plan to ensure the claims liability is captured accurately at year-end.

Condition: During the audit, we noted the University implemented a health care self-insurance plan which became effective on January 1, 2020. At June 30, 2020, the University should record a claims liability for claims reported but not paid by the University. In addition, the University should also record a liability for the estimate of claims incurred but not reported at June 30, 2020.

Cause: Due to the implementation of the plan during the current year, management did not have a standard procedure in place to ensure the liability was recorded at year-end.

Effect: The self-insurance claims liability was not recorded which resulted in a significant audit adjustment.

Identification as a repeat finding: Not applicable

Recommendation: University management should ensure that the appropriate documents are obtained from the insurance provider at the end of the year in order to record the claims liability.

Views of Responsible Officials: As noted, the University implemented a new, self-insured health insurance plan effective January 1, 2020. University management is working with its benefits consultant and its third-party claims administrator to ensure that it will timely receive year-end claims liability reports in the future. These reports will support the accurate reconciliation and recording of year-end claims liabilities.

Section III - Federal Award Findings And Questioned Costs

None Noted

NEED CLIENT LETTERHEAD
CORRECTIVE ACTION PLAN

Finding 2020-001

Personnel Responsible for Corrective Action: Controller, Pam Sander

Anticipated Completion Date: June 30, 2021

Correction Action Plan: As noted, the University implemented a new, self-insured health insurance plan effective January 1, 2020. University management is working with its benefits consultant and its third-party claims administrator to ensure that it will timely receive year-end claims liability reports in the future. These reports will support the accurate reconciliation and recording of year-end claims liabilities.

SOUTHEAST MISSOURI STATE UNIVERSITY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Year Ended June 30, 2020

None Noted

Ms. Pam Sander
Southeast Missouri State University
One University Plaza
Cape Girardeau, Missouri 63701

Dear Pam:

Enclosed are your copies of the single audit report for Southeast Missouri State University as of June 30, 2020.

The Data Collection Form (Form SF-SAC) is required to be submitted electronically along with electronic copies of the Single Audit Report and the University's financial statements via the Federal Audit Clearinghouse. In addition, for the Department of Education, the copies must be submitted electronically also using the EZ Audit Process.

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

Very truly yours,

RubinBrown LLP

Ted Williamson, CPA
Partner
Direct Dial Number: 314.678.3534
E-mail: ted.williamson@rubinbrown.com

TW:mrh

Enclosures

**SOUTHEAST MISSOURI STATE
UNIVERSITY SYSTEM FACILITIES**
FINANCIAL STATEMENTS
JUNE 30, 2020



**SOUTHEAST MISSOURI
STATE UNIVERSITY • 1873**

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Independent Auditors' Report

Board of Regents
Southeast Missouri State University
System Facilities
Cape Girardeau, Missouri

Report On The Financial Statements

We have audited the accompanying financial statements of the business-type activities of Southeast Missouri State University System Facilities (the System Facilities) of Southeast Missouri State University (the University), a component unit of the State of Missouri, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the System Facilities 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the System Facilities as of June 30, 2020, and its changes in financial position and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Financial Reporting Entity

As discussed in Note 1, the basic financial statements of the System Facilities are intended to present the financial position, changes in financial position, and cash flows of only that portion of the University that is attributable to the System Facilities. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2020, and its changes in financial position and cash flows for the year then ended, in conformity 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 10 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.

Board of Regents
Southeast Missouri State University
System Facilities

Other Information

Our audit was conducted for the purpose of forming an opinion on the System Facilities' basic financial statements. The schedules of insurance coverage, enrollment and fees, room and board costs - five-year trend, student composition - university housing system, housing occupancy and university residence hall capacities as listed in the table of contents are presented for purposes of additional analysis and are 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.

RubinBrown LLP

November 16, 2020

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Southeast Missouri State University System Facilities' (the System Facilities) basic financial statements provides an overview of the System Facilities' financial performance during the year ended June 30, 2020. The Management's Discussion and Analysis is designed to focus on current activities and resulting changes, and should be read in conjunction with the System Facilities' basic financial statements and footnotes.

Using This Report

This report consists of a series of basic financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis - for Public Colleges and Universities*. The Statement of Net Position includes the assets, liabilities, deferred inflows and outflows of resources and net position of the System Facilities as of the end of the fiscal year. The Statement of Net Position is a point of time financial statement. It is prepared under the accrual basis of accounting, whereby assets are recognized when the service is provided and the liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The Statement of Revenue, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating, nonoperating or other. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the basic financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The Statement of Cash Flows presents the System Facilities' inflows and outflows of cash. The primary purpose of the Statement of Cash Flows is to provide information about the System Facilities' cash receipts and payments summarized by operating, capital and related financing, noncapital financing and investing activities.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Management's Discussion And Analysis (Continued)

Financial Analysis of The System Facilities

The following table reflects the Net Position for the System Facilities as of June 30:

	2020	2019
Current Assets	\$ 10,249,681	\$ 11,358,720
Noncurrent Assets		
Capital assets, net of depreciation	167,250,507	170,060,216
Total assets	177,500,188	181,418,936
Deferred Outflows of Resources	5,378,705	5,964,573
Current Liabilities	8,958,471	8,472,843
Noncurrent Liabilities	111,281,416	117,919,923
Total liabilities	120,239,887	126,392,766
Net Position		
Net investment in capital assets	54,680,283	51,907,604
Restricted	—	6,995
Unrestricted	7,958,723	9,076,144
Total net position	\$ 62,639,006	\$ 60,990,743

Current assets consist primarily of cash and cash equivalents and inventories. Current assets totaled \$10.25 and \$11.36 million for June 30, 2020 and 2019, respectively.

Current liabilities consist primarily of accounts payable, accrued compensation, accrued interest payable and unearned income. Current liabilities also include the current portion of bonds and notes payable. Current liabilities totaled \$8.96 and \$8.47 million for June 30, 2020 and 2019, respectively.

Noncurrent liabilities consist of long-term debt, which totaled \$111.28 and \$117.92 million at June 30, 2020 and 2019, respectively.

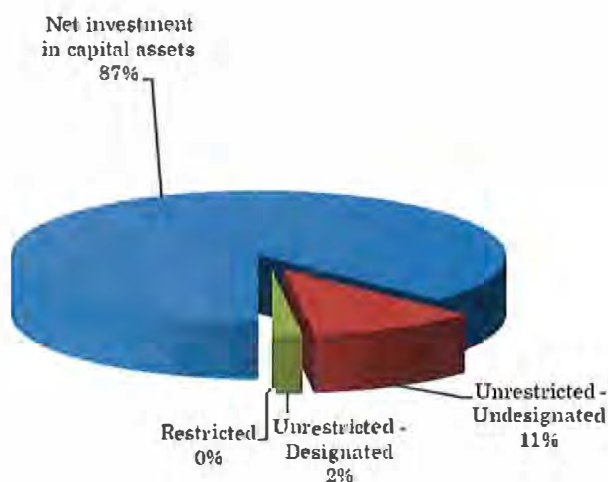
SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Management's Discussion And Analysis (*Continued*)

Net position represents the residual interest in the System Facilities' assets and deferred outflows after liabilities are deducted.

	2020	2019
Net Position		
Net investment in capital assets	\$ 54,680,283	\$ 51,907,604
Restricted - Expendable for debt service	—	6,995
Unrestricted:		
Designated	930,416	897,340
Undesignated	7,028,307	8,178,804
Total Unrestricted	7,958,723	9,076,144
Total net position	\$ 62,639,006	\$ 60,990,743

Following is a breakdown of net position at June 30, 2020:



Net investment in capital assets represents the System Facilities' capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Net investment in capital assets increased approximately \$2.77 million from \$51.91 million at June 30, 2019 to \$54.68 million at June 30, 2020. The increase is primarily due to the change in the System's bond liability.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Management's Discussion And Analysis (*Continued*)

Although unrestricted net position is not subject to externally imposed stipulations, approximately \$0.93 and \$0.90 million was internally designated for investment in inventories as of June 30, 2020 and 2019, respectively. Unrestricted-undesignated net position of the System Facilities was approximately \$7.03 million at June 30, 2020, which was a decrease from \$8.18 million at June 30, 2019.

The following schedule reflects the condensed revenues and expenses of the System Facilities for fiscal years 2020 and 2019:

**Condensed Statements Of Revenues
Expenses And Changes In Net Position
Years Ended June 30, 2020 And 2019**

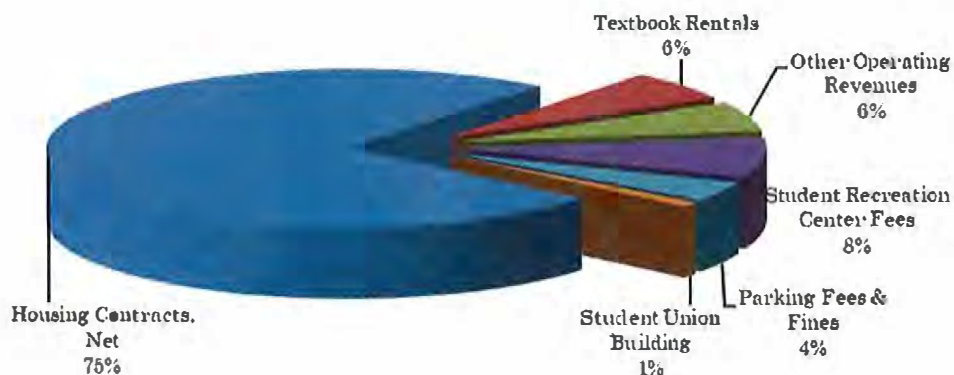
	2020	2019
Operating Revenue		
Housing contracts, net of scholarship allowance	\$ 20,460,855	\$ 21,336,020
Textbook sales and rentals	1,537,120	1,565,283
Student recreation center fees	2,259,531	2,333,358
Parking fees and fines	1,217,504	1,505,457
Student union building fees	257,537	267,000
Other operating revenues	1,876,240	2,974,775
Total operating revenue	27,608,787	29,981,893
Operating Expenses		
Personnel service	4,639,443	4,909,238
Contract food service	5,755,178	6,910,564
Utilities and maintenance	3,066,181	3,095,659
Book purchases	966,517	1,065,938
Depreciation	4,761,449	4,724,901
Other operating expenses	2,727,942	3,001,243
Total operating expenses	21,916,710	23,707,543
Operating income	5,692,077	6,274,350
Nonoperating Revenue (Expenses)		
Investment income	172,644	256,475
Interest on capital asset related debt	(4,216,458)	(4,469,637)
Net nonoperating expenses	(4,043,814)	(4,213,162)
Change in net position	1,648,263	2,061,188
Net position beginning of year	60,990,743	58,929,555
Net position end of year	\$ 62,639,006	\$ 60,990,743

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Management's Discussion And Analysis (*Continued*)

Total revenues for fiscal years 2020 and 2019 were \$27.78 and \$30.24 million. The most significant sources of revenue for the System Facilities are housing contracts, student and parking fees, and textbook rentals. Other operating revenue decreased to \$1.88 million in fiscal year 2020 from \$2.97 in fiscal year 2019, and includes revenue from rental income, camps, conferences and coin operating campus sales.

Following is a graphic illustration of revenue by source for fiscal year 2020:



Operating expenses of the System Facilities totaled \$21.92 million for the fiscal year ending June 30, 2020 and \$23.70 million for the fiscal year ending June 30, 2019. Personal service costs and contract food service costs accounted for 47% and 50% of the total operating expenses for fiscal years 2020 and 2019.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Management's Discussion And Analysis *(Continued)*

Following is a graphic illustration of operating expenses by source for the period ended June 30, 2020:



Capital Assets

At June 30, 2020 and 2019, the System Facilities' investment in capital assets totaled \$167.25 and \$170.06 million, respectively, as follows:

	2020	2018
Buildings and improvements	\$ 211,383,586	\$ 210,514,921
Land	476,467	476,467
Infrastructure	13,390,768	13,399,493
Construction in progress	2,443,121	1,351,321
Less: Accumulated depreciation	(60,443,435)	(55,681,986)
	<u>\$ 167,250,507</u>	<u>\$ 170,060,216</u>

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Management's Discussion And Analysis (*Continued*)

Additional information on Capital Assets can be found in Note 5 of the financial statements.

Bonds And Notes Payable

The System Facilities had outstanding bonds of approximately \$117.04 and \$123.24 million at June 30, 2020 and 2019, respectively.

The System Facilities also has a note payable to the University's contract food service provider of approximately \$205,000 and \$239,000 at June 30, 2020 and 2019, respectively.

Additional information on Bonds and Notes Payable can be found in Notes 7 and 8 of the financial statements.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**STATEMENT OF NET POSITION
June 30, 2020**

Assets

Current Assets

Cash and cash equivalents	\$ 6,459,526
Restricted cash and cash equivalents	2,859,739
Inventories	930,416
Total Current Assets	10,249,681

Noncurrent Assets

Capital assets - non-depreciable	2,919,588
Capital assets, net - depreciable	164,330,919
Total Noncurrent Assets	167,250,507

Total Assets	177,500,188
---------------------	--------------------

Deferred Outflows Of Resources

Deferred amounts on refunding of bonds payable	5,378,705
--	-----------

Liabilities

Current Liabilities

Accounts payable	1,044,672
Accrued interest payable	961,981
Accrued compensation	293,694
Unearned income	610,695
Notes payable	17,429
Bonds payable	6,030,000
Total Current Liabilities	8,958,471

Noncurrent Liabilities

Notes payable	187,667
Due to related organizations	88,599
Bonds payable	111,005,150
Total Noncurrent Liabilities	111,281,416

Total Liabilities	120,239,887
--------------------------	--------------------

Net Position

Net investment in capital assets	54,680,283
Unrestricted	7,958,723
Total Net Position	\$ 62,639,006

SOUTHEAST MISSOURI STATE UNIVERSITY

SYSTEM FACILITIES

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For The Year Ended June 30, 2020

Operating Revenues

Housing contracts (net of scholarship allowance of \$1,604,323)	\$ 20,460,855
Student recreation center fees	2,259,531
Student union building fees	257,537
Student parking fees	831,139
Other fees	542,254
Textbook rental	1,273,293
Textbook sales	263,827
Coin operating sales	43,244
Fines/parking tickets	386,365
Rental income	716,161
Other operating revenues	574,581
Total Operating Revenues	<u>27,608,787</u>

Operating Expenses

Personnel service	4,639,443
Contract food service	5,755,178
Utilities and maintenance	3,066,181
Book purchases	966,517
Coin operating expenses	116,000
Depreciation	4,761,449
Other operating expenses	2,611,942
Total Operating Expenses	<u>21,916,710</u>

Operating Income

5,692,077

Nonoperating Revenues (Expenses)

Investment income	172,644
Interest on capital asset-related debt	(4,216,458)
Total Nonoperating Expenses, Net	<u>(4,043,814)</u>

Change In Net Position

1,648,263

Net Position - Beginning Of Year

60,990,743

Net Position - End Of Year

\$ 62,639,006

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2020**

Cash Flows From Operating Activities	
Student and housing fees	\$ 23,747,250
Other receipts	3,930,536
Payments to vendors and suppliers	(13,059,691)
Payments to employees	(4,625,877)
Net Cash Provided By Operating Activities	<u>9,992,218</u>
Cash Flows From Capital And Related Financing Activities	
Purchases of capital assets and payments to contractors	(1,243,056)
Principal paid on capital debt	(5,813,610)
Interest paid on capital debt	(4,119,500)
Net Cash Used In Capital And Related Financing Activities	<u>(11,176,166)</u>
Cash Flows Provided By Investing Activities	
Interest on investments	<u>172,644</u>
Net Decrease In Cash And Cash Equivalents	(1,011,304)
Cash And Cash Equivalents - Beginning Of Year	<u>10,330,569</u>
Cash And Cash Equivalents - End Of Year	<u>\$ 9,319,265</u>
Supplemental Disclosure Of Cash Flow Information	
Noncash transactions:	
Capital asset purchases included in accounts payable	<u>\$ 708,684</u>

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**STATEMENT OF CASH FLOWS (Continued)
For The Year Ended June 30, 2020**

Reconciliation Of Operating Income To Net Cash From Operating Activities	
Operating income	\$ 5,692,077
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation expense	4,761,449
Changes in assets and liabilities:	
Receivables, net	130,811
Inventories	(33,076)
Accounts payable and accrued liabilities	(333,896)
Due to related organizations	(176,901)
Unearned revenue	(61,812)
Accrued compensated absences	13,566
Net Cash Provided By Operating Activities	\$ 9,992,218

SOUTHEAST MISSOURI STATE UNIVERSITY

SYSTEM FACILITIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. Organization

The basic financial statements include the accounts of Southeast Missouri State University (the University) established by the terms of the bond resolutions for the System Facilities Revenue Bond Series 2011B dated December 22, 2011, the System Facilities Revenue Bond Series 2013A dated February 28, 2013, the System Facilities Revenue Bonds and Taxable System Facilities Revenue Bonds 2016A and 2016B dated February 26, 2016, and the System Facilities Revenue Bonds 2016C dated August 10, 2016. The basic financial statements reflect only the assets, liabilities, deferred inflows and outflows of resources, net position, and revenues and expenses of the System Facilities.

The System Facilities is composed of the Housing System, the Student Union facility (University Center), the Student Recreation Center, the Outdoor Recreation Fields and the Parking and Transit System. The Housing System is composed of all residence halls and related dining facilities, including Dearmont Quadrangle, Myers Hall, Cheney Hall, Group Housing, the Towers High Rise Housing, Vandiver Hall, Merick Hall, Henderson Hall, LaFerla Hall, Dobbins River Campus Center and Greek Housing. The University Center, for purposes of the System Facilities, includes the operations of textbook rental. Revenue derived from the operation of these facilities is pledged for the retirement of the outstanding Series 2011B, Series 2013A, Series 2016A, 2016B and 2016C bonds and payment of interest thereon semi-annually on April 1 and October 1.

2. Basis Of Accounting And Presentation And Summary Of Significant Accounting Policies:

Basis Of Accounting And Presentation

The basic financial statements of the System Facilities have been prepared using the economic resource measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for publicly owned colleges and universities and is presented in accordance with the reporting model as prescribed in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements - Management's Discussion and Analysis for Public Colleges and Universities*. The System Facilities follows the "business-type" activities requirements of GASB Statement No. 34.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (Continued)

Summary Of Significant Accounting Policies

Cash And Cash Equivalents

These assets represent all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents and restricted cash and cash equivalents are combined on the statement of cash flows and represent cash and repurchase agreements.

Inventories

Inventories consist of textbooks available for student rental. Textbook inventories are recorded at the lower of cost (using the first-in, first-out method) or market (net realizable value).

Capital Assets

Physical properties are recorded at cost or, when donated, at acquisition value at date of gift. All financially significant building and infrastructure additions and improvements are capitalized if the life of the capital asset is extended. Depreciation is computed using the straight-line method, with a full-year expense in the year after acquisition and partial depreciation through the month of disposition. Capital assets are depreciated over the estimated useful lives as follows:

Capital Assets	Years
Building and improvements	10 to 50
Infrastructure	10 to 50

When capital assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts.

Compensated Absences

System Facilities employees earn vacation benefits based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation pay based upon the nature of separation (death, retirement or termination). Certain limitations have been placed on the hours of vacation that employees may accumulate and carry over for payment at termination, retirement or death. Unused hours exceeding these limitations are forfeited.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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 System Facilities maintain them permanently.
 - Expendable* - Net position whose use by the System Facilities is subject to externally imposed stipulations that will be fulfilled by actions of the System Facilities 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 Regents or may otherwise be limited by contractual agreements with outside parties. A portion of unrestricted net position is designated for investment in inventories.

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

Eliminations, Discounts And Allowances

In preparing the basic financial statements, the System Facilities eliminates inter-fund assets and liabilities that would otherwise be reflected twice in the statement of net position. Similarly, revenues and expenses related to internal service activities are also eliminated from the statement of revenues, expenses, and changes in net position. Student and housing revenues are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

Operating And Nonoperating Revenues

The System Facilities' policy for defining operating activities as reported on the statement of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Operating revenues include various auxiliary services, such as housing and various general fees. Nearly all of the System Facilities' expenses are from exchange transactions. Certain revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement No. 34. Nonoperating revenues include revenues from activities that have the characteristics of nonexchange transactions such as investment income.

Unearned Income

Unearned income consists primarily of summer school general fees and housing deposits not earned during the current year.

Deferred Outflows And Inflows Of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until that time. At June 30, 2020, the University's deferred outflows of resources related to System Facilities consist of deferred amounts on refunding of bonds payable, which results from the difference between the reacquisition price of refunded debt and its carrying value. This amount is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources consist of the acquisition of net position that is applicable to a future reporting period or periods and so will not be recognized as an inflow of resources until then.

Bond Premiums And Discounts

Premiums and discounts on bonds payable are amortized over the life of the bond based on a method that approximates the effective interest rate method. For the year ended June 30, 2020, amortization related to bond premiums and bond discounts was \$432,151 and \$9,544, respectively.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements *(Continued)*

Amortization

The deferred amount on refunding is amortized as interest on capital related debt using the bonds outstanding method.

Estimates And Assumptions

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

3. Deposits

Custodial credit risk. 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 state law.

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 of 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.

At June 30, 2020, none of the System Facilities' bank balances held by the current depository, a United States financial institution having a branch in the state of Missouri, was exposed to custodial credit risk. All of these deposits were fully collateralized as of June 30, 2020.

Foreign Currency Risk. The risk related to adverse effects on the fair value of a deposit from changes in exchange rates. At June 30, 2020, the System Facilities had no exposure to foreign currency risk as the University had no deposits held by international banks.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements *(Continued)*

4. Due To Related Organization

As of June 30, 2019, System Facilities owes the University \$88,599. This balance is the result of the University's Master Plan funding a project for the University Center renovations. This advance will be repaid in equal installments through 2033.

5. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance - June 30, 2019	Additions	Retirements and Transfers	Balance - June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 476,467	\$ —	\$ —	\$ 476,467
Construction in progress	1,351,321	1,952,007	(860,207)	2,443,121
Total capital assets not being depreciated	1,827,788	1,952,007	(860,207)	2,919,588
Capital assets, being depreciated:				
Buildings and improvements	210,514,921	859,940	8,725	211,383,586
Infrastructure	13,399,493	—	(8,725)	13,390,768
Total capital assets being depreciated	223,914,414	859,940	—	224,774,354
Less accumulated depreciation for:				
Buildings and improvements	(53,102,375)	(4,493,407)	(6,922)	(57,602,704)
Infrastructure	(2,579,611)	(268,042)	6,922	(2,840,731)
Total accumulated depreciation	(55,681,986)	(4,761,449)	—	(60,443,435)
Total capital assets being depreciated, net	168,232,428	(3,901,509)	—	164,330,919
Capital assets, net	\$ 170,060,216	\$ (1,949,502)	\$ (860,207)	\$ 167,250,507

The estimated cost to complete construction in progress at June 30, 2020 is \$1.35 million, which consists primarily of upgrades of existing student housing. These projects are being funded by University funds.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements *(Continued)*

6. Accounts Payable

The composition of accounts payable at June 30, 2020 is summarized as follows:

Capital projects	\$ 639,775
Retainage - capital projects	68,909
Other auxiliary operations	<u>335,988</u>
	<u><u>\$ 1,044,672</u></u>

7. Bonds Payable

	Amount Outstanding June 30, 2019	Principal Additions	Principal Payments	Amount Outstanding June 30, 2020
System Facilities Revenues Bonds Series 2011B	\$ 1,445,000	\$ —	\$ 715,000	\$ 730,000
System Facilities Revenues Bonds Series 2013A	68,245,000	—	2,825,000	65,420,000
System Facilities Revenues Bonds Series 2016A	16,675,000	—	2,025,000	14,650,000
System Facilities Revenues Bonds Series 2016B	8,500,000	—	215,000	8,285,000
System Facilities Revenues Bonds Series 2016C	25,025,000	—	—	25,025,000
	<u>119,890,000</u>	<u>—</u>	<u>5,780,000</u>	<u>114,110,000</u>
Less: Current maturities (due within one year)				6,030,000
Add: Premium on bond payable				2,941,286
Less: Discount on bond payable				<u>16,136</u>
				<u><u>\$ 111,005,160</u></u>

Series 2016 Bonds

On August 10, 2016, the Board of Regents issued \$25,025,000 of System Facilities Revenue Bonds Series 2016C for the purpose of partially refunding Series 2011B System Facilities Revenue bonds. The partial refunding decreased the University's total debt service payments by \$3,068,337 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$2,723,714.

During 2016, the advance refunding of the Series 2011B bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,767,433. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through 2042 using the bonds outstanding method.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements (*Continued*)

The Series 2016C bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2016C bonds maturing April 1, 2025 and thereafter may be called to redemption and payment prior to maturity on or after April 1, 2024 in lots of \$5,000 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2016C bonds maturing April 1, 2037, April 1, 2039 and April 1, 2042 are subject to mandatory redemption and payment prior to maturity at the principal amount thereof plus accrued interest thereon the date of redemption, without premium, in accordance with the following schedule:

Series 2016C Bonds Maturing April 1, 2037	
Years	Amount
2036-2037	\$2,840,000
Series 2016C Bonds Maturing April 1, 2039	
Years	Amount
2038-2039	\$3,005,000
Series 2016C Bonds Maturing April 1, 2042	
Years	Amount
2040-2042	\$4,850,000

The Series 2016C bonds, collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the Systems Facilities bear interest at rates varying from 2.00% to 4.00% and mature serially through fiscal year 2042.

On February 26, 2016, the Board of Regents issued \$21,710,000 of System Facilities Revenue Bonds Series 2016A and \$8,920,000 of Taxable System Facilities Revenue Bonds Series 2016B for the purpose of refunding of \$23,555,000 System Facilities Revenue bonds Series 2011 and constructing, furnishing, and equipping a facility for Greek student housing and certain other expansions, renovations and improvements to System Facilities. The advanced refunding decreased the University's total debt service payments by \$2,830,120 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$2,808,956.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

During 2016, the advance refunding of the Series 2011 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$609,621. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through 2032 using the bonds outstanding method.

The Series 2016A and 2016B bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2016A bonds maturing April 1, 2026 and thereafter may be called to redemption prior to maturity on or after April 1, 2025 in lots of \$5,000 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2016B bonds maturing April 1, 2027 and thereafter, at the option of the University may be called to redemption prior to maturity on or after April 1, 2026 in lots of \$5,000 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2016B bonds maturing April 1, 2031, April 1, 2036 and April 1, 2045 are subject to mandatory redemption prior to maturity at the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, in accordance with the following schedule:

Series 2016B Bonds Maturing April 1, 2031	
Years	Amount
2027-2031	\$1,350,000
Series 2016B Bonds Maturing April 1, 2036	
Years	Amount
2032-2036	\$1,625,000
Series 2016B Bonds Maturing April 1, 2045	
Years	Amount
2037-2046	\$3,935,000

The Series 2016A bonds, collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at rates varying from 3.00% to 5.00% and mature serially through fiscal year 2032. The Series 2016B bonds also collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at rates varying from 1.375% to 4.37% and mature serially through 2045.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (Continued)

Series 2013 Bonds

On February 28, 2013, the Board of Regents issued \$82,555,000 of System Facilities Revenue Bonds Series 2013A and \$2,050,000 of Taxable System Facilities Revenue Bonds Series 2013B for the purpose of constructing and furnishing a facility for student housing and related education and performance activities in the River Campus area of the University campus; and for the purpose of advance refunding of \$7,805,000 System Facilities Revenue bonds Series 2006A and \$51,615,000 System Facilities Revenue Bonds Series 2008. The advance refunding decreased the University's total debt service payments by \$9,712,950 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$3,188,038.

During 2013, the advance refunding of the Series 2006A and Series 2008 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$380,948 and \$7,162,605, respectively. These differences, reported in the accompanying basic financial statements as a deferred outflow of resources, are being charged to operations through 2021 using the bonds outstanding method.

The Series 2013A and 2013B bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2013A bonds maturing April 1, 2021 and thereafter shall be subject to redemption on or after April 1, 2020 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2013A bonds are collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities, bear interest at rates varying from 2.60% to 5.00% and mature serially through fiscal year 2043. The Series 2013B bonds also collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at 1.9%, and matured in 2018. Extraordinary Option Redemption at 100% for the Series 2013A may take place upon the occurrence of certain special conditions or events.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

Series 2011B Bonds

On December 22, 2011, the Board of Regents issued \$28,980,000 of System Facilities Revenue Bonds Series 2011B for the purpose of constructing, furnishing and equipping a five-story, 262-bed residence hall with 180 parking spaces, constructing a chiller and boiler plant and funding capitalized interest on the Series 2011B bonds. The Series 2011B bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2011B bonds maturing April 1, 2018 and thereafter shall be subject to redemption on or after April 1, 2017 as follows:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
April 1, 2019-April 1, 2042	100%

Extraordinary Option Redemption at 100% may occur upon the occurrence of certain special conditions or events. The Series 2011B bonds bear interest at rates varying from 2.4% to 2.8% and mature serially through fiscal year 2021.

On August 10, 2016, the University issued \$25,025,000 Series 2016C System Facilities Revenue Bonds to partially refund the Series 2011B bonds. The University will pay principal and interest on the nondefeased bonds through 2021 on the Series 2011B bonds.

Interest expense was \$4,209,989 for 2020. Scheduled fiscal year maturities of System Facilities bonds payable and related interest expense are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 6,030,000	\$ 3,847,921
2022	4,285,000	3,598,531
2023	4,790,000	3,464,406
2024	5,555,000	3,321,742
2025	5,740,000	3,127,605
2026-2030	31,630,000	12,712,046
2031-2035	25,585,000	7,844,028
2036-2040	21,035,000	3,721,819
2041-2045	9,460,000	757,240
	<u>\$ 114,110,000</u>	<u>\$ 42,395,338</u>

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

The Series 2011B, Series 2013A and 2013B, Series 2016A, 2016B and 2016C Bonds are collateralized by the net income and revenues derived from the operation and/or ownership of the System Facilities. Under the provisions of the bond resolutions, the University covenants to operate and maintain the System Facilities and to establish and collect rates, fees and charges for the use and services furnished by or through the System Facilities to fund operations, pay principal and interest and establish the required reserves.

The bond resolution for the Series 2011B, Series 2013A, 2013B, 2016A, 2016B and 2016C requires that all System Facilities revenues will be deposited as received into the System Facilities. Amounts are then to be transferred to and expended as follows:

First, accumulated in an amount sufficient to pay the current expenses, as defined in the bond resolution, of the System Facilities.

Second, transferred to the Bond Account, on or before each March 25 and September 25, in an amount sufficient to meet the principal and interest due on the next interest payment date.

Third, transferred to the Debt Service Reserve Account in amounts as may be necessary to maintain a debt service reserve in the amount of the Debt Service Reserve Requirement.

Fourth, to maintain a separate System Repair and Replacement Account to deposit sums as may be required to maintain a balance at the Repair and Replacement requirement.

Fifth, after the foregoing deposits, the System Facilities may use the balance of excess funds in the System Revenue Account for specific purposes defined in the bond resolution including transfer to unrestricted University funds.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements *(Continued)*

8. Notes Payable

Notes payable at June 30, 2020 are summarized as follows:

	Balance - June 30, 2019	Principal Additions	Principal Payments	Balance - June 30, 2020
Chartwell's-Olive's and Skylight Terrace Expansion	\$ 238,706	\$ —	\$ (33,610)	\$ 205,096
Less: Current maturities (due within one year)				17,429
				<u>\$ 187,667</u>

On July 1, 2009, the University entered into an agreement with Chartwells, the University's contracted food service provider, for the construction of dining facilities in the new residence hall and expansion of the University Center to provide additional dining space. The University will make monthly principal payments totaling \$577,870 through fiscal year 2031. The note is noninterest bearing. Interest has been imputed using a rate of 3.625%.

Interest expense was \$6,469 for 2020. Scheduled fiscal year maturities on notes payable and related interest are as follows:

Year	Principal	Interest
2021	\$ 17,429	\$ 2,941
2022	17,691	2,679
2023	17,957	2,414
2024	18,227	2,144
2025	18,500	1,870
2026-2030	96,754	5,097
2031	18,538	139
	<u>\$ 205,096</u>	<u>\$ 17,284</u>

9. Retirement Plan

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

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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

Benefits provided. MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000 and MSEP2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR.

Contributions. Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP2011 Plan are required to contribute 4% of their annual pay. The University's required contribution rate for the year ended June 30, 2020, was 21.77% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The contribution rate for the MOSERS plan year ended June 30, 2019 was 20.215%, which is the year of measurement for the net pension liability. The contributions to the pension plan from the University were \$9,051,938 for the year ended June 30, 2020.

Pension Liabilities. At June 30, 2020, the University reported a liability of \$128,178,153 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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, 2019. At June 30, 2019, the University's proportion was 2.12175%, a decrease from its proportion measured using 2.3112% as of the June 30, 2018 measurement date. For the year ended June 30, 2019, the University recognized pension expense of \$21,872,950.

The System Facilities does not report a net pension liability as this is a liability of the University as a whole, not of the System Facilities entity, as established by the terms of the bond resolution. For more information, see the separately issued financial statements of Southeast Missouri State University as of June 30, 2020.

10. Postemployment Healthcare

The University provides a one-time opportunity for retirees to continue medical insurance coverage. Retirees after October 22, 2010 who elect to continue medical insurance are required to pay monthly premiums determined by plan type elected and Medicare eligibility. Pre-65 retirees who retired prior to October 22, 2010 who elect to continue medical insurance are required to pay monthly premiums on the basis of an implicit rate subsidy calculation. Monthly premiums for pre October 22, 2010 participating retirees under 65 years of age are subsidized by the University at the rate of 1% for every year of active service to the University. Pre October 22, 2010, retiree's adjusted monthly premium cost will not go below 80% of the premium amount. Financial statements for the plan are not available.

The University pays for their portion of the medical insurance premiums on a pay-as-you-go basis. For the year ended June 30, 2019, the University paid benefits of \$236,736. No trust fund has been created for the payment of the University's portion of the medical insurance premiums; therefore, as of June 30, 2020 the University's obligations are unfunded.

The Systems Facilities does not report a net postemployment benefit liability as this is a liability of the University as a whole, not of the System Facilities entity, as established by the terms of the bond resolution. For more information, see the separately issued financial statements of Southeast Missouri State University as of June 30, 2020.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

11. Contingencies And Risk Management

The System Facilities is subject to various legal proceedings and claims which arise in the ordinary course of its operations. In the opinion of the University management, the amount of ultimate liability with respect to these actions will not materially affect the overall financial position of the System Facilities.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the System Facilities' financial position.

System Facilities employees are covered under Worker's Compensation by the State of Missouri. Claims are submitted to the State and paid by the State on behalf of the University. Total claims paid for the University employees for fiscal year 2019-2020 were \$693,356.

The majority of System Facilities employees are also covered by unemployment insurance administered by the State of Missouri Division of Employment Security.

The System Facilities 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. The University purchases commercial insurance and also receives coverage through the State of Missouri for these risks of loss. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The System Facilities has purchased property on occasion that requires monitoring for environmental issues that could result in liability. As of June 30, 2020, the System Facilities is not aware of any environmental liability.

Effective January 1, 2020, the University established a self-insured medical program covering substantially all System Facilities employees. The University's liability has been limited by the purchase of specific (\$250,000 individual deductible limit in calendar year 2020) and aggregate (\$10,356,822 deductible in calendar year 2020) reinsurance. The University has recorded a liability for expenses incurred but not reported of approximately \$492,869 as of June 30, 2020.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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. As the plan was formed during fiscal year 2020, changes in the balance of the insurance reserve liability are not presented for fiscal year 2019. Changes in the balance of the insurance reserve liability during the year ended June 30, 2020 were as follows:

Liability, July 1, 2019	\$ —
Current year claims and changes in estimates	4,182,906
Claim payments	<u>2,464,064</u>
Liability, June 30, 2020	<u>\$ 1,718,842</u>

The System Facilities does not report accrued claims liability as this is a liability of the University as a whole, not of the System Facilities entity. For more information, see the separately issued financial statements of Southeast Missouri State University as of June 30, 2020.

12. Net Position

Restricted - In accordance with GASB Statement No. 34, net position is restricted when constraints placed are either externally imposed, or are imposed by law or legislation. There was no restricted net position - expendable for debt service at June 30, 2020.

Unrestricted - Unrestricted net position, as defined in GASB Statement No. 34, is not subject to externally imposed stipulations; however, it is subject to internal designations. For example, unrestricted net position may be designated for specific purposes by action of the Board of Regents or may otherwise be limited by contractual agreements with outside parties. A portion of unrestricted net position is internally designated for investment in inventories. Designated unrestricted net position was \$930,416 at June 30, 2020. Undesignated unrestricted net position was \$7,028,307 at June 30, 2020.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements *(Continued)*

13. COVID-19

The outbreak of 2019 coronavirus (COVID-19), which was recognized as a global pandemic by the World Health Organization, has prompted governmental entities, businesses, organizations, and Universities to implement preventative and protective measures, including how business activities are conducted. The pandemic has resulted in a widespread economic downturn and created significant uncertainty, volatility and disruption in financial and business activities. The extent of the pandemic's impact on the System Facilities' operations and financial condition will depend on future developments, which are uncertain, including, but not limited to, the duration and severity of the pandemic, the effects of the pandemic on the economy, the remedial actions and stimulus measures adopted by the federal government, and to what extent normal economic and business activities can resume.

The University received the Higher Education Emergency Relief Fund (HEERF), found in Section 18004 of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which provides funding to institutions of higher education. The University was notified that it was entitled to receive approximately \$6,830,000 to be distributed in two installments. The University is distributing the Emergency Financial Aid Grants that are required to be distributed directly to students under Section 18004(a)(1) of the CARES Act immediately following application by the students for the funds and will continue until the entire \$3,415,107, 50% of the allocation, has been disbursed. At June 30, 2020, approximately \$2,026,000 had been disbursed to students.

The remaining amount of approximately \$3,415,000 funds were distributed as refunds for spring semester student housing and dining costs.

14. Subsequent Event

On August 11, 2020, the University issued \$57,480,000 Series 2020 System Facilities Refunding Revenue Bonds to refund the Series 2013 bonds.

Supplementary Information

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**SCHEDULE OF INSURANCE COVERAGE (UNAUDITED)
June 30, 2020**

Coverage And Insurer	Policy Expiration Date	Amount Of Coverage
Fire and extended coverage (building, contents and loss of income) Marsh USA	6/30/2020	\$ 972,392,334

Subsequent to June 30, 2020, the University contracted with Marsh USA to provide insurance through June 30, 2021 with \$974,351,522 in coverage provided. The University also has statutory liability protection through the State of Missouri's Legal Expense Fund.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

SCHEDULE OF ENROLLMENT AND FEES (UNAUDITED) June 30, 2020

	Fall Semester 2019	Spring Semester 2020	Summer Semester 2020
Enrollment - Full-Time Equivalent (FTE)			
Students on campus and off campus	8,350	7,633	2,328
Student Union Fee (per FTE student)	\$ 15.00	\$ 15.00	\$ 7.50
Parking and Transportation Fee (per FTE student)	\$ 5.00	\$ 5.00	\$ 2.50
Student Recreation Center Fee/Aquatic Center Fee			
Per credit hour	\$ 9.80	\$ 9.80	\$ 9.80
Per FTE student*	\$ 147.00	\$ 147.00	\$ 58.80

* Average fee based on 15 credit hours of enrollment during the Fall and Spring semesters and 6 credit hours during the summer session.

Room And Board Rates (Annual):**

Fall Semester 2019/Spring Semester 2020

Vandiver Hall	\$ 8,918 - \$10,036	
Towers Complex - West/North	\$ 8,918 - \$10,036	
Towers Complex - East/South	\$ 7,338 - \$8,456	
Group Housing	\$ 7,848 - \$8,966	
Myers Hall	\$ 8,918 - \$10,036	
Cheney Hall	N/A	**
Dearmont Quadrangle	N/A	*
Merick Hall	\$ 9,086 - \$10,204	
Henderson Hall	N/A	**
LaFerla Hall	\$ 9,086 - \$10,204	
Dobbins River Campus Center	\$ 8,814 - \$9,926	

Based primarily on double-occupancy. Ranges attributable primarily to meal plan options available to students

* Quarantine space for Academic Year 19-20

** Offline for Academic Year 19-20

Additional Charges Associated With Residential Living (Annual):

Starting in 2018-19 these charges are included in the rate listed above. In prior years they were billed as a separate charge. The amount shown below is approximate as the actual charge is calculated using a percentage which yields a result near but not exact to these amounts.

	<u>Service Fee</u>
ResNet - Technology Fee	\$ 60
RHA Fee	30
Cable TV	60

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

SCHEDULE OF ROOM AND BOARD COSTS - FIVE-YEAR TREND (UNAUDITED) June 30, 2020

	2016	2017	2018	2019	2020
Vandiver Hall	\$ 8,050 - \$9,080	\$8,150 - \$9,210	\$8,370 - \$9,460	\$8,654 - \$9,766	\$8,918 - \$10,036
Towers Complex - West/North	\$ 8,050 - \$9,080	\$8,150 - \$9,210	\$8,370 - \$9,460	\$8,654 - \$9,766	\$8,918 - \$10,036
Towers Complex - East/South	\$ 6,350 - \$7,380	\$6,650 - \$7,710	\$6,850 - \$7,940	\$7,134 - \$8,246	\$7,338 - \$8,466
Group Housing	\$ 7,050 - \$8,080	\$7,150 - \$8,210	\$7,340 - \$8,430	\$7,624 - \$8,736	\$7,848 - \$8,966
Myers Hall	\$ 8,050 - \$9,080	\$8,150 - \$9,210	\$8,370 - \$9,460	\$8,654 - \$9,766	\$8,918 - \$10,036
Cheney Hall	\$ 6,350 - \$7,380	n/a	n/a	n/a	n/a (2)
Dearmont Quadrangle	\$ 7,500 - \$8,530	\$7,650 - \$8,710	\$7,850 - \$8,940	\$8,134 - \$9,246	n/a (1)
Merick Hall	\$ 8,300 - \$9,330	\$8,400 - \$9,460	\$8,530 - \$9,620	\$8,814 - \$9,926	\$9,086 - \$10,204
Henderson Hall	\$ 8,050 - \$9,080	\$8,150 - \$9,210	\$8,370 - \$9,460	n/a	n/a (3)
LaFeria Hall	\$ 8,300 - \$9,330	\$8,400 - \$9,460	\$8,530 - \$9,620	\$8,814 - \$9,926	\$9,086 - \$10,204
Hobbs River Campus Center	\$ 8,300 - \$9,330	\$8,400 - \$9,460	\$8,530 - \$9,620	\$8,814 - \$9,926	\$8,814 - \$9,926

(1) Converted to private rooms in Fall 2014, quarantine space for Academic year 2019-2020

(2) Offline for 2016 - 2020 except for overflow students in Fall 2018

(3) Closed for Academic year 2019-2020

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**SCHEDULE OF STUDENT COMPOSITION - UNIVERSITY HOUSING SYSTEM
(UNAUDITED)
June 30, 2020**

Fiscal Year	Freshmen	Sophomores	Juniors	Seniors	Other	Total
2016	1,499	769	358	252	11	2,889
2017	1,591	725	371	236	12	2,935
2018	1,602	762	357	257	16	2,994
2019	1,301	782	304	205	10	2,602
2020	1,294	605	372	214	5	2,490

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

SCHEDULE OF HOUSING OCCUPANCY – PRE COVID-19 REFUNDS (UNAUDITED) June 30, 2020

Housing System Facility	(1) Housing Capacity	(2) Average Occupancy (#)	(3) Simple Average Occupancy (%)	(4) Effective Average Occupancy (%)
Vandiver Hall	293	245	83.6%	86.3%
Towers Complex	1,105	1,017	92.0%	92.8%
Group Housing	336	320	95.3%	95.6%
Myers Hall	193	160	82.9%	87.0%
Cheney Hall*	—	—	n/a	n/a
Dearmont Quadrangle	—	—	n/a	n/a
Merick Hall	297	247	83.1%	85.6%
Henderson Hall**	—	—	n/a	n/a
LaFerla Hall	264	215	81.7%	87.2%
Dobbins River Campus Center	180	166	92.5%	95.8%
	2,668	2,370	89.2%	90.9%

(1) The average number of available beds.

(2) The average number of occupied beds.

(3) Column (2) divided by column (1)

(4) Column (3) adjusted for private-room contracts purchased, i.e., double-occupancy rooms converted to single-occupancy.

* Cheney was closed for repairs for Academic year 2015-2016. After repairs were completed it has remained offline.

** Henderson was closed for Academic year 2019-2020

Greek Housing located on Show Me Drive is not included in the occupancy numbers because the University has contracted and receives lease payments from the Greek organizations. The University is not responsible for occupancy or collection of housing fees from students in these respective houses. There are a total of 106 available beds.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

SCHEDULE OF HOUSING OCCUPANCY – FINAL (UNAUDITED) June 30, 2020

	(1)	(2)	(3)	(4)
Housing System Facility	Housing Capacity	Average Occupancy (#)	Simple Average Occupancy (%)	Effective Average Occupancy (%)
Vandiver Hall	293	193	65.9%	67.8%
Towers Complex	1,105	812	73.5%	74.0%
Group Housing	336	248	73.8%	74.0%
Myers Hall	193	126	65.1%	68.3%
Cheney Hall*	—	—	n/a	n/a
Dearmont Quadrangle	—	—	n/a	n/a
Merick Hall	297	196	66.0%	67.8%
Henderson Hall**	—	—	n/a	n/a
LaFeria Hall	254	170	66.7%	68.7%
Dobbins River Campus Center	180	130	72.1%	74.5%
	2,668	1,875	70.5%	71.7%

(1) The average number of available beds.

(2) The average number of occupied beds.

(3) Column (2) divided by column (1)

(4) Column (3) adjusted for private-room contracts purchased, i.e., double-occupancy rooms converted to single-occupancy.

* Cheney was closed for repairs for Academic year 2015-2016. After repairs were completed it has remained offline.

** Henderson was closed for Academic year 2019-2020

Greek Housing located on Show Me Drive is not included in the occupancy numbers because the University has contracted and receives lease payments from the Greek organizations. The University is not responsible for occupancy or collection of housing fees from students in these respective houses. There are a total of 106 available beds.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

SCHEDULE OF UNIVERSITY RESIDENCE HALL CAPACITIES (UNAUDITED) June 30, 2020

<u>Housing System Facility</u>	<u>Housing Capacity</u>	<u>Dining Facilities</u>	<u>Year Constructed</u>
Vandiver Hall	293	No	2002
Towers Complex	1,294	Yes	1967
Group/Greek Housing	333	No	1963
Myers Hall	191	No	1948
Cheney Hall	n/a	No	1939 (1)
Dearmont Quadrangle	199	No	1958 (2)
Merick Hall	297	Yes	2009
Henderson Hall	n/a	No	Not Available (3)
LaFerla Hall	254	No	2013
Dobbins River Campus Center	175	Yes	2014
	<u>3,036</u>		

(1) Offline since 2016, except for overflow students in Fall 2018. Demolition may be considered in the future due to high maintenance costs.

(2) Converted to private rooms in Fall 2014, offline Academic Year 2019-20, being used as quarantine space in Academic Year 2020-2021.

(3) The University acquired and renovated Henderson Hall in 2007 but it has been offline since Academic Year 2018-19. Demolition may be considered in the future due to high maintenance costs.



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**Independent Auditors' Report On Internal
 Control Over Financial Reporting And On
 Compliance And Other Matters Based On An
 Audit Of Financial Statements Performed In
 Accordance With *Government Auditing Standards***

Board of Regents
 Southeast Missouri State University
 Cape Girardeau, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Southeast Missouri State University (the University), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 16, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questions Costs as item 2020-001, that we consider to be a significant deficiency.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

University's Response to Findings

The University's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questions Costs. The University's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose Of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ryland Brown LLP

November 16, 2020

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2020

Finding 2020-001 Significant Deficiency

Criteria: The University should implement a control over the health care self-insurance plan to ensure the claims liability is captured accurately at year-end.

Condition: During the audit, we noted the University implemented a health care self-insurance plan, which became effective on January 1, 2020. At June 30, 2020, the University is required to report a claims liability for claims reported but not paid by the University. In addition, the University should also record a liability for the estimate of claims incurred but not reported at June 30, 2020.

Cause: Due to the implementation of the plan during the current year, management did not have a standard procedure in place to ensure the liability was recorded at year-end.

Effect: The self-insurance claims liability was not recorded which resulted in a significant audit adjustment.

Identification as a repeat finding: Not applicable

Recommendation: University management should ensure that the appropriate documents are obtained from the insurance provider at the end of the year in order to record the claims liability, and the claims liability is recorded as part of the annual closing procedures.

Views of Responsible Officials: As noted, the University implemented a new, self-insured health insurance plan effective January 1, 2020. University management is working with its benefits consultant and its third-party claims administrator to ensure that it will timely receive year-end claims liability reports in the future. These reports will support the accurate reconciliation and recording of year-end claims liabilities.



SOUTHEAST MISSOURI
STATE UNIVERSITY • 1873

BOARD OF REGENTS

REPORT ITEM

December 18, 2020

Open Session

INTERCOLLEGIATE ATHLETICS DEPARTMENT PROCEDURES FOR YEAR ENDING JUNE 30, 2020

The attached Independent Accountants' Report on Agreed-Upon Procedures for the University Intercollegiate Athletics Department was compiled by RubinBrown, LLP at the request of the University solely to assist the University in complying with NCAA Constitution 3.2.4.15.

The Statement of Revenues and Expenses for Intercollegiate Athletics has been prepared using the reporting definitions required by the NCAA and includes the operations of the Intercollegiate Athletics department, revenues and expenses related to various sports camps, and athletic expenses paid directly by the Foundation. The review did not disclose any material findings which require action by the University.

Constitution 3.2.4.15 *Division I Requirement.* The report shall be subject to approved annual agreed-on verification procedures (in addition to any regular financial reporting policies and procedures of the institution) and conducted by a qualified independent accountant who is not a staff member of the institution and who is selected by the institution's president or by an institutional administrator from outside the athletics department designated by the president. The independent accountant shall verify the accuracy and completeness of the data prior to submission to the institution's president and the NCAA. The institution's president shall certify the financial report prior to submission to the NCAA.

**SOUTHEAST MISSOURI STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS
DEPARTMENT**

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLICATION OF
AGREED-UPON PROCEDURES
JUNE 30, 2020**



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Independent Accountants' Report On Applying Of Agreed-Upon Procedures

Management and the Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

We have performed the procedures enumerated below, which were agreed to by Southeast Missouri State University (the University), solely to assist the University in evaluating whether the accompanying University Intercollegiate Athletics Department Statement of Revenues and Expenses (the Statement) of the University is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the year ended June 30, 2020. The University's management is responsible for the aforementioned financial statement elements, accounts and items and the internal control over financial reporting and compliance. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Procedures Related To Revenues

1. Agreement To General Ledger

- a. We obtained the University's Intercollegiate Athletics Department Statement of Revenues and Expenses from management. We checked the mathematical accuracy of the amounts on the statement, compared amounts on the statement to management's worksheets and compared and agreed each category of revenues per the Statement of Revenues and Expenses to the University's general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- b. We inquired of University management and obtained a representation that there are no outside booster organizations that contribute directly to the University.

Conclusion:

Management explained that there are no outside booster organizations that contribute directly to the University.

2. Internal Control Policies And Procedures

- a. We obtained from the University's management a description of aspects of the University's internal control structure unique to the Intercollegiate Athletics Department, such as ticket sales and receipts and athletic department expenses. We were engaged to report whether there were any significant changes in the policies that occurred during the year.

Conclusion:

Per discussion with management, there have been no significant changes from the prior year.

- b. We compared and agreed a sample of five revenue receipts obtained from the revenue supporting schedules to supporting documentation (copy of check, account deposit form for athletics, or miscellaneous receipt documentation).

Conclusion:

No exceptions were found as a result of applying these procedures.

- c. We compared and agreed a sample of five expenses obtained from the expense supporting schedules to supporting documentation (purchase order, vendor invoice and copy of check).

Conclusion:

No exceptions were found as a result of applying these procedures.

3. Ticket Sales

The Ticket Sales category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

4. Student Athletic Fees

- a. We compared student athletic fees revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We compared total student athletic fees revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- c. We obtained and inspected the supporting transaction detail of student athletic fees revenue. We recalculated the total student athletic fees revenue recorded in the detail listing and agreed it to the amounts recorded in the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- d. We obtained and documented an understanding of the University's policies for allocating student athletic fees to the intercollegiate athletic program.

Conclusion:

No exceptions were found as a result of applying these procedures.

- e. We compared and agreed student athletic fees reported by the University to enrollments during the current period. We recalculated student athletic fees revenue and obtained and documented management's explanation of any variation exceeding 10% of amounts recorded in the general ledger.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

5. *Direct State And Other Government Support*

The University had no Direct State and Other Government Support revenue, therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

6. *Direct Institutional Support*

- a. We compared total direct institutional support revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We compared total direct institutional support revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- c. We obtained and inspected supporting transaction detail of direct institutional support revenue. We recalculated the total direct institutional support revenue recorded in the detail listing and compared and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- d. We obtained supporting documentation, including University authorizations and supporting transaction detail, for three direct institutional support revenues. We recalculated the supporting documentation and compared and agreed amounts to the general ledger.

Conclusion:

For purposes of allocating direct institutional support to each sport, the University uses the budgeted expenses for each sport and then allocates the men's scholarships and women's scholarships budgeted expenses over each sport based on the actual sport-specific scholarships paid during the year to arrive at the budgeted expenses amount per the direct institutional support schedule. The total revenues are then allocated based on the percentage of total expenses for each sport and for non-program specific expenses.

The allocated budgeted revenues are subtracted from the total expenses budgeted to arrive at the required direct institutional support for each sport/non-program specific and in total. Any non-budgeted transfers in/out are recorded during the year for each specific sport and additional non-budgeted amounts paid by the university (baseball field rental and medical insurance/expenses) are recorded to direct institutional support during the year.

Based on understanding noted above, there is no population of individual transactions from which to choose. Therefore, RubinBrown did not select a sample.

7. *Transfers Back To Institution*

The Transfers Back to Institution category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

8. *Indirect Institutional Support*

The Indirect Institutional Support category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

9. *Guarantees*

- a. We compared total guarantees revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

Total guarantees revenue increased approximately \$448,000 and 68% from the prior year. Management explained that Football and Men's Basketball received several large guarantees in the current year that were not received in the prior year.

- b. We compared total guarantees revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- c. We obtained and inspected supporting transaction detail of guarantees revenue. We recalculated the total guarantees revenue recorded in the detail listing and agreed it to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- d. We obtained supporting documentation, including guarantee away game settlement reports and contractual agreements, for five guarantee games revenue. We recalculated the supporting documentation and compared and agreed amounts to the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

10. Contributions

- a. We compared total contributions revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We compared total contributions revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- c. We obtained and inspected supporting transaction detail of contributions revenue. We recalculated the total contributions revenue recorded in the detail listing and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- d. We obtained supporting documentation, including the check copy or *Transfer of Funds Form*, for two transfers from the Southeast Missouri University Foundation consisting of multiple contributions that constituted 10% or more of the combined total of contributions received. We recalculated the supporting documentation and compared and agreed the amounts to the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

11. In-Kind

The In-Kind category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

12. Compensation And Benefits Provided By A Third Party

The Compensation and Benefits Provided By A Third Party category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

13. Media Rights

The University had no Media Rights revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

14. NCAA Distributions

The NCAA Distributions category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

15. Conference Distributions

The Conference Distributions category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

16. Program Sales, Concessions, Novelty Sales And Parking

The Program Sales, Concessions, Novelty Sales and Parking category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

17. Royalties, Licensing, Advertisements And Sponsorships

The Royalties, Licensing, Advertisements And Sponsorships category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

18. Sports Camps Revenue

The Sports Camps Revenue category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

19. Athletics Restricted Endowment And Investment Income

The Athletics Restricted Endowment And Investment Income category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

20. Other Operating Revenues

The Other Operating Revenues category was less than 4% of total revenue, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

21. Bowl Revenues

The University had no Bowl Revenues, therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

Procedures Related To Expenses

1. Agreement To General Ledger

We obtained the University's Intercollegiate Athletics Department Statement of Revenues and Expenses from management. We compared and agreed each category of expenses per the Statement of Revenues and Expenses to the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

2. Athletic Student Aid

- a. We compared total athletic student aid expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We obtained and inspected supporting transaction detail of athletic student aid expenses. We recalculated the total athletic student aid expenses recorded in the detail listing and agreed to amounts recorded on the general ledger.

Conclusion:

Recalculated totals per the supporting detail agreed within a 1% range of variance to the Statement.

- c. We obtained and inspected a listing of athletic student aid recipients. We obtained and inspected supporting documentation, including the award letter and student record, for twenty-eight student athletes, accounting for 10% of the population of student athletes receiving aid. We recalculated the supporting documentation and compared and agreed the amounts to the general ledger.

Conclusion:

Recalculated totals per the supporting detail agreed within a 1% range of variance to the Statement.

- d. We performed a check and ensured that each student selected for testing was also properly reported in the NCAA's Compliance Assistant Software and examined in accordance with the criteria set forth in the NCAA 2020 Agreed-Upon Procedures Guidelines - Step 32.

Conclusion:

No exceptions were found as a result of applying these procedures.

- e. We performed a check of each student selected to ensure their information was reported accurately in either the NCAA's Compliance Assistant software or entered directly into the NCAA Membership Financial Reporting System.

Conclusion:

No exceptions were found as a result of applying these procedures.

- f. We recalculated totals for each sport and overall.

Conclusion:

No exceptions were found as a result of applying these procedures.

3. *Guarantees*

The Guarantees category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

4. *Coaching Salaries, Benefits And Bonuses Paid By The University And Related Entities*

- a. We compared coaching salaries, benefits and bonuses expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We obtained and inspected supporting transaction detail of coaching salaries, benefits and bonuses expenses. We selected a sample of support transaction detail reports (football, men's basketball, women's basketball, gymnastics and women's cross country) and recalculated the total coaching salaries, benefits and bonuses expenses recorded in the detail listing and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- c. We compared and agreed a sample of five coaching salaries, benefits and bonuses expenses selected from the supporting transaction detail to supporting documentation (including the employment contract and/or personnel action form, Additional Payments form and W-2).

Conclusion:

No exceptions were noted as a result of applying these procedures.

5. Coaching Salaries, Benefits, And Bonuses Paid By A Third Party

The Coaching Salaries, Benefits, And Bonuses Paid By A Third Party category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

6. Support Staff And Administrative Salaries, Benefits And Bonuses Paid By The University And Related Entities

- a. We compared support staff and administrative salaries, benefits and bonuses expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We obtained and inspected supporting transaction detail of support staff and administrative salaries, benefits and bonuses expenses. We selected a sample of support transaction detail reports and recalculated the total support staff expenses recorded in the detail listing and compared and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- c. We compared and agreed a sample of five support staff and administrative salaries, benefits and bonuses expenses selected from the supporting transaction detail to supporting documentation (including the employment contract and/or personnel action form, Additional Payments form and W-2).

Conclusion:

No exceptions were found as a result of applying these procedures.

7. *Support/Administrative Salaries, Benefits, And Bonuses Paid By A Third Party*

The University had no Support/Administrative Salaries, Benefits, And Bonuses Paid By A Third Party, therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

8. *Severance Payments*

The University had no Severance Payments, therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

9. *Recruiting*

The Recruiting category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

10. Team Travel

- a. We compared team travel expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

No variations exceeding 10% were found as a result of applying these procedures.

- b. We compared and agreed the University's team travel expense policies to the NCAA-related policies.

Conclusion:

No exceptions were found as a result of applying these procedures.

- c. We obtained and inspected supporting transaction detail of team travel expenses. We recalculated the total team travel expenses recorded in the detail listing and compared and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- d. We compared and agreed a sample of five team travel expenses selected from the supporting transaction detail to supporting documentation (including the vendor invoice/expense report/travel cash advance form and cash disbursement documentation such as cancelled check).

Conclusion:

No exceptions were found as a result of applying these procedures.

11. Equipment, Uniforms And Supplies

- a. We compared equipment, uniforms, and supplies expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

Total equipment, uniforms and supplies expenses increased approximately \$137,000 and 29% from the prior year. Management explained the increase was due to several large equipment purchases in the current year, including a baseball hitting facility, whirlpool and cabinet, and InMotion System.

- b. We obtained and inspected supporting transaction detail of equipment, uniforms and supplies expenses. We recalculated the total equipment, uniforms and supplies expenses recorded in the detail listing and compared and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- c. We compared and agreed a sample of five equipment, uniforms and supplies expenses selected from the supporting transaction detail to supporting documentation (including the vendor invoice and cash disbursement documentation such as cancelled check).

Conclusion:

No exceptions were found as a result of applying these procedures.

12. Game Expenses

The Game Expenses category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

13. Fundraising, Marketing And Promotion

The Fundraising, Marketing and Promotion category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

14. Sports Camps Expenses

The Sports Camps Expenses category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

15. Spirit Groups

The Spirit Groups category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

16. Athletic Facility Debt Service, Leases And Rental Fees

The Athletic Facility Debt Service, Leases and Rental Fees category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

17. Direct Overhead And Administrative Expenses

The Direct Overhead And Administrative Expenses category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

18. Indirect Institutional Support

The Indirect Institutional Support category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

19. Medical Expense And Medical Insurance

- a. We compared medical expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10%.

Conclusion:

Total medical expenses increased approximately \$67,000 and 14% from the prior year. Management explained the increase was due to workers compensation payments on employees in Athletics of approximately \$43,000 and an increase in medical supplies in the training room of approximately \$10,000.

- b. We obtained and inspected supporting transaction detail of medical expenses. We recalculated the total medical expenses recorded in the detail listing and compared and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

- c. We compared and agreed a sample of five medical expenses selected from the supporting transaction detail to supporting documentation (including the vendor invoice and cash disbursement documentation such as cancelled check).

Conclusion:

No exceptions were found as a result of applying these procedures.

20. Membership And Dues

The Membership and Dues category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

21. Other Operating Expenses

The Other Operating Expenses category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

22. *Student-Athlete Meals (Non-Travel)*

The Student-Athlete Meals (non-travel) category was less than 4% of total expenses, therefore procedures were not required to be performed per the NCAA Agreed-Upon procedures guidelines.

23. *Bowl Expenses*

The University had no Bowl Expenses, therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

24. *Other Procedures*

- a. We compared total budget to total expenditure by account index number. We obtained and documented management's explanation of any variation exceeding 10%.

Conclusion:

We noted the following variations in excess of 10% as a result of applying these procedures:

Athletic Administration expense was less than budget by approximately \$73,000 and 16%. Management explained that this was primarily due to lower spending since revenues decreased due to COVID-19.

General Athletics expense was greater than budget by approximately \$18,000 and 42%. Management explained that this was due to new software from Winthrop for \$8,600 and an annual website fee of \$5,500 that was not part of the budget.

Post-Season Awards expense was greater than budget by approximately \$88,000 and 341%. Management explained that this was due to bonuses paid to coaches for performance incentives resulting from the OVC Championship and NCAA Tournament appearances.

Game Management expenses were greater than budget by approximately \$40,000 and 35%. Management explained that this was due to parts expenses of approximately \$20,000 for the videoboard in the football stadium and BSN Sports softball wall padding for approximately \$13,000.

Guarantees Men's expenses were less than budget by approximately \$205,000 and 92%. Management explained that the budget included team travel which was recorded in a different index for NCAA reporting.

Guarantees Women's expense were less than budget by approximately \$10,000 and 63%. Management explained that the budget included team travel which was recorded in a different index for NCAA reporting.

Officials expense was less than budget by approximately \$36,000 and 16%. Management explained games were cancelled from early March through the remainder of the Spring season due to COVID-19 resulting in no further expenses for the semester.

Athletic Academic services expense was greater than budget by approximately \$22,000 and 14%. Management explained that a term position was to be funded with one time dollars from the OVC distribution. Budget failed to make this transfer of \$52,750 in the current year.

Marketing Promotions expenses were greater than budget by approximately \$13,000 and 11%. Management explained that this was due to the purchase of new "A Frame" signs for new sponsorship agreements of approximately \$8,200 and also the purchase of a product for the student section for approximately \$5,800.

Sundancers expenses was greater than budget by approximately \$15,000 and 58%. Management explained this was due to payments made for the national championship competition registration that was cancelled due to COVID-19. The registration fees will be applied to next year. There were also fundraising revenues that were supposed to help cover the costs that were cancelled due to COVID-19.

Cheerleaders expense was less than budget by approximately \$21,000 and 48%. Management explained this was primarily due to expenses that were budgeted for a national competition that did not occur due to COVID-19.

Bridge expenses was less than budget by approximately \$17,000 and 69%. Management explained that Bridge is a restricted program where the balance is carried over from year to year so that the beginning budget had accumulated dollars. During the spring, all of the programming was cancelled due to COVID-19 resulting in fewer dollars spent.

Athletic Ticket Office expenses were less than budget by approximately \$9,000 and 17%. Management explained that this was due to a six month salary savings due to a vacancy in the ticket coordinator position.

Other Operating expenses were less than budget by approximately \$24,000 and 95%. Management explained that this was due to expenses that did not occur due to COVID-19.

Football expenses were greater than budget by approximately \$256,000 and 16%. Management explained that this was due to increased team travel and preseason expenses that were budgeted under Guarantee's expense. In addition, there were increases for assistant coaches pay effective February 1, 2020 that were not budgeted.

Basketball expenses were greater than budget by approximately \$119,000 and 15%. Management explained that this was due to team travel and unbudgeted student labor.

Men's Basketball Post-Season expenses were greater than budget by approximately \$7,000. Management explained that no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Football Post-Season expenses were greater than budget by approximately \$94,000. Management explained no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Track Men's and Women's Post-Season expenses were greater than budget by approximately \$9,000. Management explained that no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Miscellaneous Athletic Scholarship expenses were greater than budget by \$26,000. Management explained that this was due to Merit scholarships for athletes that were not budgeted.

Soccer Post-Season expenses were greater than budget by approximately \$5,000. Management explained no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Volleyball Post-Season expenses were greater than budget by approximately \$16,000. Management explained no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Track Post-Season (women's and men's) was greater than budget by approximately \$20,000. Management explained no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Women's Basketball Post-Season was greater than budget by approximately \$42,000. Management explained no amounts are budgeted for post-season expenses as it is difficult to predict post-season play from season to season.

Women's Athletic Scholarships were less than budget by approximately \$242,000 and 14%. Management explained that this was due to summer school scholarships that were not awarded due to a decrease in revenues received from the NCAA.

Football Programs, Women's Programs, Men's Programs, Concessions, Kids Club, Athletic Development, and Sports Information had fluctuations over 10%, however, the amount of the fluctuation was less than \$5,000 and thus deemed by management to be insignificant.

There were approximately \$285,000 of actual expenses (such as complimentary basketball and football tickets, workers compensation, and vacation accrual expenses) for which no amount was budgeted. Management explained that these expenses are paid for by other areas of the University or the Foundation or are in-kind expenses.

- b. We did not compare line item expenses in the Statement of Revenues and Expenses to the budgeted amounts. University management has explained that the University's budgeting process does not specifically identify expenses on the same level of detail as presented in the Statement of Revenues and Expenses as they budget in a different manner.
- c. We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the University.

Conclusion:

No exceptions were found as a result of applying these procedures.

- d. We obtained the University's Sports Sponsorship and Demographics Form Report for the reporting year. We validated that the countable sports reported by the institution meet the minimum requirements for the number of contests and the number of participants in each contest set forth in Bylaw 20.9.6.3 that is counted towards meeting the minimum-contest requirement. We confirmed that these countable sports have been properly reported as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System.

Conclusion:

No exceptions were found as a result of applying these procedures.

- e. We agreed the total number of Division I student-athletes who, during the academic year, received a Pell Grant Award and the total value of the Pell Grants reported in the NCAA Membership Financial Reporting System to a report generated out of the institution's financial aid records, of all student athlete Pell Grants.

Conclusion:

No exceptions were found as a result of applying these procedures.

Procedures Related To Other Reporting Items

1. Excess Transfers To Institution And Conference Realignment Expenses

The University had no expenses for excess transfers to institution and conference realignment expenses therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

2. Total Athletics Related Debt

The University has no athletics related debt therefore procedures were not required to be performed in accordance with the NCAA Agreed-Upon procedures guidelines.

3. *Total Institutional Debt*

- a. We agreed the total outstanding institutional debt to supporting documentation and the institution's audited financial statements.

Conclusion:

No exceptions were found as a result of applying these procedures.

4. *Value Of Athletics Dedicated Endowments*

- a. We obtained a schedule of all athletics dedicated endowments maintained by athletics, the institution, and affiliated organizations. We agreed the fair market value in the schedule to the audited financial statements.

Conclusion:

No exceptions were found as a result of applying these procedures.

5. *Value Of Institutional Endowments*

- a. We agreed the total fair market value of institutional endowments to the audited financial statements.

Conclusion:

No exceptions were found as a result of applying these procedures.

6. *Total Athletics Related Capital Expenditures*

- a. We obtained a schedule of athletics related capital expenditures made by athletics, the institution, and affiliated organizations during the reporting period.

Conclusion:

No exceptions were found as a result of applying these procedures.

- b. We obtained general ledger detail and compared to the total expenses reported. We agreed two transactions to supporting documentation to validate existence of the transaction and accuracy of recording and we recalculated totals.

Conclusion:

No exceptions were found as a result of applying these procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying University Intercollegiate Athletics Department Statement of Revenues and Expenses for the year ended June 30, 2020, or the specified elements, accounts and items or internal control over financial reporting and compliance described above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Board of Regents of Southeast Missouri State University and is not intended to be and should not be used by anyone other than these specified parties.

RubinBrown LLP

November 18, 2020

**SOUTHEAST MISSOURI STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS DEPARTMENT**

STATEMENT OF REVENUES AND EXPENSES

Page 1 Of 2

For The Year Ended June 30, 2020

	Football	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Revenues						
Ticket sales	\$ 308,409	\$ 143,985	\$ 52,212	\$ 10,316	\$ 126	\$ 515,048
Student fees	—	—	—	—	1,183,028	1,183,028
Direct institutional support	2,137,786	923,052	642,418	2,433,049	2,442,788	8,579,093
Less - transfers back to institution	—	(81,955)	—	—	(77,315)	(159,270)
Indirect institutional support	14,012	2,910	2,910	29,030	256,642	305,504
Guarantees	716,954	342,900	20,300	26,475	—	1,106,629
Contributions	6,853	2,759	6,350	60,214	526,082	602,258
In-kind	—	—	205	41,701	42,149	84,055
Compensation and benefits provided by a third party	6,100	11,700	5,600	11,300	6,500	41,200
NCAA distributions	500	—	—	—	180,641	181,141
Conference distributions	—	—	—	—	362,373	362,373
Program sales, concessions, novelty sales and parking	1,100	—	—	—	2,298	3,398
Royalties, licensing, advertisements and sponsorships	—	—	—	—	398,141	398,141
Sports camps	14,078	4,057	9,994	72,858	—	100,987
Athletics restricted endowment and investment income	—	—	—	—	63,100	63,100
Other operating revenues	52,843	3,376	3,432	25,469	27,828	112,948
Total Revenues	3,258,635	1,352,784	743,421	2,710,412	5,414,381	13,479,633

**SOUTHEAST MISSOURI STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS DEPARTMENT**

STATEMENT OF REVENUES AND EXPENSES

Page 2 Of 2

For The Year Ended June 30, 2020

	Football	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Expenses						
Athletic student aid	\$ 1,131,539	\$ 288,230	\$ 255,940	\$ 1,531,237	\$ 284,014	\$ 3,490,960
Guarantees	37,970	71,078	9,227	22,295	5,000	145,570
Coaching salaries, benefits and bonuses paid by the University and related entities	1,052,740	542,354	360,554	1,209,515	290,123	3,455,286
Coaching salaries, benefits and bonuses paid by a third party	6,100	11,841	5,600	54,597	—	78,138
Support staff and administrative salaries, benefits and bonuses paid by the University and related entities	105,285	73,654	57,776	12,763	1,558,492	1,807,970
Recruiting	95,965	63,639	42,038	57,072	—	258,714
Team travel	301,641	113,611	119,906	325,268	4,037	864,463
Equipment, uniforms and supplies	134,144	45,767	22,694	209,421	200,478	612,504
Game expenses	114,124	45,111	38,121	74,053	6,238	277,647
Fundraising, marketing and promotion	10,648	2,842	4,367	14,945	99,596	132,398
Sports camps	8,209	7,158	7,351	31,651	54,551	108,920
Spirit groups	—	—	763	—	53,335	54,098
Athletic facilities debt service, leases and rental fees	—	—	—	29,591	—	29,591
Direct overhead and administrative expenses	38,393	6,757	12,075	30,407	89,773	177,405
Indirect institutional support	14,013	2,910	2,910	29,030	256,642	305,505
Medical expenses and medical insurance	3,227	58	1,297	1,438	550,706	556,726
Membership and dues	1,020	8,410	8,548	5,097	47,876	70,951
Other operating expenses	158,579	101,835	6,549	29,595	157,583	454,141
Student athlete meals	9,264	5,189	5,325	27,378	18,588	65,744
Total Expenses	3,222,861	1,390,444	961,041	3,695,353	3,677,032	12,946,731
Excess (Deficiency) Of Revenues Over Expenses	\$ 35,774	\$ (37,660)	\$ (217,620)	\$ (984,941)	\$ 1,737,349	\$ 532,902

**SOUTHEAST MISSOURI STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS DEPARTMENT**

**NOTES TO STATEMENT OF REVENUES AND EXPENSES
For The Year Ended June 30, 2020**

1. Notes To Statement Of Revenues And Expenses (Unaudited)

Basis Of Presentation

The Statement of Revenues and Expenses of the Intercollegiate Athletics Department of Southeast Missouri State University (the University) is prepared in conformity with accounting principles generally accepted in the United States of America.

Contributions

There were no individual contributions of monies, goods or services from an affiliated or outside organization, agency, or individuals that constituted 10% or more of all contributions received for intercollegiate athletics during the year ended June 30, 2020.

Indirect Institutional Support

General ground support, custodial support and maintenance for Houck, Rosengarten, and the University's track is allocated to individual sports and as nonprogram specific indirect institutional support within the Statement of Revenues and Expenses.

Debt

As of June 30, 2020, the University did not have any outstanding debt related to the University's Intercollegiate Athletics. Total University debt outstanding at June 30, 2020 was \$168,584,595.

Endowment Funds

As of June 30, 2020, the University's value of institutional endowment funds totaled approximately \$84,159,077 of which \$1,906,971 consisted of endowment funds dedicated for Athletics.

Capital Expenditures

The University expended approximately \$1,489,723 in capital improvements which were capitalized by the University related to Athletics Facilities during the year ended June 30, 2020.



SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873

BOARD OF REGENTS

December 18, 2020

Open Session

PROGRESS REPORT – Contracts and Facilities Management Projects

Part I – Contracts in Excess of \$100,000

The following contract(s) and/or purchase order(s) in excess of \$100,000 for which provisions have been made in the annual operations or capital budgets or designated fund balances of the University or subsequent projects approved by the Board of Regents were executed:

PROJECT	ANTICIPATED COMPLETION	VENDOR	AWARD AMOUNT
University Center Audio - Video	December 16, 2020	Lowrance Sound Company, Inc.	\$152,467.03

Part II – Facilities Management Capital Projects Update Report

A. STATE FUNDED CAPITAL IMPROVEMENT PROJECTS

PROJECT	ANTICIPATED COMPLETION	STATUS

B. UNIVERSITY FUNDED AND MAINTENANCE & REPAIR CAPITAL IMPROVEMENTS OVER \$50,000

PROJECT	ANTICIPATED COMPLETION	STATUS
Abe Stuber Track Drainage Mitigation	Spring 2021	Contract for professional services issued to Koehler Engineering November 2020.
Division of Youth Services (DYS) Building Improvements	Spring 2021	BRiC Engineering revised the construction documents for roof replacements at the Administration building, the dining facility and both cottages. Project to bid December 2020.
General Construction Contract 2020	Multiple project 2020/2021	Installation of ADA door operators at Rhodes Hall-in progress.
General Electrical Contract 2020	Multiple projects 2020/2021	No projects at this time.
General Plumbing Contract 2020	Multiple projects 2020/2021	SMC Manhole Cleaning Phase I & II is complete; Houck South Press box Drain line Replacement in progress.

Facilities Management Progress Report

December 18, 2020

Page 2 of 2

PROJECT	ANTICIPATED COMPLETION	STATUS
Student Rec. Center Locker Room/Shower Room Flooring Replacement	TBD	Project is currently on hold.
Towers West and North Elevator Upgrades	August & December 2020	Phase I is complete. Phase II is complete and under warranty.
University Center Audio - Video	December 2020	Notice to Proceed (NTP) issued to Lowrance Sound Company, Inc.

Note: Shading indicates completed projects.

FY21 UNIVERSITY OPERATING BUDGET TO ACTUAL YTD

ALL FUNDS
Through November 30, 2020

	FY21 November Budget	FY21 YTD	FY20 YTD
ESTIMATED INCOME:			
STATE APPROPRIATIONS:	\$ 14,834,361	\$ 16,387,950	\$ 18,542,955
STUDENT FEES:			
Tuition	34,561,502	35,126,110	35,707,112
Scholarships and Fee Waivers	(11,213,603)	(13,186,550)	(12,655,075)
Net Tuition (Gross Tuition less Scholarships & Fee Waivers)	\$ 23,347,899	\$ 21,939,560	\$ 23,052,037
Student Fees	5,959,891	6,334,927	6,482,573
TUITION AND STUDENT FEES:	\$ 29,307,790	\$ 28,274,487	\$ 29,534,610
OTHER SOURCES:			
Investment Income	317,500	59,246	427,906
State Grants and Contracts	261,798	220,170	220,170
Sales and Services of Academic Departments	1,164,840	906,731	1,335,398
Sales and Services of Non-Academic Departments	13,122,674	13,467,158	15,926,433
Foundation Support	248,563	139,488	212,119
Athletics Revenues	455,500	-	362,371
Miscellaneous Income	3,035,331	2,936,836	2,467,266
TOTAL OTHER SOURCES:	\$ 18,606,205	\$ 17,729,628	\$ 20,951,661
TOTAL ESTIMATED INCOME:	\$ 62,748,356	\$ 62,392,065	\$ 69,029,226
ESTIMATED EXPENDITURES:			
PERSONNEL:			
Faculty/Staff	26,702,426	22,479,392	22,813,575
Benefits	10,719,897	6,547,699	8,114,015
Student Labor	1,241,152	1,059,667	1,223,696
TOTAL PERSONNEL:	\$ 38,663,474	\$ 30,086,757	\$ 32,151,285
TOTAL EQUIPMENT AND OPERATIONS:	\$ 14,551,016	15,483,107	\$ 16,470,625
TOTAL ESTIMATED EXPENDITURES:	\$ 53,214,490	\$ 45,569,863	\$ 48,621,910
DEBT SERVICE TRANSFERS:	2,851,000	2,749,508	1,438,922
OPERATING TRANSFERS, NET:	814,521	(1,929,769)	4,217,488
TOTAL ESTIMATED NET TRANSFERS OUT/(IN):	\$ 3,665,521	\$ 819,739	\$ 5,656,410
SURPLUS/(DEFICIT):	\$ 5,868,345	\$ 16,002,463	\$ 14,750,906

FY21 UNIVERSITY OPERATING BUDGET TO ACTUAL YTD
As of November 30, 2020

NOTES

STATE APPROPRIATIONS

- State appropriations are received in 12 equal monthly installments. November budget is set to reflect 5/12 of the annual budget.
- FY21 approved budget estimated 20% reduction in appropriations. Initially, state appropriations were reduced by 13% which resulted in increased anticipated appropriations of \$3.3 million. However, the state has released additional withholdings, resulting in a reduction of approximately 9%. This will provide an additional \$4.1 million during FY21.

STUDENT FEES

- Tuition and scholarship budgets reflect revenues and institutional scholarships for summer and fall 2020.
- Even though the fourth week census decline of 636 headcount is greater than anticipated, gross tuition revenue realized exceeds the tuition budget. Tuition budget is based on anticipated full-time equivalencies per tuition rate. Therefore, the loss of headcount in certain areas (i.e., high school and lower-level regional campuses) have less impact on tuition revenues than loss of headcount in others such as out-of-state undergraduate.
- Actual scholarships and fee waivers exceed the amount budgeted for fall 2020, which was expected. The University is working to address both ends of the gap, increasing its scholarship budget and reviewing its discounting strategy.

OTHER SOURCES

- Other revenue sources are receipted at different times based on the university's calendar and accounting practices. The FY21 budget is adjusted to reflect amounts scheduled through November 2020.
- Budgeted athletics revenues include football and soccer guarantee games that will not be received due to COVID.

PERSONNEL

- Faculty personnel budget has been divided by 10 (paid August through May) while staff budget has divided by 12.
- Benefit expenses include an increase of 1.1% to the contribution rate for MOSERS-eligible employees.
- The move to self-insurance mid-fiscal year has created some variances in reporting from FY20 to FY21.
- Student Labor has been budgeted at 90% from August through May. The remaining 10% is split between Summer 2020 and Summer 2021.

EQUIPMENT & OPERATIONS

- Total equipment and operations budget has been divided equally over 12 periods, although expenditure cycles may vary by department.

NET TRANSFERS

- Debt service transfers were recorded earlier in FY21 than in FY20.
- The University has recognized approximately \$4.0 million of transfers in from state COVID Relief Funds that will be used to offset increased expenses and lost revenues due to COVID.



SOUTHEAST MISSOURI
STATE UNIVERSITY • 1873

BOARD OF REGENTS

MOTION CONSIDERATION FORM

December 18, 2020

I. Motion to be Considered:

The Southeast Missouri University Foundation requests the Board of Regents approve naming the Redhawks Athletics tennis facility the "John C. Bierk Tennis Complex" in recognition of a major gift from Dr. John Cashion Bierk.

II. Background:

Dr. John C. Bierk is a Southeast alumnus, Class of 1955, and is a Professor Emeritus of English, having taught at Southeast Missouri State from 1957-1987. Dr. Bierk has given a significant gift to support Redhawks Athletics in exchange for the naming of the tennis facility.

Dr. Bierk has been a generous supporter of Southeast Missouri University Foundation since 1982, having given generously to numerous programs at Southeast Missouri State University, including Redhawks Athletics, the River Campus, KRCU, and scholarships.

Dr. Bierk's past donations of significance have included major gifts to establish the Athletic Hall of Fame beginning in 2002 and a major gift to the Kent Library Information Commons campaign in 2010 to name the H.O. Grauel Classroom for Information Literacy and Instructional Technology. Dr. Bierk has also established five endowments – the H.O. Grauel Sigma Tau Delta Scholarship, the Chalmer & Cozy Cashion Bierk Scholarship for students from Perryville, the Dr. John Cashion Bierk Endowed Scholarship for scholar-athletes, and the H.O. Grauel Lecture Series Endowed Fund.

Recommended By:

Student Government _____
Faculty Senate _____
Administrative Council _____
VP, Enroll. Man. & Stu. Suc. _____
VP, Finance & Admin. _____
VP, University Advancement _____

Chairperson _____
Dean _____
Academic Council _____
Provost _____

President _____

Board Action on: _____
Motion By: _____
Second By: _____
Vote: Yeas: _____ Nays: _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____
Secretary: _____



SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873

**BOARD OF REGENTS
MOTION CONSIDERATION FORM**

December 18, 2020

Open Session

I. Motion to be Considered:

Approve the attached Amended and Restated By-Laws of the Board of Regents of Southeast Missouri State University.

II. Background:

At the February 17, 2017 Board of Regents Meeting, Board President Knudtson appointed a committee of Regents Britt, Gargas, and LaFerla to work with the University's Legal Counsel to draft Board of Regents policies and procedures. From February 17 through May 11, the By-Laws Committee worked with Counsel Spradling and Board Secretary Martin to prepare and review proposed Board By-Laws. The Board considered proposed By-Laws at their May 12, 2017 meeting. Following discussion with Counsel regarding legal implications, and feedback from Regents, the By-Laws were tabled to the June 26, 2017 Board of Regents Meeting where they were approved.

In response to operational questions raised by Regents regarding the University's COVID-19 response, and to review roles and responsibilities assigned to the Board of Regents and delegated to the University President, Board President Gargas appointed a By-Law Review Committee consisting of Regents Britt, Malik, and Smith at the Board's July 17, 2020 meeting. At the Board's August 11 and September 25, 2020 meetings, Board President Gargas and Regent Britt reminded and encouraged colleagues to review the By-Laws and provide their individual feedback to the Committee. Beyond comments provided by Committee members, only one other Regent shared comments during the review.

The By-Law Review Committee recommends adoption of the attached Amended and Restated By-Laws of the Board of Regents of Southeast Missouri State University (Attachment 1), which seeks to amend Article V, Section 5.3 Regular Meetings, to clarify and formalize the frequency of Board of Regents meetings. The Committee recommends restating all other By-Laws sections and provisions without change.

Recommended By:

Student Government _____
Faculty Senate _____
Administrative Council _____
VP, Enroll. Man. & Stu. Suc. _____
VP, Finance & Admin. _____
VP, University Advancement _____

Chairperson _____
Dean _____
Academic Council _____
Provost _____

President  _____

Board Action on: _____

Motion By: _____

Second By: _____

Vote: Yeas: _____ Nays: _____

Abstentions: _____

Postpone: _____

Amend: _____

Disapprove: _____

Approve: _____

Secretary: _____

AMENDED AND RESTATED BY-LAWS

OF

BOARD OF REGENTS

SOUTHEAST MISSOURI STATE UNIVERSITY

Southeast Missouri State University Board of Regents is vested by law (Chapter 174.010 et seq, Missouri Revised Statutes) with all powers and authority to effectively govern and set policy for Southeast Missouri State University in accordance with the laws of the State of Missouri and with the Regulations and Rules of the Board of Regents. In order to more effectively discharge its responsibilities and duties in connection therewith, Southeast Missouri State University Board of Regents hereby adopts these By-Laws.

ARTICLE I

THE BOARD

Section 1.1- **Name.** The Board of Regents is a public body corporate called "The Southeast Missouri State University Board of Regents," with all the powers of a body corporate under the laws of the State of Missouri. The Board of Regents shall be referred to hereinafter as the "Board".

Section 1.2 - **Composition.** The Board is composed of six voting Regents and that not more than three (3) of said board, excluding the State Commissioner of Education, shall be of the same political party plus one non-voting student Regent all of whom are appointed by the Governor of the State of Missouri. The appointed members shall be confirmed by the Senate of the State of Missouri. Appointment of six of the members shall be in accordance with the dictates of§ 174.050, RSMo.

The Student Regent shall be permitted to attend closed meetings of the Board, unless excluded in accord with Missouri law. The student shall be enrolled full-time at the University, be a citizen of the United States and a resident of the state of Missouri. The student shall be selected from a panel of three names submitted through the University President to the Governor by the University's president of the Student Government after consultation with the University President. For the purposes of this section, the term "full-time" shall be consistent with the University's definition of full-time status.

Section 1.3 - **Powers and Duties of the Board.** The board shall serve as the governing body of Southeast Missouri State University. It shall select the President of Southeast Missouri State University to serve at the pleasure of the Board and shall hold the President responsible for the University's operation and management, performance, its fiscal accountability, and its compliance with federal and state laws and regulations. The Board may adopt regulations, rules and policies consistent with the University mission, with law, the regulations and rules of the Coordinating Board for Higher Education of the State of Missouri, in order to effectively fulfill its obligation under the law.

The powers granted under Chapter 174 RSMo. shall include, but are not limited to, the power to the following:

1. sue and be sued;
2. complain and defend in all courts;
3. take, purchase, and hold real estate, and sell and convey or otherwise depose of the same;

4. condemn and appropriate real estate or other property, or any interest therein, for any public purpose within the scope of its organization, in the same manner and with like effect as is provided in Chapter 523, RSMo, relating to the appropriation and valuation of lands taken for telegraph, telephone, gravel and plank or railroad purposes;
5. make and use a common seal and to alter the same.

Other powers shall include, but shall not be limited to, the following:

- I. Determine and periodically review and adopt the purposes and the mission of the University.
2. Adopt By-Laws, rules, and regulations for the governance of its members, officers, agents, and employees and require adherence to such rules.
3. Establish, review and approve new academic programs or changes to existing ones.
4. Appoint the President of the Board and any other officers of the Board in accordance with these Bylaws and applicable law.
5. Authorize the granting of diplomas and conferring of degrees based upon the recommendation of the President of the University.
6. Approve the annual budget and tuition and fees, regularly monitor the University's financial condition, and establish policy guidelines affecting all institutional assets, including investments and the physical plant. The budget

shall not be modified except with approval of four (4) voting members of the Board.

7. Authorize the construction of new buildings and major renovations of existing buildings.
8. Authorize the incurring of debts by the University and securing thereof by mortgage and pledge of real and personal property, tangible and intangible.
9. Contribute to the University's fund-raising goals and participate actively in strategies to secure sources of support.
10. In the event of vacancy in the position of the President of the University, appoint a special Presidential search committee to submit nominations for candidates to the office in accordance with procedures determined by the Board. If a vacancy occurs, the Board may select an interim President of the University until a new President is selected.
11. Serve actively as advocates for the University in appropriate matters of public policy in consultation with the President of the University and other responsible parties, as the Board shall determine.
12. Periodically assess its own performance, in order to set an example for the University community and to seek ways to strengthen its effectiveness as a corporate body.
13. Approve the Institutional Strategic Plan.
14. Exercise such other authority as from time to time may be conferred upon the Board in accordance and compliance with the applicable laws and regulations

of the State of Missouri.

15. Upon conclusion of term of office or earlier resignation of Board members in good standing, the Board of Regents may confer the title of Regent Emeritus.
16. To approve the grant of tenure based on the recommendation of the University President.

ARTICLE II

THE REGENTS

Section 2.1 - **Term of Office.** The six voting Regents shall serve for staggered six year regular terms as provided by law and shall remain in office until their successor is appointed by the Governor of the State of Missouri. The Student Regent appointed will serve a two-year term consistent with Section 174.055.1 RSMo. Reappointments and extensions of the six year terms are at the discretion of the Governor.

Section 2.2 - **Vacancies.** Vacancies shall be filled by the appointment by the Governor of the State of Missouri as appropriate under the law, subject to confirmation of the Senate of the State of Missouri.

Section 2.3 - **Compensation.** Regents shall receive no compensation, but may be reimbursed upon request for travel and per diem expenses provided by Missouri law.

Section 2.4 - **Regent Communication & Information.**

- a. Individual Board members have no legal standing or authority to act on behalf of the Board or the University. Only the full Board as a governing body is

vested with such authority. The Board President shall not take a position on state or federal legislation without prior consultation of the full Board, and such authorization may be subject to limitations established by the Board.

- b. All requests for information on all issues coming from the Board or from an individual Board member should be made through the Board President, Secretary of the Board or through the University President.
- c. Should any member of the Board of Regents request access to information maintained by the University, such member shall be entitled to the information requested, except information or records that are protected by confidentiality by federal or state law or that information specifically excluded by a majority vote of all of the members of the Board of Regents. Such request shall be directed to the University President or the Secretary of the Board of Regents.

ARTICLE III

OFFICE OF THE BOARD

Section 3.1 - **Offices.** The officers of the Board shall be the Board President, Board Vice President, Secretary and Treasurer. The Board President, and Board Vice President shall be Regents and the Secretary and Treasurer of the Board may be recommended by the University President and approved by the Board of Regents. The Treasurer shall not be a Board member.

Section 3.2 - **Selection.** The Board shall select its Board President and Board Vice President from the appointed members every two years at the December annual meeting. In the event of a vacancy in either the office of the Board President or Board Vice President, a special meeting will be called as soon as practical to hold an election to fill the vacant position(s). At the election of the Board President and Board Vice President at the annual meeting, the voting for the Board President and Board Vice President shall be by secret ballot to be tabulated and confirmed by the Secretary of the Board. In case of a tie, a run-off election will be held immediately between the tied candidates. In the case of an on-going tie, the Board President will make the final decision of the winning candidate and make the announcement to the Board.

Anyone on the Board may nominate himself or herself for either office, subject to a valid second of the nomination. Except as otherwise provided in these By-Laws, the incumbents of the Board President and Board Vice President shall each serve for two years beginning January 1st immediately following the election at the December annual meeting.

Section 3.3 - **Term of Office.** Each office of the Board President and Board Vice President will be for a term of two years commencing on January 1st of the succeeding year and ending on December 31st, two years after the election. Each officer may serve two consecutive terms for a total of four years maximum during one appointment period. If an officer's Board term expires on December 31st before their office term

expires the following year, a special election will be called as soon as practical to fill the unexpired term of office. Vacancies during a term of office shall be handled as set forth hereinafter.

Section 3.4 - **Vacancy During Term.** In the event a vacancy in the position of Board President or Board Vice President prior to the expiration of the two year term of the incumbent, the vacancy shall be filled as provided in this section.

The Board Vice President then serving, if any, shall fill the vacancy in and succeed to the position of Board President upon a vacancy in that position. If there is no Board Vice President then serving, the Board shall select a successor to serve as Board President. The Board shall elect a new Board Vice President to fill the vacancy in that position. The person filling a vacancy in the unexpired term of the Board President or Board Vice President shall serve for the following period.

- a. If the vacancy occurs during the first six months of the first year of any two-year term, the person filling the vacancy shall serve for the remainder of the unexpired term.
- b. If the vacancy occurs during the second six months of the first year of any two-year term, the person filling the vacancy shall serve for the remainder of those six months, plus two years beginning on the January 1 first occurring after the vacancy.
- c. If the vacancy occurs in the first six months of the second year of any two-year term, the person filling the vacancy shall serve for the remainder of the second

year of the unexpired term, plus one year beginning on January 1 first occurring after the vacancy.

- d. If the vacancy occurs in the second six months of the second year of any two-year term, the person filling the vacancy shall serve the remainder of those six months, plus two years beginning on January 1 first occurring after the vacancy.

In the event that the filling of a vacancy during the unexpired term requires election of a successor, the Board shall elect the successor at a special meeting called by the Board President or Secretary for that purpose or at the next regular Board meeting, which ever occurs first.

A vacancy shall be deemed to occur upon the incapacity, death, resignation or removal of the incumbent. Incapacity (which includes abandonment) shall be deemed to occur when, for any reason and regardless of intent, the incumbent does not or cannot fulfill the material duties of the position for thirty consecutive days or forty-five days total in any six-month period, unless the Board resolves not to treat such circumstance as a vacancy. Incapacity shall also occur upon the incumbent acknowledgment in writing that he or she intends not to perform or is or will be unable to perform the material duties of the position for at least either of such period of days, unless the Board resolved not to treat such circumstances as a vacancy. Removal shall be deemed to occur upon the exercise of a legal right to remove the incumbent. The Secretary shall notify the Regents upon the occurrence

of a vacancy. If questioned, the Board's determination, made at a special meeting held for that purpose within fourteen days after the Secretary's notice, shall be binding.

Section 3.5 - **Board President.** The duties of the Board President shall include presiding at all meetings of the Board, calling special meetings of the Board, appointing committee chairs, determining the composition of all Board committees, attesting to actions of the Board and otherwise serving as spokesperson for the Board. The Board President shall perform such duties in consultation with the University's President.

The Board President serves as the Board's official spokesperson for media inquiries regarding Board matters. However, the Board President may delegate this responsibility to another Board member, or to the University President when deemed appropriate. The University President and Board Secretary should be advised of media inquiries received by the Board. The Board President and University President will work jointly to approve press releases pertaining to Board business matters. However, the full Board will be informed of these releases. In the event of emergency matters, the President of the Board shall have the power to sign contracts on behalf of the University, subject to ratification by the Board.

3.6 - **Board Vice President.** The duty of the Board Vice President is to act as Board President during the temporary absence, incapacity or disability of the Board President (not meeting the definition of a vacancy) and succeed the Board President in the event of a vacancy during the unexpired term of the Board President. The Board Vice President may or may not be elected to succeed the incumbent at the expiration of the incumbent's

full two-year term as Board President.

3.7 - **University President.** The University President shall serve as the Chief Executive Officer of the University. The University President shall be responsible for the operation and administration of the University, including efficient and effective budget and program administration and management leading the University to accomplish its education missions and goals, monitoring educational and financial performance, consulting with the Board in a timely manner on matters appropriate to its policy making and fiduciary functions, and serving as the University's key spokesperson. The University President shall cause to have a board agenda with supporting documentation prepared at least seven (7) calendar days prior to a scheduled meeting and distributed to the various Board Members. Any Board Member may, prior to the meeting discuss any item on the agenda or request other matters to be added for discussion consistent with these By-Laws. The University President shall have the authority to execute all documents on behalf of the University and the Board consistent with the law, Board policies and the best interests of the University.

Without limiting the generality of the aforesaid authority, the Board delegates the following specific authority to the University President:

- a. To exercise a general superintendence and control, subject to approval of the Board, over all the affairs of the University, and bring such matters to the attention of the Board as are appropriate to keep the Board fully informed in meeting its policy-making responsibility, and such other matters as the Board shall from time to time direct;
- b. Consistent with the express and implied authority arising from his/her

responsibility to exercise general superintendence over all the affairs of the University, but subject to any limitations otherwise established by specific policies or action of the Board, the University President is authorized to sign all contracts, construction contracts, purchase orders, matters related to real estate, agreements, applications, reports or other legal documents on behalf of the University, whether with individuals, for-profit or non-profit entities, governmental agencies or departments at the federal, state or local level, or intentional organizations or entities;

- c. To select for employment all administrators, faculty, teachers, non-academic employees, temporary employees and graduate, resident, and other student assistantships and employment;
- d. Approve the employment of all University leaders, defined for this purpose as the members of the President's leadership team and academic deans.
- e. To make all academic appointments, reappointments, rank, promotions, terminations and discipline of all employees subject to the grievance and appeal procedures of the University; to change salaries and assignments of faculty and staff and to accept resignations of employees;
- f. To recommend to the Board all grants of tenure;
- g. To ensure compliance with the standards of regional accreditation;
- h. Exercise oversight of the University's intercollegiate athletic program to ensure compliance with NCAA and conference rules;
- 1. To insure the appropriate supervision, direction and organization of all

employees of the University;

- J. To be the primary liaison between the University; the Coordinating Board for Higher Education; the Missouri Department of Higher Education; local, state and federal agencies; the General Assembly; and the Governor of the State of Missouri, concerning the affairs of the University;
- k. To prepare and present to the Board for its approval, an annual budget for the operations of the University;
- l. To maintain expenditures of the University in balance with available revenues or should such occasion arise to recommend the declaration of a financial exigency, and suspension or elimination of programs, or a reduction in force designed to meet such exigency;
- m. To attend all meetings of the Board, so far as his/her duties will permit, but may be excused by the Board if necessary;
- n. To report, at each regular meeting of the Board, upon the progress, condition and needs of the University, and recommend such measures as in his/her judgment will promote the University's interests;
- o. To formulate, establish, and enforce student admission standards;
- p. To approve Business Procedures of the University. Business procedures provide interpretation and implementation of University Business Policies, which have been approved by the Board;
- q. To be the primary spokesperson for the University at public affairs, and

media contacts;

- r. To confer all degrees authorized by the Board of Regents and recommend to the Board the conferring of honorary degrees;
- s. To delegate, in whole or in part, his/her administrative authority granted under the By-Laws, or Business Policies and Procedures, to such other officers, faculty, and employees of the University as he/she may designate, either by general or specific delegation, with the right to revoke such delegation at any time;
- t. To administer the affairs of the University in accordance with applicable federal, state, and local laws and regulations;
- u. To perform all other acts not herein enumerated which are necessary and reasonable appertaining the administrative functions of the University President.

Section 3.8 – **Secretary.** The Secretary of the Board, nominated by the President of the University and confirmed by a majority of the members of the Board of Regents, shall be responsible for giving notice of all meetings of the Board and its committees, setting the agenda and compiling the supporting documents for meetings of the Board in consultation with the President, recording and maintaining the minutes of any Board or committee meeting, including a record of all votes cast, in accordance with Chapter 610 of the Missouri Revised Statutes, executing or attesting to all documents that have been executed by the Board. The President of the University may nominate an Assistant Secretary to perform the duties of Secretary as necessary. The Assistant Secretary shall be confirmed by a majority of the members of the Board of Regents.

Section 3.9 - **Treasurer.** The Treasurer of the Board, nominated by the President of the University and confirmed by a majority of the members of the Board of Regents, shall maintain the custody of and be responsible for all monies and securities of the university; shall keep a full and accurate accounting thereof showing the financial transactions of the university including its accounts, liabilities, financial conditions, and report of investments; and shall see that expenditures are duly authorized and documented by receipts and vouchers. The treasurer shall deposit all monies received in the name of the university in the depositmy authorized by the Board of Regents.

Section 3.10 - **University General Counsel.** The University's General Counsel shall be appointed by the Board to serve at the Board's direction.

ARTICLE IV

COMMITTEES

Section 4.1 - **Committees.** The Board shall establish standing and ad hoc committees, as it deems appropriate to discharge its responsibilities. The President of the Board shall appoint members of the committees and their chairs, except the Executive Committee, which committee shall be composed as set out in Section 4.2. Each committee shall consist of no less than three members. Members of the committee shall hold office until the appointment of their successors. Any vacancies on the standing committees shall be filled by appointment of the Board President.

Section 4.2 - **Executive Committee.** The executive committee shall consist of the Board President, Board Vice President, the University President and Board Secretary.

Section 4.3 - **Ad Hoc Co1mnittees.** Ad Hoc committees shall be appointed by the

Board President upon authority of the Board with such powers and duties and period of services as the Board President may determine providing that no Ad Hoc committee shall be created to act upon any matter appropriate to be acted upon by a standing committee. The officer of any Ad Hoc committees, shall be appointed by the Board President and shall perform their duties in consultation with the University President.

Section 4.3 - **Quorum.** A quorum of any committee for the conduct of business shall be majority of members then serving on the committee, and any committee so convened may act by majority vote of the members in attendance.

ARTICLE V

MEETINGS

Section 5.1. – **Meetings.** All meetings of the Board and its committees shall be open to the public at all times, and no resolution, regulation, or formal action shall be considered binding except as taken or made at such meeting in accordance with Missouri law unless the matter being discussed falls within the provisions of law allowing closed sessions. At the discretion of the Board President, any member of the Board may participate in any meeting by teleconference or other technology allowing all participants in the meeting to hear and be heard by one another and allow the public attending the meeting to hear all participants.

Section 5.2 - **Annual Meeting.** The meeting in December in conjunction with the winter commencement program shall be the annual meeting of the Board of Regents.

Section 5.3 - **Regular Meetings.** ~~The Board shall meet at least once (1) time per quarter.~~ The meeting in May in conjunction with the spring commencement program will always be a scheduled regular meeting. Other meetings may be scheduled as required by the Board and the University President. ~~The number and timing of the meetings are not established and will be held as required.~~

Section 5.4- **Special Meetings.** Special meetings of the Board may be held at the call of the Board President, the University President or upon request of three Regents. The University President or his/her Secretary shall send written notice of such special meeting to all Regents, along with a statement of the purpose of the meeting, at least 72 hours in advance. No matter may be considered at a special meeting that is not included in the call of that meeting, except by an affirmative vote of the majority of the Regents at the meeting.

Section 5.5 - **Quorum.** A quorum for the conduct of business of the full Board shall consist of four Regents. A quorum having been established, no business shall be transacted without a majority vote of all Regents present, except as otherwise provided by these By-Laws.

Section 5.6 - **Rules of Procedure.** Except as modified by these By-Laws or any other specific resolution, the rules of policy enacted by the Board, Robert's Rules of Order, newly revised, as in effect at the time, shall constitute the rules of parliamentary procedure applicable to all meetings of the Board and its committees.

Section 5.7 - **Agenda and Proceedings.**

- a. **Agenda Preparation and Distribution:** In the preparation and handling of the agenda for Board meetings, the President of the University and the President

of the Board, in conjunction with the Board Secretary, shall prepare an agenda for each regular meeting. The agenda shall be distributed to Board members with the Notice of the meeting. A copy of the agenda shall also be placed in a prominent location in the room where the Board meeting is to be held so that it will be accessible to members of the public in attendance at the meeting.

- b. Requests for Agenda Placement: Other than Board Members: Individuals other than Board members may request the Board to place an item on the agenda of any regular meeting by filing a written request with the Board Secretary not less than thirty (30) calendar days prior to the meeting date at which the matter is requested to be considered. The request shall be accompanied by a written summary of the subject matter of the proposed agenda topic describing the relevance of the topic, as well as providing any supporting documentation which the individual making the request believes is pertinent to and will assist the Board in its deliberations concerning the request. The Board Secretary shall forward the request to the President of the Board and to the President of the University. The President of the Board shall determine whether the item shall be placed on the agenda or referred to the administration for disposition. If the item is not placed on the agenda, the Board Secretary shall notify the Requestor of the disposition of the request at the next regularly scheduled Board meeting.

- c. Requests for Agenda Placement, Board Members: Board members may request an item to be placed on the agenda by submitting a written request with the Board Secretary at least ten (10) calendar days prior to the meeting of the Board, subject to the same procedure applicable to non-Board members above. Board members shall not ask matters to be considered on the agenda at a convened session under the item of new business unless the majority of the Board members approve such request.
- d. Consent Agenda: Items shown on the established agenda for a meeting of the Board may be placed upon a consent agenda whereby all items placed thereon are approved by summary action of the Board. Items may be placed on the consent agenda by the President of the Board, the President of the University, or the Chairperson of any committee of the Board electing to place such items on the consent agenda, provided the same is accomplished no less than twenty-four (24) hours prior to the meeting of the Board, and that the Board Secretary shall present such consent agenda to the members of the Board immediately prior to the convening of the meeting, provided, however, that any member of the Board may remove any item from the consent agenda by notifying the President of the Board of the election to remove the item any time prior to a vote being taken on the consent agenda. The consent agenda requires approval by a vote of the majority of the Board in attendance for passage and adoption of each item on the consent agenda.

- e. Open Meetings Requirement: All meetings and notices of meetings of the Board, or committees appointed by and which report to the Board, shall conform to the Missouri Open Meetings statute, and to the policy for open and closed meetings adopted by the Board in compliance with said statute.
- f. Closed Meetings: The Board, upon majority vote at any duly constituted meeting thereof, may close to the public its deliberations, records and vote concerning any of the following matters:
 - i. Legal actions, causes of action, or litigation, leasing, purchase or sale of real estate where public knowledge of the transaction might adversely affect the consideration therefore;
 - ii. Any proceedings involving physical or mental health, scholastic probation, expulsion or graduation, or deliberations relating to the hiring, evaluation, firing, discipline or promotion of personnel employed by the University; and
 - iii. All other deliberations, records or votes as authorized by the Missouri Open Meetings statute, § 610.021, RSMo.
- g. Right to Control: The President of the Board shall retain the authority to control the order of the meeting.

Section 5.8 - **Appearances Before the Board.** Individuals or representatives of the groups who desire to appear before the Board regarding any item being considered on a meeting agenda of the Board of Regents must submit their request to the Secretary of the

Board, One University Plaza, Cape Girardeau, Missouri 63701, specifying the agenda item about which they wish to speak. Such a request, along with the requestor's name and contact information, any group or faction representative, and any supporting documentation, must be submitted at least three working days prior to the start of the meeting. The University President, in consultation with the Board President and complying with law, shall determine whether the item will be heard and when, (at what meeting and when on the agenda) it will be heard, and may require a representative of a group or faction if many members request to be heard. There will be no more than a five-minute time limit on any presentation; the aggregate time of all public comments of the meeting need not exceed 15 minutes. The Board President or the University President may decline to hear any matters determined by the University President and Board President not relating to a particular agenda item or that is outside the Board's jurisdiction, or because it is not practicable for a particular meeting.

ARTICLE VI

MISCELLANEOUS

Section 6.1 - **Conflict of Interest Policy.** Regents stand in a fiduciary relationship to the University. Therefore, Regents shall act in good faith, with due regard for the University, and shall comply with the fiduciary principles and Missouri law. The Board shall adopt a written Conflict of Interest Policy, to be included in the Board Operating Procedures or other policies, which shall be reviewed periodically and revised as necessary.

- a. Business, Financial or Property Interests: A Regent shall avoid entering into or maintaining any business or financial interests, transactions, acquisition or sale of property interests which are or may be in conflict with those of the University; or,
- b. Disclosing Confidential Information: A Regent shall refrain from using confidential information obtained in their capacity as a Regent in any manner with intent to result in financial gain for himself or any other person, or any business with which he is associated. Confidentiality, as determined by the Board and as provided by law, shall apply to all members and representatives on the Board; or
- c. Contracts: A Regent shall avoid any interest, direct or indirect, in any contract for the purchase of land, buildings, supplies or services for the University; or,
- d. Gifts: A Regent shall not accept gifts or benefits from any person holding contracts for supplies or services to the University, or from any bidder on contracts for such services or supplies. However, this provision shall not apply to acceptance of gifts, benefits, gratuities, amenities, or favors based on obvious family, friendship, or personal relationships where the circumstances make it clear that it is those relationships rather than the business of the University, which are the motivating factors; or

- e. Family or Associates Relationships: A Regent shall avoid all appearances of impropriety in all actions, and particularly should not allow conduct, or judgments or actions to be influenced by family or associates relationships. The term "family" is defined as spouse, parents, grandparents, siblings, children, aunts and uncles or others living in the Regent's household. The term "associates" is defined as any organization, corporation, partnership, or joint venture in which the Regent is an officer, director, employee, member, partner, trustee, controlling stockholder or consultant; or
- f. Political Considerations: The Board of Regents is not a political forum. Therefore, a member of the Board shall avoid any comment or action in connection with University affairs, which might reasonably be perceived as an attempt to advance or enhance any political party, political cause, or political aspirations of any person. If any conflict exists between the statute and these Bylaws, or policy resolutions of the Board, the statute shall be controlling.

Section 6.2 - **Indemnification.** Whenever any civil (including administrative) or criminal action or threat of action has been asserted against a current or former Regent or President for any act or omission arising out of and in the course of the performance of his or her University duties and responsibilities, the University shall defray all costs of defending such action or threat of action, including reasonable attorney fees and expenses together with costs of appeal and shall save harmless and protect such person from any financial loss resulting from the performance of his or her duties and responsibilities unless:

- a. Indemnification prohibited by law, or
- b. The Board determines by vote of at least 2/3's of its members then serving that said individual acted in bad faith or willful misconduct. Claims based on such actions or omissions may be settled prior to, during or after the filing of the suit or commencement of other formal process thereon.

Section 6.3 - **Limitation of Liability.** The Board is a public body corporate primarily acting as an instrumentality or agency of the state pursuant to Missouri law for purpose of sovereign immunity.

Section 6.4 - **Attendance.** To promote the effectiveness of the Board's functioning, all Regents shall attend all meetings of the Board; provided, however, that when necessary, such attendance may be by electronic, real-time participation (e.g. conference call, Skype, Zoom, or like interactive audio/video linkage). The Board President may excuse a Board member from attendance, and members shall advise the Board President and Board Secretary of their request for such an excused absence as soon as they are aware of an impending scheduling conflict. If the Board President refuses to excuse a Board member from attendance, a majority vote of the remaining members of the Board in attendance may excuse a Board member from attendance of a meeting after the Board member requests to be excused for unforeseen circumstances. A Board member missing three consecutive meetings, without good cause or excuse, may be sanctioned pursuant to these By- Laws.

Section 6.5 - **Interference with Administration.** The Board of Regents shall deal with University Vice Presidents, Directors and Employees who are subject to the direction and supervision of the University President or his/her subordinates solely through the University President, and neither the Board or its members shall give orders to any such Vice President, Director or Employee, either publicly or privately.

Section. 6.6 - **Amendments.** These By-Laws may be amended at any regular meeting of the Board by the affirmative vote of not less than 2/3's of the members of the Board then serving, provided that notice of any proposed amendment, including a draft thereof, shall be filed in writing with the Secretary and a copy of the draft shall be mailed to each Regent at least ten days prior to the meeting to which the amendment is to be voted on.

Section 6.7 - **Suspension of Operating Procedures.** Any provision of these By-Laws may be suspended in connection with consideration of a matter before the Board by an affirmative vote of not less than 2/3's of the members of the Board then serving.

Section 6.8 - **Proxies.** The use of proxies for purposes of determining a quorum for voting, or for other purposes, is prohibited.

Section 6.9 - **Regent Oath and Sanctioning.** Each member of the Board of Regents is required to take an oath to discharge faithfully, impartially, honestly, and to the best of his or her abilities the duties of the Regent.

Any Regent of the Board may be sanctioned upon the affirmative unanimous vote of all voting Regents of the Board then in office, excluding the Regent proposed for sanctioning (the "Subject Regent"), at any regular or special meeting of the Board called for that purpose. Sanction may be appropriate for conduct detrimental to the University, unexcused absences

from three (3) consecutive meetings of the Board of Regents, lack of sympathy with its objectives, or refusal to render reasonable assistance in carrying out the University's purposes. A Subject Regent shall be entitled to written notice at least five (5) days before the meeting at which such sanction is to be voted on. He or she shall be entitled to appear before and be heard at such meeting. After a unanimous vote of the members of the Board, excluding the subject Regent, the President of the Board joined by the President of the University shall send a letter to the Governor of the State of Missouri recommending removal of the subject Regent from the Board and requesting action to replace the subject Regent immediately.

These Amended and Restated By-Laws adopted this ____ day of _____, ~~2017~~ 2020 by ~~Resolution of~~ the Board of Regents of Southeast Missouri State University.

PRESIDENT

JAY — B. — KNUDTSON EDWARD P. GARGAS,

Board of Regents, Southeast Missouri State University

ATTEST:

SECRETARY: CHRISTOPHER R. MARTIN



SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873

BOARD OF REGENTS
MOTION CONSIDERATION FORM

December 18, 2020

● Open Session

I. Motion to be Considered:

Authorize and approve the deletion of the following programs, options, certificates, and minors as a part of the program prioritization process.

II. Background:

As previously reported to the Board of Regents on June 22, 2020, Academic Affairs has undertaken a collaborative process of program prioritization. Department committees, chairs, college councils, deans, and faculty senate have all provided responses for their respective programs, options, certificates, or minors which had a three-year average of degree completers below thresholds identified by the Missouri Department of Education and Workforce Development (MDHEWD) and Academic Affairs.

Following Board action, we will then notify the Higher Learning Commission (HLC) regarding the program deletions and our intentions to teach out those programs so that we adequately serve the current students in these respective programs. Additionally, we will submit the appropriate notification and documents to the MDHEWD regarding these deletions along with our communication to the HLC. Currently enrolled students in these programs will be notified and a specific plan on how they can complete the program or transfer to another program will be provided.

Recommended By:

Student Government _____
Faculty Senate _____
Administrative Council _____
VP, Enroll. Man. & Stu. Suc. _____
VP, Finance & Admin. _____
VP, University Advancement _____

Chairperson _____
Dean _____
Academic Council _____
Provost *[Signature]* _____
President *[Signature]* _____

Board Action on: _____
Motion By: _____
Second By: _____
Vote: **Yeas:** _____ **Nays:** _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____
Secretary: _____

The following are proposed for deletion:

College	Dept.	Degree, Minor, or Certificate	Program / Major	Option	CIP Code	Notes
EHSS	Child & Family Studies	AA	Child Care & Guidance (Head St)		190708	
EHSS	Elem, Early, & Special Ed	MAT	Exceptional Child		131001	
EHSS	Elem, Early, & Special Ed	UG Cert	Teaching Asst Prep- Elem/Spec		131202	
EHSS	Kinesiology, Nutrition & Rec	BS	Health Management	Health Prom	310501	
EHHS	Leadership, Mdl, Sec. Ed.	UG Cert	Teaching Asst Prep-Mdl/Sec (CERT)	Teaching Asst Prep-Mdl/Sec (CERT)	131205	
HCAM	Music	BM	Music	Composition	500901	
HCAM	Art & Design	BSED	Art Education		131302	
HCAM	Theatre and Dance	BFA	Dance		500101	
HCBC	Management	Grad Cert	Healthcare Management	Communication	510701	
HCBC	Management	MS	Healthcare Management	Communication	510701	
HCBC	Management	MBA	Sport Management		310504	
HSS	Comm Stu & Mod Lang	BSED	German Education		131306	
HSS	Comm Stu & Mod Lang	BSED	Spanish Education		131306	
HSS	Hist & Anth	MA	History		540101	
HSS	Hist & Anth	MA	Public History	Heritage Educ	540105	Replaced with Digital Heritage Option
STEM	Ag	BS	Agribusiness	Agribusiness Option	010102	

College	Dept.	Degree, Minor, or Certificate	Program / Major	Option	CIP Code	Notes
STEM	Biology	BS	Environmental Science	Policy & Comm	030104	Deleting all options but retain BS in Environmental Science degree
				Geoproc & Soils	030104	
				Environ Health	030104	
				Environmental Science	030104	
				Biology	030104	
				Business	030104	
				Chemistry	030104	
STEM	Chemistry & Physics	BS	Chemistry	Business	400501	
				DNA Analysis	400501	
STEM	Chemistry & Physics	BA	Chemistry	Business	400501	Delete Chem BA and all 3 options
				Chemistry	400501	
				Forensic Sci	400501	
STEM	Chemistry & Physics	MNS	Chemistry		400501	
STEM	Engineering & Tech.	BS	Tech. Management	Sust Energy Syst Mgmt	150612	
				Fac Mgt/ Sustainability	150612	
STEM	Engineering & Tech.	MS	Tech. Management	Customized	151501	Deleting all Options but retain MS Tech Management Degree
				Cybersecurity	151501	
				Fac Mgmnt	151501	
				Manuf. Systems	151501	
				Telecom Systems	151501	
				IE/Trng & Dev	151501	
				WkplEnv/HlthSft	151501	
STEM	Engineering & Tech.	AAS	Computer Technology	Auto Mfg	151202	Deleting all options but retain AAS in Computer Technology
				Micro Sy	151202	
				Tech Com	151202	
STEM	Mathematics	BS	Mathematics	Pure Mathematics	270101	
STEM	Chemistry & Physics	BSED	Physics Education: Unified Sci`		131316	
STEM	Chemistry & Physics	BSED	Chemistry Education: Unified Sci		131316	
STEM	Biology	BSED	Biology Education Unified Sci		131316	

College	Dept.	Degree, Minor, or Certificate	Program / Major	Option	CIP Code	Notes
EHHS	Child & Family Studies	Minor	Child Studies		190706	
EHHS	Child & Family Studies	Minor	Gerontology		301101	
EHHS	Kinesiology, Nutrition & Rec	Minor	Health Mgmt Entrepreneurship		520701	
EHHS	Kinesiology, Nutrition & Rec	Minor	Outdoor Adventure Leadership		310101	
EHHS	Kinesiology, Nutrition & Rec	Minor	Recreation		310101	
EHHS	Kinesiology, Nutrition & Rec	Minor	Substance Abuse Prevention		511501	
EHHS	Psychology & Counc	Minor	Applied Psychology		420101	
EHHS	Psychology & Counc	Minor	Psychological Services		420101	
HCAM	Art & Design	Minor	Fine Arts Entrepreneurship		501001	
HCAM	Theatre and Dance	Minor	Technical Theatre Minor		500502	
HCAM	Theatre and Dance	Minor	Theatre: Acting		500501	
HCBC	Computer Sci	Minor	Cybersecurity/Business Systems		111003	
HCBC	Management	Minor	Retail Management		521803	
HCBC	Marketing	Minor	Supply Chain Management		520203	
HSS	Comm Stu & Mod Lang	Minor	Comm for Health Profsnl		090905	
HSS	Comm Stu & Mod Lang	Minor	Comm for Legal Prfsnl		090999	
HSS	Comm Stu & Mod Lang	Minor	Foreign Language- Spanish		160905	
HSS	Poli Sci, Phil, & Religion	Minor	Public Administration		451001	
STEM	Ag	Minor	Equine Science		010901	
STEM	Biology	Minor	Biol/Medical Sciences Entreprn		520701	
STEM	Biology	Minor	Botany		260301	
STEM	Biology	Minor	Zoology		260701	

College	Dept.	Degree, Minor, or Certificate	Program / Major	Option	CIP Code	Notes
STEM	Engineering & Tech.	Minor	Construction Management		151001	
STEM	Engineering & Tech.	Minor	Electronics Technology		150303	
STEM	Engineering & Tech.	Minor	Engineering Physics		141201	
STEM	Engineering & Tech.	Minor	Ind/Engr Tech Entrepreneurship		520701	
STEM	Engineering & Tech.	Minor	Industrial Management		520201	



BOARD OF REGENT MEETINGS
2021-2022

2021-2022 Board of Regents Meetings

February 26, 2021 (Friday) – *confirmed and already on schedule*

April 16, 2021 (Friday) – *confirmed and already on schedule*

May 14, 2021 (Friday) – *confirmed and already on schedule*

June 24-25, 2021 (Thursday-Friday)

September 24, 2021 (Friday)

December 17, 2021 (Friday)

February 25, 2022 (Friday)

April 15, 2022 (Friday)

May 13, 2022 (Friday)

**** All meetings will be held on the main campus in Cape Girardeau and start at 9:00 a.m. unless otherwise noted.***

Other important dates

President's Council – TBD

May 15, 2021 – Spring Commencement (Saturday – 10:00 a.m. and 2:00 p.m.)

September 25, 2021 – Family Weekend

October 29-30, 2021 – Homecoming Weekend

December 17, 2021 – Tentative Holiday Party (evening after Board meeting)

December 18, 2021 – Fall Commencement (Saturday – 10:00 a.m. and 2:00 p.m.)

May 14, 2022 – Spring Commencement (Saturday – 10:00 a.m. and 2:00 p.m.)

*****All dates listed are subject to change.***