Swearing-in Ceremony for Bradley A. Jones, New Student Representative to the Board of Regents

ACTION ITEMS:

1. Consideration of Approval of Minutes for:
   Open Session Meeting of September 9, 2016

2. Consideration of Approval of Conferring of Degrees for Summer and Fall 2016

   • Annual Financial Report
   • A-133 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

4. Consideration of Approval to Authorize Application to the Missouri Energy Loan Program

5. Consideration of Approval of Faculty Senate Bills
   A. 16-A-9 The College & the College Dean policy
   B. 16-A-10 Examination and Grade policy
   C. 16-A-13 Research Involving Human Subjects Policy
6. Consideration of Approval of Appointments to the River Campus Board of Managers


8. Consideration of Approval of Reappointments to the Show Me Center Board of Managers

9. Consideration of Special Course Fees

10. Consideration of Approval of Resolution in Honor of General Seth J. McKee

REPORT ITEMS:
1. Fall 2016 Enrollment Report
3. Student presentation
4. Report from Student Government President
5. Report from Faculty Senate Chair
7. Academic Programs under Development – Update

ACTION ITEMS:
Consideration of Motion for “Closed Session for Appropriate Considerations:”
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 610.021.13 – pertaining to personnel records, performance ratings
D. RSMo 610.021.14 – pertaining to records which are protected from disclosure by law

ACTION ITEMS:
1. Reconvene Open Session
2. Announcement of Actions Taken in Closed Session
3. Consideration of Motion to Adjourn

*Accessible to Physically Handicapped or Disabled
MINUTES OF THE OPEN SESSION
OF THE
SOUTHEAST MISSOURI STATE UNIVERSITY
BOARD OF REGENTS
HELD ON THE
NINTH DAY OF SEPTEMBER 2016

The Board of Regents for Southeast Missouri State University convened at 10:05 a.m. on Friday, September 9, 2016, in the Board of Regents Room, Academic Hall, on the campus of Southeast Missouri State University. Regents present were: Mr. Jay B. Knudtson, President of the Board of Regents; Mr. Phillip M. Britt; Mr. Donald G. LaFerla; Mr. Thomas M. Meyer; and via telephone, Ms. Kendra Neely-Martin, Vice President of the Board of Regents. Also present were: Dr. Carlos Vargas, President of Southeast Missouri State University; Ms. Kathy Mangels, Board Treasurer; and Ms. Diane O. Sides, Assistant Board Secretary. Board President Knudtson presided.

Regent Edward P. Gargas was not in attendance.

Mr. Knudtson reviewed the schedule for the day and welcomed Ms. Diane O. Sides as the prospective new secretary to the Board of Regents as Mr. Brady Barke has taken the position of Athletic Director at the University.

CONSIDERATION OF APPROVAL OF MINUTES

A motion was made by Regent Britt and seconded by Regent LaFerla to approve both the minutes of the open session of June 16, 2016, and the open session retreat of June 16, 2016, as written [Attachment A]. The motion carried unanimously.

CONSIDERATION OF APPROVAL OF OHIO VALLEY CONFERENCE GOVERNING BOARD CERTIFICATION FORM

President Vargas presented the recommendation that the Board approve the Governing Board Certification Form for Academic Year 2016-17 for submission to the Ohio Valley Conference (OVC).

By the Ohio Valley Conference policy, the governing board of each member institution is required to complete a certification form indicating that: the responsibility for administration of the athletics program has been delegated to the Chief Executive Officer of the institution; the Chief Executive Officer has the mandate and support of the Board to operate a program of integrity in full compliance with NCAA, OVC, and all
other relevant rules and regulations; and the Chief Executive Officer, in consultation with the Director of Athletics and Faculty Athletics Representative, determines how the institutional vote shall be cast on issues of athletics policy presented to the NCAA and the OVC.

A motion was made by Regent Britt and seconded by Regent LaFerla to approve the Governing Board Certification Form for Academic Year 2016-17 for submission to the Ohio Valley Conference (OVC). The motion carried unanimously.

CONSIDERATION OF APPROVAL OF FACULTY SENATE BILLS:
A. **16-A-1 THE ROLE OF THE FACULTY SENATE IN UNIVERSITY GOVERNANCE POLICY**
B. **16-A-5 INFORMATION TECHNOLOGY POLICY**

Provost Karl Kunkel presented the recommendation that the Board approve the proposed revision for *The Role of the Faculty Senate in University Governance* to establish a policy section in Chapter 1, Section G4 of the Faculty Handbook.

At their March 25, 2010, meeting, the Board of Regents directed then President Ken Dobbins, working with the Faculty Senate, to review the Faculty Handbook and recommend changes to ensure the Faculty Handbook conforms to current Board policies and directives.

On January 27, 2016, the Faculty Senate approved Faculty Senate Bill 16-A-1, which simplifies and updates language while preserving the original intent of the policy. Changes in the language of the policy include removing repetitive statements from the Faculty Senate constitution, and moving appointment processes and membership for university standing committees to a procedures section.

Provost Kunkel also presented the recommendation that the Board approve the proposed revision for *Information Technology* to establish a policy section in Chapter 6 of the Faculty Handbook.

On February 24, 2016, the Faculty Senate approved Faculty Senate Bill 16-A-5. The bill and its companion bill (16-A-6) divide the current *Information Technology* section of the Faculty Handbook text into policy and procedure. Changes to the language of the policy include eliminating outdated references to specific technologies and university offices or titles no longer in use, and adding references to university policies and procedures that are defined and managed outside of the Faculty Handbook.

A motion was made to approve both items A and B as written by Regent Meyer and seconded by Regent LaFerla. The motion carried unanimously.
RESOLUTION HONORING THE 2016 OHIO VALLEY CONFERENCE
CHAMPION BASEBALL REDHAWKS

New baseball coach Andy Sawyers and senior baseball student athlete Clayton Adams were welcomed to the Board meeting. Board President Knudtson presented the following resolution:

Whereas, the Southeast Missouri State University Baseball Team won the 2016 Ohio Valley Conference (OVC) Regular Season Championship, marking the third consecutive season to do so and the fourth in Redhawks Baseball history; and

Whereas, the Redhawks won the OVC Tournament for the third time in program history, making its third appearance at an NCAA Regional Tournament; and

Whereas, Southeast finished the season 39-21 and 22-8 in the OVC, breaking the record for most victories in a season in school history; and

Whereas, Head Coach, Steve Bieser, was named the 2016 OVC Coach of the Year; and

Whereas, Joey Lucchesi became the first pitcher to win the title of OVC Pitcher of the Year in back-to-back seasons, while joining Branden Boggetto, Chris Osborne, Garrett Gandolfo, and Robert Beltran as First Team All-OVC Selections; and

Whereas, Joey Lucchesi became the highest draft pick out of Southeast Missouri State when he was drafted by the San Diego Padres in the fourth round (114th overall pick) of the Major League Baseball Draft, while Branden Boggetto was drafted by the Washington Nationals in the 25th round (745th overall pick); and

Whereas, Joey Lucchesi earned All-America status from the National Collegiate Baseball Writers Association, Baseball America, and Louisville Slugger; broke the single-season strikeouts record (149) for both Southeast Missouri State University and the OVC, as well as broke Southeast’s career strikeouts record (242); and

Whereas, Trevor Ezell was named College Sports Information Directors of America (CoSIDA) Third-Team Academic All-American, while joining Branden Boggetto as a CoSIDA Academic All-District selection;

Now, therefore, be it resolved by the Board of Regents of Southeast Missouri State University that the grateful appreciation of the University community be expressed to these student-athletes and coaches who experienced outstanding success, and that this resolution be placed in the minutes of the Board of Regents;

Done in the City of Cape Girardeau, Missouri, this ninth day of September in the year two thousand sixteen.
President Knudtson invited Coach Sawyers to make remarks and the Coach indicated he was pleased the Board was recognizing former Coach Steve Bieser and the student athletes not only for their accomplishments on the field, but also for their success in the classroom. The coach and Mr. Adams were then joined by senior baseball student athletes Robert Beltran, Joel Taylor, and Justin Murphy for photographs with the members of the Board of Regents.

PRESENTATION ON GEOGRAPHIC INFORMATION SYSTEMS AND PROJECTS AND STUDENT PRESENTATION

University President Carlos Vargas indicated to the members of the Board that he intends to schedule a student presentation for each upcoming Board meeting in order to give members the opportunity to get to know students outside social or athletic events. The students will represent a variety of backgrounds, majors, and experiences, and Board members will have the opportunity to ask questions of the student.

President Vargas introduced Ms. Sarah Stellhorn as the first student presentation and Ms. Stellhorn was welcomed by the Board. Ms. Stellhorn indicated she is a graduate student seeking her MBA after having graduated in May with a Bachelor of Science degree with a major in agribusiness: plant and soil science, and a minor in business administration. She is currently serving as a graduate assistant in the Office of the President. While an undergraduate, she was active in Greek life and honors societies, worked as a tour guide in Admissions, and for all four years in the Office of New Student Programs.

Ms. Stellhorn indicated she has been active at Southeast since her freshmen year and learned to wisely manage her academics with activities, achieving a 3.9 GPA. Her dream job is to work with geographic information systems (GIS) in agriculture, assisting farmers. She was extremely complimentary of the agriculture department and its faculty and the opportunities provided to students.

When questioned as to what changes she believes students would like to see at Southeast, Ms. Stellhorn jokingly indicated that students require more parking. On a serious note, she said agriculture students would like to see a master’s degree in agriculture as they now consider Murray State and SIU-Carbondale when considering higher education in agriculture.

Ms. Stellhorn then presented to the Board a PowerPoint using the GIS technology to detail information regarding new student enrolment from Fall 2015. The GIS technology can provide a visual presentation through a variety of layers that can be used to display patterns, correlations or relationships.

Dr. Vargas said there are many ways to utilize the GIS technology especially in marketing and communications, recruitment, and workforce development. While the
technology has been available in the Department of Agriculture for quite some time, the University is currently working with the vendor to provide a site license, and access for all faculty, staff, and students, including those at the regional campuses. Board members discussed several possible uses for the technology, both in the private and public sectors, and Dr. Vargas indicated the University is considering the possibility of establishing a GIS Center to provide services to the general public, especially those in business and industry.

RESOLUTION HONORING THE 2016 OHIO VALLEY CONFERENCE MEN’S OUTDOOR TRACK AND FIELD CHAMPIONSHIP

Board President Knudtson presented the following resolution to Head Coach Eric Crumpecker, and members of the men’s outdoor track and field team who were present:

Whereas, the Southeast Missouri State University Men’s Track & Field Team won the Ohio Valley Conference (OVC) Outdoor Championships, marking the seventh time in school history; and

Whereas, Head Coach Eric Crumpecker was named Men’s Outdoor Track & Field Coach of the Year for the second time in his career; and

Whereas, the Men’s Outdoor Track & Field Team won 10 gold medals during the 2016 OVC Outdoor Championships; and

Whereas, Kevin Farley was named the championship MVP for the second time in his career; and

Whereas, Kevin Farley earned First-Team All-America honors in discus and Second-Team All-America in shot put while competing at the NCAA Outdoor Track & Field Championships in Eugene, Oregon; and

Whereas, Kevin Farley set new school records in the shot put (62’ 1.25”) and the weight throw (211’4”) and Marc Maton set a new school record in the 1500m (3:46.31);

Now, therefore, be it resolved by the Board of Regents of Southeast Missouri State University that the grateful appreciation of the University community be expressed to these student-athletes and coaches who experienced outstanding success, and that this resolution be placed in the minutes of the Board of Regents;

Done in the City of Cape Girardeau, Missouri, this ninth day of September in the year two thousand sixteen.

Board President Knudtson commended the team and additionally recognized the outstanding academic achievements of the men’s basketball program for the summer
session, and the baseball and track student athletes for their outstanding academic success.

**UPDATE ON PRESIDENT'S TASK FORCE ON DIVERSITY EDUCATION FINAL REPORT**

President Vargas reminded the Board that the Task Force on Diversity Education was established several years ago and members submitted their final report to the Board in December 2015. Since that time, the University and campus leaders have been working on implementation of several of the recommendations of the Report.

Among the recommendations was the establishment of a standing committee on equity and inclusion. President Vargas indicated he has met with the committee, which is an advisory committee to the president. His intentions are to attend as many meetings as possible without getting in the way of the work. The Committee is comprised of representative members of the campus community, and the President selected co-chairs Sonia Rucker, coordinator of Institutional Equity and Diversity, and Dr. Hamner Hill, professor and chair of the Department of Political Science, Philosophy, and Religion.

Ms. Rucker referred to the Task Force on Diversity Education Progress Report (Attachment G) and indicated that updates are highlighted in red. In Goal 1, recommendation 1, to hire a national campus climate consultant to engage the University in a long-term strategy, the University has secured Inclusion, Inc., out of Minneapolis, Minnesota. Their proposal included providing 360 inclusive leader evaluations and training for up to 65 campus constituents, and those people are currently being identified for the first cohort. The University will work with the firm during the 2016-2017 academic year.

Goal 1, recommendation 2, to implement a consistent training program for the University’s leadership team, Human Resources is conducting a search for an HR Training Manager with plans to have that person in place by the end of October. The position will work with Ms. Rucker to conduct diversity and inclusion training, as well as facilitating leadership training, and coordinate on campus workshops on diversity/inclusion.

Goal 4 refers to the University Equity and Inclusion Committee, which will work with various colleges and departments on campus to monitor institutional progress toward the goals. Ms. Rucker introduced Dr. Hill to discuss the first meeting of the Committee, which was held August 31, 2016, and President Knudtson commended and congratulated Dr. Hill for his extensive service to the University.

Dr. Hill explained that the Diversity Task Force and consequently the Equity and Inclusion Committee grew out of the institutional response to the events in Ferguson. It is a large representative committee with students, faculty, and staff, and many perspectives,
which is important. The committee reviewed the nine objectives of the Task Force Progress Report to select those that could be focused upon in a year’s time. Equity and inclusion is an ongoing process and it will never stop. Committee members chose four subcommittees, including:

1. Academics and Curriculum
2. Student Engagement and Success – what can we do to engage our diverse student population and increase their success rates?
3. Training and Development
4. Institutional Research and Strategic Planning

Dr. Hill indicated that there currently is a survey of each of the Committee members asking them to rank the subcommittees on which they wish to serve and whether or not they are willing to serve in a leadership role. The next step is to decide priorities within each of the subcommittees. The academic area is important as the University is reviewing its general studies block and the question is how do we get diversity and inclusion into the curriculum.

President Vargas said it is everyone’s responsibility to be involved in this initiative, and to empower those to participate and contribute. It is the President’s intention that the various divisions and offices on campus will provide reports regarding diversity and inclusion to the Equity and Inclusion Committee, who will evaluate and make recommendations regarding progress. This is not creating or adding a new entity to the campus community as already allocated resources will be used. Additionally, there will not be additional courses added to the curriculum, but instead we will look at ways to infuse equity and diversity into the current curriculum.

Regent LaFerla questioned whether a budget had been established. Dr. Hill indicated that the Committee had not received a specific budget and Ms. Rucker said there was an initial $50,000 appropriated at the conclusion of the Diversity Task Force by the Board of Regents, and additional resources have been provided by various departments for the initiative. Regent LaFerla said he believed there should be some federal and state grant funds that might be available. Dr. Hill agreed and said the Committee would pursue additional grant funding. Ms. Rucker indicated the University will pursue implementation of the recommendations through the current budgeting process.

President Knudtson indicated that there may be a future need for additional funding for implementation of the recommendations. He said the Board is committed to this initiative and wants to be proactive in implementing the recommendations. Dr. Hill said that if the Committee finds it needs additional resources for, as an example, the recruitment of more minority faculty, the Committee may need to approach the Board for that funding. President Knudtson said it is satisfying to see a workable number of goals and to see that the University’s priority goal of retention has been incorporated into the
Task Force goals. He said the Board of Regents stands firmly in support of the Committee and the process to ensure we are addressing these issues.

**UPDATE ON ORGANIZATIONAL CHANGES**

President Vargas updated the Board on several organizational changes, including changes in Institutional Research, a department which must be proactive in providing data to assist in making better decisions. The administrator in that office recently left the University and Dr. Chuck McAllister, currently Vice Provost, volunteered to take that position on an interim basis. He will review that office and make recommendations regarding the efficiency and effectiveness. In that capacity, he will report to the President. Dr. Allen Gaither has been asked to assume the Graduate School portion of Dr. McAllister's assignments and will be the Interim Dean of Graduate Studies.

The Office of Extended Learning and Continuing Education will be separated into two distinct areas with Extended Learning, which includes the campuses at Malden, Kennett, and Sikeston, continuing to report to the academic affairs area. The Continuing Education area will be integrated with workforce development initiatives that Crystal Jones is leading on an interim basis. We will be strengthening that area, working with the Delta Research Authority and with other workforce and economic development agencies.

KRCU National Public Radio station was, for historical reasons, reporting to the dean of the College of Liberal Arts. It will now report to Mr. Bill Holland in the Division of Advancement. It has been clarified that Catapult and The Douglas C. Greene Center for Innovation and Entrepreneurship will continue to remain in academic affairs.

We are in the process of hiring a position approved during the budget review process. The Associate Provost for Academic Effectiveness and Student Success will support the operations of the Provost’s Office.

**REPORT ON CONTRACTS AND FACILITIES MANAGEMENT PROJECTS**

Kathy Mangels, Vice President for Finance and Administration reported on Attachment H, including contracts in excess of $100,000 executed 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. These include maintenance contracts such as elevator maintenance, general plumbing, electrical and construction contracts. We also do general maintenance contracts for each of the regional campuses to assist in response times.

The Caraher field renovations contract was awarded and a ground breaking ceremony held in conjunction with the City of Cape Girardeau. The renovations are scheduled to be completed by December 31, 2016. The roof is being replaced at the Malden Campus scheduled to be completed November 23, 2016. Agriculture facilities at
all three regional campuses are being expanded, with funding from the U.S. Department of Agriculture for the Rice Breeder Greenhouse at the Malden Campus. It is scheduled to be completed by December 16, 2016.

The University did receive some state funding to remodel Grauel, Crisp and Brandt Halls. Grauel is the first to be renovated and the Center for Speech and Hearing is under construction with the Regents scheduled to tour the building following today's meeting. The Center will be completed in November and beginning in January, Grauel will be vacated for renovation during the spring and summer. Relocation space has been identified in consultation with the three academic departments in Grauel.

Ms. Mangels highlighted several projects that are locally funded and maintenance and repair capital improvements over $50,000, including the Show Me Center Phase 2, 325 Broadway, and Rhodes Hall roof replacement. She highlighted athletic projects, including the softball field backstop and batting cage, tennis court locker rooms, and some conceptual designs for the track building renovation and addition.

We are in the process of executing the contract for foundation repairs for Cheney Hall to be completed during the fall. And we continue to work on the Campus-Wide Facilities Master Plan, which will include residence halls. We will be reviewing Cheney Hall to determine the best use for the facility. There are several options for Cheney, including mixed-use for both administrative offices and as a residence hall. It will take an investment to update the Cheney infrastructure, so we will want to make the best decisions concerning its use.

We are evaluating proposals from engineers for the NPHC Plaza and Central Pedestrian Corridor. A firm should be selected by the end of next week. Work on the relocation of the marching band facilities is in conjunction with a private owner of 416 Morgan Oak, who is soliciting bids from contractors and working with the City of Cape Girardeau to obtain permits. The project will be completed in the fall semester. That relocation will open space in Brandt Hall and provide new opportunities.

Regent Meyer inquired about the three possibilities for Cheney Hall, and the timeline for making a decision regarding its use. Ms. Mangels indicated that as part of the University Master Planning, the recommendation for Cheney's use will be presented to the Board next summer. Regent Meyer emphasized that Cheney Hall is not scheduled for demolition and Ms. Mangels agreed that there has never been any discussion regarding the demolition of Cheney Hall. The building is central to campus with adjacent parking and continues to have great potential for a variety of uses.

Regent Meyer inquired about the Center for Speech and Hearing change orders involving unsuitable soil. Ms. Mangels explained that it was discovered that soil was not compacted and contained unsuitable fill from possibly an older University construction project necessitating the need to remove the unsuitable soil and bring in clean fill. Regent
Meyer recalled several older houses on that property which were demolished in the 1970s which may have contributed to the issue.

President Knudtson asked President Vargas to provide the Regents with an update on Dearmont Hall, and the electrical issues encountered as the semester began. President Vargas said Dearmont provides an opportunity for single rooms which has generated increased interest. It was constructed in the 1960s. Two of the four wings electrical systems have been updated. With high temperatures as the semester began, there was increased electrical usage causing the system to crash in the wings where the system had not been replaced. The power could not be restored immediately due to the age of the transformer, which must be completely rebuilt by the manufacturer. As the parts become available, the systems will be replaced in those two wings. A total of 51 students were displaced due to the electrical issue. All the students have either been placed in other residence halls or they have elected to move off campus. We worked with area landlords to locate facilities and tried to be as accommodating as possible to those students who were displaced. Faculty and staff volunteered to assist the students with the actual moving, President Vargas indicated that he will be involved in a review of residence hall infrastructure to ascertain preventative measures so something similar does not occur in the future.

Dr. Bruce Skinner, assistant vice president for Student Success and Auxiliary Services, commended several of the Office of Residence Life staff and Facilities Management staff for their support of students throughout the incident. President Knudtson indicated that while it was difficult news to get, the members of the Board were proud of the staff reaction, the transparency, and the support for the students and their families. Funding, budgeting, and deferred maintenance are difficult areas to discuss and the University has brought online a number of new inventory over the past 10 years. We sent were: Mr. Jay B. Knudtson, President of the Board of Regents; Mr. Phillip M. Britt; issues such as what occurred at Dearmont do not occur in the future.

Ms. Mangels indicated that we have built more residence hall capacity. Part of the philosophy in building was to provide opportunities to take some facilities offline for upgrades and deferred maintenance projects. Cheney, Dearmont and Henderson all need some upgrades, but we needed to have inventory to take them out of the system and still meet demand. Towers North HVAC received a $3 million upgrade this summer as we work on deferred maintenance.

President Knudtson commended Facilities Management and Residence Life for the job of setting priorities and balancing deferred maintenance budget and projects.

A motion was made by Regent Meyer and seconded by Regent Britt to recess the open session and convene the closed session for consideration of the following:
A. RSMo 610.021.1 -- pertaining to legal actions, causes of action or litigation
B. RSMo 610.021.2 -- pertaining to lease, purchase, or sale of real estate
B. RSMo 610.021.3 -- pertaining to the hiring, firing, disciplining or promotion of personnel
C. RSMo 610.021.9 -- pertaining to preparation for negotiations with employee groups
D. RSMo 610.021.13 -- pertaining to personnel records, performance ratings
E. RSMo 610.021.14 -- pertaining to records which are protected from disclosure by law

A roll call vote was taken. Voting in favor were: Britt, LaFerla, Meyer, Neely-Martin and Knudtson. The motion carried.

ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

Board President Knudtson announced that routine faculty and non-faculty personnel actions; were approved during the closed session.

CONSIDERATION OF MOTION TO ADJOURN

A motion was made by Regent LaFerla and seconded by Regent Britt to adjourn the meeting. The motion carried unanimously.

Diane O. Sides
Board of Regents' Assistant Secretary

APPROVED:

Jay B. Knudtson, President
Board of Regents
Southeast Missouri State University
I. Motion to be Considered:

Approve the conferring of degrees upon the candidates for Summer 2016 and Fall 2016. Graduation pending final verification of their completion of degree requirements.

II. Background:

The Missouri statutes empower the Board of Regents of each state college and university to confer degrees.

Recommended By:
Student Government
Faculty Senate
Administrative Council
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:  

Attachment B
Harrison College of Business

BACHELOR OF SCIENCE

Syil M. Bhuian
Andrew Blume
Jenna A. Burt
Millcintt R. Cowgill
Kayla M. Derby
Alixson M. Eldridge
Alexandria M. Holman
Ryan M. Liverer
Rachel A. Sauer
Yueming Wang

BACHELOR OF SCIENCE IN BUSINESS

ADMINISTRATION

Hallie H. Alley
Khadeejah Alqatanani
Mohammed S. Alalam
Cameron L. Barnett
Alyssa Baslar
Alyssa L. Basler
Brandon R. Beasley
Trevor A. Beussink
Bryan E. Blaylock
Chanel A. Blount
Benjamin D. Bohmer
Collin R. Brennan
Alexander J. Brown
Laura J. Brown

Xiuqi Cao
Lindsey R. Cathcart
Joshua D. Cooley
Ameisha M. Crowder
Lindsey E. Crowley
Wesley A. Cumbaugh
Howrogo R. Debalo
Mailly P. Douglas
Ying Fan
Rachel A. Ferrish
Matthew R. Floyd
James T. Freeman
Quinn M. Fulton
Alexander B. Gabriel
Zhenyu Gao
Hunter C. Givens
Jeffrey B. Goforth
Benjamin L. Goin
Patrick D. Green
Tanner C. Hankins
Steven M. Harris Jr
Leigha C. Head
Michael S. Holt
Erica R. Hovis
Kathryn E. Howell
Timothy J. Howell
Kelsey E. Irwin
Katelyn E. Jackson

Lindsay K. Klos
Roy G. Leighton
Katyln E. Leinier
Gen Li
Sijia Li
Qingfeng Liu
Hemom Mohi
Rebecca L. Manetz
Clint Mason
Jordan L. McKinley
Hideo Nakayama
Yujing Nong
Hannah M. Oerturb
Sydney M. Ozbun
Ranicia A. Person
Samantha J. Rupp

Bradley P. Schweiss
Austin J. Scott
Alec M. Sebastian
Sangita Shrestha
Ryan M. Siebert
Jonathon R. Spania
Gary G. Stovall Jr
Chao Nan Teng
Fengru Tian
Alex S. Timmermann
Michael D. Vinson
Luyao Wang
Minghao Wang
Dominique K. White
Linda A. Wiggs
Yuhe Xiong
Carlos T. Yokoyama
Yifan Yu
Hangjian Zhang
Liwen Zhang

CERTIFICATE PROGRAMS

Donald L. Howard
MASTER OF BUSINESS ADMINISTRATION

David S. Arnold*
Daria Beskashkova
Gaurav Bhandari
Leslie D. Boocher*
Chenxi Cao
Megan B. Chapman
Shea E. Clark
Jason P. Cobb
McKenna L. Craigmiles
Jacob Dahlgren
Jialun Dai
Fae W. N. Dawood
Mingzhe Du
Scano Loretta Fernando
Justin B. Friedman

College of Education

BACHELOR OF SCIENCE

IN EDUCATION

Rebecca Amick
Kelly M. Backer
Brittany L. Becker
Elizabeth L. Bernard
Abbey M. Blackwell
Shelly A. Bodenstein
Rachel L. Bright
Molly C. Bruder
Benjamin D. Burnett
Korir S. Christian
Elizabeth A. Copeland
Morgan K. Crowell
Melanie M. Davis
Maria K. Elink
Hayley A. Farrell
Nathan R. Faulkner
Victoria E. Gilbert
Emily E. Hake
Katherine L. Hall
Katherine A. Harig
Theresa A. Harris
Daniel S. Harter
Meredith P. Headke
Emily Heigel
Kaytiln C. Hogue
Rodney A. Huffman
Margaret E. Kehoe

Airne D. Leible
Amanda R. Lindsey
Helen A. Mischmeyel*
Taylor L. McBroom
Kayla L. McCabe
Sharon D. McClain
Amy L. McCutie
Jessica A. Mercer
Kirstin E. Mies
McColin S. Mohsen
Hannah E. Moss
Ryan G. Mueller
Rachael E. Murphy
Cassandra K. Nannay
Bethany J. Olson
Ashley M. Cephe
Kelsi P. Hervett
Shelby K. Ratliff
Elizabeth K. Reih
Misty J. Shever
Samantha N. Stilii
Mary F. Witkemeyner
Kylie J. Zurek

CERTIFICATE PROGRAMS

Haley E. Thompson
MASTER OF ARTS

Jennifer M. Austin*

Megan B. Grossbauer
Marie Guillaume
Carissa A. Halbert
Luyao Wang
Minghao Wang
Dominique K. White
Linda A. Wiggs
Yuhe Xiong
Carlos T. Yokoyama
Yifan Yu
Hangjian Zhang
Liwen Zhang

CERTIFICATE PROGRAMS

Donald L. Howard
MASTER OF BUSINESS ADMINISTRATION

David S. Arnold*
Daria Beskashkova
Gaurav Bhandari
Leslie D. Boocher*
Chenxi Cao
Megan B. Chapman
Shea E. Clark
Jason P. Cobb
McKenna L. Craigmiles
Jacob Dahlgren
Jialun Dai
Fae W. N. Dawood
Mingzhe Du
Scano Loretta Fernando
Justin B. Friedman

*4.0 GRADE POINT AVERAGE

Neha Ghimire
Xue Han
Brandon K. Hicks*
Zachary W. James
Dongsheing Li
Menglin Li
Dan Liu
John C. Moresi
Sara J. Petitt
Jason M. Pounen
Qi Rong
Ashton G. Sawyer
Matthew Spence
Leah D. Stewart
Amanda M. Wolk*
Kara D. Wright

MASTER OF SCIENCE

Jeff W. Brun*  Faraqoq N. Dawood
Subhash C. Doppalupadi
Revathi Dubejunta
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Abdullah F. Alawwari
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Abdullah A. Alsad
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ding
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Rajesh Chollri
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Kiran Kumar Egeapuri
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Velakkanah Kangachand D. Galai
K. Gurupad
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RamaKrishna Kompatri
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Vivek Kumar Malayla
Raviheja Manchala
Siddhartha Mukherje
Chandu Narasinga
Narsimma Pedi†
Bulatshinghe Anchini V. Perias
Winthage S. Perera
Muna Pokhare
Swapna Sri Pola Reddy
Richard K. Potter
Naga Raja Poturi

Yabeeh Rajthandari*
Raj Kumar Rangisetty
Naresh Kumar Sandhi

Sahith R. Sanike
Arshad Shaik
Mohammad Hyder Ali Shaik

Shahroz Shaik
Sai Sravani Veera

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With Honor in Associate Degrees

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Cum Laude

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Rachel L. Alford
Khadeejah Alqahtani
Rebecca Amluck
Austin T. Andrews
Brittany N. Argue
Alison N. Bay
Emily M. Beninato
Allison Berry
Cheryl L. Beyor
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BOARD OF REGENTS
MOTION CONSIDERATION FORM
December 16, 2016
Open Session

I. Motion to be Considered:

Approve the acceptance of the University’s annual financial statement, the Single Audit Report and the System Facilities financial statement for the year ending June 30, 2016, from RubinBrown, LLP.

II. Background:

RubinBrown, LLP has served as the external auditor of the University for the last eight fiscal years. The fiscal year 2016 audit is the second year of a five-year audit services contract. The firm was founded in 1952 and has provided professional services to governments, not-for-profit organizations and other businesses for over 64 years. The University audit is conducted by an audit team from the firm’s St. Louis office.

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.

The financial statement document consists of a Management’s Discussion and Analysis; basic 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 financial statements for the Foundation including a Statement of Financial Position and Statement of Activities, notes to the basic financial statements, and

Recommended By:

Student Government
Faculty Senate
Administrative Council
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:
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 ensures that the University’s internal control structure provides reasonable assurance that requirements associated with federal awards are followed in accordance with applicable guidelines and that the University has complied with applicable laws and regulations for each major federal program as defined under Title 2 U. S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Several individual audit reports are contained within the Single Audit Report which addresses various requirements concerning the University’s management of federal grant programs. There were no material instances of noncompliance found in conducting test work over the University’s major federal programs. Additionally, there were no material weaknesses identified in the auditor’s reports. There was one significant deficiency identified that was not considered a material weakness. Based on a review of 40 students tested, one instance was noted in which the reduction in Pell grant funding was not communicated to the COD system within the 45 day requirement as required by 34 CFR 668.22(j)(1). It was noted that one other student not included in the 40 student sample had similar circumstances. The University concurs with the finding and has updated processes to ensure all required information is submitted within the 45-day required timeframe.

The System Facilities financial statements present the activity for fiscal year 2016 for the funds established by the terms of the bond resolution for the System Facilities Revenue Bonds Series 2011B, 2013A, 2013B, 2016A and 2016B. The basis 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 report 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.
Report to the Board of Regents - Results of Annual Audit

Southeast Missouri State University

For The Year Ended June 30, 2016
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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, 2016, and issued our report dated November 14, 2016. 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 April 29, 2016, 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.
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 issued the following reports:

- An unmodified opinion on the University's financial statements for the year ended June 30, 2016.

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

- An unmodified opinion of the System Facilities financial statements for the year ended June 30, 2016.

- An independent accountant's report on agreed-upon procedures applied pursuant to NCAA Bylaw 3.2.4.15.
Other Information In Documents Containing Audited Financial Statements

The 2016 audited financial statements of the University will be included in the financial statements of the State of Missouri. To our knowledge, the 2016 audited financial statements for the University are not included within any other document.

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. During fiscal year 2016, the University adopted GASB Statement No. 72, Fair Value Measurement and Application. Aside from this, no new accounting policies were adopted during the year ended June 30, 2016.
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.

**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.

- **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.

- **Accrued post-employment benefits:** Management estimates the future liability for post-employment 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.
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, 2016, as well as the current year additions, current year retirements, depreciation expense and total accumulated depreciation expense for the year ended June 30, 2016.

- 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 pension liability and related deferred inflows and outflows of resources.

- Disclosures related to the Foundation, a discretely presented component unit, in Note 16.

Difficulties In Performing The Audit

We encountered no difficulties in dealing with management in performing and completing our audit.
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 did not identify any corrected or 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 14, 2016. A copy of the letter has been attached to this document.

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 14, 2016
## Schedule Of Assets (Thousands)

### Southeast Missouri State University

<table>
<thead>
<tr>
<th>Assets</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$10,486</td>
<td>$11,508</td>
</tr>
<tr>
<td>Investments</td>
<td>71,006</td>
<td>70,643</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>115</td>
<td>92</td>
</tr>
<tr>
<td>Accounts and notes receivable</td>
<td>8,503</td>
<td>8,536</td>
</tr>
<tr>
<td>Due from federal government</td>
<td>1,719</td>
<td>837</td>
</tr>
<tr>
<td>Inventory</td>
<td>2,759</td>
<td>2,683</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>491</td>
<td>364</td>
</tr>
<tr>
<td>Capital assets</td>
<td>447,503</td>
<td>437,789</td>
</tr>
<tr>
<td>Due from component unit - Foundation</td>
<td>4,869</td>
<td>4,876</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>547,451</td>
<td>537,328</td>
</tr>
</tbody>
</table>

### Deferred Outflows

<table>
<thead>
<tr>
<th>Deferred Outflows</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred outflows - pension</td>
<td>15,417</td>
<td>8,249</td>
</tr>
<tr>
<td>Deferred outflows - bond refunding</td>
<td>6,133</td>
<td>6,358</td>
</tr>
<tr>
<td><strong>Total Deferred Outflows</strong></td>
<td>21,550</td>
<td>14,607</td>
</tr>
</tbody>
</table>

### Total Assets And Deferred Outflows

| Total Assets And Deferred Outflows    | 569,001  | 551,935  |

### OBSERVATIONS

- Total assets and deferred outflows increased approximately $17.1 million over the prior year, primarily due to the following:
  - An increase of $9.7 million in Capital Assets mainly due to significant construction in progress at the end of the year for the Greek Housing project.
  - An increase of $7.2 million in deferred outflows - pension related to the actuarial calculations for the University's share of the MOSERS pension plan liability.

For Board Of Regents And Management Use Only
# Schedule Of Liabilities And Net Position (Thousands)

## Southeast Missouri State University

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>6,291</td>
<td>8,758</td>
</tr>
<tr>
<td>Accrued compensation</td>
<td>8,167</td>
<td>7,692</td>
</tr>
<tr>
<td>Bond interest payable</td>
<td>2,087</td>
<td>2,033</td>
</tr>
<tr>
<td>Due to federal government</td>
<td>3,626</td>
<td>3,660</td>
</tr>
<tr>
<td>Funds held for others</td>
<td>181</td>
<td>253</td>
</tr>
<tr>
<td>Unearned income</td>
<td>10,314</td>
<td>4,356</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>78,423</td>
<td>56,355</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>189,983</td>
<td>184,535</td>
</tr>
<tr>
<td>Notes payable</td>
<td>356</td>
<td>392</td>
</tr>
<tr>
<td>Capital lease payable</td>
<td>—</td>
<td>13</td>
</tr>
<tr>
<td>Postretirement employee benefit obligation</td>
<td>1,888</td>
<td>1,711</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>301,318</td>
<td>270,058</td>
</tr>
<tr>
<td><strong>Deferred Inflows - Pension</strong></td>
<td>1,551</td>
<td>16,432</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>266,132</td>
<td>255,445</td>
</tr>
</tbody>
</table>

**Total Liabilities, Deferred Inflows And Net Position**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 569,001</td>
<td>$ 551,935</td>
</tr>
</tbody>
</table>

## OBSERVATIONS

- Total liabilities increased by $31.0 million, primarily due to the following:
  - A decrease in accounts payable of $2.5 million, while unearned income increased $6 million. This is due to funding provided by the University's food service vendor who has made capital improvements. $2.3 million of this funding has been reclassified from accounts payable to unearned income in the current year, and an additional $3.9 million was provided for additional construction to increase the unearned income balance.
  - An increase in bonds payable of $5.5 million is due to the issuance of Systems Facilities Revenue Bonds Series 2016A and 2016B minus regularly scheduled payments.
  - An increase in net pension liability of $22 million due to the actuarial calculations of the University's share of the MOSERS pension plan liability.
  - Deferred Inflows decreased $15 million due to the actuarial calculations made by MOSERS actuaries.
Schedule Of Revenues (Thousands)

Southeast Missouri State University

<table>
<thead>
<tr>
<th>Revenues</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees, net</td>
<td>$69,251</td>
<td>$75,915</td>
</tr>
<tr>
<td>Grants, contracts and appropriations</td>
<td>71,965</td>
<td>72,107</td>
</tr>
<tr>
<td>Capital grants and appropriations</td>
<td>378</td>
<td>2,068</td>
</tr>
<tr>
<td>Investment income</td>
<td>2,809</td>
<td>2,525</td>
</tr>
<tr>
<td>Auxiliary enterprises</td>
<td>18,946</td>
<td>27,670</td>
</tr>
<tr>
<td>Other sources</td>
<td>9,606</td>
<td>7,958</td>
</tr>
<tr>
<td>Contributions</td>
<td>3,521</td>
<td>5,142</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$176,596</td>
<td>$193,405</td>
</tr>
</tbody>
</table>

**OBSERVATIONS**

- Revenues decreased by approximately $16.8 million over the prior year due to the following:
  - A decrease of $6.6 million in tuition and fees due to an increased scholarship allowance of $6.7 million in 2016, due to a revision in the estimates incorporated into the calculation.
  - A decrease in auxiliary enterprises of $8.7 million, largely due to the increased scholarship allowance in 2016.
  - A decrease of $1.7 million in contributions, largely due to the required match provided from the Foundation of $2.0 million related to the capital appropriation received from the State in the prior year.
# Schedule Of Expenses (Thousands)

## Southeast Missouri State University

<table>
<thead>
<tr>
<th>Expenses</th>
<th>June 30, 2016</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, wages and benefits</td>
<td>$93,563</td>
<td>$89,555</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>19,438</td>
<td>23,758</td>
</tr>
<tr>
<td>Utilities</td>
<td>5,069</td>
<td>5,334</td>
</tr>
<tr>
<td>Supplies and other services</td>
<td>35,134</td>
<td>43,885</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>13,604</td>
<td>12,863</td>
</tr>
<tr>
<td>OPEB</td>
<td>176</td>
<td>148</td>
</tr>
<tr>
<td>Interest on bonds and notes payable</td>
<td>8,552</td>
<td>8,786</td>
</tr>
<tr>
<td>Loss on disposal of plant funds</td>
<td>373</td>
<td>4,013</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>175,909</strong></td>
<td><strong>188,422</strong></td>
</tr>
</tbody>
</table>

| Change in Net Assets              | $687          | $4,983        |

## OBSERVATIONS

- Total expenses decreased by $12.5 million over the prior year due to the following:
  - An increase in salaries, wages and benefits of $3.9 million largely due to an increase in pension payments in the current year. Amounts for pension payments are estimates for GASB 68 provided to the University from MOSERS’ actuaries.
  - A decrease in scholarships and allowances of $4.3 million was the result of a change in the scholarship allowance computation.
  - A decrease in loss on disposal of plant funds of $3.6 million and an decrease in supplies and other services of $8.8 million. Loss on disposal of plant funds and supplies and other services fluctuate from year to year depending on the capital assets disposed for that year or the supplies and maintenance needs of the University, respectively.
  - Change in net assets decreased $4.2 million from the prior year.
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, 2016 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.

Rabin Brown LLP  
November 14, 2016
November 14, 2016

RubinBrown LLP
One North Brentwood Boulevard
Saint Louis, Missouri 63105

We are providing this letter in connection with your audit of the financial statements of Southeast Missouri State University as of June 30, 2016 and for the year then ended for the purpose of expressing opinions as to whether the financial statements 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 and the respective changes in financial position and cash flows thereof in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles.

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.

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

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
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 we used in making accounting estimates are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties 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. We have disclosed to you the issuance of the Series 2016C System Facilities Revenue Bonds on August 10, 2016, which partially refunded the Series 2011B System Facilities Revenue Bonds. Apart from this, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

9. Guarantees, whether written or oral, under which the University is contingently liable, if any, have been properly recorded or disclosed.

10. 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, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources
   b. Additional information that you have requested from us for the purpose of the audit.
   c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
   d. Minutes of the meetings of Board of Regents or summaries of actions of recent meetings for which minutes have not yet been prepared.

11. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

12. 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.

13. 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.

14. Except as disclosed to you, we have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.

15. We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

17. 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.

18. We have made available to you all financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20. We have a process to track the status of audit findings and recommendations.
21. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

22. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

23. The University has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

25. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

26. As part of your audit, you assisted with preparation of the financial statements, the related notes, and the schedule of expenditures of federal awards. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

27. The University has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

28. The University has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

29. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

30. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

31. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.

32. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

33. Provisions for uncollectible receivables have been properly identified and recorded.

34. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

35. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

36. Interfund, interrail, and intr ENTITY activity and balances have been appropriately classified and reported.
37. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

38. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

39. We have appropriately disclosed the University's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy.

40. With respect to the required supplementary information (RSI), we acknowledge our responsibility for presenting the RSI in accordance with accounting principles generally accepted in the United States of America, and we believe the RSI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the RSI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

41. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the University vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.

42. With respect to federal award programs:
   a. We are responsible for understanding and complying with and have complied with the 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), including requirements relating to preparation of the schedule of expenditures of federal awards.
   b. We have prepared the schedule of expenditures of federal awards in accordance with Uniform Guidance, and have included, identified and disclosed in the schedule 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, insurance, food commodities, direct appropriations, and other assistance.
   c. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of 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 and 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 and presentation of the SEFA.
   d. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the
supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
e. We have identified and disclosed to you all of our government programs and related activities subject to Uniform Guidance.
f. We have received no requests from a federal agency to audit one or more specific programs as a major program.
g. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to major federal programs.
h. We have complied, in all material respects, with the compliance requirements, including when applicable, those set forth in the Single Audit Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including those resulting from other audits or program reviews.
i. We have disclosed any communications from grantees and pass-through entities concerning possible noncompliance with the applicable compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
j. 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 up to the date of the auditor's report.
k. Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
l. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
m. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
n. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
o. We have charged costs to federal awards in accordance with applicable cost principles.
p. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
q. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by 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.
r. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by Uniform Guidance.
s. We are responsible for preparing and implementing a corrective action plan for each audit finding.

t. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Dr. Carlos Vargas Aburto, President

Kathy M. Mangels, Vice President for Finance and Administration

Pam Sander, Controller
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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 year ended June 30, 2016, 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 opinions 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 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 opinion.
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, 2016, and the respective changes in financial position and, where applicable, each flow thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 4 through 13, the Schedule of Selected Pension Information on page 57 and the Schedule of Funding Progress for Postemployment Healthcare Plan on page 58 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 Auditors

We did not audit the financial statements of Southeast Missouri University Foundation, a discretely presented component unit of the University. Those financial statements were audited by other auditors whose report dated October 24, 2016 thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Southeast Missouri University Foundation, is based on the report of the other auditors.
Other Reporting Required By Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2016 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 14, 2016
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 year ended June 30, 2016. 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.
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, 2016 And 2015

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td>$ 29,890,630</td>
<td>$ 27,505,379</td>
</tr>
<tr>
<td><strong>Noncurrent Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets, net of depreciation</td>
<td>447,502,831</td>
<td>437,789,365</td>
</tr>
<tr>
<td>Other</td>
<td>70,058,099</td>
<td>72,033,277</td>
</tr>
<tr>
<td>Total Assets</td>
<td>547,561,500</td>
<td>537,328,021</td>
</tr>
<tr>
<td><strong>Deferred Outflows of Resources</strong></td>
<td>21,549,671</td>
<td>14,607,419</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>32,807,972</td>
<td>29,565,608</td>
</tr>
<tr>
<td><strong>Noncurrent Liabilities</strong></td>
<td>268,509,990</td>
<td>240,492,784</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>301,317,962</td>
<td>270,068,392</td>
</tr>
<tr>
<td><strong>Deferred Inflows of Resources</strong></td>
<td>1,551,087</td>
<td>16,431,701</td>
</tr>
</tbody>
</table>

**Net Position**

| Net investment in capital assets | 260,150,394 | 254,367,037 |
| Restricted                     | 5,265,862   | 7,759,728   |
| Unrestricted                   | 715,936     | 3,318,582   |
| **Total Net Position**         | $ 266,132,182 | $ 265,445,347 |

Current assets consist primarily of unrestricted and restricted cash and cash equivalents, unrestricted and restricted short-term investments, accounts receivable, accrued interest receivable and inventory. Current assets totaled $29.89 million at June 30, 2016 and $27.51 million at June 30, 2015. The increase in current assets of approximately $2.38 million from June 30, 2015 is primarily an increase in short term investments. The increase in short term investments reflects an investment strategy of investing in shorter term investments since interest rates are low and are projected to increase.
The majority of noncurrent assets are capital assets which are recorded net of accumulated depreciation. Please refer to Note 2 in the footnotes to the basic financial statements for more information regarding the University’s policy for depreciating capital assets. In addition to capital assets, long-term investments comprised $62.18 million of noncurrent assets at June 30, 2016. Long-term investments comprised $64.38 million of noncurrent assets at June 30, 2015.


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 $15.42 million at June 30, 2016 and $8.25 million at June 30, 2015 for deferred amounts related to pension plan and pension plan contributions. Deferred inflows were $1.55 million at June 30, 2016 and $16.43 million at June 30, 2015 due to deferred amounts related to the pension plan.

Current liabilities consist primarily of accounts payable, accrued compensation and unearned income. Current liabilities also include the current portion of bonds and notes payable. Current liabilities totaled $32.81 million at June 30, 2016 and $29.57 million at June 30, 2015. The increase in current liabilities was approximately $3.24 million from June 30, 2015.

Noncurrent liabilities which totaled $268.51 million at June 30, 2016 and $240.49 million at June 30, 2015, primarily consist of long term debt and net pension liability. Noncurrent liabilities related to the net pension liability increased $22.07 million from June 30, 2015 due to implementation of GASB statements No. 68 and 71 requiring the University to report $78.42 million at June 30, 2016 and $56.36 million at June 30, 2015 for its portion of the MOSERS cost-sharing, multiple employer pension plan.

Net position represents the residual interest in the University’s assets after liabilities are deducted.
SOUTHEAST MISSOURI STATE UNIVERSITY
Management's Discussion And Analysis (Continued)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Position:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$260,150,394</td>
<td>$254,367,037</td>
</tr>
<tr>
<td><strong>Restricted:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable</td>
<td>2,255,009</td>
<td>2,171,076</td>
</tr>
<tr>
<td>Expendable</td>
<td>3,010,843</td>
<td>5,588,652</td>
</tr>
<tr>
<td>Total Restricted</td>
<td>265,416,246</td>
<td>262,126,765</td>
</tr>
<tr>
<td><strong>Unrestricted:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated</td>
<td>45,864,229</td>
<td>46,512,869</td>
</tr>
<tr>
<td>Undesignated</td>
<td>(45,148,293)</td>
<td>(43,194,287)</td>
</tr>
<tr>
<td>Total Unrestricted</td>
<td>715,936</td>
<td>3,318,582</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>$266,132,182</td>
<td>$265,445,347</td>
</tr>
</tbody>
</table>

Following is a breakdown of net position at June 30, 2016:

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 $5.78 million from $254.37 million at June 30, 2015 to $260.15 million at June 30, 2016. Construction in progress increased $9 million from June 30, 2015 which related primarily to the Towers Renovation and the Greek Housing project.
SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (Continued)

Restricted net position includes the University's permanent endowment, managed by the Southeast Missouri University Foundation, which totaled $2.3 million at June 30, 2016 and $2.2 million at June 30, 2015. Although unrestricted net position is not subject to externally imposed stipulations, all of unrestricted net position has been internally designated as of June 30, 2016.

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

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in inventories</td>
<td>$2,758,604</td>
<td>$2,680,670</td>
</tr>
<tr>
<td>Future operations (including capital projects)</td>
<td>40,937,255</td>
<td>41,785,205</td>
</tr>
<tr>
<td>Quasi-endowment</td>
<td>2,168,370</td>
<td>2,046,994</td>
</tr>
<tr>
<td>Total</td>
<td>$45,864,229</td>
<td>$46,512,869</td>
</tr>
</tbody>
</table>

The total unrestricted-undesignated net position of the University of $(45.15) million at June 30, 2016 includes balances accumulated from the operations of the auxiliary enterprises, such as the residence hall system and textbook rental, which totaled $6.85 million, from loan programs which totaled $.60 million, and from general operations which totaled $(52.60) million. The total unrestricted-undesignated net position of the University of $(43.19) million at June 30, 2015 included balances accumulated from the operations of the auxiliary enterprises such as the residence hall system and textbook rental, which totaled $9.01 million, from loan programs which totaled $.64 million and from general operations which totaled $(52.84) million. The negative unrestricted net assets for June 30, 2016 and 2015 respectively results from the implementation of GASB Statements No 68 and 71 and the recording of a $78.42 and $56.36 million pension liability and related deferred inflows and outflows as discussed previously.

During 2016, the University revised the estimates involved in its calculation of the allocation of scholarship allowance and scholarship expense on the Statement of Revenues, Expenses and Changes in Net Position. In order to permit comparability between fiscal years, the 2015 amounts in the table below have been revised to present scholarship allowance and scholarship expense utilizing the University's revised allocation methodology.
The following schedule reflects the condensed revenues and expenses of the University for fiscal years 2016 and 2015:

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees, net of scholarship allowance</td>
<td>$69,251,096</td>
<td>$61,370,209</td>
</tr>
<tr>
<td>Grants and contracts</td>
<td>11,788,982</td>
<td>11,542,521</td>
</tr>
<tr>
<td>Auxiliary services</td>
<td>18,946,372</td>
<td>27,669,607</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>9,696,061</td>
<td>7,958,055</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>109,682,511</td>
<td>108,540,392</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal service</td>
<td>93,563,351</td>
<td>89,655,264</td>
</tr>
<tr>
<td>Utilities and supplies</td>
<td>40,203,016</td>
<td>38,997,015</td>
</tr>
<tr>
<td>Scholarships</td>
<td>19,438,180</td>
<td>19,435,137</td>
</tr>
<tr>
<td>Depreciation</td>
<td>13,604,347</td>
<td>12,862,981</td>
</tr>
<tr>
<td>Other Post-employment benefits (OPEB) expense</td>
<td>176,105</td>
<td>147,918</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>166,984,999</td>
<td>161,098,315</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(57,302,488)</td>
<td>(52,557,923)</td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>46,059,560</td>
<td>45,527,581</td>
</tr>
<tr>
<td>Federal grants - restricted</td>
<td>14,146,526</td>
<td>15,036,865</td>
</tr>
<tr>
<td>Investment income</td>
<td>2,809,219</td>
<td>2,524,794</td>
</tr>
<tr>
<td>Gifts</td>
<td>3,520,581</td>
<td>5,142,470</td>
</tr>
<tr>
<td>Nonoperating expenses</td>
<td>(8,924,457)</td>
<td>(12,778,927)</td>
</tr>
<tr>
<td><strong>Net Nonoperating Revenues</strong></td>
<td>57,611,429</td>
<td>55,452,783</td>
</tr>
<tr>
<td><strong>Other revenues</strong></td>
<td>377,894</td>
<td>2,088,175</td>
</tr>
<tr>
<td><strong>Increase in net position</strong></td>
<td>686,835</td>
<td>4,983,035</td>
</tr>
<tr>
<td><strong>Net position beginning of year:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As previously reported</td>
<td>265,445,347</td>
<td>327,731,637</td>
</tr>
<tr>
<td>Adjustment due to the adoption of GASB Statement No. 68</td>
<td>—</td>
<td>(67,269,325)</td>
</tr>
<tr>
<td>As restated</td>
<td>265,445,347</td>
<td>260,462,312</td>
</tr>
<tr>
<td><strong>Net position end of year</strong></td>
<td>$266,132,182</td>
<td>$265,445,347</td>
</tr>
</tbody>
</table>
Total revenues for fiscal year 2016 were $176.60 million, which consisted of operating revenues of $109.69 million, non-operating revenues of $66.53 million and other revenues of $38 million. Total revenues for fiscal year 2015 were $178.86 million, which consisted of operating revenues of $108.54 million, non-operating revenues of $68.23 million and other revenues of $2.09 million. The most significant sources of revenue for the University are student tuition and fees, state appropriations, grants and contracts, and auxiliary services.

Following is a graphic illustration of total revenue by source for the year ended June 30, 2016:

![Pie chart showing revenue sources]

Student tuition and fees surpassed state appropriations as the largest source of revenue for the University in fiscal year 2007. State appropriations have declined as a percent of total revenue from 37% in fiscal year 2002 to 26% in fiscal year 2016. The University received a 1.43% increase in State appropriations for fiscal year 2016. The University’s state appropriation for fiscal year 2017, net of the 3% governor’s reserve withholding, is $48.08 million. The fiscal year 2017 state appropriation increased by $2.02 million, net of the 3% governor’s reserve from the fiscal year 2016 level.
Operating expenses of the University totaled $166.98 million for the fiscal year ended June 30, 2016. Personal service costs, including the costs related to faculty, staff and student labor, accounted for 56% of the total operating expenses at June 30, 2016. Operating expenses of the University totaled $161.10 million for the fiscal year ended June 30, 2015. Personal service costs, including the costs related to faculty, staff and student labor, accounted for 56% of the total operating expenses at June 30, 2015.

Following is a graphic illustration of operating expenses by source for the year ended June 30, 2016:

![Pie chart showing operating expenses by source]

**Bonds and Notes Payable**

The University had outstanding bonds of approximately $189.98 million and $184.54 million at June 30, 2016 and 2015, respectively. During fiscal 2016, the University issued 2016A and 2016B bonds which were for the purpose of refunding the Series 2011 bond issue and for the construction of Greek student housing. No new debt was issued in fiscal year 2015. 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.
At June 30, 2016, the University had outstanding notes payable of approximately $356 thousand, a decrease of approximately $36 thousand from June 30, 2015. No new notes were issued in fiscal year 2016 or 2015. Please refer to the notes payable footnotes (Note 9) in the notes to the basic financial statements for additional disclosures.

**Capital Assets**

At June 30, 2016 and 2015, the University's investment in capital assets was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 4,217,138</td>
<td>$ 4,217,138</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>479,373,047</td>
<td>408,237,811</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>644,994</td>
<td>636,978</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>38,508,539</td>
<td>37,785,039</td>
</tr>
<tr>
<td>Equipment</td>
<td>46,196,015</td>
<td>45,050,367</td>
</tr>
<tr>
<td>Library books</td>
<td>25,967,441</td>
<td>25,589,345</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>13,239,592</td>
<td>4,076,753</td>
</tr>
<tr>
<td></td>
<td>608,146,766</td>
<td>585,587,931</td>
</tr>
<tr>
<td>Loss: Accumulated depreciation</td>
<td>160,643,935</td>
<td>147,798,566</td>
</tr>
<tr>
<td></td>
<td>$ 447,502,831</td>
<td>$ 437,789,365</td>
</tr>
</tbody>
</table>

At June 30, 2016, 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 $28.95 million at June 30, 2016 and are to be funded from bond proceeds, state appropriations, federal grants, or other University and local funds. These projects included approximately $5.78 million for Greek Housing Student Housing, $2.31 million for Towers North renovations, $9.82 million for academic renovations to Grauel, Crisp and Brandt Buildings, $2.45 million for the Center for Speech and Hearing and $8.59 for other campus renovations.

At June 30, 2015, 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 $14.70 million at June 30, 2015 and are to be funded from bond proceeds, state appropriations, federal grants, or other University and local funds. These projects included approximately $1.82 million for the Dobbins River Campus Center and new Greek Student Housing, $6.57 million for Show Me Center Upgrades, $4.00 million for academic renovations to Grauel Building and $2.31 million for Athletic Facilities upgrades and classroom renovations.
SOUTHEAST MISSOURI STATE UNIVERSITY

Management's Discussion And Analysis (Continued)

Economic Outlook

The Board of Regents approved a $114.1 million operating budget net of designated revenue for fiscal year 2017. This was based on a 4.25% increase in state appropriations approved by the legislature in House Bill 3 and no increase to in-state, undergraduate fees. This funding level allowed the University to provide a 1.5% base merit salary increase to all employee groups for fiscal year 2017.

Sustained enrollments are very instrumental to the success of the University's budget process. Fall 2016 opening day enrollment included a 10.6% increase in beginning freshmen. Total beginning freshman enrollment grew from 1,695 on opening day in Fall 2015 to 1,875 for Fall 2016. These beginning freshman numbers include nine percent enrollment growth among Missouri students. The beginning freshman class for Fall 2016 is also increasingly diverse, boasting a record number of African American and Hispanic students. New, first-time African American student headcount is up 24 percent from a year ago while new first-time Hispanic student enrollment has grown 33 percent from fall 2015. A new university brand and marketing strategy, deployed in 2015, effectively drew attention to Southeast's high quality, accredited academic programs.

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 3200, Cape Girardeau, MO 63701.
SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENT OF NET POSITION

Page 1 Of 2
June 30, 2016

Assets

Current Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$9,340,577</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>1,145,779</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>3,837,658</td>
</tr>
<tr>
<td>Restricted short-term investments</td>
<td>4,987,450</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>115,637</td>
</tr>
<tr>
<td>Due from component unit - Foundation</td>
<td>444,436</td>
</tr>
<tr>
<td>Accounts receivable (net of allowance of $761,637)</td>
<td>4,534,477</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>518,010</td>
</tr>
<tr>
<td>Due from federal government</td>
<td>1,718,774</td>
</tr>
<tr>
<td>Inventory</td>
<td>2,758,604</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>490,758</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>$29,890,630</strong></td>
</tr>
</tbody>
</table>

Noncurrent Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>61,180,606</td>
</tr>
<tr>
<td>Restricted long-term investments</td>
<td>1,001,483</td>
</tr>
<tr>
<td>Due from component unit - Foundation</td>
<td>4,425,080</td>
</tr>
<tr>
<td>Notes receivable (net of allowance of $1,042,677)</td>
<td>3,451,010</td>
</tr>
<tr>
<td>Capital assets - non-depreciable</td>
<td>22,798,317</td>
</tr>
<tr>
<td>Capital assets, net - depreciable</td>
<td>424,707,814</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td><strong>$517,560,330</strong></td>
</tr>
</tbody>
</table>

Total Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$547,451,560</strong></td>
</tr>
</tbody>
</table>

Deferred Outflows Of Resources

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred amounts on refunding of bonds payable</td>
<td>6,132,625</td>
</tr>
<tr>
<td>Deferred amounts related to pension plan</td>
<td>7,344,287</td>
</tr>
<tr>
<td>Deferred amounts related to pension contributions</td>
<td>8,972,559</td>
</tr>
<tr>
<td><strong>Total Deferred Outflows Of Resources</strong></td>
<td><strong>$21,449,471</strong></td>
</tr>
</tbody>
</table>

See the accompanying notes to financial statements.
Liabilities

Current Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$6,291,262</td>
</tr>
<tr>
<td>Accrued compensation</td>
<td>8,167,217</td>
</tr>
<tr>
<td>Bond interest payable</td>
<td>2,087,081</td>
</tr>
<tr>
<td>Funds held for others</td>
<td>180,759</td>
</tr>
<tr>
<td>Unearned income</td>
<td>10,313,774</td>
</tr>
<tr>
<td>Current portion of bonds payable</td>
<td>5,730,000</td>
</tr>
<tr>
<td>Current portion of notes payable</td>
<td>37,715</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>32,807,972</strong></td>
</tr>
</tbody>
</table>

Noncurrent Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net pension liability</td>
<td>78,422,892</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>184,253,428</td>
</tr>
<tr>
<td>Notes payable</td>
<td>318,358</td>
</tr>
<tr>
<td>Net other postretirement employee benefit obligation</td>
<td>1,887,660</td>
</tr>
<tr>
<td>Due to federal government</td>
<td>3,627,652</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td><strong>268,509,990</strong></td>
</tr>
</tbody>
</table>

**Total Liabilities**: 301,317,962

Deferred Inflows Of Resources

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred amounts related to pension plan</td>
<td>1,551,087</td>
</tr>
</tbody>
</table>

Net Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>260,150,394</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
</tr>
<tr>
<td>Nonexpendable -</td>
<td></td>
</tr>
<tr>
<td>Scholarships</td>
<td>2,255,609</td>
</tr>
<tr>
<td>Expendable -</td>
<td></td>
</tr>
<tr>
<td>Debt service</td>
<td>1,814,635</td>
</tr>
<tr>
<td>Loans</td>
<td>212,814</td>
</tr>
<tr>
<td>Other</td>
<td>983,394</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>715,996</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>$266,132,822</td>
</tr>
</tbody>
</table>

See the accompanying notes to financial statements.
SOUTHEAST MISSOURI UNIVERSITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

June 30, 2016

Assets

Current Assets
Cash and cash equivalents $ 1,652,129
Short-term investments 19,395,621
Receivables:
Pledges receivable (net of allowance of $7,478) 291,648
Notes receivable 487,410
Accrued interest receivable 108,478
Total Current Assets 21,935,286

Noncurrent Assets
Investments:
Endowment investments 58,585,853
Cash surrender value of life insurance 563,636
Long term notes receivable, net of imputed interest 3,683,083
Property held for resale and development 1,369,29
Property and equipment, net of accumulated depreciation 11,368,076
Total Noncurrent Assets 75,569,777

Total Assets $ 97,505,063

Liabilities

Current Liabilities
Accounts payable and accrued expenses $ 29,668
Due to primary institution - University 444,436
Note payable to bank 201,734
Funds held for others 69,337
Annuity obligations 199,992
Total Current Liabilities 944,777

Noncurrent Liabilities
Deferred revenue 251,987
Note payable to bank 1,349,745
Annuity obligations 1,478,755
Due to primary institution - University 4,425,080
Total Noncurrent Liabilities 7,505,567

Total Liabilities 8,450,344

Net Assets
Unrestricted 19,436,527
Temporarily restricted 16,808,113
Permanently restricted 52,610,079
Total Net Assets 89,054,719

Total Liabilities And Net Assets $ 97,505,063

See the accompanying notes to financial statements.
### SOUTHEAST MISSOURI STATE UNIVERSITY

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

*For The Year Ended June 30, 2016*

<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees (net of scholarship allowance of $11,956,492)</td>
<td>$ 69,251,396</td>
</tr>
<tr>
<td>Federal grants - restricted</td>
<td>3,610,713</td>
</tr>
<tr>
<td>State grants and contracts - restricted</td>
<td>7,490,330</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts - restricted</td>
<td>687,339</td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>3,082,988</td>
</tr>
<tr>
<td><strong>Auxiliary enterprises:</strong></td>
<td></td>
</tr>
<tr>
<td>Residence life (net of scholarship allowance of $14,147,902; revenues are used as security for revenue bonds Series 2011B, 20: 3A, 2013B, 2016A and 2016B)</td>
<td>15,671,456</td>
</tr>
<tr>
<td>Other auxiliary (net of scholarship allowance of $862,119; revenues are used as security for revenue bonds Series 2011B, 20:3A, 2018B, 2016A and 2016B)</td>
<td>3,274,916</td>
</tr>
<tr>
<td><strong>Other operating revenues</strong></td>
<td>6,613,973</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>109,882,511</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel services</td>
<td>93,568,351</td>
</tr>
<tr>
<td>Scholarships</td>
<td>19,438,180</td>
</tr>
<tr>
<td>Utilities</td>
<td>5,069,054</td>
</tr>
<tr>
<td>Supplies and other services</td>
<td>35,133,992</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>13,604,347</td>
</tr>
<tr>
<td>Other post-employment benefit (OPEB) expense</td>
<td>176,105</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>166,984,999</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Loss</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(57,302,488)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nonoperating Revenues (Expenses)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>46,059,560</td>
</tr>
<tr>
<td>Federal grants - restricted</td>
<td>14,146,526</td>
</tr>
<tr>
<td>Investment income</td>
<td>2,809,219</td>
</tr>
<tr>
<td>Contributions and gifts</td>
<td>3,520,581</td>
</tr>
<tr>
<td>Interest on capital asset-related debt</td>
<td>(8,551,284)</td>
</tr>
<tr>
<td>Loss on disposal of plant facilities</td>
<td>(373,173)</td>
</tr>
<tr>
<td><strong>Net Nonoperating Revenues (Expenses)</strong></td>
<td>57,611,429</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income Before Other Revenues, Expenses And Gains</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State capital appropriations</td>
<td>82,530</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>295,284</td>
</tr>
<tr>
<td><strong>Total Other Revenues, Expenses And Gains</strong></td>
<td>377,814</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change In Net Position</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>386,835</td>
<td></td>
</tr>
</tbody>
</table>

| Net Position - Beginning Of Year               | 265,445,247 |
| **Net Position - End Of Year**                 | $ 266,132,182 |

See the accompanying notes to financial statements.
SOUTHEAST MISSOURI UNIVERSITY FOUNDATION
STATEMENT OF ACTIVITIES
June 30, 2016

<table>
<thead>
<tr>
<th>Support and Revenue</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions, net of discount</td>
<td>$ 276,278</td>
<td>$ 2,164,612</td>
<td>$ 1,118,111</td>
<td>$ 3,550,001</td>
</tr>
<tr>
<td>Investment return</td>
<td>158,629</td>
<td>(713,481)</td>
<td>68,693</td>
<td>(485,559)</td>
</tr>
<tr>
<td>Rental income</td>
<td>762,028</td>
<td>—</td>
<td>—</td>
<td>762,028</td>
</tr>
<tr>
<td>Special events, net of expense</td>
<td>92,505</td>
<td>—</td>
<td>—</td>
<td>92,505</td>
</tr>
<tr>
<td>Other revenues and transfers</td>
<td>372,995</td>
<td>(703,688)</td>
<td>540,757</td>
<td>210,084</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>4,562,123</td>
<td>(4,562,123)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Support And Revenue</strong></td>
<td>6,224,558</td>
<td>(3,814,680)</td>
<td>1,727,761</td>
<td>4,137,639</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses And Losses</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations to primary institution - University</td>
<td>3,829,237</td>
<td>—</td>
<td>—</td>
<td>3,829,237</td>
</tr>
<tr>
<td>General and administrative</td>
<td>1,628,540</td>
<td>—</td>
<td>—</td>
<td>1,628,540</td>
</tr>
<tr>
<td>Depreciation</td>
<td>267,356</td>
<td>—</td>
<td>—</td>
<td>267,356</td>
</tr>
<tr>
<td>Interest</td>
<td>66,224</td>
<td>—</td>
<td>—</td>
<td>66,224</td>
</tr>
<tr>
<td><strong>Total Expenses And Losses</strong></td>
<td>5,791,357</td>
<td>—</td>
<td>—</td>
<td>5,791,357</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change In Net Assets</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>433,201</td>
<td>(3,814,680)</td>
<td>1,727,761</td>
<td>(1,653,718)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets - Beginning Of Year</th>
<th>10,003,323</th>
<th>20,022,703</th>
<th>51,082,318</th>
<th>90,708,437</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets - End Of Year</td>
<td>$ 19,436,527</td>
<td>$ 16,808,113</td>
<td>$ 52,810,070</td>
<td>$ 89,054,710</td>
</tr>
</tbody>
</table>

See the accompanying notes to financial statements.
## Cash Flows From Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$75,150,041</td>
</tr>
<tr>
<td>Grants and contracts</td>
<td>10,936,439</td>
</tr>
<tr>
<td>Auxiliary enterprises</td>
<td>19,044,751</td>
</tr>
<tr>
<td>Other receipts</td>
<td>9,909,215</td>
</tr>
<tr>
<td>Payments to vendors and suppliers</td>
<td>(62,342,802)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(93,197,300)</td>
</tr>
<tr>
<td><strong>Net Cash Used In Operating Activities</strong></td>
<td><strong>(40,490,656)</strong></td>
</tr>
</tbody>
</table>

## Cash Flows From Noncapital Financing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>45,888,444</td>
</tr>
<tr>
<td>Nonoperating federal grants</td>
<td>14,146,526</td>
</tr>
<tr>
<td>Gifts received for other than capital purposes</td>
<td>3,195,957</td>
</tr>
<tr>
<td><strong>Net Cash Provided By Noncapital Financing Activities</strong></td>
<td><strong>63,230,927</strong></td>
</tr>
</tbody>
</table>

## Cash Flows From Capital And Related Financing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital appropriations</td>
<td>82,530</td>
</tr>
<tr>
<td>Capital gifts received</td>
<td>295,364</td>
</tr>
<tr>
<td>Purchases of capital assets and payments to contractors</td>
<td>(23,603,644)</td>
</tr>
<tr>
<td>Proceeds from issuance of capital debt</td>
<td>30,630,000</td>
</tr>
<tr>
<td>Principal paid on capital debt and notes</td>
<td>(27,934,236)</td>
</tr>
<tr>
<td>Interest paid on capital debt and notes</td>
<td>(5,654,671)</td>
</tr>
<tr>
<td><strong>Net Cash Used In Capital And Related Financing Activities</strong></td>
<td><strong>(26,184,657)</strong></td>
</tr>
</tbody>
</table>

## Cash Flows From Investing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>142,425,631</td>
</tr>
<tr>
<td>Interest on investments</td>
<td>2,474,225</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(142,477,289)</td>
</tr>
<tr>
<td><strong>Net Cash Provided By Investing Activities</strong></td>
<td><strong>2,421,967</strong></td>
</tr>
</tbody>
</table>

## Net Decrease In Cash And Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Decrease In Cash And Cash Equivalents</strong></td>
<td><strong>(1,022,419)</strong></td>
</tr>
</tbody>
</table>

## Cash And Cash Equivalents - Beginning Of Year

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash And Cash Equivalents - Beginning Of Year</strong></td>
<td><strong>11,508,175</strong></td>
</tr>
</tbody>
</table>

## Cash And Cash Equivalents - End Of Year

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash And Cash Equivalents - End Of Year</strong></td>
<td><strong>$ 10,485,756</strong></td>
</tr>
</tbody>
</table>

## Supplemental Disclosure Of Cash Flow Information

Noncash transactions:

- Capital asset purchases included in accounts payable $3,865,364
- Unrealized gain on investments $332,383

See the accompanying notes to financial statements.
SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENT OF CASH FLOWS

Page 2 Of 2

For The Year Ended June 30, 2016

Reconciliation Of Operating Loss To Net Cash

Used In Operating Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(57,302,488)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net</td>
<td></td>
</tr>
<tr>
<td>cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>13,604,347</td>
</tr>
<tr>
<td>Other post-employment benefit (OPEB) expense</td>
<td>176,105</td>
</tr>
<tr>
<td>Workers compensation and unemployment expenses</td>
<td></td>
</tr>
<tr>
<td>paid by state</td>
<td>171,716</td>
</tr>
<tr>
<td>Gifts in kind from Southeast Missouri University</td>
<td></td>
</tr>
<tr>
<td>Foundation</td>
<td>324,312</td>
</tr>
<tr>
<td>Changes in deferred outflows related to pension</td>
<td></td>
</tr>
<tr>
<td>plan</td>
<td>(7,124,696)</td>
</tr>
<tr>
<td>Changes in deferred outflows related to pension</td>
<td></td>
</tr>
<tr>
<td>contributions</td>
<td>(42,334)</td>
</tr>
<tr>
<td>Changes in deferred inflows related to pension</td>
<td></td>
</tr>
<tr>
<td>plan</td>
<td>(14,880,614)</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Receivables, net</td>
<td>(843,276)</td>
</tr>
<tr>
<td>Inventories</td>
<td>(75,238)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(126,736)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(2,499,642)</td>
</tr>
<tr>
<td>Unearned revenues</td>
<td>5,958.49</td>
</tr>
<tr>
<td>Accrued compensation</td>
<td>175,701</td>
</tr>
<tr>
<td>Deposits held for others</td>
<td>(72,562)</td>
</tr>
<tr>
<td>Net pension liability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>22,067,978</td>
</tr>
</tbody>
</table>

Net Cash Used In Operating Activities $ (40,490,656)
1. Organization

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 Southeast Missouri State College. In 1972, the Missouri State legislature adopted the school's current name of Southeast Missouri State University (the University). The University is a multi-purpose regional institution of higher education, which derives its authority from the people of Missouri through the state legislature. The University is considered a component unit of the State of Missouri.

The University is fully accredited by the North Central Association of Colleges and Schools and the National Council for the Accreditation of Teacher Education. The University also holds several specific program accreditations and is a member of several associations including the National Collegiate Athletic Association (NCAA). The University achieves its educational goals by offering instructional programs and other learning experiences at the certificate, associate, baccalaureate, masters and specialist levels.

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 requirements 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.

**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 and the Missouri Innovation Corporation II, Inc. are not included in the University’s financial statements because they do not meet the criteria set forth for component units under GASB Statement No. 61 or GASB Statement No. 39. However, both are considered related entities.

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 16.

During the year ended June 30, 2016, the Foundation distributed $3,829,237 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.

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) on 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. The investment pool is required to maintain investments in government securities with a combined market value which is at least 110% of the University's share of the pooled investments. 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, farm and physical plant supplies and are recorded at cost using the first-in, first-out method. Text books 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 fair market 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 $1,000 or greater are capitalized.

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:

<table>
<thead>
<tr>
<th>Capital Assets</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and site improvements</td>
<td>10 to 50</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>10 to 50</td>
</tr>
<tr>
<td>Household improvements</td>
<td>15</td>
</tr>
<tr>
<td>Library books</td>
<td>30</td>
</tr>
<tr>
<td>Machinery and tools</td>
<td>5 to 20</td>
</tr>
<tr>
<td>Office equipment and furnishings</td>
<td>5 to 20</td>
</tr>
<tr>
<td>Scientific equipment and other</td>
<td>5 to 50</td>
</tr>
<tr>
<td>Computer hardware and software</td>
<td>4 to 5</td>
</tr>
<tr>
<td>Vehicles</td>
<td>4 to 6</td>
</tr>
</tbody>
</table>
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.

**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 programs.

**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.

**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 so will not be recognized as an outflow of resources until then. At June 30, 2016, 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 will be recognized in the fiscal year 2017. Finally, deferred outflows also include the University's proportionate share of collective deferred outflows of resources for the University's MOSERS retirement plan. These outflows will be amortized over four years.

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, 2016, the University's deferred inflows consist of the University's proportionate share of the collective deferred inflows of resources for the MOSERS retirement plan.

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 over four years according to the amortization schedule provided by the MOSERS retirement plan.

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.

At June 30, 2016, the University had $1,236 in 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. At June 30, 2016, 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, 2016, the University had the following investments and maturities:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Credit Rating</th>
<th>Fair Value</th>
<th>&lt;1 Year</th>
<th>1-5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banker Acceptances</td>
<td>N/A</td>
<td>$1,335,823</td>
<td>$1,335,823</td>
<td>$</td>
</tr>
<tr>
<td>U.S. Treasury Obligations</td>
<td>*</td>
<td>3,948,135</td>
<td>3,197,520</td>
<td>750,615</td>
</tr>
<tr>
<td>U.S. Agency Obligations</td>
<td>*</td>
<td>62,330,490</td>
<td>1,399,096</td>
<td>60,931,394</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$67,614,448</strong></td>
<td><strong>$5,932,439</strong></td>
<td><strong>$61,682,009</strong></td>
</tr>
</tbody>
</table>

*U.S. Treasury and Agency obligations are rated AAA by Moody’s Investor Services and AA+ 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.

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 investment in banker's acceptance to domestic commercial banks possessing the highest rating issued by Moody's Investor Services or Standard & Poor's Corporation. Commercial paper is limited to domestic corporations that have received the highest rating issued by Moody's Investor Services or Standard & Poor's Corporation, and corporations having total assets in excess of five hundred million dollars. The University had no funds invested in commercial paper and $1,335,823 invested in banker's acceptances at June 30, 2016.

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. 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). The University had no investments exposed to custodial credit risk at June 30, 2016.

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.

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. Each of these agencies except Freddie Mac represents more than 5% of the University's total investments.
Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. At June 30, 2016, 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:

<table>
<thead>
<tr>
<th>Deposits</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase agreements and cash in bank</td>
<td>$8,392,551</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>99,104</td>
</tr>
<tr>
<td>Money market deposit accounts</td>
<td>1,994,102</td>
</tr>
<tr>
<td>Insured cash sweep</td>
<td>390,833</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>3,001,235</td>
</tr>
<tr>
<td></td>
<td>13,877,825</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bankers Acceptances</td>
<td>1,335,823</td>
</tr>
<tr>
<td>US Government Treasury Obligations</td>
<td>3,948,135</td>
</tr>
<tr>
<td>US Government Agency Obligations</td>
<td>62,330,490</td>
</tr>
<tr>
<td></td>
<td>67,614,448</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$81,492,273</td>
</tr>
</tbody>
</table>

Included in the following statement of net position captions:

<table>
<thead>
<tr>
<th>Deposits</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$9,340,577</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>1,145,179</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>2,501,235</td>
</tr>
<tr>
<td>Restricted short-term investments</td>
<td>4,387,450</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>500,000</td>
</tr>
<tr>
<td></td>
<td>18,474,441</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term investments</td>
<td>1,335,823</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>60,680,606</td>
</tr>
<tr>
<td>Restricted long-term investments</td>
<td>1,001,403</td>
</tr>
<tr>
<td></td>
<td>63,017,832</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$81,492,273</td>
</tr>
</tbody>
</table>
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, 2016:
- Banker's Acceptances of $1,335,823 valued using a matrix pricing model (Level 2 inputs).
- Government Agency Obligations of $62,330,490 valued using a matrix pricing model (Level 2 inputs).
- U.S. Treasury Securities of $3,948,135 valued using a matrix pricing model (Level 2 inputs).

**Investment Income**
Investment income for the year ended June 30, 2016 consists of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividend income</td>
<td>$2,497,923</td>
</tr>
<tr>
<td>Realized loss on investments</td>
<td>$(21,392)</td>
</tr>
<tr>
<td>Net increase in fair value of investments</td>
<td>332,683</td>
</tr>
</tbody>
</table>

Total Investment Income: $2,809,219

4. **Accounts Receivable**

The composition of accounts receivable at June 30, 2016 is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student billings</td>
<td>$3,954,983</td>
</tr>
<tr>
<td>Departmental operations</td>
<td>855,768</td>
</tr>
<tr>
<td>State and private grants</td>
<td>343,012</td>
</tr>
<tr>
<td>Auxiliary operations</td>
<td>4,364</td>
</tr>
<tr>
<td>Other</td>
<td>137,657</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,295,784</td>
</tr>
<tr>
<td><strong>Less:</strong> Allowance for doubtful accounts</td>
<td>761,637</td>
</tr>
</tbody>
</table>

**Total Accounts Receivable**: $4,534,147
SOUTHEAST MISSOURI STATE UNIVERSITY

Notes To Financial Statements (Continued)

5. Notes Receivable

The composition of notes receivable at June 30, 2016 is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal loan programs</td>
<td>$5,011,637</td>
</tr>
<tr>
<td>Less: Allowance for doubtful accounts</td>
<td>$1,042,677</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,969,020</strong></td>
</tr>
</tbody>
</table>

6. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital assets, not being depreciated:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$4,217,138</td>
<td>—</td>
<td>—</td>
<td>$4,217,138</td>
</tr>
<tr>
<td>Library books</td>
<td>5,842,632</td>
<td>—</td>
<td>(4,345)</td>
<td>5,838,287</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>4,070,753</td>
<td>20,727,218</td>
<td>(11,556,379)</td>
<td>15,239,992</td>
</tr>
<tr>
<td><strong>Total capital assets not being depreciated</strong></td>
<td>18,260,728</td>
<td>30,727,218</td>
<td>(11,605,924)</td>
<td>22,795,017</td>
</tr>
<tr>
<td><strong>Capital assets, being depreciated:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building and improvements</td>
<td>468,827,811</td>
<td>11,550,368</td>
<td>(415,127)</td>
<td>479,373,047</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>37,785,029</td>
<td>728,500</td>
<td>—</td>
<td>38,505,530</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>638,078</td>
<td>8,016</td>
<td>—</td>
<td>644,094</td>
</tr>
<tr>
<td>Equipment</td>
<td>45,060,867</td>
<td>1,382,206</td>
<td>(717,476)</td>
<td>46,606,216</td>
</tr>
<tr>
<td>Library books</td>
<td>20,346,619</td>
<td>382,641</td>
<td>—</td>
<td>20,729,154</td>
</tr>
<tr>
<td><strong>Total capital assets being depreciated</strong></td>
<td>571,957,208</td>
<td>14,527,146</td>
<td>(1,139,605)</td>
<td>585,351,749</td>
</tr>
<tr>
<td><strong>Less accumulated depreciation for:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building and improvements</td>
<td>100,185,895</td>
<td>9,953,851</td>
<td>(82,980)</td>
<td>110,058,766</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>6,816,278</td>
<td>739,058</td>
<td>—</td>
<td>7,555,336</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>148,224</td>
<td>44,766</td>
<td>—</td>
<td>193,990</td>
</tr>
<tr>
<td>Equipment</td>
<td>32,312,066</td>
<td>2,222,760</td>
<td>(675,999)</td>
<td>33,858,827</td>
</tr>
<tr>
<td>Library books</td>
<td>8,336,103</td>
<td>643,913</td>
<td>—</td>
<td>8,980,016</td>
</tr>
<tr>
<td><strong>depreciation</strong></td>
<td>147,798,866</td>
<td>13,694,345</td>
<td>(708,979)</td>
<td>150,734,232</td>
</tr>
</tbody>
</table>

| **Total capital assets being depreciated, net** | 424,155,642 | 932,798 | (373,628) | 424,707,814 |
| **Capital assets, net**              | 437,780,365 | 21,060,016 | (11,936,550) | 447,902,831 |
The estimated cost to complete construction in progress at June 30, 2016 is $28,953,683 of which the majority is available from bond proceeds, federal grants, state capital appropriations and other local sources. Projects in progress include Show Me Center Upgrades, New Student Housing, Athletic Facility Upgrades, and Classroom Renovations.

7. **Accounts Payable**

The composition of accounts payable at June 30, 2016 is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment purchases</td>
<td>$ 92,569</td>
</tr>
<tr>
<td>Supplies and operating expenses</td>
<td>2,933,193</td>
</tr>
<tr>
<td>Capital improvements</td>
<td>3,439,541</td>
</tr>
<tr>
<td>Retainage - capital projects</td>
<td>428,123</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 6,291,426</strong></td>
</tr>
</tbody>
</table>

8. **Bonds Payable**

Bonds payable at June 30, 2016 are summarized as follows:

<table>
<thead>
<tr>
<th>Bond Description</th>
<th>Balance - June 30,</th>
<th>Principal Additions</th>
<th>Principal Payments</th>
<th>Balance - June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational Facilities Taxable Revenue</td>
<td>$ 54,495,000</td>
<td>$ (1,305,000)</td>
<td>$ 53,190,000</td>
<td>2015</td>
</tr>
<tr>
<td>Series 2010B</td>
<td></td>
<td></td>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>System Facilities Refunding Revenue</td>
<td>23,555,000</td>
<td>(23,555,000)</td>
<td>27,090,000</td>
<td>Bonds Series 2011</td>
</tr>
<tr>
<td>System Facilities Revenue Bonds Series</td>
<td>27,690,000</td>
<td>(600,000)</td>
<td>27,090,000</td>
<td>2011B</td>
</tr>
<tr>
<td>System Facilities Revenue Bonds Series</td>
<td>76,830,000</td>
<td>(1,820,000)</td>
<td>75,010,000</td>
<td>2013A</td>
</tr>
<tr>
<td>System Facilities Taxable Revenue Bonds</td>
<td>1,810,000</td>
<td>(546,000)</td>
<td>964,000</td>
<td>Series 2013B</td>
</tr>
<tr>
<td>System Facilities Revenue Bonds Series</td>
<td></td>
<td>21,710,000</td>
<td>21,710,000</td>
<td>2016A</td>
</tr>
<tr>
<td>System Facilities Taxable Revenue Bonds</td>
<td></td>
<td>8,920,000</td>
<td>8,920,000</td>
<td>Series 2016B</td>
</tr>
</tbody>
</table>

Less: Current maturities (due within one year)
Less: Discount on bond payable
Add: Premium on bond payable

$ 184,380,000 $ 30,630,000 $ (27,885,000) $ 186,825,000

5,730,000
1,570,802
4,429,238

$ 184,253,428
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:

<table>
<thead>
<tr>
<th>Series 2016B Bonds Maturing April 1, 2031</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2027-2031</td>
<td></td>
<td>$1,350,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series 2016B Bonds Maturing April 1, 2036</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2032-2036</td>
<td></td>
<td>$1,625,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series 2016B Bonds Maturing April 1, 2045</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2037-2045</td>
<td></td>
<td>$3,935,000</td>
</tr>
</tbody>
</table>
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 1.33%-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 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 1.30% to 1.90% and mature serially through 2018. Extraordinary Option Redemption at 100% for the Series 2013A and 2013B bonds may take place upon the occurrence of certain special conditions or events.
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:

<table>
<thead>
<tr>
<th>Redemption Dates</th>
<th>Redemption Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1, 2017 - March 31, 2018</td>
<td>103%</td>
</tr>
<tr>
<td>April 1, 2018 - March 31, 2019</td>
<td>101%</td>
</tr>
<tr>
<td>April 1, 2019 - April 1, 2042</td>
<td>100%</td>
</tr>
</tbody>
</table>

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 1.85% to 4.4% and mature serially through fiscal year 2042. On August 10th, 2016, the University issued $25,025,000 Series 2016C System Facilities Revenue Bonds at interest rates that range from 2.0% to 4.0% to partially refinance the Series 2011B bonds. The University will pay principal and interest through 2021 on the Series 2011B bonds.

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. 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 shall pay interest semiannually on April 1 and October 1, and are not subject to optional redemption. 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, and 8.0% in March 2016. The University anticipates an 8.0% reduction in the September 2016 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 3.625% to 6.875% and mature serially through fiscal year 2041. The true interest cost after the federal subsidy averages 4.316%.

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. Revenue derived from the operation of these facilities is pledged for the retirement of the outstanding 2011B, 2013A, 2013B, 2016A, and 2016B 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 15 for a summary of System Facilities pledged revenue for fiscal year 2016.

Interest expense on bonded debt was $8,538,028 for 2016 net of capitalized interest of $85,922.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$ 5,730,000</td>
<td>$ 8,324,123</td>
</tr>
<tr>
<td>2018</td>
<td>6,685,000</td>
<td>8,065,167</td>
</tr>
<tr>
<td>2019</td>
<td>6,915,000</td>
<td>7,797,326</td>
</tr>
<tr>
<td>2020</td>
<td>7,225,000</td>
<td>7,478,758</td>
</tr>
<tr>
<td>2021</td>
<td>7,520,000</td>
<td>7,138,311</td>
</tr>
<tr>
<td>2022-2026</td>
<td>35,175,000</td>
<td>31,441,053</td>
</tr>
<tr>
<td>2027-2031</td>
<td>41,195,000</td>
<td>23,811,861</td>
</tr>
<tr>
<td>2032-2036</td>
<td>35,995,000</td>
<td>15,200,095</td>
</tr>
<tr>
<td>2037-2041</td>
<td>34,220,000</td>
<td>6,126,881</td>
</tr>
<tr>
<td>2042-2045</td>
<td>6,165,000</td>
<td>434,725</td>
</tr>
</tbody>
</table>

$ 186,825,000 $ 115,818,300
9. Notes Payable

Notes payable at June 30, 2016 are summarized as follows:

<table>
<thead>
<tr>
<th>Chartwell’s-Olives and Skylight Terrace Expansion</th>
<th>Balance - June 30, 2016</th>
<th>Principal Additions</th>
<th>Principal Payments</th>
<th>Balance - June 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$392,447</td>
<td>$ —</td>
<td>$ (36,374)</td>
<td></td>
<td>$356,073</td>
</tr>
</tbody>
</table>

Less: Current maturities (due within one year)

<table>
<thead>
<tr>
<th>Chartwell’s-Olives and Skylight Terrace Expansion</th>
<th>Balance - June 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$392,447</td>
<td>$ —</td>
</tr>
<tr>
<td>$326,073</td>
<td>$ (36,374)</td>
</tr>
</tbody>
</table>

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 2025. The note is noninterest bearing. Interest has been imputed using a rate of 3.625%.

Interest expense was $13,256 for 2016. Scheduled fiscal year maturities on notes payable and related interest are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$37,715</td>
<td>$12,285</td>
</tr>
<tr>
<td>2018</td>
<td>$39,105</td>
<td>$10,895</td>
</tr>
<tr>
<td>2019</td>
<td>$40,546</td>
<td>$9,454</td>
</tr>
<tr>
<td>2020</td>
<td>$42,041</td>
<td>$7,959</td>
</tr>
<tr>
<td>2021</td>
<td>$43,590</td>
<td>$6,410</td>
</tr>
<tr>
<td>2022-2025</td>
<td>$153,076</td>
<td>$9,425</td>
</tr>
</tbody>
</table>

$356,073 $56,428

---

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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.

Benefits provided. MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR starting on page 30.

Contributions. Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP2011 Plan are required to contribute 4% of their annual pay. The University's required contribution rate for the year ended June 30, 2016, was 16.97% 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, 2015 was 16.97%, which is the year of measurement for the net pension liability. Contributions to the pension plan from the University were $8,072,759 for the year ended June 30, 2016.
Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the University reported a liability of $78,422,892 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The University's proportion of the net pension liability was based on the University's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2015. At June 30, 2015, the University's proportion was 2.442%, an increase from its proportion measured using 2.3902% as of the June 30, 2014 measurement date.

There were no changes in benefit terms during the MOSERS plan year ended June 30, 2015, that affected the measurement of total pension liability.

For the year ended June 30, 2016, the University recognized pension expense of $8,085,617. At June 30, 2016, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Deferred Outflows Of Resources</th>
<th>Deferred Inflows Of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$146,501</td>
<td>$507,347</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>—</td>
<td>1,043,740</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>on pension plan investments</td>
<td>6,021,552</td>
<td></td>
</tr>
<tr>
<td>Changes in proportion and differences between</td>
<td></td>
<td></td>
</tr>
<tr>
<td>University contributions and proportionate share of contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>University contributions subsequent to the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>measurement date of June 30, 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$15,417,046</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,551,087</td>
</tr>
</tbody>
</table>

---

*Page 40*
Deferred outflows of resources of $8,072,759 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, 2017. 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:

<table>
<thead>
<tr>
<th>Plan Year Ending June 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$ 403,755</td>
</tr>
<tr>
<td>2018</td>
<td>394,487</td>
</tr>
<tr>
<td>2019</td>
<td>341,353</td>
</tr>
<tr>
<td>2020</td>
<td>4,653,805</td>
</tr>
<tr>
<td></td>
<td>$ 5,793,200</td>
</tr>
</tbody>
</table>

**Actuarial assumptions.** The total pension liability in the June 30, 2015 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**: 2.5%, approximate
- **Salary increases**: 0% for FY16 and 3.0 to 5.9% annually, average, including inflation thereafter
- **Investment rate of return**: 8.0% per year, compounded annually, net after investment expenses and including inflation

Mortality rates were based on the RP-2000 combined healthy mortality table projected to 2016 with Scale AA. The pre-retirement mortality rates used were 100% of the post-retirement mortality rates for males and 80% of the post-retirement mortality for females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The change in assumptions recorded as deferred inflows of resources was related to a change in wage assumptions. For the June 30, 2015 valuation, wage inflation is assumed to be 0% in the first year and 3% thereafter. This is a one-time change based on the pay freeze enacted for fiscal year ending June 30, 2016. Previously, salary increases were assumed to be 3.0% to 5.9% annually on average, including inflation.
The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2011. As a result of the 2011 actuarial experience study, the MOSERS Board made various demographic assumption changes to more closely reflect actual experience. The most significant change was lowering the assumed annual investment rate of return from 8.5 percent to 8 percent. MOSERS is conducting an experience study and the results of that study are expected to be finalized prior to June 30, 2016 which will be used by the actuary to conduct the valuation report for MOSERS' fiscal year 2016 valuation, which impacts the University's fiscal year 2018 payroll.

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 weighing 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, 2015 are summarized in the following table:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Policy Allocation</th>
<th>Long-Term Expected Real Rate Of Return*</th>
<th>Weighted Average Long-Term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beta Balanced</td>
<td>80.0%</td>
<td>5.7%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Illiquids</td>
<td>20.0%</td>
<td>7.3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>**</td>
<td>100.0%</td>
<td>**</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

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

** Illiquid portfolio upper limit of 27.5% of capital, no new commitments past 23%

Discount rate. The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.
Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 8%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.percentage-point lower (7%) or 1.percentage-point higher (9%) than the current rate:

<table>
<thead>
<tr>
<th>Current Discount</th>
<th>1% Decrease (7.0%)</th>
<th>Rate (8.0%)</th>
<th>1% Increase (9.0%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>University's proportionate share of the net pension liability</td>
<td>$ 110,521,814</td>
<td>$ 78,422,892</td>
<td>$ 51,464,731</td>
</tr>
</tbody>
</table>

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

The University had payables of $830,918 to MOSERS because legally required contributions to the plan for June 2016 were not paid until July 2016.

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-CREF 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 200 (MSEP 200). 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 an actuarially determined rate; the rate was 5.89% and 6.16% of annual covered payroll for 2016 and 2015, respectively. The University’s contributions to CURP for the years ended June 30, 2016, 2015 and 2014 were $928,044, $896,102 and $823,330, 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. Retirees 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.

Funding Policy. The University pays for their portion of the medical insurance premiums on a pay-as-you-go basis. No trust fund has been created for the payment of the University’s portion of the medical insurance premiums; therefore as of June 30, 2016 the University’s obligations are unfunded. For more information, see the Schedule of Funding Progress in the Required Supplementary Information section.

Annual Other Post Employment Benefit (OPEB) Cost and Net OPEB Obligation. The University’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.
The following table shows the components of the University’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the University’s net OPEB obligation to the plan:

<table>
<thead>
<tr>
<th>Component</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual required contribution</td>
<td>$ 624,741</td>
</tr>
<tr>
<td>Interest on OPEB obligation</td>
<td>64,184</td>
</tr>
<tr>
<td>Adjustment to annual required contribution</td>
<td>(55,987)</td>
</tr>
<tr>
<td>Annual OPEB cost</td>
<td>492,928</td>
</tr>
<tr>
<td>Contributions made</td>
<td>316,823</td>
</tr>
<tr>
<td>Increase in OPEB obligation</td>
<td>176,105</td>
</tr>
<tr>
<td>Net OPEB obligation - beginning of year</td>
<td>1,711,555</td>
</tr>
<tr>
<td>Net OPEB obligation - end of year</td>
<td>$ 1,887,660</td>
</tr>
</tbody>
</table>

The University’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the previous two years are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>Annual OPEB Cost</th>
<th>Percentage Of Annual OPEB Cost Contributed</th>
<th>Net OPEB Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/16</td>
<td>$ 492,928</td>
<td>64.3%</td>
<td>$ 1,887,660</td>
</tr>
<tr>
<td>6/30/15</td>
<td>576,044</td>
<td>74.3%</td>
<td>1,711,555</td>
</tr>
<tr>
<td>6/30/14</td>
<td>568,659</td>
<td>60.9%</td>
<td>1,563,637</td>
</tr>
</tbody>
</table>

*Funded Status and Funding Progress.* As of July 1, 2015, the most recent actuarial valuation date, the plan had no assets since the University does not fund the plan. The unfunded actuarial accrued liability (UAAL) for benefits was $4.59 million. The covered payroll (annual payroll of active employees covered by the plan) was $55.0 million, and the ratio of the UAAL to the covered payroll was 8.3%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.
Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015, actuarial valuation, the entry age normal actuarial method was used. The actuarial assumptions included a 3.75% discount rate, an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% after six years, and a 3% annual increase in salaries. 40% of participants are assumed to continue under the same coverage they are currently electing for their lifetime. It is also assumed that all retirees will continue coverage for their lifetime. The UAAL is being amortized as a level dollar amount over a 30-year open period. The amortization period at July 1, 2015 was 30 years and is restated with each valuation.

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 2015-2016 were $171,116.

The majority of University employees are also covered by unemployment insurance administered by the State of Missouri Division of Employment Security.
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, 2016, the University is not aware of any environmental liability.

14. **Net Position**

**Restricted** - Net position is restricted when constraints placed are either externally imposed, or are imposed by law or legislation. The composition of restricted net position at June 30, 2016 was:

<table>
<thead>
<tr>
<th>Nonexpendable</th>
<th>Expendable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>Debt service</td>
</tr>
<tr>
<td>$ 2,255,069</td>
<td>Grants and other</td>
</tr>
<tr>
<td></td>
<td>1,814,635</td>
</tr>
<tr>
<td></td>
<td>1,196,208</td>
</tr>
<tr>
<td></td>
<td>3,010,843</td>
</tr>
</tbody>
</table>

Total Restricted $ 5,265,852

**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 $45,864,229 at June 30, 2016. Undesignated unrestricted net position, including those of auxiliary operations, was $(45,148,293) at June 30, 2016.
Undesignated unrestricted net position at June 30, 2016 consists of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net pension liability at June 30, 2016, offset by pension-related deferred</td>
<td>$ (64,556,983)</td>
</tr>
<tr>
<td>inflows and outflows</td>
<td></td>
</tr>
<tr>
<td>All other operations of the University, including auxiliary operations</td>
<td>19,408,640</td>
</tr>
<tr>
<td>Total undesignated unrestricted net position</td>
<td>$ (45,148,293)</td>
</tr>
</tbody>
</table>

University operations undesignated unrestricted net position consists of $599,538 US Government Loan Programs, $6,850,234 Auxiliary Undesignated & Unrestricted Undesignated of $11,958,568

15. **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, 2016, the University’s outstanding bond debt consists of System Facilities Revenue Bonds. The System Facilities is composed of the Housing System, the Student Union facility, the Student Recreation Center, the Aquatic Center, the Parking and Transit System, Textbook Rentals, 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 2C16B bonds and payment of interest thereon semi-annually on April 1 and October 1.
The condensed financial information for the System Facilities Revenue Bond Fund as of June 30, 2016 is as follows:

**Condensed Statement Of Net Position**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>$16,989,433</td>
</tr>
<tr>
<td><strong>Noncurrent Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Capital assets, net of depreciation</td>
<td>172,239,777</td>
</tr>
<tr>
<td>Other</td>
<td>1,001,403</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>190,230,613</td>
</tr>
<tr>
<td><strong>Deferred Outflows Of Resources</strong></td>
<td>6,132,625</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>9,433,035</td>
</tr>
<tr>
<td><strong>Noncurrent Liabilities</strong></td>
<td>133,506,245</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>142,939,280</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>45,341,669</td>
</tr>
<tr>
<td>Restricted</td>
<td>1,265,621</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>6,816,668</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>$53,423,958</td>
</tr>
</tbody>
</table>
## Condensed Statement Of Revenues, Expenses, And Changes In Net Position

### Operating Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing contracts, net of scholarship allowance</td>
<td>$21,480,173</td>
</tr>
<tr>
<td>Textbook sales and rentals</td>
<td>2,007,281</td>
</tr>
<tr>
<td>Student recreation center fees</td>
<td>2,482,663</td>
</tr>
<tr>
<td>Parking fees and fines</td>
<td>1,424,372</td>
</tr>
<tr>
<td>Student union building fees</td>
<td>267,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>2,203,288</td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td><strong>29,864,777</strong></td>
</tr>
</tbody>
</table>

### Operating Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel service</td>
<td>5,175,335</td>
</tr>
<tr>
<td>Contract food service</td>
<td>6,783,413</td>
</tr>
<tr>
<td>Utilities and maintenance</td>
<td>2,781,207</td>
</tr>
<tr>
<td>Book purchases</td>
<td>1,522,154</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,214,285</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>4,605,660</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>26,082,054</strong></td>
</tr>
</tbody>
</table>

### Operating Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Operating Income</strong></td>
<td><strong>4,782,723</strong></td>
</tr>
</tbody>
</table>

### Nonoperating Revenue (Expenses)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>136,203</td>
</tr>
<tr>
<td>Disposal of plant facilities</td>
<td>(204,169)</td>
</tr>
<tr>
<td>Interest on capital asset related debt</td>
<td>(4,916,894)</td>
</tr>
<tr>
<td><strong>Net Nonoperating Expenses</strong></td>
<td><strong>(4,984,860)</strong></td>
</tr>
</tbody>
</table>

### Decrease In Net Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decrease In Net Position</strong></td>
<td><strong>(202,187)</strong></td>
</tr>
</tbody>
</table>

### Net Position Beginning Of Year

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Position Beginning Of Year</strong></td>
<td><strong>53,626,055</strong></td>
</tr>
</tbody>
</table>

### Net Position End Of Year

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Position End Of Year</strong></td>
<td><strong>$ 53,423,958</strong></td>
</tr>
</tbody>
</table>

## Condensed Statement Of Cash Flows

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$8,967,695</td>
</tr>
<tr>
<td>Net cash used in capital and related financing activities</td>
<td>(3,871,556)</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>(5,469,437)</td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
<td>(373,298)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents - beginning of year</strong></td>
<td>11,333,365</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents - end of year</strong></td>
<td><strong>$10,960,067</strong></td>
</tr>
</tbody>
</table>
16. 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 consisted of the following:

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and money market funds</td>
<td>$1,469,223</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>284,370</td>
</tr>
<tr>
<td>Equities</td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>26,380,797</td>
</tr>
<tr>
<td>Developing international</td>
<td>5,039,035</td>
</tr>
<tr>
<td>Mutual funds</td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>4,975,047</td>
</tr>
<tr>
<td>Developing international</td>
<td>4,744,520</td>
</tr>
<tr>
<td>Emerging market</td>
<td>6,295,002</td>
</tr>
<tr>
<td>International fixed income</td>
<td>3,914,273</td>
</tr>
<tr>
<td>Other</td>
<td>7,407,489</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>9,568,242</td>
</tr>
<tr>
<td>U.S. Treasury securities</td>
<td>1,650,083</td>
</tr>
<tr>
<td>U.S. government obligations</td>
<td>4,580,109</td>
</tr>
<tr>
<td>Municipal securities</td>
<td>252,477</td>
</tr>
<tr>
<td>Alternative strategies</td>
<td>1,400,807</td>
</tr>
<tr>
<td></td>
<td>77,981,474</td>
</tr>
<tr>
<td>Less: short-term investments</td>
<td>19,395,621</td>
</tr>
<tr>
<td></td>
<td>$58,585,853</td>
</tr>
</tbody>
</table>

Total investment return is comprised of the following:

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends, net of fees</td>
<td>$1,373,704</td>
</tr>
<tr>
<td>Unrealized and realized investment gains (losses)</td>
<td>(1,859,663)</td>
</tr>
<tr>
<td></td>
<td>$(486,959)</td>
</tr>
</tbody>
</table>

**Contributions Receivable**

Contributions receivable at June 30 consists of:

<table>
<thead>
<tr>
<th>Contribution Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledges receivable, due in less than one year</td>
<td>$299,126</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(7,478)</td>
</tr>
<tr>
<td></td>
<td>$291,648</td>
</tr>
</tbody>
</table>
Property And Equipment

Property and equipment at June 30 consists of:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$6,671,230</td>
</tr>
<tr>
<td>Buildings and Improvement</td>
<td>8,472,149</td>
</tr>
<tr>
<td>Vehicles and equipment</td>
<td>273,253</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15,416,632</strong></td>
</tr>
</tbody>
</table>

Less: Accumulated depreciation

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,048,556</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,368,076</strong></td>
</tr>
</tbody>
</table>

Notes Receivable

Notes receivable at June 30 consists of:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Cape Girardeau</td>
<td>$3,589,380</td>
</tr>
<tr>
<td>APG Limited</td>
<td>581,113</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,170,493</td>
</tr>
</tbody>
</table>

Less: current maturities due within one year

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>487,410</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,683,083</strong></td>
</tr>
</tbody>
</table>

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%.

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, 2016 are:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$487,440</td>
</tr>
<tr>
<td>2017</td>
<td>488,032</td>
</tr>
<tr>
<td>2018</td>
<td>488,669</td>
</tr>
<tr>
<td>2019</td>
<td>489,321</td>
</tr>
<tr>
<td>2020</td>
<td>489,988</td>
</tr>
<tr>
<td>Thereafter</td>
<td>2,277,693</td>
</tr>
<tr>
<td>Less: Imputed interest on loan</td>
<td>550,620</td>
</tr>
<tr>
<td></td>
<td>4,721,113</td>
</tr>
<tr>
<td></td>
<td><strong>$ 4,170,493</strong></td>
</tr>
</tbody>
</table>

Notes Payable To Bank

Notes payable to bank at June 30 consists of:

First Missouri State Bank - University Farm $378,224
Montgomery Bank - South Lorimier 265,903
Bank of Missouri - 4193 Bainbridge Road 180,303
Montgomery Bank - 334 Morgan Oak 443,964
First Missouri State Bank - 315 South Lorimier 236,210
Gary W. Rust Rev Trust - 612-613 Broadway 46,875

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,551,479</td>
</tr>
</tbody>
</table>

Less: Current maturities due within one year 201,734

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,349,745</td>
</tr>
</tbody>
</table>

Aggregate annual maturities of notes payable at June 30, 2016 are:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$201,734</td>
</tr>
<tr>
<td>2017</td>
<td>382,771</td>
</tr>
<tr>
<td>2018</td>
<td>736,800</td>
</tr>
<tr>
<td>2019</td>
<td>97,981</td>
</tr>
<tr>
<td>2020</td>
<td>13,350</td>
</tr>
<tr>
<td>Thereafter</td>
<td>118,803</td>
</tr>
<tr>
<td></td>
<td><strong>$1,551,479</strong></td>
</tr>
</tbody>
</table>
On May 17, 2005, the Foundation purchased a 254.67-acre farm which is being used as the University Demonstration Farm. To finance the purchase, the Foundation entered into a promissory note with First Missouri State Bank in the amount of $1,462,500. On May 17, 2015, a second change in terms agreement was signed. There will be 60 regular payments of $8,920 with a maturity date of May 18, 2020. The interest rate of the promissory note is 0.5 percentage points above the prime rate. As of June 30, 2016, the prime rate was 3.50% resulting in an interest rate of 4.00%.

On February 1, 2008, the Foundation purchased three adjacent properties on South Lorimier Street in Cape Girardeau, Missouri. To finance the purchase, the Foundation entered into a promissory note with Montgomery Bank in the amount of $340,500. After a three-month extension dated May 1, 2013, which reduced the interest from 5.85% to 3.95%, a five-year promissory note was executed on August 1, 2013. Current payments on the note are regular payments of $6,069 and one irregular last payment estimated at $236,434. The interest rate of the promissory note is 3.95% with a maturity date of August 1, 2018.

On October 8, 2008, the Foundation purchased property at 4193 Bainbridge Road, County Road 306 in Jackson, Missouri. To finance the purchase, the Foundation entered into a five-year fixed rate promissory note with Bank of Missouri in the amount of $220,000. On November 1, 2013, the loan was refinanced with a maturity date of November 1, 2028. Current payments on the note are regular payments of $1,573 with an interest rate of 4.29%.

On December 30, 2008, the Foundation purchased property at 334 Morgan Oak and additional lots nearby in Cape Girardeau, Missouri. To finance the purchase, the Foundation entered into a promissory note with Montgomery Bank in the amount of $600,000. On March 19, 2014, a change in terms agreement was signed, which changed the collateral held on this loan. Current payments on the note are regular payments of $3,794 and one irregular last payment estimated at $383,768 due on November 30, 2016, and an interest rate of 3.95%.

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. Current payments on the note are regular payments of $2,136 and one irregular last payment estimated at $206,659. The interest rate of the promissory note is 3.92%.
On September 4, 2013, the Foundation purchased property located at 612-616 Broadway in Cape Girardeau, Missouri. To finance the purchase, the Foundation entered into a promissory note with Gary W. Rust Revocable Trust u/a/d June 1, 1992, Gary W. Rust and Wendy K. Rust, Trustees, in the amount of $150,000 with a maturity date of September 30, 2017. Current payments on the note are paid quarterly in the amount of $9,375. The interest rate will be adjusted quarterly to equal the prime rate. As of June 30, 2016, the prime rate was 3.50%.

Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30 are available for the following purposes or periods:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>$ 8,664,517</td>
</tr>
<tr>
<td>Loans</td>
<td>152,176</td>
</tr>
<tr>
<td>Other</td>
<td>7,991,420</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 16,808,113</strong></td>
</tr>
</tbody>
</table>

Permanently Restricted Net Assets

Permanently restricted net assets at June 30 are restricted to:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>$ 50,069,701</td>
</tr>
<tr>
<td>Other</td>
<td>2,140,378</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 52,210,079</strong></td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>$ 2,249,267</td>
</tr>
<tr>
<td>Loans</td>
<td>2,115</td>
</tr>
<tr>
<td>Other purposes restrictions accomplished</td>
<td>2,310,741</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 4,562,123</strong></td>
</tr>
</tbody>
</table>
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 $1,678,357 at June 30, 2016 which represents the present value of the future annuity obligations. The liability has been determined using a discount rate of 5%.

Operating Leases

The Foundation leases certain plant assets to the University. Minimum future rentals receivable under noncancellable operating leases at June 30, 2016 were $4,574,062, including $738,979 due within the next year.

17. Subsequent Event

Subsequent to year-end, on August 10, 2016, the University issued the Series 2016C Systems Facilities Revenue Bonds in the amount of $25,025,000 at interest rates ranging from 2.0% to 4.0% to partially refinance the Series 2011B bonds.
Required Supplementary Information
SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULES OF SELECTED PENSION INFORMATION
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM
June 30, 2016
(In Thousands)

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

<table>
<thead>
<tr>
<th>Measurement Date</th>
<th>As Of June 30:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
</tr>
<tr>
<td>University's proportion of the net pension liability</td>
<td>2.4420%</td>
</tr>
<tr>
<td>University's proportionate share of the net pension liability</td>
<td>$78,422,893</td>
</tr>
<tr>
<td>University's covered-employee payroll</td>
<td>47,277,247</td>
</tr>
<tr>
<td>University's proportionate share of net pension liability as a percentage of its covered-employee payroll</td>
<td>165.88%</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>72.62%</td>
</tr>
</tbody>
</table>

Schedule Of University's Contributions

<table>
<thead>
<tr>
<th>Measurement Date</th>
<th>As Of June 30:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
</tr>
<tr>
<td>Required contribution</td>
<td>$8,022,949</td>
</tr>
<tr>
<td>Contributions in relation to the required contribution</td>
<td>8,022,949</td>
</tr>
<tr>
<td>Commission's covered-employee payroll</td>
<td>47,277,247</td>
</tr>
<tr>
<td>Contributions as a percentage of covered-employee payroll</td>
<td>16.97%</td>
</tr>
</tbody>
</table>

Notes:
Above schedules are 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.

Changes Of Benefit Terms Or Assumptions
There were no changes to benefit terms in the plan for June 30, 2015. Change to assumptions for the year ended June 30, 2015 was related to a change in wage assumptions. Wage inflation is assumed to be 0% in the first year and 3% thereafter.
### SOUTHEAST MISSOURI STATE UNIVERSITY
### SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT HEALTHCARE PLAN
### June 30, 2016

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value Of Assets (a)</th>
<th>Actuarial Accrued Liability (AAL) - Entry Age (b)</th>
<th>Unfunded AAL (UAAL) (b - a)</th>
<th>Funded Ratio (a/b)</th>
<th>Covered Payroll (c)</th>
<th>UAAL As A Percentage Of Covered Payroll ((b - a) / c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/2015</td>
<td>$</td>
<td>$ 4,590,475$</td>
<td>$ 4,590,475</td>
<td>0%</td>
<td>$ 55,438,783</td>
<td>8.28%</td>
</tr>
<tr>
<td>7/1/2013</td>
<td>—</td>
<td>$ 4,585,382$</td>
<td>$ 4,585,382</td>
<td>0%</td>
<td>$ 56,950,964</td>
<td>8.10%</td>
</tr>
<tr>
<td>7/1/2011</td>
<td>—</td>
<td>$ 4,953,439$</td>
<td>$ 4,953,439</td>
<td>0%</td>
<td>$ 50,594,736</td>
<td>9.30%</td>
</tr>
</tbody>
</table>
# Contents

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
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<td>Independent Auditors' Report On Internal Control Over</td>
<td>1 - 2</td>
</tr>
<tr>
<td>Financial Reporting And On Compliance And Other Matters</td>
<td></td>
</tr>
<tr>
<td>Based On An Audit Of Financial Statements Performed</td>
<td></td>
</tr>
<tr>
<td>In Accordance With Government Auditing Standards</td>
<td></td>
</tr>
<tr>
<td>Independent Auditors' Report On Compliance For Each</td>
<td>3 - 5</td>
</tr>
<tr>
<td>Major Federal Program; Report On Internal Control Over</td>
<td></td>
</tr>
<tr>
<td>Compliance; And Report On The Schedule Of Expenditures</td>
<td></td>
</tr>
<tr>
<td>Of Federal Awards Required By Uniform Guidance</td>
<td></td>
</tr>
<tr>
<td>Schedule Of Expenditures Of Federal Awards</td>
<td>6 - 9</td>
</tr>
<tr>
<td>Notes To Schedule Of Expenditures Of Federal Awards</td>
<td>10 - 11</td>
</tr>
<tr>
<td>Schedule Of Findings And Questioned Costs</td>
<td>12 - 15</td>
</tr>
<tr>
<td>Schedule Of Prior Audit Findings</td>
<td>16</td>
</tr>
</tbody>
</table>
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, 2016, 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 14, 2016. We did not audit the financial statements of Southeast Missouri University Foundation, a discretely presented component unit of the University. Those financial statements were audited by other auditors whose report dated November 14, 2016 thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Southeast Missouri University Foundation, is based on the report of the other auditors.

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) to determine 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.

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 determination of financial statement amounts. 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.

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.

RubinBrown LLP

November 14, 2016

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 each of its major federal programs for the year ended June 30, 2016. 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 each of 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 each of its major federal programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on each major federal program is not modified with respect to these matters.

Southeast Missouri State University's responses to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Southeast Missouri State University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-001, that we consider to be a significant deficiency.

The University's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, 2016, 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 14, 2016, which contained unmodified opinions on those financial statements. We did not audit the financial statements of Southeast Missouri University Foundation, a discretely presented component unit of the University. Those financial statements were audited by other auditors whose report dated November 14, 2016 thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Southeast Missouri University Foundation, is based on the report of the other auditors. 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.

RubinBrown LLP
November 14, 2016
# Schedule of Expenditures of Federal Awards

For The Year Ended June 30, 2016

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor</th>
<th>Program Or Cluster Title</th>
<th>Grant Number</th>
<th>Federal CFDA Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States Department of Agriculture&lt;br&gt;Passed through Missouri Department of Health and Senior Services</td>
<td>Child and Adult Care Food Program:&lt;br&gt;UCEC Food Program&lt;br&gt;SAHEC Food Program&lt;br&gt;Total Child and Adult Care Food Program</td>
<td>ERS4611-2646&lt;br&gt;ERS4611-1831&lt;br&gt;—</td>
<td>10,558&lt;br&gt;10,558&lt;br&gt;—</td>
<td>$41,405&lt;br&gt;18,460&lt;br&gt;59,865</td>
</tr>
<tr>
<td>Passed through Missouri State University</td>
<td>Swine and Dairy Production 14</td>
<td>13174-002</td>
<td>10,286</td>
<td>$24,296</td>
</tr>
<tr>
<td>Direct</td>
<td>Honey Bee Nutrition 15</td>
<td>416-40-88</td>
<td>10,810</td>
<td>574</td>
</tr>
<tr>
<td>Direct</td>
<td>Rice Breeding Greenhouse 16</td>
<td>—</td>
<td>10,766</td>
<td>4,618</td>
</tr>
<tr>
<td>Direct</td>
<td>ARS Coop 16</td>
<td>58-6934-5-003</td>
<td>10,001</td>
<td>229</td>
</tr>
<tr>
<td>Direct</td>
<td>NRCS Cover Crops</td>
<td>89-6424-12-143</td>
<td>10,912</td>
<td>978</td>
</tr>
<tr>
<td>Passed through Arkansas State University</td>
<td>Cover Crop Research 16</td>
<td>2315-70001-23489</td>
<td>10,912</td>
<td>65,161</td>
</tr>
<tr>
<td>Total United States Department of Agriculture</td>
<td>Total Environmental Quality Incentives Program</td>
<td></td>
<td></td>
<td>64,027</td>
</tr>
<tr>
<td>Federal Transit Administration&lt;br&gt;Passthrough Cape Girardeau County</td>
<td>Shuttle Service 2016</td>
<td>—</td>
<td>20,607</td>
<td>$138,028</td>
</tr>
<tr>
<td>United States Department of Transportation&lt;br&gt;Passthrough University of Arkansas</td>
<td>Federal Transit Capital Investment Cluster:&lt;br&gt;MarTREC 15</td>
<td>DT2T 12-G-UTC51</td>
<td>20,701</td>
<td>$11,866</td>
</tr>
<tr>
<td>United States Department of Education&lt;br&gt;Direct</td>
<td>Student Financial Aid Cluster:&lt;br&gt;Federal Supplemental Educational Opportunity Grant Program&lt;br&gt;Federal Work Study Program&lt;br&gt;Federal Pell Grant Program&lt;br&gt;Federal Direct Loan Program&lt;br&gt;Federal Perkins Loan Program&lt;br&gt;Teacher Education Assistance for College and Higher Education Grants&lt;br&gt;Total Student Financial Aid Cluster</td>
<td>P007A165383&lt;br&gt;P033A165383&lt;br&gt;P063P161765&lt;br&gt;P265K161765&lt;br&gt;—&lt;br&gt;P377T161765</td>
<td>84.007&lt;br&gt;84.033&lt;br&gt;84.083&lt;br&gt;84.298&lt;br&gt;84.038&lt;br&gt;84.376</td>
<td>$196,007&lt;br&gt;386,891&lt;br&gt;14,370,641&lt;br&gt;42,242,760&lt;br&gt;835,268&lt;br&gt;148,639</td>
</tr>
</tbody>
</table>

See the accompanying notes to schedule of expenditures of federal awards.
<table>
<thead>
<tr>
<th>Federal Grantee/Pass-Through Grantee</th>
<th>Program Or Cluster Title</th>
<th>Grant Number</th>
<th>CFDA Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>Trio Cluster:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Student Support Services 2014</td>
<td>042A100064</td>
<td>84.042</td>
<td>$ 261</td>
</tr>
<tr>
<td></td>
<td>Student Support Services 2016</td>
<td>042A100084</td>
<td>84.042</td>
<td>58,739</td>
</tr>
<tr>
<td></td>
<td>Student Support Services 2016</td>
<td>042A100085</td>
<td>84.042</td>
<td>229,040</td>
</tr>
<tr>
<td></td>
<td>Student Support Services Supplement 2016</td>
<td>042A100086</td>
<td>84.042</td>
<td>11,834</td>
</tr>
<tr>
<td></td>
<td>McNair Post-Baccalaureate Achievement 2014</td>
<td>297A120523</td>
<td>84.217</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>McNair Post-Baccalaureate Achievement 2015</td>
<td>297A120523</td>
<td>84.217</td>
<td>76,897</td>
</tr>
<tr>
<td></td>
<td>McNair Post-Baccalaureate Achievement 2016</td>
<td>297A120523</td>
<td>84.217</td>
<td>189,204</td>
</tr>
<tr>
<td></td>
<td>Total Trio Cluster</td>
<td></td>
<td></td>
<td>$533,078</td>
</tr>
<tr>
<td>Passed through Missouri Department of Higher Education</td>
<td>Improving Teacher Quality State Grants:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Making Mathematicians 2014</td>
<td></td>
<td>84.367</td>
<td>202</td>
</tr>
<tr>
<td></td>
<td>Making Mathematicians 2016</td>
<td></td>
<td>84.367</td>
<td>155,510</td>
</tr>
<tr>
<td></td>
<td>Total Improving Teacher Quality State Grants</td>
<td></td>
<td></td>
<td>155,712</td>
</tr>
<tr>
<td>Passed through Jacksonville State University</td>
<td>Core ii 15</td>
<td></td>
<td>84.411B</td>
<td>2,980</td>
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<tr>
<td></td>
<td>Core ii 16</td>
<td></td>
<td>84.411B</td>
<td>2,340</td>
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<tr>
<td></td>
<td>Total Investing In Innovation Program</td>
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<td></td>
<td>5,320</td>
</tr>
<tr>
<td>Total United States Department of Education</td>
<td></td>
<td></td>
<td></td>
<td>$ 58,871,022</td>
</tr>
</tbody>
</table>

National Endowment for the Arts
Direct

<table>
<thead>
<tr>
<th>Program Or Cluster Title</th>
<th>Grant Number</th>
<th>CFDA Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of the Arts Program:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bridging the Arts Across Cape</td>
<td>14-6100-7086</td>
<td>46.024</td>
<td>$ 1,407</td>
</tr>
</tbody>
</table>

See the accompanying notes to schedule of expenditures of federal awards.
<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor</th>
<th>Program Or Cluster Title</th>
<th>Grant Number</th>
<th>Federal CFDA Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Business Administration</td>
<td>Small Business Development Center:</td>
<td>-</td>
<td>59.027</td>
<td>$16,630</td>
</tr>
<tr>
<td>Passed through University of Missouri - Columbia</td>
<td>SBDC 2015</td>
<td>-</td>
<td>59.027</td>
<td>48,122</td>
</tr>
<tr>
<td></td>
<td>Total Small Business Development Center</td>
<td>-</td>
<td>-</td>
<td>$64,752</td>
</tr>
<tr>
<td>United States Department of Health and Human Services</td>
<td>National Family Caregiver Support, Title III, Part B:</td>
<td>-</td>
<td>92.052</td>
<td>$6,736</td>
</tr>
<tr>
<td>Passed through Southeast Missouri Agency on Aging Direct</td>
<td>AAA SA Eldercare 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Passed through Missouri Department of Elementary and Secondary Education</td>
<td>CDA Training Program:</td>
<td>-</td>
<td>93.575</td>
<td>18,755</td>
</tr>
<tr>
<td></td>
<td>CDA Training 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Passed through Missouri Department of Mental Health</td>
<td>Block Grants for Prevention and Treatment of Substance Abuse:</td>
<td>-</td>
<td>93.969</td>
<td>114,840</td>
</tr>
<tr>
<td>Southeast Regional Support Center 2016</td>
<td>SDA420P1209</td>
<td>-</td>
<td>93.969</td>
<td>6,006</td>
</tr>
<tr>
<td>SouthEast Regional Support Center 10 Thanksgiving</td>
<td>SDA420P1209</td>
<td>-</td>
<td>93.969</td>
<td>51,368</td>
</tr>
<tr>
<td>Partnership for Success 2016</td>
<td>SDA420P1209</td>
<td>-</td>
<td>93.969</td>
<td>6,194</td>
</tr>
<tr>
<td>MHFA Training 16</td>
<td>SDA420P1209</td>
<td>-</td>
<td>93.969</td>
<td>128,728</td>
</tr>
<tr>
<td>Total Block Grants for Prevention and Treatment of Substance Abuse</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Passed through Missouri Department of Health and Senior Services</td>
<td>Addressing Asthma 2015</td>
<td>-</td>
<td>93.070</td>
<td>99,991</td>
</tr>
<tr>
<td>Passed through Missouri Department of Health and Senior Services</td>
<td>Addressing Asthma 2016</td>
<td>-</td>
<td>93.070</td>
<td>33,958</td>
</tr>
<tr>
<td>Total Environmental Public Health and Emergency Response</td>
<td></td>
<td>-</td>
<td>-</td>
<td>72,949</td>
</tr>
<tr>
<td>Total United States Department of Health and Human Services</td>
<td></td>
<td>-</td>
<td>-</td>
<td>$672,119</td>
</tr>
</tbody>
</table>

See the accompanying 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, 2016

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor</th>
<th>Program Or Cluster Title</th>
<th>Grant Number</th>
<th>CFDA Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States Department of Commerce Direct</td>
<td>EDA Technical Assist University Center Program</td>
<td>05-06-05444-01</td>
<td>11.303</td>
<td>$ 57,790</td>
</tr>
<tr>
<td></td>
<td>EDA 2015</td>
<td></td>
<td>11.303</td>
<td>$ 168,937</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 226,727</td>
</tr>
<tr>
<td>US Fish and Wildlife Service Direct</td>
<td>Song Birds 2016</td>
<td>F15AC002266</td>
<td>18.634</td>
<td>$ 20,294</td>
</tr>
<tr>
<td></td>
<td>Alligator Snapping Turtles</td>
<td></td>
<td>18.634</td>
<td>$ 10,306</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 30,600</td>
</tr>
<tr>
<td>National Endowment for the Humanities</td>
<td>Promotion of the Humanities Programs</td>
<td>1966</td>
<td>45.129</td>
<td>$ 181</td>
</tr>
<tr>
<td>Passed through the Missouri Humanities Council</td>
<td>Summer Institute FY16</td>
<td></td>
<td></td>
<td>$ 55,789,788</td>
</tr>
</tbody>
</table>

See the accompanying notes to schedule of expenditures of federal awards.
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, 2016. 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 the year ended June 30, 2016:

<table>
<thead>
<tr>
<th>CFDA #</th>
<th>Advances</th>
</tr>
</thead>
<tbody>
<tr>
<td>84.268</td>
<td>$ 42,243,769</td>
</tr>
<tr>
<td>84.698</td>
<td>$ 852,259</td>
</tr>
</tbody>
</table>

The above advances are included as federal expenditures in the Schedule.
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 $189,091 for the year ended June 30, 2016.
SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2016

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? ___ yes X 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? X yes ___ 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)? X yes ___ 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 #84.208 - 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 - TEACH Grants
CFDA #11.303 - U.S. Department of Commerce - EDA Technical Assist University Center Program

Dollar threshold used to distinguish between type A and type B programs: $750,000
Auditee qualified as low-risk auditee? X yes ___ no
Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings And Questioned Costs

Finding No. 2016-001

Federal Program: Student Financial Aid Cluster - Federal Pell Grant and Federal Direct Loan Programs
CFDA No.: 84.063 and 84.268
Federal Award Identification Number: FY2016 - P063P151752 and P268K161752
Federal Grantor: U.S. Department of Education
Compliance Requirement: Special Tests and Provisions - Return to Title IV

Criteria: The University must return funds for federal direct student loans and report the reduction in Pell grant funding to the Common Origination & Disbursement (COD) system within 45 days for students who have withdrawn from the University and for whom a completed return calculation indicated that a return of and reduction in funding was required.

Condition: Based on a review of a sample of students, one instance was noted in which the reduction in Pell grant funding was not communicated to the COD system within the 45 day requirement as required by 34 CFR 668.22(j)(1). This was not a repeat finding from the prior year.
Context/Cause: In 1 out of 40 students tested, it was noted that communication of the reduction in Pell grant funding for the student was not communicated to the COD system within the 45-day requirement. In this instance the student had an official withdrawal from the University on October 21, 2015. Subsequently Pell reporting was completed on November 17, 2015 before the reduction related to the Return to Title IV calculation was entered into the University’s Banner system later that day. Pell reporting at the University is typically a weak process; however, due to the Thanksgiving holiday Pell reporting was not scheduled to be submitted until the following week. The employee responsible for Pell submissions was at a conference the week following the Thanksgiving holiday, and the University had a back-up employee in place at the University to complete the submissions. This back-up employee, however, failed to make the proper Pell submissions. When the employee responsible for Pell submissions returned, the report was submitted on December 7, 2015, 47 days after the student withdrew. Due to a reporting error detected, the report was required to be resent and the final submission was completed on December 11, 2015, 51 days after the student withdrew. It was noted that one other student not included in the sampled population had similar circumstances in which the student withdrew on October 21, 2015, but for which reporting was not completed until December 7, 2015, a 47 day difference. This was the only other student identified by the University for which the submissions were not completed within the 45 day requirement due to the failure of the control noted above. We did not utilize statistical methods to determine our sample.

Effect: The University did not complete submissions to the COD system for Pell reductions within the required 45-day timeframe.

Questioned Costs: None. Based on the information above, amounts would not be material to the program.

Recommendation: The University should review its controls and procedures as described above to ensure the procedure is functioning to ensure completion of the return notifications are made to the COD system within the required 45 day timeframe.
Corrective Action Plan: The University concurs and updated the COD system for the two students identified as not being submitted as soon as they were aware during the week of December 7, 2015. The University plans to submit to COD any Pell changes as soon as the University receives the Return to Title IV unofficial withdrawal information which will add an additional submission day and will limit the student’s disbursement information from being reported after the 45-day required timeframe.

Contact Person: Director of Financial Aid

Completion Date: October 2016
Finding No. 2015-001

Federal Program: Student Financial Aid Cluster - Federal Pell Grant and Federal Direct Loan Programs
CFDA No.: 84.063 and 84.263
Federal Grantor: U.S. Department of Education
Compliance Requirement: Special Tests and Provisions - Enrollment Reporting

Condition: Six out of 40 students tested in the prior year were not notified of the need to complete the exit interview process.

Status: The University has updated the exit interview process to put unique requirement codes into the software programs that are semester specific. This will identify students that may need more than one Exit Counseling Requirement satisfied within an academic year.

In addition, the University also ran the Exit Counseling process the week after finals to pick up any student that may have withdrawn or dropped below half-time during finals week so that exit counseling information is sent to these students. The University also requested a second list of semester graduates two weeks after graduation to compare to the first list that was received two weeks prior to graduation, in order to identify any students that were not included on the list.

Finally, the Assistant Director for Student Accounts received the list of Unofficial Withdrawals for the semester, and she forwarded the information to the Loan Department. Once those students were coded on the system as unofficially withdrawn, the University ran the Exit Counseling process to pick up these students and ensure they received the required Exit Counseling information.

During the current year, 40 out of 40 students tested appropriately were notified of the need for exit counseling and received exit counseling when withdrawn. Accordingly, this finding has not been repeated.
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<th>Page</th>
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<td>11</td>
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<td>Statement Of Revenues, Expenses And Changes</td>
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<td></td>
</tr>
<tr>
<td>Statement Of Cash Flows</td>
<td>13 - 14</td>
</tr>
<tr>
<td>Notes To Financial Statements</td>
<td>15 - 33</td>
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<td><strong>Supplementary Information (Unaudited)</strong></td>
<td></td>
</tr>
<tr>
<td>Schedule Of Insurance Coverage</td>
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<td>Schedule Of Enrollment And Fees</td>
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<td>Schedule Of Room And Board Costs - 5-Year</td>
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<td></td>
</tr>
<tr>
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<td>37</td>
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<tr>
<td>Housing System</td>
<td></td>
</tr>
<tr>
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</tr>
<tr>
<td>Schedule Of University Residence Hall</td>
<td>39</td>
</tr>
<tr>
<td>Capacities</td>
<td></td>
</tr>
</tbody>
</table>
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, 2016, 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 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, 2016, 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, 2016, 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.
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 14, 2016
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, 2016. 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 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. 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:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td>$16,989,433</td>
<td>$12,740,424</td>
</tr>
<tr>
<td><strong>Noncurrent Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted long-term investments</td>
<td>1,001,403</td>
<td>—</td>
</tr>
<tr>
<td>Capital assets, net of depreciation</td>
<td>172,239,777</td>
<td>168,439,762</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>190,230,613</td>
<td>181,180,186</td>
</tr>
<tr>
<td><strong>Deferred Outflows of Resources</strong></td>
<td>6,132,625</td>
<td>6,358,003</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>9,433,035</td>
<td>7,494,553</td>
</tr>
<tr>
<td><strong>Noncurrent Liabilities</strong></td>
<td>133,506,245</td>
<td>126,417,541</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>142,939,280</td>
<td>133,912,094</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>45,341,669</td>
<td>43,523,850</td>
</tr>
<tr>
<td>Restricted</td>
<td>1,265,621</td>
<td>1,539,879</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>6,816,668</td>
<td>8,562,366</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$53,433,958</td>
<td>$53,626,096</td>
</tr>
</tbody>
</table>

Current assets consist primarily of cash and cash equivalents and inventories. Current assets totaled $16.99 million at June 30, 2016, an increase of approximately $4.25 million from the $12.74 million total current assets at June 30, 2015. The increase is related to the bond fund proceeds from the 2016 bond issue that had not been spent for construction of Greek housing at the end of fiscal year 2016. Total assets increased approximately $9.05 million from $181.18 million at June 30, 2015 to $190.23 million at June 30, 2016.

Current liabilities consist primarily of accounts payable, accrued compensation, accrued interest payable and unearned income. Current liabilities totaled $9.43 million at June 30, 2016, an increase of approximately $1.9 million from the $7.49 million total current liabilities at June 30, 2015. Current liabilities also include the current portion of bonds and notes payable.

Noncurrent liabilities consist of long-term debt, which totaled $133.51 million at June 30, 2016 and $126.42 million at June 30, 2015.
Net position represents the residual interest in the System Facilities’ assets and deferred outflows after liabilities are deducted.

<table>
<thead>
<tr>
<th>Net Position</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>$45,341,669</td>
<td>$43,523,850</td>
</tr>
<tr>
<td>Restricted - Expendable for capital projects</td>
<td>1,265,621</td>
<td>1,539,879</td>
</tr>
<tr>
<td>Unrestricted:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated</td>
<td>1,425,129</td>
<td>1,304,316</td>
</tr>
<tr>
<td>Undesignated</td>
<td>5,391,539</td>
<td>7,258,050</td>
</tr>
<tr>
<td>Total Unrestricted</td>
<td>6,816,668</td>
<td>8,562,366</td>
</tr>
<tr>
<td>Total net position</td>
<td>$53,423,958</td>
<td>$53,626,095</td>
</tr>
</tbody>
</table>

Following is a breakdown of net position at June 30, 2016:

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 $1.82 million from $43.52 million at June 30, 2015 to $45.34 million at June 30, 2016. The increase is primarily due to the construction of Greek Housing.
SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Management's Discussion And Analysis (Continued)

Although unrestricted net position is not subject to externally imposed stipulations, approximately $1.43 million and $1.30 million was internally designated for investment in inventories as of June 30, 2016 and 2015, respectively. Unrestricted-undesignated net position of the System Facilities was approximately $5.33 million at June 30, 2016, a decrease of approximately $1.87 million from $7.26 million at June 30, 2015.

The following schedule reflects the condensed revenues and expenses of the System Facilities for fiscal years 2016 and 2015:

Condensed Statements Of Revenues
Expenses And Changes In Net Position
Years Ended June 30, 2016 And 2015

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing contracts, net of scholarship allowance</td>
<td>$21,480,173</td>
<td>$21,917,805</td>
</tr>
<tr>
<td>Textbook sales and rentals</td>
<td>2,907,281</td>
<td>2,184,137</td>
</tr>
<tr>
<td>Student recreation center fees</td>
<td>2,482,663</td>
<td>2,542,516</td>
</tr>
<tr>
<td>Parking fees and fines</td>
<td>1,424,372</td>
<td>1,180,854</td>
</tr>
<tr>
<td>Student union building fees</td>
<td>267,000</td>
<td>267,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>2,203,288</td>
<td>2,217,067</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>29,864,777</td>
<td>30,309,379</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel service</td>
<td>5,175,335</td>
<td>5,241,543</td>
</tr>
<tr>
<td>Contract food service</td>
<td>6,783,413</td>
<td>7,088,733</td>
</tr>
<tr>
<td>Utilities and maintenance</td>
<td>2,781,207</td>
<td>3,628,284</td>
</tr>
<tr>
<td>Book purchases</td>
<td>1,522,154</td>
<td>1,540,827</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,214,285</td>
<td>3,730,955</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>4,605,660</td>
<td>3,226,490</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>25,082,054</td>
<td>24,456,832</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>4,782,723</td>
<td>5,852,547</td>
</tr>
</tbody>
</table>

**Nonoperating Revenue (Expenses)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>136,203</td>
<td>125,585</td>
</tr>
<tr>
<td>Interest on capital asset related debt</td>
<td>(4,916,894)</td>
<td>(5,315,332)</td>
</tr>
<tr>
<td>Disposal of plant facilities</td>
<td>(204,169)</td>
<td>(178,749)</td>
</tr>
<tr>
<td><strong>Net nonoperating expenses</strong></td>
<td>(4,984,860)</td>
<td>(6,368,496)</td>
</tr>
<tr>
<td>Increase (decrease) in net position</td>
<td>(202,137)</td>
<td>484,051</td>
</tr>
<tr>
<td><strong>Net position beginning of year</strong></td>
<td>53,626,095</td>
<td>53,142,044</td>
</tr>
<tr>
<td><strong>Net position end of year</strong></td>
<td>$53,423,958</td>
<td>$53,626,095</td>
</tr>
</tbody>
</table>
Total revenues for fiscal years 2016 and 2015 were $30.00 million and $30.43 million, respectively. The most significant sources of revenue for the System Facilities are housing contracts, student fees, and textbook rentals. Other operating revenue remained stable from $2.22 million in fiscal year 2015 to $2.20 in fiscal year 2016, includes revenue from camps, conferences and campus coin operating sales.

Following is a graphic illustration of revenue by source for fiscal year 2016:

![Pie chart showing revenue sources]

Operating expenses of the System Facilities totaled $25.08 million for the fiscal year ended June 30, 2016 and $24.46 million for the fiscal year ended June 30, 2015. Personal service costs and contract food service costs accounted for 48% of the total operating expenses in fiscal year 2016 and 50% of the total operating expenses in fiscal year 2015.
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, 2016:

![Pie chart showing operating expenses by source.

Capital Assets

At June 30, 2016 and 2015, the System Facilities' investment in capital assets totaled $172.24 million and $168.44 million, respectively, as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and improvements</td>
<td>$193,013,941</td>
<td>$193,262,045</td>
</tr>
<tr>
<td>Land</td>
<td>$476,467</td>
<td>$476,467</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$12,815,156</td>
<td>$12,299,156</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>$8,138,822</td>
<td>$462,478</td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>($42,204,609)</td>
<td>($38,060,384)</td>
</tr>
</tbody>
</table>

$172,239,777  $168,439,762

The estimated cost to complete construction in progress at June 30, 2016 is $8.9 million which consists of new student housing construction, dining facility renovations and intramural fields artificial turf. These projects are being funded by bond proceeds and University funds.

At June 30, 2015, the University estimated that costs to complete construction projects in progress at $1.83 million, which included new student housing construction. This project is funded by bond proceeds and University funds.
Additional information in Capital Assets can be found in Note 5 of the financial statements.

**Bonds And Notes Payable**

The System Facilities had outstanding bonds of approximately $137.58 million and $130.88 million at June 30, 2016 and 2015, respectively.

The System Facilities also has a note payable to the University's contracted food service provider of approximately $356,000 and $392,000 at June 30, 2016 and 2015, respectively.

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

**Current Assets**
- Cash and cash equivalents: $6,606,121
- Restricted cash and cash equivalents: 4,353,946
- Restricted short-term investments: 4,596,617
- Accrued interest receivable: 7,820
- Inventories: 1,425,129
- **Total Current Assets**: 16,989,433

**Noncurrent Assets**
- Restricted long-term investments: 1,001,403
- Capital assets - non-depreciable: 8,615,289
- Capital assets, net - depreciable: 163,624,488
- **Total Noncurrent Assets**: 173,241,180

**Total Assets**: 190,230,613

**Deferred Outflows Of Resources**
- Deferred amounts on refunding of bonds payable: 6,132,625

## Liabilities

**Current Liabilities**
- Accounts payable: 2,610,494
- Accrued interest payable: 1,251,872
- Accrued compensation: 367,737
- Unearned income: 770,217
- Notes payable: 37,715
- Bonds payable: 4,395,000
- **Total Current Liabilities**: 9,433,035

**Noncurrent Liabilities**
- Notes payable: 318,358
- Bonds payable: 133,187,887
- **Total Noncurrent Liabilities**: 133,506,245

**Total Liabilities**: 142,939,280

## Net Position

- Net investment in capital assets: 45,341,669
- Restricted for:
  - Expendable for capital projects: 1,265,621
  - Unrestricted: 6,816,668
- **Total Net Position**: $53,423,958

---

See the accompanying notes to financial statements.
SOUTHEAST MISSOURI STATE UNIVERSITY  
SYSTEM FACILITIES  

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
For The Year Ended June 30, 2016  

Operating Revenues  
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing contracts (net of scholarship allowance of $1,534,107)</td>
<td>$ 21,480,173</td>
</tr>
<tr>
<td>Student recreation center fees</td>
<td>2,482,663</td>
</tr>
<tr>
<td>Student union building fees</td>
<td>267,000</td>
</tr>
<tr>
<td>Student parking fees</td>
<td>797,290</td>
</tr>
<tr>
<td>Other fees</td>
<td>1,352,501</td>
</tr>
<tr>
<td>Textbook rental</td>
<td>1,655,246</td>
</tr>
<tr>
<td>Textbook sales</td>
<td>352,035</td>
</tr>
<tr>
<td>Coin operating sales</td>
<td>93,310</td>
</tr>
<tr>
<td>Fines/parking tickets</td>
<td>627,082</td>
</tr>
<tr>
<td>Rental income</td>
<td>142,392</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>615,085</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>29,864,777</strong></td>
</tr>
</tbody>
</table>

Operating Expenses  
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel service</td>
<td>5,175,335</td>
</tr>
<tr>
<td>Contract food service</td>
<td>6,783,413</td>
</tr>
<tr>
<td>Utilities and maintenance</td>
<td>2,781,207</td>
</tr>
<tr>
<td>Book purchases</td>
<td>1,522,154</td>
</tr>
<tr>
<td>Coin operating expenses</td>
<td>119,400</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,214,285</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>4,486,260</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>25,082,054</strong></td>
</tr>
</tbody>
</table>

Operating Income  
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,782,723</td>
</tr>
</tbody>
</table>

Nonoperating Revenues (Expenses)  
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>136,203</td>
</tr>
<tr>
<td>Interest on capital asset-related debt</td>
<td>(4,916,894)</td>
</tr>
<tr>
<td>Loss on disposal of plant facilities</td>
<td>(204,169)</td>
</tr>
<tr>
<td><strong>Total Nonoperating Expenses, Net</strong></td>
<td><strong>(4,984,860)</strong></td>
</tr>
</tbody>
</table>

Decrease In Net Position  
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(202,137)</td>
</tr>
</tbody>
</table>

Net Position - Beginning Of Year  
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>53,626,095</td>
</tr>
</tbody>
</table>

Net Position - End Of Year  
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 53,423,958</td>
</tr>
</tbody>
</table>
SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2016

<table>
<thead>
<tr>
<th>Cash Flows From Operating Activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Student and housing fees</td>
<td>$ 25,001,337</td>
</tr>
<tr>
<td>Other receipts</td>
<td>4,340,394</td>
</tr>
<tr>
<td>Payments to vendors and suppliers</td>
<td>(15,807,332)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(5,166,104)</td>
</tr>
<tr>
<td><strong>Net Cash Provided By Operating Activities</strong></td>
<td><strong>8,967,395</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows From Capital And Related Financing Activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>30,630,000</td>
</tr>
<tr>
<td>Payment of bond issuance costs</td>
<td>2,651,419</td>
</tr>
<tr>
<td>Purchases of capital assets and payments to contractors</td>
<td>(5,824,170)</td>
</tr>
<tr>
<td>Principal paid on capital debt</td>
<td>(26,616,374)</td>
</tr>
<tr>
<td>Interest paid on capital debt</td>
<td>(4,712,431)</td>
</tr>
<tr>
<td><strong>Net Cash Used In Capital And Related Financing Activities</strong></td>
<td><strong>(3,871,556)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows From Investing Activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on investments</td>
<td>128,583</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(5,598,320)</td>
</tr>
<tr>
<td><strong>Net Cash Used In Investing Activities</strong></td>
<td><strong>(5,469,437)</strong></td>
</tr>
</tbody>
</table>

| Net Decrease In Cash And Cash Equivalents                                 | (373,398) |

| Cash And Cash Equivalents - Beginning Of Year                             | 11,333,365 |
| Cash And Cash Equivalents - End Of Year                                   | $ 10,960,067 |

| Supplemental Disclosure Of Cash Flow Information                          |       |
| Noncash transactions:                                                     |       |
| Capital asset purchases included in accounts payable                      | $ 2,591,173 |

See the accompanying notes to financial statements.
### Reconciliation Of Operating Income To Net Cash Provided By Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>$4,782,723</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income to net cash provided by operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>$4,214,285</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Receivables, net</td>
<td>102,743</td>
</tr>
<tr>
<td>Inventories</td>
<td>(120,813)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>5,615</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>(26,089)</td>
</tr>
<tr>
<td>Accrued compensated absences and post-employment benefits</td>
<td>9,231</td>
</tr>
</tbody>
</table>

**Net Cash Provided By Operating Activities**

$8,967,695
1. Organization

The basic financial statements include the accounts of Southeast Missouri State University (the University) established by the terms of the bond resolution for the System Facilities Revenue Bond Series 2011B dated December 22, 2011, the System Facilities Revenue Bond Series 2013A and 2013B dated February 28, 2013, and the System Facilities Revenue Bonds and Taxable System Facilities Revenue Bonds 2016A and 2016B dated February 26, 2016. The basic financial statements reflect only the assets, liabilities, 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 currently under construction. The University Center 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 and 2013B, and Series 2016A and 2016B 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.
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.

Investments

Investments are stated at fair value. Under the terms of the bond resolution, available funds in any of the accounts established pursuant to the terms of the bond resolutions may be invested in any lawful investment as described in the bond resolutions.

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 fair market 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:

<table>
<thead>
<tr>
<th>Capital Assets</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and improvements</td>
<td>10 to 50</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>10 to 50</td>
</tr>
</tbody>
</table>

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.

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 tuition and fee revenues are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position.

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, 2016, 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 bond 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, 2016, amortization related to bond premiums and bond discounts was $172,676 and $17,976, respectively.

**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, 2016, 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, 2016.

*Foreign Currency Risk.* The risk related to adverse effects on the fair value of a deposit from changes in exchange rates. At June 30, 2016, the System Facilities had no exposure to foreign currency risk as the University had no deposits held by international banks.

4. **Investments**

The System Facilities 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, 2016, the System Facilities had the following investments and maturities:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Credit Rating</th>
<th>Fair Value</th>
<th>&lt; 1 Year</th>
<th>1-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury Obligations</td>
<td>*</td>
<td>$3,948,135</td>
<td>$3,197,520</td>
<td>$750,615</td>
</tr>
<tr>
<td>U.S. Agency Obligations</td>
<td>*</td>
<td>$1,049,885</td>
<td>$1,399,097</td>
<td>$250,738</td>
</tr>
</tbody>
</table>

|                      |               | $5,598,020 | $4,596,617 | $1,001,403 |

* U.S. Treasury and Agency Obligations are rated AAA by Moody's Investor Services and AA+ 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 System Facilities' 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 System Facilities, thereby avoiding the need to sell securities in the open market prior to maturity. Callable securities are restricted to securities callable at par only.
Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. System Facilities' investments are limited to U.S. Treasury Obligations and Agency Obligations, which have minimal credit risk.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the System Facilities will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The System Facilities had no investments exposed to custodial credit risk at June 30, 2016.

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 System Facilities' 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 System Facilities' portfolio include U.S. Treasury and Agency Obligations.

The System Facilities' investments in U.S. Agency and Treasury Obligations consist of Fannie Mae and Federal Home Loan Bank securities. Each of these agencies represents more than 5% of the System Facilities' total investments.

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. At June 30, 2016, the System Facilities had no exposure to foreign currency risk as there were no foreign investments in the System Facilities' portfolio.

Summary Of Fair Values
The fair value of deposits and investments is as follows:

<table>
<thead>
<tr>
<th>Deposits</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in Bank</td>
<td>$ 10,569,234</td>
</tr>
<tr>
<td>Insured Cash Sweep</td>
<td>390,833</td>
</tr>
<tr>
<td></td>
<td>10,960,067</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury Obligations</td>
<td>3,948,135</td>
</tr>
<tr>
<td>U.S. Agency Obligations</td>
<td>1,649,885</td>
</tr>
<tr>
<td></td>
<td>5,598,020</td>
</tr>
<tr>
<td></td>
<td>$ 16,558,087</td>
</tr>
</tbody>
</table>

Page 21
Included in the following statement of net position captions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 6,606,121</td>
</tr>
<tr>
<td>Cash and cash equivalents - restricted</td>
<td>4,353,946</td>
</tr>
<tr>
<td>Restricted short-term investments</td>
<td>4,596,617</td>
</tr>
<tr>
<td>Restricted long-term investments</td>
<td>1,001,403</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 16,558,087</strong></td>
</tr>
</tbody>
</table>

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

The University has the following recurring fair value measurements as of June 30, 2016:

- U.S. Treasury Obligations of $3,948,135 valued using a matrix pricing model (Level 2 inputs).
- Government Agency Obligations of $1,649,885 valued using a matrix pricing model (Level 2 inputs).

**Investment Income**

Investment income for the year ended June 30, 2016 is $136,203 and consists of $120,711 of interest and dividend income and a $15,492 net increase in the fair value of investments.
5. **Capital Assets**

Capital asset activity for the year ended June 30, 2016 was as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 476,457</td>
<td>$</td>
<td>$ (26,125)</td>
<td>$ 470,332</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>462,478</td>
<td>7,702,469</td>
<td></td>
<td>8,168,923</td>
</tr>
<tr>
<td>Total capital assets not being</td>
<td>938,935</td>
<td>7,702,469</td>
<td>(26,125)</td>
<td>8,615,261</td>
</tr>
<tr>
<td>depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets, being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>193,262,046</td>
<td>26,125</td>
<td>(274,329)</td>
<td>193,013,941</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>12,299,156</td>
<td>516,000</td>
<td></td>
<td>12,815,156</td>
</tr>
<tr>
<td>Total capital assets being</td>
<td>205,561,201</td>
<td>542,125</td>
<td>(274,329)</td>
<td>205,829,037</td>
</tr>
<tr>
<td>depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>(36,516,036)</td>
<td>(3,906,644)</td>
<td>70,060</td>
<td>(40,414,692)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>(1,544,376)</td>
<td>(245,641)</td>
<td></td>
<td>(1,790,017)</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>(38,060,412)</td>
<td>(4,152,285)</td>
<td>70,060</td>
<td>(42,204,699)</td>
</tr>
<tr>
<td>Total capital assets being</td>
<td>167,500,789</td>
<td>(3,672,189)</td>
<td>(204,169)</td>
<td>163,024,438</td>
</tr>
<tr>
<td>depreciated, net</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>$ 168,439,762</td>
<td>$ 4,030,309</td>
<td>$ (230,294)</td>
<td>$ 172,239,777</td>
</tr>
</tbody>
</table>

The estimated cost to complete construction in progress at June 30, 2016 is $8.9 million which consists of new student housing construction, dining facility renovations, and intramural fields artificial turf. These projects are being funded by bond proceeds and University funds.

6. **Accounts Payable**

The composition of accounts payable at June 30, 2016 is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital projects</td>
<td>$ 2,411,967</td>
</tr>
<tr>
<td>Reimbursement - capital projects</td>
<td>179,206</td>
</tr>
<tr>
<td>Residence life operations</td>
<td>6,889</td>
</tr>
<tr>
<td>Other auxiliary operations</td>
<td>12,432</td>
</tr>
<tr>
<td></td>
<td><strong>$ 2,610,494</strong></td>
</tr>
</tbody>
</table>
7. Bonds Payable

<table>
<thead>
<tr>
<th></th>
<th>Amount Outstanding June 30, 2015</th>
<th>Principal Additions</th>
<th>Principal Payments June 30, 2016</th>
<th>Amount Outstanding June 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Facilities Revenues Bonds Series 2011</td>
<td>$23,555,000</td>
<td>$</td>
<td>$</td>
<td>$23,555,000</td>
</tr>
<tr>
<td>System Facilities Revenues Bonds Series 2011B</td>
<td>27,690,000</td>
<td></td>
<td>660,000</td>
<td>27,030,000</td>
</tr>
<tr>
<td>System Facilities Revenues Bonds Series 2013A</td>
<td>76,830,000</td>
<td></td>
<td>1,820,000</td>
<td>75,010,000</td>
</tr>
<tr>
<td>System Facilities Revenues Bonds Series 2013B</td>
<td>1,510,000</td>
<td></td>
<td>545,000</td>
<td>965,000</td>
</tr>
<tr>
<td>System Facilities Revenues Bonds Series 2016A</td>
<td></td>
<td>21,710,000</td>
<td></td>
<td>21,710,000</td>
</tr>
<tr>
<td>System Facilities Revenues Bonds Series 2016B</td>
<td></td>
<td>8,920,000</td>
<td></td>
<td>8,920,000</td>
</tr>
<tr>
<td></td>
<td>105,030,000</td>
<td>30,630,000</td>
<td>26,580,000</td>
<td>133,835,000</td>
</tr>
</tbody>
</table>

Less: Current maturities (due within one year) 4,395,000
Add: Premium on bond payable 4,425,230
Less: Discount on bond payable 481,343

$133,185,887

Series 2016 Bonds

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 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 $2,836,120 and results in an economic gain (difference between the present value of the old and new debt service payments) of $2,808,596.

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:

<table>
<thead>
<tr>
<th>Series 2016B Bonds Maturing April 1, 2031</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2027-2031</td>
<td>$1,350,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series 2016B Bonds Maturing April 1, 2036</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2032-2036</td>
<td>$1,625,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series 2016B Bonds Maturing April 1, 2045</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2037-2045</td>
<td>$3,935,000</td>
</tr>
</tbody>
</table>

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% to 5% 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 1.33% to 4.37% and mature serially through 2045.
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 $330,948 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 2.6% to 5% 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 rates varying from 1.3% to 1.9%, and mature serially through 2018. Extraordinary Option Redemption at 100% for the Series 2013A and 2013B bonds may take place upon the occurrence of certain special conditions or events.
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:

<table>
<thead>
<tr>
<th>Redemption Dates</th>
<th>Redemption Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1, 2017-March 31, 2018</td>
<td>102%</td>
</tr>
<tr>
<td>April 1, 2018-March 31, 2019</td>
<td>101%</td>
</tr>
<tr>
<td>April 1, 2020-April 1, 2042</td>
<td>100%</td>
</tr>
</tbody>
</table>

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 1.85% to 4.4% and mature serially through fiscal year 2042.

On August 10, 2016, subsequent to the end of the fiscal year, the University issued $25,025,000 Series 2016C System Facilities Revenue Bonds to partially refinance the Series 2011B bonds. The University will pay principal and interest through 2021 on the Series 2011B bonds.

Interest expense was $4,903,268 for 2016. Scheduled fiscal year maturities of System Facilities bonds payable and related interest expense are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$4,395,000</td>
<td>$5,007,485</td>
</tr>
<tr>
<td>2018</td>
<td>5,320,000</td>
<td>4,800,879</td>
</tr>
<tr>
<td>2019</td>
<td>5,515,000</td>
<td>4,593,566</td>
</tr>
<tr>
<td>2020</td>
<td>5,780,000</td>
<td>4,343,498</td>
</tr>
<tr>
<td>2021</td>
<td>6,030,000</td>
<td>4,078,288</td>
</tr>
<tr>
<td>2022-2026</td>
<td>26,880,000</td>
<td>17,461,600</td>
</tr>
<tr>
<td>2027-2031</td>
<td>31,140,000</td>
<td>12,640,068</td>
</tr>
<tr>
<td>2032-2036</td>
<td>23,590,000</td>
<td>7,741,114</td>
</tr>
<tr>
<td>2037-2041</td>
<td>18,820,000</td>
<td>3,387,537</td>
</tr>
<tr>
<td>2042-2045</td>
<td>6,165,000</td>
<td>434,725</td>
</tr>
</tbody>
</table>

| $133,635,000 | $64,508,760 |
The Series 2011B, Series 2013A and 2013B, Series 2016A and 2016B 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 and 2016B 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.
8. Notes Payable

Notes payable at June 30, 2016 are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chartwell's-Olive's and Skylight Terrace Expansion</td>
<td>$302,447</td>
<td>$ -</td>
<td>$(36,374)</td>
<td>$356,073</td>
</tr>
</tbody>
</table>

Less: Current maturities (due within one year) 37,715

$318,358

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 2025.

Interest expense was $13,626 for 2016. Scheduled fiscal year maturities on notes payable and related interest are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$37,715</td>
<td>$12,285</td>
</tr>
<tr>
<td>2018</td>
<td>39,105</td>
<td>10,895</td>
</tr>
<tr>
<td>2019</td>
<td>40,546</td>
<td>9,454</td>
</tr>
<tr>
<td>2020</td>
<td>42,041</td>
<td>7,959</td>
</tr>
<tr>
<td>2021</td>
<td>43,590</td>
<td>6,410</td>
</tr>
<tr>
<td>2022-2025</td>
<td>153,076</td>
<td>9,425</td>
</tr>
</tbody>
</table>

$356,073 $56,428

9. Retirement Plan

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

Benefits provided. MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR starting on page 30.

Contributions. Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP2011 Plan are required to contribute 4% of their annual pay. The University's required contribution rate for the year ended June 30, 2016, was 16.97% 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, 2015 was 16.97%, which is the year of measurement for the net pension liability. The University recognized pension expense of $8,022,825 for the year ended June 30, 2016.

Pension Liabilities. At June 30, 2016, the University reported a liability of $78,422,892 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.
The University’s proportion of the net pension liability was based on the University’s actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2015. At June 30, 2015, the University’s proportion was 2.442%, an increase from its proportion measured using 2.3902% as of the June 30, 2014 measurement date.

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, 2016.

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. Retirees 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. No trust fund has been created for the payment of the University’s portion of the medical insurance premiums; therefore, as of June 30, 2016 the University’s obligations are unfunded.

The System Facilities does not report a 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, 2016.
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 2015-2016 were $171,116.

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, 2016, the System Facilities is not aware of any environmental liability.
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. Restricted net position - expendable for capital projects was $1,265,621 at June 30, 2016.

**Unrestricted** - Unrestricted net position, as defined in GASB Statement No. 34, are not subject to externally imposed stipulations; however, they are 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 $1,425,129 at June 30, 2016. Undesignated unrestricted net position was $5,391,539 at June 30, 2016.
Supplementary Information
<table>
<thead>
<tr>
<th>Coverage And Insurer</th>
<th>Policy Expiration Date</th>
<th>Amount Of Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire and extended coverage (building, contents and loss of income) Marsh USA</td>
<td>6/30/2016</td>
<td>$948,490,397</td>
</tr>
</tbody>
</table>

Subsequent to June 30, 2016, the University contracted with Marsh USA to provide insurance through June 30, 2017 with $957,410,540 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, 2016*

<table>
<thead>
<tr>
<th>Enrollment - Full-Time Equivalent (FTE)</th>
<th>Fall Semester 2015</th>
<th>Spring Semester 2016</th>
<th>Summer Semester 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students on campus and off campus</td>
<td>9,233</td>
<td>8,581</td>
<td>2,889</td>
</tr>
</tbody>
</table>

- **Student Union Fee (per FTE student)**
  - Fall 2015: $15.00
  - Spring 2016: $15.00
  - Summer 2016: $7.50

- **Parking and Transportation Fee (per FTE student)**
  - Fall 2015: $5.00
  - Spring 2016: $5.00
  - Summer 2016: $2.50

- **Student Recreation Center Fee**
  - Per credit hour: $5.25 (Fall 2015), $5.25 (Spring 2016), $5.25 (Summer 2016)
  - Per FTE student*: $78.75 (Fall 2015), $78.75 (Spring 2016), $31.50 (Summer 2016)

- **Aquatic Center Fee**
  - Per credit hour: $4.55 (Fall 2015), $4.55 (Spring 2016), $4.55 (Summer 2016)
  - Per FTE student*: $68.25 (Fall 2015), $68.25 (Spring 2016), $27.30 (Summer 2016)

*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 2015/Spring Semester 2016

- **Vandiver Hall**: $8,050 - $9,080
- **Towers Complex - West/North**: $8,050 - $9,080
- **Towers Complex - East/South**: $6,350 - $7,380
- **Group Housing**: $7,050 - $8,080
- **Myers Hall**: $8,050 - $9,080
- **Cheney Hall**: $6,350 - $7,380
- **Dearmont Quadrangle**: $7,500 - $8,530
- **Merick Hall**: $8,300 - $9,330
- **Henderson Hall**: $8,050 - $9,080
- **LaPerla Hall**: $8,300 - $9,330
- **Dobbins River Campus Center**: $8,300 - $9,330

*Converted to private rooms

**Based primarily on double-occupancy. Ranges attributable primarily to meal plan options available to students

***Offline for Academic Year 15-16. Students with contracts paid Cheney rates but were housed elsewhere.

### Additional Charges Associated With Residential Living (Annual):

<table>
<thead>
<tr>
<th>Service Fee</th>
<th>Annual Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>ResNet - Technology Fee</td>
<td>$60</td>
</tr>
<tr>
<td>RHA Fee</td>
<td>30</td>
</tr>
<tr>
<td>Cable TV</td>
<td>60</td>
</tr>
</tbody>
</table>
# SOUTHEAST MISSOURI STATE UNIVERSITY

## SYSTEM FACILITIES

### SCHEDULE OF ROOM AND BOARD COSTS - FIVE-YEAR TREND

(UNAUDITED)

*June 30, 2016*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vandiver Hall</td>
<td>$7,570 - $8,320</td>
<td>$7,760 - $8,540</td>
<td>$7,970 - $8,780</td>
<td>$8,050 - $8,890</td>
<td>$8,050 - $9,080</td>
</tr>
<tr>
<td>Towers Complex - West/North</td>
<td>$7,470 - $8,220</td>
<td>$7,760 - $8,540</td>
<td>$7,970 - $8,780</td>
<td>$8,050 - $8,890</td>
<td>$8,050 - $9,080</td>
</tr>
<tr>
<td>Towers Complex - East/South</td>
<td>$5,820 - $6,570</td>
<td>$6,010 - $6,790</td>
<td>$6,220 - $7,030</td>
<td>$6,330 - $7,140</td>
<td>$6,350 - $7,380</td>
</tr>
<tr>
<td>Group Housing</td>
<td>$6,670 - $7,420</td>
<td>$6,860 - $7,640</td>
<td>$6,970 - $7,780</td>
<td>$7,050 - $7,880</td>
<td>$7,050 - $8,080</td>
</tr>
<tr>
<td>Myers Hall</td>
<td>$7,330 - $8,070</td>
<td>$7,660 - $8,440</td>
<td>$7,970 - $8,780</td>
<td>$8,050 - $8,880</td>
<td>$8,050 - $9,080</td>
</tr>
<tr>
<td>Cheney Hall</td>
<td>$6,070 - $6,820</td>
<td>$6,160 - $6,940</td>
<td>$6,220 - $7,030</td>
<td>$6,330 - $7,140</td>
<td>$6,350 - $7,380</td>
</tr>
<tr>
<td>Dearmont Quadrangle</td>
<td>$5,570 - $6,320</td>
<td>$5,710 - $6,490</td>
<td>$5,870 - $6,680</td>
<td>$7,200 - $8,140</td>
<td>$7,500 - $8,530</td>
</tr>
<tr>
<td>Merick Hall</td>
<td>$7,570 - $8,320</td>
<td>$7,760 - $8,540</td>
<td>$7,970 - $8,780</td>
<td>$8,050 - $9,140</td>
<td>$8,300 - $9,330</td>
</tr>
<tr>
<td>Henderson Hall</td>
<td>$7,570 - $8,320</td>
<td>$7,760 - $8,540</td>
<td>$7,970 - $8,780</td>
<td>$8,050 - $8,890</td>
<td>$8,050 - $9,080</td>
</tr>
<tr>
<td>LaPerle Hall</td>
<td>N/A</td>
<td>N/A</td>
<td>$7,970 - $8,780</td>
<td>$9,300 - $9,140</td>
<td>$8,300 - $9,330</td>
</tr>
<tr>
<td>Dobbins River Campus Center</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$8,500 - $9,140</td>
<td>$8,300 - $9,330</td>
</tr>
</tbody>
</table>

(1) Converted to private rooms in Fall 2014

(2) Offline for 2015-2016. Students with Cheney contracts housed in other dorms at Cheney rates.
### SOUTHEAST MISSOURI STATE UNIVERSITY
### SYSTEM FACILITIES

### SCHEDULE OF STUDENT COMPOSITION – UNIVERSITY HOUSING SYSTEM (UNAUDITED)
#### June 30, 2016

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Freshmen</th>
<th>Sophomores</th>
<th>Juniors</th>
<th>Seniors</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,602</td>
<td>808</td>
<td>320</td>
<td>241</td>
<td>6</td>
<td>2,977</td>
</tr>
<tr>
<td>2013</td>
<td>1,612</td>
<td>779</td>
<td>341</td>
<td>197</td>
<td>14</td>
<td>2,943</td>
</tr>
<tr>
<td>2014</td>
<td>1,547</td>
<td>744</td>
<td>375</td>
<td>204</td>
<td>14</td>
<td>2,884</td>
</tr>
<tr>
<td>2015</td>
<td>1,582</td>
<td>764</td>
<td>371</td>
<td>234</td>
<td>20</td>
<td>2,971</td>
</tr>
<tr>
<td>2016</td>
<td>1,499</td>
<td>769</td>
<td>358</td>
<td>252</td>
<td>11</td>
<td>2,889</td>
</tr>
<tr>
<td>Housing System Facility</td>
<td>(1) Housing Capacity</td>
<td>(2) Average Occupancy (#)</td>
<td>(3) Simple Average Occupancy (%)</td>
<td>(4) Effective Average Occupancy (%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------------</td>
<td>----------------------</td>
<td>----------------------------</td>
<td>----------------------------------</td>
<td>-------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vandiver Hall</td>
<td>293</td>
<td>250</td>
<td>85.3%</td>
<td>84.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towers Complex</td>
<td>1,379</td>
<td>1,185</td>
<td>93.4%</td>
<td>65.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Housing</td>
<td>333</td>
<td>328</td>
<td>93.5%</td>
<td>93.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Myers Hall</td>
<td>189</td>
<td>150</td>
<td>75.4%</td>
<td>79.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cheney Hall*</td>
<td>92</td>
<td>—</td>
<td>0.0%</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dearmont Quadrangle</td>
<td>201</td>
<td>191</td>
<td>95.0%</td>
<td>55.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merick Hall</td>
<td>259</td>
<td>263</td>
<td>88.0%</td>
<td>81.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Henderson Hall</td>
<td>50</td>
<td>47</td>
<td>94.0%</td>
<td>122.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LaFerla Hall</td>
<td>232</td>
<td>225</td>
<td>89.3%</td>
<td>99.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dobbins River Campus Center</td>
<td>180</td>
<td>136</td>
<td>75.8%</td>
<td>77.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,178</td>
<td>2,785</td>
<td>87.6%</td>
<td>91.9%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(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.
### SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

**SCHEDULE OF UNIVERSITY RESIDENCE HALL CAPACITIES (UNAUDITED)**  
June 30, 2016

<table>
<thead>
<tr>
<th>Housing System Facility</th>
<th>Housing Capacity</th>
<th>Dining Facilities</th>
<th>Year Constructed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vandiver Hall</td>
<td>293</td>
<td>No</td>
<td>2002</td>
</tr>
<tr>
<td>Towers Complex</td>
<td>1,279</td>
<td>Yes</td>
<td>1967</td>
</tr>
<tr>
<td>Group/Greek Housing</td>
<td>333</td>
<td>No</td>
<td>1963</td>
</tr>
<tr>
<td>Myers Hall</td>
<td>199</td>
<td>No</td>
<td>1948</td>
</tr>
<tr>
<td>Cheney Hall</td>
<td>92</td>
<td>No</td>
<td>1939</td>
</tr>
<tr>
<td>Dearment Quadrangle</td>
<td>201</td>
<td>No</td>
<td>1958 (2)</td>
</tr>
<tr>
<td>Merick Hall</td>
<td>299</td>
<td>Yes</td>
<td>2009</td>
</tr>
<tr>
<td>Henderson Hall</td>
<td>50</td>
<td>No</td>
<td>Not Available (1)</td>
</tr>
<tr>
<td>LaFerla Hall</td>
<td>252</td>
<td>No</td>
<td>2013</td>
</tr>
<tr>
<td>Dobbins River Campus Center</td>
<td>180</td>
<td>Yes</td>
<td>2014</td>
</tr>
</tbody>
</table>

3,178

(1) The University acquired and renovated Henderson Hall in 2007  
(2) Converted to private rooms in Fall 2014
INTERCOLLEGIATE ATHLETICS DEPARTMENT PROCEDURES

FOR YEAR ENDING JUNE 30, 2016

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, 2016
Independent Accountants’ Report On
Application 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 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, 2016. 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 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**

a. We compared total ticket sales revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

*Conclusion:*

No variations exceeding 10% and $15,000 were found as a result of applying these procedures.

b. We compared total ticket sales revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

*Conclusion:*

Total ticket sales revenues were approximately $158,000 and 61% higher than budget. Management explained that the variance was primarily attributable to football and basketball complimentary tickets which are recorded as revenue and are not budgeted.

c. We obtained supporting schedules of men's and women's basketball and football tickets sold during the reporting period and season tickets pledged during the reporting period for men's and women's basketball and football. We recalculated the supporting detail and agreed amounts to those recorded on the Statement. We obtained and documented management's explanation of variations between the supporting detail and the amounts recorded on the Statement.

*Conclusion:*

Recalculated totals per the supporting detail agreed within a 1% range of variance to the Statement.

d. We compared and agreed a sample of five revenue receipts per the 2015-2016 men's and women's basketball and football ticket sales revenue transaction detail schedules to supporting documentation (copy of check or credit card receipt, the Cashier Closeout Report envelope, and deposit slip from the Cashiers).
Conclusion:

No exceptions were found as a result of applying these procedures.

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% and $15,000.

      Conclusion:

      No variations exceeding 10% and $15,000 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% and $15,000.

      Conclusion:

      No variations exceeding 10% and $15,000 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% and $15,000 of amounts recorded in the general ledger.

Conclusion:

No variations exceeding 10% and $15,000 were found as a result of applying these procedures.

5. Guarantees

a. We compared total guarantees revenue to the prior period amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.

Conclusion:

No variations exceeding 10% and $15,000 were found as a result of applying these procedures.

b. We compared total guarantees revenue to the budgeted amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.

Conclusion:

Total guarantee revenue was approximately $75,000 and 11% higher than the budgeted amount. Management explained that this was due to $18,000 of revenue earned in excess of budget for the women’s basketball program, $8,500 of revenue earned in excess of budget for the baseball program and guarantee provisions for travel and complimentary tickets of approximately $43,500 for various sports that are not budgeted.
c. We obtained and inspected supporting transaction detail of guarantees revenue. We recalculated the total guarantees revenues 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 settlement reports and contractual agreements, for five guarantees 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.

6. Contributions

a. We compared total contributions revenue to the prior period amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.

Conclusion:

Total contributions increased approximately $124,000 and 22% in the current year from the prior year. Management explained that the increase is due to approximately $128,500 of contributions made in support of renovations to the Athletic Strength and Conditioning facilities in the current year.

b. We compared total contributions revenue to the budgeted amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.
Conclusion:

Total contribution revenues were approximately $345,000 and 104% higher than budget. Management explained that expenses paid for by the Southeast Missouri University Foundation (the Foundation), which totaled approximately $351,500 in the current year, are not budgeted. Management explained that Foundation transfers are difficult to anticipate when preparing the budget.

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 three transfers from the Southeast Missouri University Foundation consisting of multiple contributions that constituted 10% or more of the combined total of contributions and sponsorships 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.

7. Coaching Compensation Provided By A Third Party

a. We obtained from management a summary of revenues received for other compensation or benefits provided by a third party.

Conclusion:

No exceptions were found as a result of applying these procedures.

b. We selected a sample of five individual revenue line items from the summary report and agreed to supporting documentation.
Conclusion:

No exceptions were found as a result of applying these procedures.

c. We recalculated and compared the totals of the details per the summary schedule to the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

8. 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% and $15,000.

Conclusion:

Total direct institutional support increased approximately $775,000 and 12% in the current year from the prior year. Management explained that the increase is due to increasing the budget by $266,200 and transfers to Athletics of $509,000 at the end of the fiscal year to cover fiscal year 2016 deficit spending and to cover additional expenses expected for fiscal year 2017.

b. We compared total direct institutional support revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

Total direct institutional support revenue was approximately $1,535,000 and 26% higher than budget. Management explained that the Athletics insurance amounts, which are paid by a non-Athletics fund, which totaled approximately $406,400, are not included in the budget. In addition, large unbudgeted transfers into the Athletics fund during the year contributed to direct institutional support exceeding budgeted amounts totaling $1,124,100. Such transfers involved $249,200 for graduate assistant fees, $202,100 for salaries and benefits, $75,000 in support of post-season play, and $509,000 transferred to cover budget deficits and for expected increases in fiscal year 2017 scholarships and expenses.
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:_

No exceptions were found as a result of applying these procedures.

9. **Indirect Institutional Support**

a. We compared total indirect institutional support revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

_Conclusion:_

Total indirect institutional support revenue decreased approximately $487,000 and 58% in the current year from the prior year. Management explained that this decrease is primarily due to approximately $378,000 spent on tennis complex renovations in the prior year and $168,000 in renovations to the Football South Press Box in the prior year that was not expended in the current year.

b. We compared total indirect institutional support revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

_Conclusion:_

Management explained this is a revenue category that is only included in the University's Intercollegiate Athletics Department Statement of Revenues and Expenses and therefore is not budgeted by the University.
c. We obtained and inspected supporting transaction detail of indirect institutional support revenue. We recalculated the total indirect institutional support revenue recorded in the detail listing and compared and agreed to amounts recorded on the general ledger. We verified the indirect institutional support revenue appropriately related to athletics.

**Conclusion:**

No exceptions were found as a result of applying these procedures.

d. We compared the indirect institutional support recorded by the institution during the reporting period with expense payments, cost allocation detail and other corroborative supporting documentation and recalculated totals.

**Conclusion:**

No exceptions were found as a result of applying these procedures.

10. **NCAA Distributions**

a. We compared total NCAA distributions revenue to the prior period amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.

**Conclusion:**

Total NCAA distributions increased approximately $109,000 and 20% in the current year compared to the prior year. Management explained that the increase is due to an additional $48,000 in Grants in Aid received and $55,000 in NCAA Academic Enhancement received in the current year, as well as post season travel reimbursements for the Baseball and Track programs.

b. We compared total NCAA distributions revenue to the budgeted amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.
Conclusion:

NCAA Distributions revenue was greater than budget by approximately $72,000 or 12%. Management explained that this was primarily attributable to receiving higher amounts of Grants in Aid than was budgeted and reimbursement of post-season travel expense that was not budgeted.

c. We obtained and inspected supporting transaction detail of NCAA distributions revenue. We recalculated the total NCAA distributions 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 and inspected supporting documentation, including related agreements, for one NCAA distribution. We recalculated the supporting documentation, and compared and agreed the amount to the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

11. Conference Distributions

a. We compared total conference distributions revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

Total conference distributions decreased approximately $45,000 and 14% in the current year compared to the prior year. Management explained that the decrease is due to a decrease in the annual conference distribution of approximately $62,600 offset by a $15,600 increase in the Student Athlete Opportunity Distribution.

b. We compared total conference distributions revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.
Conclusion:

Conference distributions were approximately $57,500 and 26% over budget. Management explained the variance was attributable to the University receiving student assistant funds of approximately $50,400 that were not included in the University Budget.

c. We obtained and inspected supporting transaction detail of conference distributions revenue. We recalculated the total conference distributions 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 and inspected supporting documentation, including related agreements, for five conference distributions. We recalculated the supporting documentation, and compared and agreed the amount to the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

12. Media Rights

a. We compared total media rights revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

No variations exceeding 10% and $15,000 were found as a result of applying these procedures.

b. We compared total media rights revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.
Conclusion:

No variations exceeding 10% and $15,000 were found as a result of applying these procedures.

c. We obtained and inspected supporting transaction detail of media rights revenue. We recalculated the total media rights 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 compared and agreed five media rights revenue items from the supporting revenue transaction detail to supporting documentation (including the broadcast agreement, check copy, Cashier Closeout Report envelope and deposit slip from the Cashiers’ Office).

Conclusion:

No exceptions were found as a result of applying these procedures.

13. Program Sales, Concessions, Novelty Sales And Parking

a. We compared total program sales, concessions, novelty sales and parking revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

No variations exceeding 10% and $15,000 were found as a result of applying these procedures.

b. We compared total program sales, concessions, novelty sales and parking revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

No variations exceeding 10% and $15,000 were found as a result of applying these procedures.
c. We obtained and inspected supporting transaction detail of program sales and concessions revenue. We recalculated the total program sales and concessions 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 compared and agreed a sample of five program sales, concessions, novelty sales and parking revenue selected from the supporting transaction detail to supporting documentation (including the check copy or General Receipts document, Cashier Closeout Report envelope and deposit slip from the Cashiers' Office).

Conclusion:

No exceptions were found as a result of applying these procedures.

14. **Royalties, Licensing, Advertisements And Sponsorships**

a. We compared total royalties, licensing, advertisements and sponsorships revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

Total royalties, licensing, advertisements, and sponsorships increased approximately $51,600 and 22% in the current year from the prior year. Management explained that the increase is primarily due to an increase in sponsorships of approximately $62,900.

b. We compared total royalties, licensing, advertisements and sponsorships revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.
Conclusion:

Royalties, licensing, advertisements and sponsorships were approximately $72,500 and 35% over budget. Management explained the variance was attributable to trademark licensing revenue of approximately $57,000 which is not budgeted related to an exchange of advertising for use of courtesy cars. Management explained that additional sponsorship revenue was higher than budget as it is difficult to budget sponsorship revenue.

c. We obtained and inspected supporting transaction detail of royalties, licensing, advertisements and sponsorships revenue. We recalculated the total royalties, licensing, advertisements and sponsorships revenue recorded in the detail listings and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

15. Sports Camps Revenue

a. We compared total sports camps revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

No variations exceeding 10% and $15,000 were found as a result of applying these procedures.

b. We compared total sports camps revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

Management explained this is a revenue category that is only included in the University's Intercollegiate Athletics Department Statement of Revenues and Expenses and therefore is not budgeted by the University.
c. We obtained and inspected supporting transaction detail of sports camps revenue. We recalculated the total sports camp revenue recorded in the detail listings and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

d. We obtained and inspected a schedule of camp participants for women's basketball camp and football camp. We compared and agreed sports camp revenues reported by the University to sports camp enrollments during the current period. We recalculated sports camp revenues and obtained and documented management's explanation of any variances exceeding 10% and $15,000 of amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

e. We compared and agreed a sample of five women's basketball camp participants and five football camp participants selected from the supporting transaction detail to supporting documentation (including the credit card receipt or general receipts document, and cashier closeout report envelope from the Cashiers' Office).

Conclusion:

No exceptions were noted as a result of applying these procedures.

16. Endowment And Investment Income

a. We obtained and inspected one athletic-related endowment agreement to gain an understanding of the relevant terms and conditions.

Conclusion:

No exceptions were found as a result of applying these procedures.
b. We compared and agreed the classification and use of the endowment and investment income reported in the Statement during the reporting period to the uses of income defined within the related endowment agreement inspected.

Conclusion:

No exceptions were found as a result of applying these procedures.

17. In-Kind Revenue

a. We compared total in-kind revenue to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

Total in-kind revenue increased approximately $217,000 and 765% in the current year from the prior year. Management explained that the increase is primarily due to approximately $184,100 of in-kind supplies and equipment received for the Strength and Conditioning area as a part of the renovation, an increase in in-kind donations for the men's basketball program of approximately $18,100, and an increase in in-kind donations for the baseball program of approximately $11,300.

b. We compared total in-kind revenue to the budgeted amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

Management explained this is a revenue category that is only included in the University's Intercollegiate Athletics Department Statement of Revenues and Expenses and therefore is not budgeted by the University.

c. We obtained and inspected the supporting detail schedule of in-kind revenue. We recalculated the in-kind revenue recorded per the supporting detail schedule and agreed the total in-kind revenue to the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.
Transfers Back to Institution

d. We compared total transfers back to the University to the prior period amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.

Conclusion:

Total transfers back to the institution increased approximately $18,000 and 25% in the current year from the prior year. Management explained that the increase is due to transfers back to the University of approximately $89,500 in the current year for basketball’s portion of the renovation to their game venue site and repayment of Athletics student labor, compared to the prior year when approximately $71,200 was transferred back to the University for salaries and other costs covered for men’s and women’s basketball.

e. We compared total transfers back to the University to the budgeted amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.

Conclusion:

Management explained this is a revenue category that is only included in the University’s Intercollegiate Athletics Department Statement of Revenues and Expenses and therefore is not budgeted by the University.

f. We obtained and inspected supporting transaction detail for transfers back to the University. We recalculated the total other revenue recorded in the detail listing and agreed to amounts recorded in the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

18. Other Operating Revenues

a. We compared total other operating revenues to the prior period amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.
**Conclusion:**

Total other operating revenues increased approximately $137,600 or 718% in the current year from the prior year. Management explained the increase is primarily due to the receipt from a contract buyout provision for a previous athletics staff member of approximately $143,500.

b. We compared total other operating revenues to the budgeted amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.

**Conclusion:**

Management explained this is a revenue category that is only included in the University’s Intercollegiate Athletics Department Statement of Revenues and Expenses and therefore is not budgeted by the University.

c. We obtained and inspected supporting transaction detail of other operating revenues. We recalculated the total other revenue recorded in the detail listing and agreed to amounts recorded in the general ledger.

**Conclusion:**

No exceptions were found as a result of applying these procedures.

d. We compared and agreed one reimbursement selected from the supporting transaction detail to supporting documentation (including any agreements, the check copy or General Receipts document, the Cashier Closeout Report envelope and deposit slip from the Cashiers’ Office).

**Conclusion:**

No exceptions were found as a result of applying these procedures.
Procedures Related To Expenses

1. Agreement To General Ledger

   a. 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% and $15,000.

   Conclusion:

   No variations exceeding 10% and $15,000 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 thirty-three 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 2016 Agreed-Upon Procedures Guidelines.

Conclusion:

No exceptions were found as a result of applying these procedures.

3. Guarantees

a. We compared total guarantee expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

No variations exceeding 10% and $15,000 were found as a result of applying these procedures.

b. We obtained and inspected supporting transaction detail of guarantee expenses. We recalculated the total guarantee 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 guarantee expenses selected from the supporting transaction detail to supporting documentation (including the guarantee contract, purchase order/requisition form, and cash disbursement documentation such as cancelled check).

Conclusion:

No exceptions were found as a result of applying these procedures.
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% and $15,000.

   **Conclusion:**

   No variations exceeding 10% and $15,000 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, baseball, women’s and men’s basketball, and soccer) 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 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**

   a. We obtained a listing of coaches employed or compensated by a third party during the reporting period. We selected a sample of five compensation expenses that included football, men’s and women’s basketball.

   **Conclusion:**

   No exceptions were found as a result of applying these procedures.
b. We compared and agreed the terms and conditions of each selection to the related coaching or other compensation and benefits paid by a third party and recorded by the University in the Statement.

Conclusion:

No exceptions were found as a result of applying these procedures.

c. We obtained and inspected reporting period payroll summary registers for each selection. We compared and agreed related payroll summary registers to the coaching other compensation and benefits by a third party expenses recorded by the institution in the statement during the reported period and recalculated totals.

Conclusion:

No exceptions were found as a result of applying these procedures.

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% and $15,000.

Conclusion:

No variations exceeding 10% and $15,000 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 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**

a. We obtained a listing of support/administrative staff employed or compensated by a third party during the reporting period. We selected one compensation expense paid by a third party for support/administrative staff.

Conclusion:

No exceptions were found as there were no expenses for the current year.

b. We compared and agreed the expenses noted per the schedule to the relating supporting documentation. We agreed the summary schedule to the amount included in the general ledger and the Schedule.

Conclusion:

No exceptions were found as there were no expenses for the current year.

8. **Severance Payments**

a. We compared severance payments expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

Total severance payments expense decreased approximately $149,000 or 94% in the current year from the prior year. Management explained that there were significant payments to coaches in men's and women's basketball in the prior year and there were not any significant severance payments in the current year.
b. We compared and agreed a sample of five severance payment expenses selected from the supporting transaction detail to supporting documentation (including the severance agreement and cash disbursement documentation such as cancelled check).

Conclusion:

No exceptions were found as a result of applying these procedures.

c. We obtained and inspected supporting transaction detail of severance payments expenses. We recalculated the total severance payment expenses recorded in the detail listing and compared and agreed to amounts recorded on the general ledger and the Statement.

Conclusion:

No exceptions were found as a result of applying these procedures.

9. Recruiting

a. We compared recruiting expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

Recruiting expenses increased approximately $52,000 or 23% in the current year from the prior period. Management explained that the increase is primarily related to increased recruiting by men's and women's basketball as well as volleyball programs with a total increase of $49,800.

b. We compared and agreed the University's recruiting expenses 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 recruiting expenses. We recalculated the total recruiting 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 recruiting 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.

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% and $15,000.

Conclusion:

Total team travel expenses increased by approximately $113,500 and 13% in the current year from the prior year. Management explained that the increase is primarily due to increases in team travel for the women’s basketball program of approximately $48,000, increases for the baseball program of approximately $33,000, increases for the men’s and women’s track programs of approximately $10,100, and increases for the soccer program of approximately $18,400. The increases were primarily due to these teams being involved in post-season play.

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. Sports Equipment, Uniforms And Supplies

a. We compared sports equipment, uniforms and supplies expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

Sports equipment, uniforms, and supplies increased $403,000 or 106% from the prior year. Management explained that the increase was due to purchases of approximately $321,600 of equipment and supplies as a part of the Strength and Conditioning area renovation, an increase of approximately $38,000 in men's and women's track program expenditures for pole vaulting and high jump equipment, and purchases of new uniforms, supplies and training equipment of approximately $15,000 for football, $6,000 for women's basketball and $17,000 for soccer.

b. We obtained and inspected supporting transaction detail of sports equipment, uniforms and supplies. We recalculated the total sports equipment, uniforms and supplies 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 sports 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

a. We compared game expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

No variations exceeding 10% and $15,000 were found as a result of applying these procedures.

b. We obtained and inspected supporting transaction detail of game expenses. We recalculated the total game 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 game 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.
13. **Fundraising, Marketing And Promotion**

a. We compared fundraising, marketing and promotion expenses to the prior period amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.

**Conclusion:**

Total fundraising, marketing, and promotion increased approximately $156,500 or 369% in the current year from the prior year. Management explained that the increase is due to the reclassification of athletic development and sponsorship expenses from the other operating expenses category in the prior year to fundraising, marketing, and promotion in the current year in accordance with the NCAA guidelines for this line item. Athletic development and sponsorship expenses totaled approximately $145,100 in the current year. Marketing expenses also increased approximately $7,400 due to increased marketing efforts.

b. We obtained and inspected supporting transaction detail of fundraising, marketing and promotion expenses. We recalculated the total fundraising, marketing and promotion 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 fundraising, marketing and promotion 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, or the internal charge form).

**Conclusion:**

No exceptions were found as a result of applying these procedures.
14. **Sports Camps Expenses**

a. We compared sports camps expenses to the prior period amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.

*Conclusion:*

No variations exceeding 10% and $15,000 were found as a result of applying these procedures.

b. We obtained and inspected supporting transaction detail of sports camps expenses. We recalculated the total sports camps 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 sports camps expenses selected from the supporting transaction detail to supporting documentation (including the vendor invoice and cash disbursement documentation such as cancelled check, or the internal charge form).

*Conclusion:*

No exceptions were found as a result of applying these procedures.

15. **Direct Overhead And Administrative Expenses**

a. We compared direct overhead and administrative expenses to the prior period amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.

*Conclusion:*

No variations exceeding 10% and $15,000 were found as a result of applying these procedures.
b. We obtained and inspected supporting transaction detail of direct overhead and administrative expenses. We recalculated the total direct overhead and administrative expenses 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 direct overhead and administrative expenses selected from the supporting transaction detail to supporting documentation (including the internal charge form, work order and any other supporting documentation).

Conclusion:

No exceptions were found as a result of applying these procedures.

16. **Spirit Groups**

a. We compared spirit group expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

Total spirit groups expense decreased approximately $20,100 or 38% in the current year from the prior year. Management explained that this decrease is due to the cheerleaders purchasing new uniforms and supplies in the prior year totaling approximately $20,300 compared to only $7,600 in the current year. The Sundancers reduced conference expenses by $3,900, choreography expenses by $2,900, and uniforms and supplies by $2,000.

b. We obtained and inspected supporting transaction detail of spirit group expenses. We recalculated the total spirit group expenses 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 spirit group expenses selected from the supporting transaction detail to supporting documentation.

Conclusion:

No exceptions were found as a result of applying these procedures.

17. **Indirect Institutional Support**

a. We compared indirect institutional support expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

Total indirect institutional support expenses decreased approximately $487,000 and 58% in the current year from the prior year. Management explained that this increase is primarily due to approximately $378,000 spent on tennis complex renovations in the prior year and $168,000 in renovations to the Football South Press Box in the prior year that was not expended in the current year.

b. We obtained and inspected supporting transaction detail of indirect institutional support expenses. We recalculated the total indirect institutional support expenses 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 obtained and documented an understanding of the University's methodology for allocating indirect institutional support expenses.

Conclusion:

No exceptions were found as a result of applying these procedures.
d. We compared the indirect institutional support reported by the University in the Statement to the corresponding revenue category (indirect institutional support) reported by the University in the Statement.

Conclusion:

No exceptions were found as a result of applying these procedures.

18. **Medical Expense And Medical Insurance**

a. We compared medical expense and medical insurance expenses to the prior period amount. We obtained and documented management’s explanation for any variation exceeding 10% and $15,000.

Conclusion:

No variations exceeding 10% and $15,000 were found as a result of applying these procedures.

b. We obtained and inspected supporting transaction detail of medical expense and medical insurance expenses. We recalculated the total medical expense and medical insurance expenses 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 medical expense and medical insurance expenses selected from the supporting transaction detail to supporting documentation.

Conclusion:

No exceptions were found as a result of applying these procedures.
19. **Membership And Dues**

a. We compared membership and dues expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

*Conclusion:*

Total membership and dues expenses increased approximately $15,300 and 29% in the current year from the prior year. Management explained that the increase is due to mandatory OVC tournament ticket purchases of $15,000 were included in the current year.

b. We obtained and inspected supporting transaction detail of membership and dues expenses. We recalculated the total membership and dues expenses 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 membership and dues expenses selected from the supporting transaction detail to supporting documentation.

*Conclusion:*

No exceptions were found as a result of applying these procedures.

20. **Athletic Facility Debt Service, Leases and Rental Fees**

a. We obtained a listing of all rental payments and fees for athletics facilities for the reporting year. We compared the only such payment recorded as an Athletics rental fee for the reporting year to supporting documentation.
Conclusion:

No exceptions were found as a result of applying these procedures.

b. We obtained and inspected supporting transaction detail of athletic facility debt service, leases, and rental expenses. We recalculated the total athletic facility debt service, leases, and rental expenses recorded in the supporting transaction detail and agreed to amounts recorded on the general ledger.

Conclusion:

No exceptions were found as a result of applying these procedures.

21. Other Operating Expenses

a. We compared other operating expenses to the prior period amount. We obtained and documented management's explanation for any variation exceeding 10% and $15,000.

Conclusion:

Total other operating expenses decreased by approximately $192,000 and 21% in the current year from the prior year. Management explained the decrease is due to the reclassification of athletic development and sponsorship expenses in the amount of approximately $145,100 to the fundraising, marketing, and sponsorship line items in accordance with NCAA guidelines. Additionally, athletic complimentary tickets decreased by approximately $28,700 from the prior year. The remaining decrease is attributable to a decrease of expenses across sport and support budgets.

b. We obtained and inspected supporting transaction detail of other operating expenses. We recalculated the total other operating 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 other operating expenses selected from the supporting transaction detail to supporting documentation (including the vendor invoice/expense report form and cash disbursement documentation such as cancelled check).

Conclusion:

No exceptions were found as a result of applying these procedures.

22. 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% and $15,000.

Conclusion:

We noted the following variations in excess of 10% and $15,000 as a result of applying these procedures:

Athletic Administration expense was less than budget by approximately $174,400 and 36%. Management explained that this was primarily due to salary savings of approximately $160,600 during the current year due to transition between athletic directors.

Post-Season Awards expense was less than budget by approximately $88,300 and 77%. Management explained that this was primarily due to $75,000 in budget transfers for post-season that were posted to this index rather than various post-season sport indexes.

Game Management expense was greater than budget by approximately $44,800 and 55%. Management explained that facility management services and supplies were greater than budget by $31,100 in the current year. This increase is due to painting of the Gymnastics practice area and improvements and repairs to the OVC softball field over and above normal event expenses.
Athletic sponsorships expense was greater than budget by approximately $17,300 and 19%. Management explained that this was due to increased advertising expenditures over the budgeted amounts which were related to larger sponsorship revenue in the current year.

Football expenses were higher than budget by approximately $168,400 and 15%. Management explained that the increase is primarily due to increases in expenses for team travel, updated computer equipment and software, sport related equipment and supplies as well as additional salary for assistant coaches.

Baseball expenses were higher than budget by approximately $62,300 and 20%. Management explained that approximately $25,000 was due to salary contract re-negotiations. The remaining difference was actual team travel expenses and supply purchases exceeded budgeted amounts.

Baseball Post-Season expense was greater than budget by approximately $48,000. Management explained that no amounts were initially budgeted for post-season expenses, and budget transfers are typically completed to cover post-season expenses; however, in the current year a transfer was made to the overall post-season index and not to the individual sport.

Track Post-Season expense was greater than budget by approximately $38,800. Management explained that no amounts were initially budgeted for post-season expenses, and budget transfers are typically completed to cover post-season expenses; however, in the current year a transfer was made to the overall post-season index and not to the individual sport.

Women's Soccer expense was greater than budget by approximately $35,300 and 14%. Management explained this was primarily due to recruiting and team supplies and expenses exceeding budgeted amounts.

Soccer Post-Season expense was greater than budget by approximately $18,500. Management explained that no amounts were initially budgeted for post-season expenses, and budget transfers are typically completed to cover post-season expenses; however, in the current year a transfer was made to the overall post-season index and not to the individual sport.

Softball expense was greater than budget by approximately $24,400 and 10%. Management explained this was due to greater team travel and recruiting expenses than budgeted.
Volleyball expense was less than budget by approximately $25,800 and 11%. Management explained this was due to a decrease in team travel and actual salaries were less than budgeted salaries.

Women’s Basketball expense was greater than budget by approximately $63,000 and 12%. Management explained this was primarily due to increased personnel costs with the addition of a director of operations and an increase in guarantee games related travel costs and recruiting expenses.

Women’s Basketball Post-season expense was greater than budget by approximately $24,600. Management explained that no amounts were initially budgeted for post-season expenses, and budget transfers are typically completed to cover post-season expenses; however, in the current year a transfer was made to the overall post-season index and not to the individual support.

There was approximately $188,000 of actual expenses (such as complimentary basketball and football tickets, workers compensation adjustments, and vacation accrual expenses) for which no budget to actual comparison could be made. Management explained that these expenses are not line items in the University’s budget.

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 NAIA 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 20.9.5.3 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.

We were not engaged to, and did not conduct, an examination, the objective of which would be the expression of an opinion on the accompanying University Intercollegiate Athletics Department Statement of Revenues and Expenses for the year ended June 30, 2016, 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. 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 14, 2016
SOUTHEAST MISSOURI STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS DEPARTMENT

STATEMENT OF REVENUES AND EXPENSES
Page 1 Of 2
For The Year Ended June 30, 2016

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Football</th>
<th>Men's Basketball</th>
<th>Women's Basketball</th>
<th>Other Sports</th>
<th>Nonprogram Specific</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticket sales</td>
<td>$173,439</td>
<td>$207,953</td>
<td>$23,797</td>
<td>$11,482</td>
<td>$—</td>
<td>$416,671</td>
</tr>
<tr>
<td>Student fees</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,281,877</td>
</tr>
<tr>
<td>Direct institutional support</td>
<td>1,359,425</td>
<td>619,206</td>
<td>499,571</td>
<td>2,088,065</td>
<td>2,309,715</td>
<td>7,375,982</td>
</tr>
<tr>
<td>Less - Transfers to Institution</td>
<td>—</td>
<td>(1,280)</td>
<td>(84)</td>
<td>(91,381)</td>
<td>(92,745)</td>
<td>751,250</td>
</tr>
<tr>
<td>Indirect institutional support</td>
<td>42,794</td>
<td>2,526</td>
<td>2,525</td>
<td>44,352</td>
<td>263,425</td>
<td>355,622</td>
</tr>
<tr>
<td>Guarantees</td>
<td>400,000</td>
<td>268,200</td>
<td>46,625</td>
<td>34,425</td>
<td>—</td>
<td>751,250</td>
</tr>
<tr>
<td>Contributions</td>
<td>59,192</td>
<td>13,509</td>
<td>6,549</td>
<td>66,292</td>
<td>529,817</td>
<td>675,359</td>
</tr>
<tr>
<td>In-Kind</td>
<td>7,106</td>
<td>18,038</td>
<td>259</td>
<td>21,728</td>
<td>198,217</td>
<td>245,348</td>
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<tr>
<td>Compensation and benefits provided by</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a third party</td>
<td>9,450</td>
<td>3,350</td>
<td>4,100</td>
<td>19,750</td>
<td>—</td>
<td>36,650</td>
</tr>
<tr>
<td>Media rights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>10,826</td>
<td>10,826</td>
</tr>
<tr>
<td>NCAA distributions</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>10,270</td>
<td>648,488</td>
<td>658,758</td>
</tr>
<tr>
<td>Conference distributions</td>
<td>—</td>
<td>—</td>
<td>1,000</td>
<td>—</td>
<td>276,466</td>
<td>277,466</td>
</tr>
<tr>
<td>Program sales, concessions, novelty sales</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>155</td>
<td>2,915</td>
<td>3,070</td>
</tr>
<tr>
<td>and parking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royalties, licensing, advertisements</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>282,356</td>
<td>282,356</td>
</tr>
<tr>
<td>and sponsorships</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>113,090</td>
<td>113,090</td>
</tr>
<tr>
<td>Sports camps</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>32,508</td>
<td>32,508</td>
</tr>
<tr>
<td>Athletics restricted endowment and</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>investment income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>375</td>
<td>40</td>
<td>—</td>
<td>1,042</td>
<td>155,336</td>
<td>156,798</td>
</tr>
</tbody>
</table>

Total Revenues

2,051,781
1,131,542
586,426
2,297,477
6,513,655
12,580,881

See the accompanying notes to statement of revenues and expenses.
<table>
<thead>
<tr>
<th>Expenses</th>
<th>Football</th>
<th>Men's Basketball</th>
<th>Women's Basketball</th>
<th>Other Sports</th>
<th>Nonprogram Specific</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athletic student aid</td>
<td>$1,021,314</td>
<td>$222,437</td>
<td>$231,200</td>
<td>$1,515,759</td>
<td>$477,932</td>
<td>$3,468,642</td>
</tr>
<tr>
<td>Guarantees</td>
<td>47,000</td>
<td>11,244</td>
<td>7,374</td>
<td>4,278</td>
<td>—</td>
<td>69,996</td>
</tr>
<tr>
<td>Coaching salaries, benefits and bonuses paid</td>
<td>770,979</td>
<td>391,896</td>
<td>315,491</td>
<td>1,165,617</td>
<td>—</td>
<td>2,643,983</td>
</tr>
<tr>
<td>by the University and related entities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coaching salaries, benefits and bonuses paid</td>
<td>9,450</td>
<td>3,550</td>
<td>4,100</td>
<td>19,750</td>
<td>—</td>
<td>36,650</td>
</tr>
<tr>
<td>by a third party</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support staff and administrative salaries,</td>
<td>71,582</td>
<td>64,819</td>
<td>40,637</td>
<td>13,832</td>
<td>1,503,123</td>
<td>1,693,993</td>
</tr>
<tr>
<td>benefits and bonuses paid by the University</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and related entities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Severance payments</td>
<td>—</td>
<td>7,185</td>
<td>2,076</td>
<td>—</td>
<td>613</td>
<td>9,874</td>
</tr>
<tr>
<td>Recruiting</td>
<td>98,977</td>
<td>70,193</td>
<td>45,199</td>
<td>61,065</td>
<td>—</td>
<td>275,434</td>
</tr>
<tr>
<td>Team travel</td>
<td>165,486</td>
<td>133,333</td>
<td>135,322</td>
<td>574,692</td>
<td>—</td>
<td>1,008,388</td>
</tr>
<tr>
<td>Sports equipment, uniforms and supplies</td>
<td>133,940</td>
<td>66,052</td>
<td>29,250</td>
<td>224,158</td>
<td>329,088</td>
<td>782,488</td>
</tr>
<tr>
<td>Game expenses</td>
<td>52,191</td>
<td>38,608</td>
<td>32,808</td>
<td>62,470</td>
<td>36,774</td>
<td>222,846</td>
</tr>
<tr>
<td>Fundraising, marketing and promotion</td>
<td>21,180</td>
<td>3,400</td>
<td>—</td>
<td>18,242</td>
<td>156,064</td>
<td>198,306</td>
</tr>
<tr>
<td>Sports camps</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>65,851</td>
<td>65,851</td>
</tr>
<tr>
<td>Spirit groups</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>33,436</td>
<td>33,436</td>
</tr>
<tr>
<td>Athletic facilities debt service, leases and</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>29,591</td>
<td>29,591</td>
</tr>
<tr>
<td>rental fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct overhead and administrative expenses</td>
<td>10,523</td>
<td>3,949</td>
<td>4,326</td>
<td>15,980</td>
<td>70,770</td>
<td>105,548</td>
</tr>
<tr>
<td>Indirect institutional support</td>
<td>42,794</td>
<td>2,526</td>
<td>2,525</td>
<td>44,353</td>
<td>263,424</td>
<td>355,622</td>
</tr>
<tr>
<td>Medical expenses and medical insurance</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>489,576</td>
<td>489,576</td>
</tr>
<tr>
<td>Membership and dues</td>
<td>1,340</td>
<td>598</td>
<td>768</td>
<td>2,976</td>
<td>61,897</td>
<td>67,579</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>209,340</td>
<td>173,224</td>
<td>41,265</td>
<td>81,656</td>
<td>205,165</td>
<td>710,650</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>2,656,106</strong></td>
<td><strong>1,192,209</strong></td>
<td><strong>892,346</strong></td>
<td><strong>3,834,419</strong></td>
<td><strong>3,643,813</strong></td>
<td><strong>12,219,493</strong></td>
</tr>
<tr>
<td><strong>Excess (Deficiency) Of Revenues Over Expenses</strong></td>
<td>$(604,325)</td>
<td>$(61,267)</td>
<td>$(305,920)</td>
<td>$(1,536,542)</td>
<td>$(2,869,842)</td>
<td>$(361,388)</td>
</tr>
</tbody>
</table>

See the accompanying notes to statement of revenues and expenses.
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 three 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, 2016. All three individual contributions were received through Southeast Missouri University Foundation.

Indirect Institutional Support

General ground support, custodial support and maintenance for Houck, Rosengarten, and the University's track is allocated as nonprogram specific indirect institutional support within the Statement of Revenues and Expenses, unless specifically identified as program-specific within a University work order.

Debt

As of June 30, 2016, the University did not have any outstanding debt related to the University's Intercollegiate Athletics. Total University debt at June 30, 2016 was approximately $190,339,501.

Endowment Funds

As of June 30, 2016, the University's value of institutional endowment funds totaled approximately $61,570,000, of which approximately $1,612,000 consisted of endowment funds dedicated for Athletics.

Capital Expenditures

The University expended approximately $974,000 in capital improvements which were capitalized by the University related to Athletics Facilities during the year ended June 30, 2016.
I. Motion to be Considered:

Authorize administration to apply to the Missouri Division of Energy, Energy Loan Program for FY18 capital funding not to exceed $3,000,000.

II. Background:

The Missouri Department of Economic Development, Division of Energy maintains an Energy Loan Program loan financing for energy-savings capital improvement projects. Eligible applicants include public K-12 schools, city and county governments, public and private institutions of higher education and public and private not-for-profit hospitals (See Attachment 1). The department is accepting applications through January 13, 2017 for FY18 projects.

Loan financing may be used for a variety of energy-saving improvements, from which recipients may benefit from reduced energy costs. The loan amount per applicant is from $10,000 to $1,000,000 and the interest rate is 2.75%. Loans are repaid by energy savings with a maximum repayment term of 10 years including principal and interest. Loan amounts of more than $1,000,000 will be considered if funds remain.

Eligible projects include high efficiency lighting fixtures and lamps, high efficiency heating, ventilation and air conditioning systems, and building shell improvements such as insulation, tuckpointing and other infiltration measures. The University proposes to apply for funding to supplement HB19 state funding for renovations to Crisp Hall. Preliminary engineering assessments have indicated infrastructure improvements (mechanical, electrical, plumbing systems) and exterior envelope improvements (roof, windows) total $4.25 to $5.0 million. The University has $3.0 million from HB19 funding available for renovations to Crisp Hall, including

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Recommended By:

Student Government  
Faculty Senate  
Administrative Co.ncil  
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:  

---
interior renovations for academic programming needs. Funds from the Energy Loan Program could finance HVAC replacement, window replacement, tuckpointing and other energy related portions of the project.
INTRODUCTION

Loan financing may be used for a variety of energy-saving investments, from which recipients may benefit from increased comfort in their buildings and reduced energy cost. Loan recipients repay loans with money saved on energy bills. Loans to public K-12 schools are not defined as debt, so loan financing does not count against debt limits or require a public vote or bond issuance. Loan principal and interest, plus any administrative fees, are repaid within a ten year period or less. Individual loan award amounts are based on estimated annual energy savings documented as part of the application process.

The requirements that follow are intended to encourage participation through an application process that requires minimal effort and cost but provides the best estimation of energy savings that are likely to result from the implementation of one or more energy efficiency or renewable energy measures.

The department may request additional information as needed to determine the feasibility of the project, the projected energy savings and financial risk of the proposed loan application. Applicants must be an acceptable credit risk as determined by the department and capable of repaying the requested loan amount based on a financial risk analysis.

Energy Loan Program statutes may be found under RSMo 640.651 to 640.686. Energy Loan Program Rules are outlined in Title 4 CSR 34C-2 dated April 30, 2015. This and other program information may be found at the department’s website.

http://energyloan.mo.gov

APPLICATION CYCLE

Application cycle(s) information including cycle opening and closing dates, information designating eligible energy using sectors for each application cycle, allocation of total dollars available for loans in each designated energy using sector, and interest rates will be published periodically by the Division of Energy in the "In-Additions" section of the Missouri Register and through other public information methods.

An Application Cycle is the period of time each year that the department shall accept applications for financial loan assistance under the provisions of sections 640.651 to 640.686, RSMo. The availability of loan funds is determined for each loan cycle and is announced in the "In-Additions" section of the Missouri Register published by the Secretary of State. Application cycles and the availability of loan funds are also made known through other means such as trade shows, association meetings, emails and news articles.

ELIGIBLE ENERGY USING SECTORS FOR FY2017 SUPPLEMENTAL

- Public K-12 Schools
- City and County Governments including local government/public owned airport facilities (municipal, county, regional, and international), hospital districts, sewer or water supply districts, ambulance districts, zoological parks and museum districts.
- Public and Private Institutions of Higher Education
- Public and Private not-for-profit hospitals

ELIGIBILITY REQUIREMENTS

The applicant's proposed project must be located within the borders of Missouri.

The applicant must own and operate the building or system proposed for energy-saving improvements.

The building, facility or system proposed to receive Energy Conservation Measures (ECMs) must have a useful life and expected operational life greater than the loan repayment period as determined by the Division of Energy.

The applicant must not be in default or have a pending event of a default.

The applicant must have no outstanding or known unresolved actions for violations of applicable federal, state, or local laws, ordinances and rules.

The applicant is not presently debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from covered transactions by any federal department or agency.

The applicant must be current on all taxes due and owed to the State of Missouri.

The proposed project must be in compliance with all state and federal environmental laws and permits.

The Department of Elementary and Secondary Education must certify that projects selected for loans are consistent with related state programs for K-12 public education facilities.

The Department of Health and Senior Services must certify that projects selected for loans are consistent with related health requirements for hospital facilities.

The Coordinating Board for Higher Education must certify that projects selected for loans are consistent with related state programs for institutions of higher education facilities.
ELIGIBLE PROJECTS

Loan funds may be used to finance the design, material and equipment acquisition, installation and commissioning of energy efficiency and renewable energy projects to reduce energy consumption and costs in (1) an existing structure; (2) proposed new construction; (3) any applicant-owned group of closely situated structural units that are centrally metered or served by a central utility plant; or (4) an eligible portion of any of these that includes an energy-using system.

For new construction, loans may be used to finance the incremental cost of implementing energy-saving measures that exceed the energy efficiency standards established by local codes or the latest version of ASHRAE standard 90.1.

APPLICATION PROCESS

Requests for loan financing must be made using the Division of Energy's Energy Loan Program Application Authorization Form and Technical Assistance Report (TAR) which include: Fuel Use Summary Form, Energy Conservation Measure (ECM) Summary and applicable ECM Worksheets or a customized TAR. A customized TAR may be required for projects that may not be suitable for the ECM Worksheets. ECM Worksheets may be found on the "Instructions" tab.

The Application Authorization Form must be signed and dated by an authorized official. An authorized official is an individual with authority to obligate an eligible entity by signature to a loan agreement and promissory note to repay the loan. A paper copy of the signed, original Application Authorization Form and required documents may be mailed to the DED/DE address below. An electronic copy of the signed, Application Authorization Form and required documents may be emailed to the address listed below.

The completed Application Authorization Form and required documents must be received at the following address no later than the loan cycle closing date. Applications received after a designated closing date will not be considered for review or loan award but may be held for consideration during subsequent application cycles.

Missouri Department of Economic Development
Division of Energy
Attn: Loan Program Clerk
P.O. Box 1700
301 W. High, Ste. 720
Jefferson City, MO 65102
Email: energy@ded.mo.gov

TECHNICAL ASSISTANCE REPORT (TAR)

A Technical Assistance Report (TAR) is a specialized engineering report, subject to approval by the department, that identifies and specifies the quantity of energy savings and related energy cost savings that are likely to result from the implementation of one (1) or more energy conservation or renewable energy measures. The TAR need not be prepared by a professional engineer, if the department determines that the adequate performance of the TAR analysis for any project does not require engineering education, training, and experience. At a minimum a TAR shall contain the following items subject to the approval of the Division of Energy:

- Fuel usage summary and analysis of energy costs.
- Detailed description of each ECM.
- Detailed estimate of ECM cost of implementation.
- Detailed analysis of energy savings from each ECM.
- Simple pay back of each ECM.
- Cumulative simple pay back of all ECMs.
- An energy audit must: meet the minimum of Level 2 audit per most recent ASHRAE Procedures For Commercial Building Energy Audits

While a TAR may vary in length and form, the following references may be used as a guide in the preparation of the report:

ECM WORKSHEETS

The ECM Worksheets are a set of worksheets to qualify energy conservation measures for funding approval that have been proven cost-effective over time and, generally, do not require a more comprehensive analysis.

For the Energy Loan Program Application, at minimum, the following items must be submitted: Application Authorization form, Fuel Use Summary, most recent 12 months utility bills, ECM Summary and applicable ECM Worksheets.

Hand calculations or spreadsheets for simple ECMs may be accepted on a case-by-case basis. Modeling is not required when ECM Worksheets are appropriate.

ECM worksheets provide line by line instructions to guide in their completion. The following is a brief description for each worksheet:

- The **Motor Upgrade** worksheet is used to estimate energy savings for more efficient motor replacement. The worksheet is only applicable to constant load and same size motors. The worksheet is not applicable to pulsating loads, VFDs, random loads, or loads that cycle at rapidly repeating intervals.
- The **Wall or Ceiling Insulation** worksheet is used to estimate the savings for an area to be insulated that has a uniform R-value over the entire area and in which the R-value to be added will be applied uniformly over this same area. If the R-value is not the same in all areas of the building or different R-values will be added to separate areas of the building, a worksheet must be used for each of the individual areas.
- The **Pipe Insulation** worksheets (Natural Gas and Electric) are used to estimate the savings for insulating heating pipes that serve radiators or fan coil units. Furnace rooms, crawlspaces, unheated areas and overheaded rooms are typical for effective insulation applications. A **Heat Loss Factor Table** follows the Pipe Insulation Worksheet for reference. To use the worksheet, the heating and cooling distribution pipe must be in an area of constant temperature. The pipe distribution must be indoors.
- The **Programmable setback Thermostat** worksheet is used to estimate the savings as a result of setting the heating thermostat to a lower value during a building’s unoccupied hours.
- The **Lighting/Motion Sensor** worksheet is used to estimate the savings from a reduction in the number of lamps, lamp or ballast wattage, hours of use per year or a change to new efficient fixtures.
- The **Windows Replacement/Reduction** worksheet is used to estimate the savings from replacing inefficient windows with more efficient models or for the addition of storm windows. The worksheet is also used to estimate the savings from windows reduction. Reduced infiltration and improved U-values are included in the worksheet’s computation method.
- The **Heating Plant Replacement** worksheet is used to estimate the savings when installing a new more efficient furnace or boiler or when changing the energy sources used for heating. ECMs that reduce the overall heat load, such as insulation or window replacement, should be considered in conjunction with heating plant replacement. Efficiency of an old heating plant is assumed at 65 percent unless field-tested.
- The **Cooling Plant Replacement** worksheet is used to estimate the savings when installing new more efficient cooling units or when changing the energy sources used for cooling. ECMs that reduce the overall cooling load, such as insulation or window replacement, should be considered in conjunction with cooling plant replacement.
- The **Dishwasher - Energy Star** worksheet is used to estimate savings when upgrading from a conventional dishwasher model to an **ENERGY STAR** model. The worksheet is applicable for commercial-grade dishwashers with standard commercial rack size only. The worksheet is not applicable to residential units.
- The **Dishwasher - Other** worksheet is used to estimate savings when upgrading to dishwashers that are not rated by **ENERGY STAR**. The worksheet is applicable for commercial-grade dishwashers with standard commercial rack size only. The worksheet is not applicable to residential units.

Vendor/Contractor quotes or other cost estimates can be used as a basis for ECM costs. Vendors/Contractors may assist in the completion of the worksheets. The worksheets are designed to provide conservative estimates of savings using a generalized computation approach.

The Division of Energy may request additional information as needed to determine the proposed project's feasibility and estimated energy savings.

**SELECTION CRITERIA**

Recipients of loan financing will be determined through a competitive process. Applications will be ranked based on the proposed project's payback score which is determined by dividing the cost to implement a project by the estimated energy cost savings. Projects with the lowest payback score will be funded until all available loan funds are allocated.
PROJECT START DATE

Projects will not be considered that were completed prior to the official loan cycle announcement date. An applicant may submit an application and start a project at any time but SUBMISSION OF AN APPLICATION DOES NOT GUARANTEE LOAN FINANCING. ("Refer to Reimbursement Requirements")

TERMS OF LOAN

The Division of Energy determines loan interest rates and other fees for each loan cycle—typically from two to four percent. Interest rates for each loan cycle are announced in the "In Additions" section of the Missouri Register.

Loans (including interest and fees) are repaid within a ten year period or less. Loans will not be made that have a payback period of less than six months.

Loan payments are made on a bi-annual schedule. Invoices for bi-annual payments are issued two months prior to each payment due date. Late payments may be subject to additional charges. Once a loan is fully paid, the "paid" Promissory Note will be returned to the recipient. Loan documents and records must be retained for three years from date of final payment.

REIMBURSEMENT REQUIREMENTS

Once construction is complete, a Final Project Cost Report and Reimbursement Request with supporting documentation (invoices/receipts for goods and services purchased for the project, copies of canceled checks, and itemized accounting) must be submitted within 30 days.

Invoices for work, goods, or services with dates prior to the cycle announcement date will not be reimbursed. The Division will perform a final inspection and complete all close-out documentation prior to reimbursement. Once this process is complete, the reimbursement will be forwarded and a Promissory Note and final amortization will be sent to you. Your first payment will be due to the Division of Energy no more than 150 days from the date of reimbursement.

FOR ASSISTANCE

Division of Energy loan staff is available to answer questions about the application process and technical requirements for submission of a loan application:

Phone: (855) 522-2796 or (573) 526-7770
http://energyloan.mo.gov

Rev: 09-23-2016
I. Motion to be Considered:

Approve the proposed revision for *The College Dean: Role, Responsibility, and Review* within Chapter 1, Section F8 of the Faculty Handbook.

II. Background:

At their March 25, 2010 meeting, the Board of Regents directed President Dobbins, working with the Faculty Senate, to review the Faculty Handbook and recommend changes to ensure that the Faculty Handbook conforms to current Board policies and directives.

On April 20, 2016 the Faculty Senate approved Faculty Senate Bill 16-A-9. The bill adds clarity to the qualifications of the college dean. The following documents are attached to this motion:

- Attachment 1: Policy redline denoting changes from existing language
- Attachment 2: Policy in final form to be included in the Faculty Handbook

Changes in the language of the policy include:

- adding the terminal degree to qualify individuals in disciplines that do not award a doctorate
- stating that requirements for tenure must be met in the department of the discipline

There is no corresponding change in procedure.

---

**Recommended By:**

- Student Government
- Faculty Senate
- Administrative Council
- 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:**
FACULTY SENATE

SOUTHEAST MISSOURI STATE UNIVERSITY

FACULTY SENATE BILL 16-A-9

Approved by the Faculty Senate
April 20, 2016

Brief Summary: This bill clarifies the qualifications for selection of College Dean as specified in Chapter 1, Section F.8 of the Faculty Handbook, consistent with current and recent university practice.

This is a clarification to policy only. There is no corresponding change in procedure.

REVISING "THE COLLEGE AND THE COLLEGE DEAN" TO CLARIFY QUALIFICATIONS

BE IT RESOLVED THAT: subject to the passage and approval of this bill the Qualifications for College Dean as listed in Chapter 1, Section F.8, of the Faculty Handbook be amended by replacing the existing content with the following:

1 The Selection Process

2 Qualifications

Each college dean should substantially meet the following criteria:

1. An earned doctorate or terminal degree from an accredited University in a discipline represented by one of the departments in the college.
2. Meets requirements for tenure in the department representing their discipline.
3. Evidence of scholarly and/or research achievements.
4. Distinguished teaching experience at the college/University level.
5. Administrative experience or demonstrated administrative capability.
6. Commitment to the principles of collegiality in governance.
7. Commitment to academic excellence.

Approved by Faculty Senate 10/1/14, Reviewed by President 4/14/15, Approved by Board of Regents 5/8/15
Amended by Faculty Senate Bill 16-A-9, 04/20/16

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Date and Version: 4/6/16
Handbook Section: Ch.1, Section F.8, The College Dean: Role, Responsibility and Review
Proposed Change: Clarification of qualifications for selection of dean
Source of Bill: Faculty Senate Documents Committee

President's Review
Board Action
Posted to Faculty Handbook
FACULTY SENATE  
SOUTHEAST MISSOURI STATE UNIVERSITY  

FACULTY SENATE BILL 16-A-9

Approved by the Faculty Senate  
April 20, 2016

Brief Summary: This bill clarifies the qualifications for selection of College Dean as specified in Chapter 1, Section F.8 of the Faculty Handbook, consistent with current and recent university practice.

This is a clarification to policy only. There is no corresponding change in procedure.

REVISING “THE COLLEGE AND THE COLLEGE DEAN” TO CLARIFY QUALIFICATIONS

BE IT RESOLVED THAT: subject to the passage and approval of this bill the Qualifications for College Dean as listed in Chapter 1, Section F.8, of the Faculty Handbook be amended by replacing the existing content with the following:

1  The Selection Process

2  Qualifications

3  Each college dean should substantially meet the following criteria:

4  1. An earned doctorate or terminal degree from an accredited University in a discipline represented by one of the departments in the college.
5  2. Meets requirements for tenure in the department representing their discipline.
6  3. Evidence of scholarly and/or research achievements.
7  4. Distinguished teaching experience at the college/University level.
8  5. Administrative experience or demonstrated administrative capability.
9  6. Commitment to the principles of collegiality in governance.
10  7. Commitment to academic excellence.

Approved by Faculty Senate 10/1/14, Reviewed by President 4/14/15, Approved by Board of Regents 5/8/15
Amended by Faculty Senate Bill 16-A-9, 04/20/16

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Date and Version:  4/6/16
Handbook Section: Ch.1, Section F.8, The College Dean: Role, Responsibility and Review
Proposed Change:  Clarification of qualifications for selection of dean
Source of Bill:  Faculty Senate Documents Committee

President's Review
Board Action
Posted to Faculty Handbook
I. Motion to be Considered:

Approve the proposed revision for *Examination and Grade Policy* within Chapter 3, Section C6 of the Faculty Handbook.

II. Background:

At their March 25, 2010 meeting, the Board of Regents directed President Dobbins, working with the Faculty Senate, to review the Faculty Handbook and recommend changes to ensure that the Faculty Handbook conforms to current Board policies and directives.

On April 20, 2016 the Faculty Senate approved Faculty Senate Bill 16-A-10. The bill adds clarity to the timing of final assessments in online courses. The following documents are attached to this motion:

Attachment 1: Policy redline denoting changes from existing language
Attachment 2: Policy in final form to be included in the Faculty Handbook

Changes in the language of the policy include:
- requiring that the final assessment in blended courses be held at the time established in the final examination schedule, the same approach as traditional face-to-face courses
- requiring that the final assessment in fully online courses be conducted during final exam week, eliminating the possibility of “early” final exams

There is no corresponding change in procedure.

---

**Recommended By:**

Student Government  
Faculty Senate  
Administrative Council  
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:
FACULTY SENATE

SOUTHEAST MISSOURI STATE UNIVERSITY

FACULTY SENATE BILL 16-A-10

Approve by Faculty Senate
April 20, 2016

BRIEF SUMMARY: This bill intends to clarify that any final in a face-to-face or blended class is due according to the University's published final examination schedule. Secondly, this bill intends to define an assessment in conformity with the description provided in Chapter 3, Section C3 of the Faculty Handbook.

CLARITY DUE DATE OF FINAL ASSESSMENT IN A COURSE

BE IT RESOLVED THAT: subject to the passage and approval of this bill, Chapter 3, Section C6 (Examinations and Grade Policy) of the Faculty Handbook be amended to as follows:

C1. Teaching and Related Responsibilities (no changes to this subsection)
C2. Eight-Week Midterm Grades (no changes to this subsection)
C3. Advisement of Students (no changes to this subsection)
C4. Class Attendance Policy (no changes to this subsection)
C5. Office Hours (no changes to this subsection)

C6. Examination and Grade Policy

| Faculty Senate bill 16-A-10 begins here |

Policy

It is expected that periodic examinations or other assessments will be given in every course. Periodic assessments are expected in every course and a final assessment is required for each course. An assessment is an examination or other evaluation instrument developed to measure a student's academic performance. Final examinations, including online finals, are required and should be administered at the times established for them in the regular or special final examination schedules. Online finals will be due during finals week. The final assessment for a face-to-face or blended course is due at the time established in the final examination schedule. For online (composed of 100% online) courses, the final assessment is due during the finals period. Faculty requests for exceptions from either of these schedules will be granted, only in cases of extreme hardship, by the department chairperson.
Amended by Faculty Senate Bill 12-A-20, Reviewed by President April 23, 2012, Approved by Board of Regents May 4, 2012

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FACULTY SENATE

SOUTHEAST MISSOURI STATE UNIVERSITY

FACULTY SENATE BILL 16-A-10

Approve by Faculty Senate
April 20, 2016

BRIEF SUMMARY: This bill intends to clarify that any final in a face-to-face or blended class is due according to the University’s published final examination schedule. Secondly, this bill intends to define an assessment in conformity with the description provided in Chapter 3, Section C3 of the Faculty Handbook.

CLARIFY DUE DATE OF FINAL ASSESSMENT IN A COURSE

BE IT RESOLVED THAT: subject to the passage and approval of this bill, Chapter 3, Section C6 (Examinations and Grade Policy) of the Faculty Handbook be amended to as follows:

C1. Teaching and Related Responsibilities (no changes to this subsection)
C2. Eight-Week Midterm Grades (no changes to this subsection)
C3. Advisement of Students (no changes to this subsection)
C4. Class Attendance Policy (no changes to this subsection)
C5. Office Hours (no changes to this subsection)

C6. Examination and Grade Policy

Faculty Senate Bill 16-A-10 begins here

Policy

Periodic assessments are expected in every course and a final assessment is required for each course. An assessment is an examination or other evaluation instrument developed to measure a student’s academic performance. The final assessment for a face-to-face or blended course is due at the time established in the final examination schedule. For online (composed of 100% online) courses, the final assessment is due during the finals period. Faculty requests for exceptions will be granted, only in cases of extreme hardship, by the department chairperson.

Amended by Faculty Senate Bill 12-A-20, Reviewed by President April 23, 2012, Approved by Board of Regents May 4, 2012

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BOARD OF REGENTS
MOTION CONSIDERATION FORM
December 16, 2016
Open Session

I. Motion to be Considered:

Approve the proposed revision for Research Involving Human Subjects Policy within Chapter 3, Section D9 of the Faculty Handbook.

II. Background:

At their March 25, 2010 meeting, the Board of Regents directed President Dobbins, working with the Faculty Senate, to review the Faculty Handbook and recommend changes to ensure that the Faculty Handbook conforms to current Board policies and directives.

On April 20, 2016 the Faculty Senate approved Faculty Senate Bill 16-A-13. The bill establishes a single Institutional Review Board for the purposes of reviewing research involving human subjects. The following documents are attached to this motion:

Attachment 1: Policy redline denoting changes from existing language
Attachment 2: Policy in final form to be included in the Faculty Handbook

Changes in the language of the policy include:

• revising the current University Committee on Research Involving Human Subjects to establish the new Institutional Review Board
• ensuring the University remains in compliance with federal laws and regulations to protect the rights and well-being of human subjects utilized in research

Attachments 3 and 4 indicate the corresponding procedures and are provided for information purposes only.

Recommended By:
Student Government
Faculty Senate
Administrative Council
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:
FACULTY SENATE

SOUTHEAST MISSOURI STATE UNIVERSITY

FACULTY SENATE BILL 16-A-13

Approved by Faculty Senate
April 20, 2016

BRIEF SUMMARY: This bill revises the policy portion of the existing Faculty Handbook section on Research Involving Human Subjects (Chapter 3, Section D9) in order to maintain compliance with federal regulations.

REVISING THE POLICY SECTION FOR "RESEARCH INVOLVING HUMAN SUBJECTS"

BE IT RESOLVED THAT: subject to the passage and approval of both this bill and its companion bill revising the corresponding "procedures" section, Chapter 3, Section D9 of the Faculty Handbook be revised by replacing the existing content with the following "policy" section (with the companion "procedures" to follow it in the Faculty Handbook).

Research Involving Human Subjects

Policy

Southeast Missouri State University recognizes its role in society to further human knowledge, to advance the sum of such knowledge through teaching and research, and to protect the rights and welfare of human subjects involved in research. Similarly, the University acknowledges the rights of the faculty, staff, students, and administrators to utilize appropriate educational methods and research techniques in their classes, in instructionally related activities and in Student Services programming and activities.

Human subjects are involved in many areas of research in which there is potential risk to the individual, such as experimental research utilizing drugs, vaccines, and radioactive materials. Less obvious are classroom or Student Services programming-related research activities in which different types of risks to human subjects may be significant present.

It is the policy of the University to establish and utilize procedures regarding research involving human subjects that protect the rights and well-being of those subjects, that facilitate the creation and dissemination of knowledge, and that maintain
compliance with federal laws and regulations. Central to this effort shall be an
Institutional Review Board (IRB), established and operating under provisions of Title
45 Code of Federal Regulations Part 46 (45 CFR 46) and regulated by the Office for
Human Research Protections and any other federal agencies applicable to the specific
research being conducted. The procedures of the IRB will be consistent with these
federal regulations and operational standards. Any research activity conducted by the faculty, staff, or students, or
administrators involving human subjects will be reviewed by the IRB in accordance
with established procedures. To facilitate compliance with this policy, review
committees will be established at the academic college level, the student services
division level, and the University level.

The University Committee on Research Involving Human Subjects is best qualified
to ensure that human subjects will receive adequate protective measures, that faculty,
staff and administrative privileges to pursue the advancement of knowledge are
guaranteed, and that restrictive policies which might discourage research, innovative
teaching and programming are eliminated. This committee is the official review body
for the University and functions as the Institutional Review Board as set forth in
federal legislation. Its function is to conduct initial and continuing review of those
research proposals which use human subjects and to determine that such proposals are
in accordance with existing federal regulations. The committee operates under and
reports directly to the Office of the Provost.

Members of the committee shall possess varying backgrounds so that
their review of research proposals will assure that the rights and welfare of human
subjects are adequately safeguarded. The committee must be sufficiently qualified
through the expertise and diversity of its membership to ensure respect for its advice
and counsel. When necessary, the committee will solicit opinions from individuals
having recognized expertise in a specific area. In addition to possessing the
professional competence necessary to review specific activities, the committee must be
able to ascertain the acceptability of applications and proposals in terms of
institutional commitments and regulations, applicable law, and standards
of professional conduct and practice.

Decisions concerning human subjects in research are not made unilaterally by
the committee. Through a deliberative process, it is the responsibility of the
department chairperson, the College Review Committee (CRC), the college dean
of the research investigator conducting the study, and the University Committee
to ensure that the rights of human subjects are protected. For projects originating
from Student Services personnel, the Student Services Review Committee (SSRC) will act as the CRC, and the Dean of Students will assume the review functions delegated to the college dean in this document.

Definitions of Terms
As used in this document, research is defined as a trial or special observation, usually made under conditions determined by the investigator, which aims to test a hypothesis or to discover some unknown principle; effect, or relationship. Activities which use experiments, tests, and observations designed to elicit non-public information are types of research. Research does not include the conducting of classroom experiments or demonstrations or programming used for an educational purpose. Routine course and program development, including evaluation of the effectiveness of such development and the assessment of established courses or programs, is not research as defined and does not require review. (See next section for details of requirements for or exemptions from review.)

Determining the degree of risk in research involves making a series of judgments because certain risks are inherent in life itself. For certain types of research projects (especially medical), the risk is quite obvious. Somewhat different are those research procedures in which the subjects perform strenuous physical exertion or undergo varying degrees of public embarrassment and humiliation. These experiences may constitute a psychological threat to the subject, thereby posing another type of risk.

In reviewing research proposals involving human subjects, the reviewing body will place the research activity into one of two categories:

Category 1—those research activities in which the subjects involved have no more than the risks associated with their customary everyday activities or risks associated with the performance of routine physical or psychological examinations or tests by qualified individuals.

Category 2—those research activities in which the risk to subjects is greater than that encountered when performing customary activities under ordinary conditions.

As used in this document, human subjects are part of the investigator-subject relationship in a research activity which has the discovery of new knowledge as its primary objective. Of course, there are several types of human subjects, including adults, minors, residents of institutions, etc. Donors of organs, tissues, etc., are also considered to be subjects.
As used in this document, the definition of human subjects excludes the normal professional-client relationship which has the welfare of the client as the sole objective. Examples of such relationships are those in which the client is receiving aid or services consistent with accepted and established practice (e.g., physician and patient).

**Treatment of Human Subjects**

It is incumbent upon the investigator to make sure that all human subjects are treated with respect and dignity, not just by the principal investigator, but by the research associates as well. The principal investigator should make it clear to the subjects that they are free to discontinue their participation in the research at any time without prejudice to the subject.

In those research projects that have potential risk to the subject, the investigator must make every effort to minimize the risks or discomfort related to the subject's participation. For example, if the research activity exposes the subject to considerable physical risk, the investigator must consider whether the subject's response should be monitored by a physician during the testing.

The investigator whose research plans place subjects at risk has the responsibility for justifying that risk. Such a justification will indicate that a thorough search of the literature has been made to ascertain that either the experiment has already been performed with animal subjects or good reasons exist for not utilizing animal subjects; that similar research has not already provided an adequate answer to the research question; and that the design of the study is adequate to yield worthwhile data on the topic under investigation.

The investigator is responsible for the research procedures during the investigation and must be sensitive to individual differences which may predispose certain individuals to experience harmful psychological or physical consequences by participating in the study. Realizing this, the researcher must exercise care to exclude such individuals from the research sample. Should unanticipated harmful effects develop during the research, the investigator shall take immediate steps to correct the situation. For those studies having the potential to produce undesirable effects which may be manifested later, the investigator's responsibility is to plan appropriate follow-up procedures.

The responsibilities of the investigator include scheduling a debriefing session with the subjects following the conclusion of the research. The methodological procedures associated with the study may have caused certain subjects to experience anxiety, embarrassment, and loss of self-esteem. The experimenter should determine whether
the subjects have suffered such effects. If they have, the investigator must take positive steps to counteract the effects the study produced. Debriefing procedures to be used must also be described to reviewers. The reviewers must then decide whether the subject's rights and welfare are adequately protected.

The investigator should make every effort to see that the subjects are rewarded or recognized for their participation. Such benefits could be material (money or gifts), educational (added information or knowledge), some other self-enhancing gains (e.g., improved health and well-being), or the award of a certificate of participation. Any payment intended for the subjects should not be so large as to constitute an excessive inducement to participate. The investigator's description of the research submitted to the committee shall include plans to reward or recognize the subjects.

The content of this policy and the procedures that follow it incorporate material from the April 18, 1979 “Belmont Report” of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research.

Academic Affairs Revised April 1993
Reenacted with slight amendment by Faculty Senate Bill 13-A-17 approved by the Faculty Senate March 13, 2013, Reviewed by President April 5, 2013 and by the Board of Regents April 10, 2013. Significantly revised by Faculty Senate Bill 16-A-13

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FACULTY SENATE

SOUTHEAST MISSOURI STATE UNIVERSITY

FACULTY SENATE BILL 16-A-13

Approved by Faculty Senate
April 20, 2016

BRIEF SUMMARY: This bill revises the policy portion of the existing Faculty Handbook section on Research Involving Human Subjects (Chapter 3, Section D9) in order to maintain compliance with federal regulations.

REVISING THE POLICY SECTION FOR “RESEARCH INVOLVING HUMAN SUBJECTS”

BE IT RESOLVED THAT: subject to the passage and approval of both this bill and its companion bill revising the corresponding “procedures” section, Chapter 3, Section D9 of the Faculty Handbook be revised by replacing the existing content with the following “policy” section (with the companion “procedures” to follow it in the Faculty Handbook).

Research Involving Human Subjects

Policy
Southeast Missouri State University recognizes its role in society to further human knowledge, to advance the sum of such knowledge through teaching and research, and to protect the rights and welfare of human subjects involved in research. Similarly, the University acknowledges the rights of the faculty, staff, students, and administrators to utilize appropriate educational methods and research techniques in their classes, in instructionally related activities and in Student Services programming and activities.

Human subjects are involved in many areas of research in which there is potential risk to the individual, such as experimental research utilizing drugs, vaccines, and radioactive materials. Less obvious are classroom or Student Services programming-related research activities in which different types of risks to human subjects may be present.

It is the policy of the University to establish and utilize procedures regarding research involving human subjects that protect the rights and well-being of those subjects, that facilitate the creation and dissemination of knowledge, and that maintain compliance with federal laws and regulations. Central to this effort shall be an Institutional Review
Board (IRB), established and operating under provisions of Title 45 Code of Federal Regulations Part 46 (45 CFR 46) and regulated by the Office for Human Research Protections and any other federal agencies applicable to the specific research being conducted. The procedures of the IRB will be consistent with these federal regulations and operational standards. Any research activity conducted by the faculty, staff, students, or administrators involving human subjects will be reviewed by the IRB in accordance with established procedures.

*Academic Affairs Revised April 1993
Reenacted with slight amendment by Faculty Senate Bill 13-A-17 approved by the Faculty Senate March 13, 2013, Reviewed by President April 5, 2013 and by the Board of Regents April 10, 2013. Significantly revised by Faculty Senate Bill 16-A-13.*

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FACULTY SENATE

SOUTHEAST MISSOURI STATE UNIVERSITY

FACULTY SENATE BILL 16-A-14

Approved by Faculty Senate
April 20, 2016

BRIEF SUMMARY: This bill revises the procedures portion of the existing Faculty Handbook section on Research Involving Human Subjects (Chapter 3, Section D9) in order to maintain compliance with federal regulations.

REVISE THE PROCEDURES SECTION FOR “RESEARCH INVOLVING HUMAN SUBJECTS”

BE IT RESOLVED THAT: subject to the passage and approval of both this bill and its companion bill revising the corresponding “policy” section, Chapter 3, Section D9 of the Faculty Handbook be amended by replacing the existing content with the following “procedure” section (to follow the companion “policy” in the Faculty Handbook).

Research Involving Human Subjects

Procedures Regarding the University Committee on Research Involving Human Subjects

The University Committee may develop internal working procedures not inconsistent with the Faculty Handbook.

Qualifications for Committee Membership

The Committee shall not consist entirely of persons who are officers, employees, or agents of or otherwise associated with the institution apart from their membership on the committee.

No member of the committee shall be involved in either the initial or continuing review of an activity in which he/she has a conflicting interest, except to provide information requested by the committee.

There shall be an Institutional Review Board (IRB) that shall be charged to maintain familiarity with federal guidelines concerning the use of human subjects in research; to review and recommend appropriate changes in institutional policies and procedures concerning the use of human subjects in research; and to review and make
recommendations concerning proposed use of human subjects in research at the
University.

Composition and Selection of the Committee IRB

The committee shall not consist entirely of members of a single professional group. The
committee shall not consist entirely of men or entirely of women. The Provost shall
appoint the committee chair and voting membership of the Committee IRB as follows:

1. Three members from the professions outside the University,

21. One member from each college, school, and Kent Library (from
two nominees from each submitted by the College Councils),

32. One at-large representative from the (from two nominees submitted by the
Faculty Senate), community who is not otherwise affiliated with the
University and who is not part of the immediate family of a person who is
affiliated with the University,

43. One representative from the Graduate Faculty, division of student services,
and

54. One representative of the college deans, the Dean of Graduate Studies,

6. One representative from Student Services,
7. The Dean of the School of Graduate Studies or his/her designee, and
8. One representative of the Provost.

Members of the committee shall be identified to appropriate agencies by
name, earned degrees, if any; position or occupation; representative
capacity; and by other pertinent indications of experience, such as board certification,
licenses, etc., sufficient to describe each member's chief anticipated contributions to
committee deliberations. Any employment or other relationship between each member
and the institution shall be identified, i.e., full-time employee, part-time employee,
member of governing panel or board, paid consultant, unpaid consultant. Changes in
committee membership shall be reported in such form and at such times as may be
required by law.

Terms of Committee Members

The terms of membership for the Committee IRB members shall be three years,
staggered to ensure an orderly rotation of members. Because members are required
to undergo extensive training regarding federal rules and procedures, they shall not be
limited to serving only one three-year term. Members may, however, not exceed two
consecutive three-year terms, but may be reappointed following a one-year hiatus.
The Dean of the School of Graduate Studies shall not be subject to any term limit. In
addition to the above voting members, the IRB may also invite the participation of an undefined number of non-voting liaisons to assist it. –The Provost's representative, and the designee of the Dean of the School of Graduate Studies (if used) shall not be subject to a limit on terms served. They may be reappointed at the end of their term, and they may be replaced within their term or at the end of their term by the appointing or designating authority.

Quorum Requirements
The quorum of the committee-Board shall be defined as a majority of the total voting membership. Approval by a majority of the members meeting in quorum shall constitute approval of the proposal.

A research proposal which has received the endorsement of the department chairperson, College Review Committee or Student Services Review Committee, and the dean or Dean of Students requires a majority of the total committee membership for rejection.

Duties of Committee Chairperson of the IRB
It shall be the responsibility of the IRB to develop procedures for the submission and review of proposals for research involving human subjects so as to implement the policy established in this section. The IRB is authorized to develop its own internal operating procedures not inconsistent with this section or any federal law or procedures.

The IRB shall maintain a web page or similar mechanism to make available to the University community the appropriate forms, guidelines, etc. to be used when seeking approval for research involving human subjects. At least annually, the IRB shall issue a report on its activities to the Provost, with a copy provided to the Faculty Senate. The Provost shall appoint the chairperson of the committee within a reasonable time following the annual appointment of new members to the committee. Duties of the committee chairperson include developing and publicizing an annual schedule of regular committee meetings, and he/she is responsible for the prompt communication of committee findings to appropriate parties. Furthermore, the chairperson is responsible for communicating annually with deans and the Dean of Students and College and Student Services Research Committees regarding criteria for research involving human subjects.

Procedures for the Review of Research Proposals Involving
**Human-Subjects**

During the preparation of the research proposal, the research investigator has the responsibility to seek advice from the department chairperson, college dean, Dean of Students and/or Human Subjects Committee Chairperson regarding potential implications for the rights of human subjects. If human subjects are not involved, the investigator may proceed with the study without consulting the committee.

Any research activity conducted by the faculty, staff, or students involving human subjects will be reviewed by the college dean or Dean of Students, by the CRC or SSRC, by the University Committee, or by both the CRC or SSRC and the University Committee. However, some proposals are exempt from full review.

These include:

1. Secondary use of existing data documents and pathological or diagnostic specimens if the subjects are not identifiable.
2. Use of publicly available data, regardless of whether the subjects are identifiable.
3. Non-intervening observations of public behavior. The exemption includes research involving observations of public behavior of children where the investigator(s) does not participate in the activities being observed.

**Interviews and surveys of adults (with exceptions noted below).**

Interview, survey, and observation of public behavior procedures are not exempt and must be reviewed when

Responses are recorded in such a manner that the human subjects can be identified, directly or through identifiers linked to the subjects,

AND

The subject's responses, if they became known outside the research, could reasonably place the subject at risk, or expose the subject to criminal or civil liability, or be damaging to the subject's financial standing or employability,

OR

The research deals with sensitive aspects of the subject's own behavior, such as illegal conduct, drug use, sexual behavior, or use of alcohol,

OR
The subjects are minor children. All research using interview and survey procedures that include children as the subjects must be reviewed.

(For educational/classroom study exemption, see Definition of Terms, Research, in policy section)

Projects involving human subjects but considered exempt from full review by the investigator may be initially submitted to the college dean or Dean of Students and the chairperson of the College or Student Services Review Committee who will act for the College or Student Services Committee. The material submitted will include a brief outline of the project, including survey instruments, interview protocols and/or methods to protect the identity of subjects when secondary data, etc., are used and the rationale for considering the project exempt from full review. If the college dean or Dean of Students and the chairperson of the College or Student Services Review Committee concur that the project is exempt, the Dean or Dean of Students will inform the investigator, and she/he may proceed with the study. At that time, the investigator will submit a copy to the University Committee Chairperson for retrospective review. If either the college dean or Dean of Students or the chairperson of the College or Student Services Review Committee thinks the project is not exempt, the project must be subjected to the normal review process. In the event that the college dean, Dean of Students and/or chairperson of the College or Student Services Committee are among the proposers, the project must be submitted to the entire College or Student Services Committee and to the University Chairperson for retrospective review.

If the project is not exempt from full review, the proposal normally must be submitted to the College or Student Services Review Committee. If funds external to the University are sought and the granting agency requires approval at the University Committee level, the investigator may submit the research proposal directly to the University Committee for review.

The following materials and information will be submitted by the proposer for research requiring full review:

A brief outline of the project; if applicable, survey instruments, interview protocols, and a description of methods to protect the identity of subjects when secondary data are used; a description of what risks to subjects can be reasonably expected; methods for obtaining informed consent; and methods for ensuring the subjects' rights of privacy and confidentiality of data.

If a designation of Category 1 is expected, the proposer may submit rationale to support risks no greater than customary everyday activities or risks associated with routine
physical or psychological examinations and indicate the level of qualifications of
investigators to undertake the study. If a designation of Category 2 is expected, the
proposer should submit an explanation describing the need for the level of risk, what is
being done to minimize risk, and qualifications of the investigators to carry out the
research.

Investigators are encouraged to include only information pertinent to the
safety of human subjects.
The CRC or SSRC will determine whether the human subjects to be studied in the
investigation are in Category 1 or in Category 2 and will verify that procedures for
human subject protection will meet University and federal guidelines. The decision of
the CRC or SSRC, together with the research proposal, is then sent to the college dean or
Dean of Students. When the dean or Dean of Students agrees with the CRC or SSRC that
the research involving human subjects is in Category 1 and that the guidelines for
protection of human subjects have been met, the dean or Dean of Students will inform
the investigator that she/he may proceed with the study, and the dean or Dean of
Students will send to the University Committee a copy of the researcher's proposal,
together with a report of action taken by the CRC or SSRC and the dean or Dean of
Students' statement of approval. In these instances, the University Committee has the
responsibility for a retrospective review. All proposals subject to retrospective review by
the University Committee will be examined for appropriate safeguarding of human
subjects. If adequate safeguarding is not evident, the University Committee Chair will
notify the appropriate dean or Dean of Students and the CRC or SSRC Chair, and the
research will cease until agreement among all parties is reached.

When the dean or Dean of Students agrees with the CRC or SSRC that the research
involving human subjects is in Category 2 or when the dean or Dean of Students and the
CRC or SSRC do not agree on the category, the dean or Dean of Students will inform the
investigator that the proposal must be submitted to the University Committee for
review. When the category is in question or for proposals submitted directly to the
University Committee, the University Committee will decide whether the research is
Category 1 or Category 2. Following review of the proposal, recommendations of the
committee are sent to the Provost. (See section "Responsibilities of the Committee:
Notification of Committee-Action" for details.)

Procedures Regarding Responsibilities of the Principal Investigator
The following statements are presented as guidelines for research projects involving
human subjects. The investigator should consult these guides when planning the
research project. The committee also will utilize these statements during its evaluation of research proposals submitted by faculty, staff, and students of the University.

The investigator must be qualified in the field in which the research is conducted. If during the research the investigator finds himself/herself in areas beyond his/her level of competency, appropriate consultation must be obtained.

Procedures Regarding Informed Consent

Research involving human subjects normally is not permitted without the voluntary consent of the human subject or the consent of his/her authorized representative if the subject lacks the capacity to consent. The investigator should provide the subject with all appropriate information, whether positive or negative, which is likely to influence the subject's decision to participate. No coercion, explicit or implicit, may be used to obtain or maintain cooperation. To assure that the subject's decision is truly free, the investigator must exercise particular care in certain circumstances. Examples include relationships involving a measure of control over the potential subject, e.g., teacher/student, employer/employee, and in institutions such as prisons and hospitals.

Certain research studies utilize subjects (e.g., minors, the intellectually disabled, etc.) that require special consideration. Competent adults must give their own informed consent. If the research involves incompetent adults, it is the investigator's responsibility to make certain that consent for participation is obtained from authorized representatives in accordance with applicable statutes and regulations.

Assent must be obtained from competent children. "Children" are individuals below the legal age of consent. Age, maturity, and psychological state are to be considered when determining competency of the child/children. Assent means a child's affirmative agreement to participate in research. Failure to object should not be construed as consent. Informed consent must also be obtained from one of the child's parents or guardians. For research which involves greater than minimal risk and no prospect of direct benefit to the child, both parents must give their permission unless one parent is deceased, unknown, incompetent, or not reasonably available, or when one parent has legal custody of the child. This requirement may be waived for research designed for conditions for a subject population for which parental or guardian consent is not a reasonable requirement to protect the subjects (e.g., abused or neglected children).

When the research involves minimal risk to the subject (Category 1), there is no single method required to assure that the subject consents to participation. Whether the
subject's consent is obtained orally or is implicit in voluntary participation in a well-advertised activity or is secured via a written document, it must be "informed consent."
The term "informed consent" implies that the individual has exercised free power of choice without the presence of excessive inducement or any element of deceit, fraud, duress, force, or other form of restraint or coercion. While not mandatory, written documentation is strongly recommended.

A dilemma arises in some research because fully informing the subjects would invalidate the experiment. If it is necessary to withhold information from the subject, the investigator must carefully inform the reviewers of what information will be withheld and must clearly justify the withholding of information. Nondisclosure of information to subjects must not be used simply to assure their participation in the research.

Investigators whose proposed research activity is in Category 2 are obligated to obtain legally effective informed consent. The basic elements of information necessary to such consent include:

1. A fair explanation of the procedures to be followed and their purposes, including identification of any procedures which are experimental;
2. A description of any attendant discomforts and risks reasonably to be expected;
3. A description of any benefits reasonably to be expected;
4. A disclosure of any appropriate alternative procedures that might be advantageous for the subject;
5. An offer to answer any inquiries concerning the procedure;
6. An instruction that the individual is free to withdraw his or her consent and to discontinue participation in the project or activity at any time without prejudice to the subject;

An explanation of appropriate complaint procedures.
A written document is preferred for obtaining the consent of subjects involved in research activity in Category 2. If consent is obtained orally, the investigator must provide some documentation of consent for the records.

However, consent is obtained, the method used must be described and justified in the material sent to the committee for review. Such materials might include, for example, a summary of oral explanations to be given to the participants when obtaining their informed consent. Also, to be submitted to the committee is an explanation of how the investigator plans to monitor the risks and safeguard the subject during the course of the investigation.
Note 1: The method of obtaining consent must not include any exculpatory language through which the subject waives, or appears to waive, any of her/his legal rights, including any release of the University or its agents from liability or negligence. Obtaining a signed consent form is not a release. Rather, it is simply an evidence of disclosure to the subject of essential information necessary to obtain informed consent.

Note 2: Special procedures are required for obtaining and documenting informed consent of subjects placed at risk in activities supported by many external sources of funds.

Procedures for Confidentiality of Data Regarding Human Subjects

It is the investigator's responsibility to protect the rights of subjects against invasions of their privacy. The investigator must exercise care in obtaining and handling sensitive material and has ethical obligations to treat in confidence all private or personal information related to the subjects. The investigator should explain to those subjects providing information of a private or personal nature how such information will be used. Whenever feasible, such information from subjects should be obtained anonymously. If this is not possible, the data should be coded and the code separated from the data and kept in a secure place. Finally, the investigator should make certain such data are destroyed when the research is concluded.

The investigator must specify in the description of the project submitted to the committee for review her/his plans to ensure the confidentiality of the data and anonymity of the subjects. The following points can serve as a checklist to ensure that adequate protection will be provided:

1. The instruments for procuring data should be carefully constructed to ensure that only personal information absolutely essential to the study is acquired.
2. Personal information checklists which permit identification of the subject should be stored in files accessible only to authorized personnel.
3. Data containing personal information should be changed into coded form as soon as feasible. This means removal of the name and any other information which would reveal the subject's identity.
4. Adequate procedures for the disposal of data must be included in the research plans.
5. The identity of subjects must not be released without their express permission.
Certain research studies utilize data involving identifiable subjects that were collected previously for a different purpose. In such instances, the investigator must (a) re-evaluate the risk to the subjects, (b) determine whether the new use is within the scope of the original consent, and (c) provide for the anonymity of subjects in the intended study.

Procedures Regarding Complaints

It is also the responsibility of the principal investigator to advise all subjects, either in writing or orally, of their right to file a complaint with the University Committee. Each subject shall be given the name, address, and telephone number of the appropriate person to contact to register a complaint regarding her/his participation in the research. The participant or her/his legal representative should direct the complaint to the chairperson of the committee, with a copy to the Provost/Provost's representative.

The University Committee has the responsibility for investigating all complaints. After its investigation, the committee will report its findings to the Provost. Normally, these findings will indicate one of the following: (a) that the complaint is invalid, (b) that the complaint is valid and that the principal investigator must submit an amended statement of procedure for consideration by the committee, (c) that the complaint is valid and that committee approval of the research project is withdrawn. In all cases, the Provost notifies both the principal investigator and the complainant (if identified) of the findings of the investigation and of the action to be taken.

Procedures Regarding the College-Level Committees

Each college, school, and Kent Library shall maintain a College Review Committee (CRC), composed of one (or, at the discretion of the unit, two) representative(s) from each department within the unit, such representatives being elected by the full-time faculty in each department. The CRC may develop internal working procedures not inconsistent with the Faculty Handbook or those of the University Committee.

Procedures Regarding the Student Services Review Committee

The Dean of Student Services shall appoint and maintain a Student Services Review Committee (SSRC) consisting of no fewer than five members. These members shall be broadly representative of the personnel and administrative responsibilities of the division. The SSRC may develop internal working procedures not inconsistent with the Faculty Handbook or those of the University Committee.

Notification of Committee Action

Following its initial review of a research proposal, the committee shall
report the action taken to the Provost or designee. Recommendations by the
committee are subject to further consideration by the Provost and by the President.

Normally, the report of committee actions sent to the Provost or his/her designee will
(a) recommend approval, or (b) indicate any special requirements to be met and the
conditions under which approval would be recommended, or (c) reject the proposal, in
which case the reasons for rejection are stated. With concurrence of the Provost, the
chairperson of the committee sends a notification of committee restrictions to the
principal investigator. Investigators dissatisfied with findings of the committee may
appeal to the Provost. A subsequent reconsideration of the research proposal may, at the
discretion of the Provost, involve attendance of the principal investigator and/or
consultants selected by the committee and by the investigator. Unfavorable
recommendations and restrictions cannot be removed except by the committee.
Procedural changes in a project can be implemented only after these changes are
reviewed and approved by the committee. When reviews are completed and approval
granted by the committee, the chairperson completes a certification of review and
forwards a copy to the Provost, who agrees or disagrees and informs the principal
investigator.

It is the responsibility of the Provost to insist that restrictions and recommendations
made by the committee are fully implemented. Any disregard of committee
restrictions and recommendations by a principal investigator shall be reported
immediately to the Provost, who takes steps for remedial action.

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**Academic Affairs Revised April 1993**

**Reenacted with slight amendment by Faculty Senate Bill 13-A-18 approved by the Faculty Senate March 13,**

**2013 and by the President April 11, 2013, Posted for 15 day review on April 11, 2013. Significantly revised by Faculty Senate**

**Bill 16-A-14.**

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**Action** | **Date**
--- | ---
Introduced to Senate | 4/06/2016
Second Senate Meeting | 4/20/2016
Faculty Senate Vote | 4/20/16
President's Review | 
15 Day Review | 
Posted to Faculty Handbook |
FACULTY SENATE  

SOUTHEAST MISSOURI STATE UNIVERSITY

FACULTY SENATE BILL 16-A-14

Approved by Faculty Senate
April 20, 2016

BRIEF SUMMARY: This bill revises the procedures portion of the existing Faculty Handbook section on Research Involving Human Subjects (Chapter 3, Section D9) in order to maintain compliance with federal regulations.

REVISE THE PROCEDURES SECTION FOR “RESEARCH INVOLVING HUMAN SUBJECTS”

BE IT RESOLVED THAT: subject to the passage and approval of both this bill and its companion bill revising the corresponding “policy” section, Chapter 3, Section D9 of the Faculty Handbook be amended by replacing the existing content with the following “procedure” section (to follow the companion “policy” in the Faculty Handbook).

Research Involving Human Subjects

Procedures

There shall be an Institutional Review Board (IRB) that shall be charged to maintain familiarity with federal guidelines concerning the use of human subjects in research; to review and recommend appropriate changes in institutional policies and procedures concerning the use of human subjects in research; and to review and make recommendations concerning proposed use of human subjects in research at the University.

Composition and Selection of the IRB

The Provost shall appoint the committee chair and voting membership of the IRB as follows:

1. One member from each college and Kent Library (from two nominees from each submitted by the College Councils),
2. One representative from the community who is not otherwise affiliated with the University and who is not part of the immediate family of a person who is affiliated with the University,

3. One representative from the division of student services, and

4. The Dean of Graduate Studies.

The terms of membership for the IRB members shall be three years, staggered to ensure an orderly rotation of members. Because members are required to undergo extensive training regarding federal rules and procedures, they shall not be limited to serving only one three-year term. Members may, however, not exceed two consecutive three-year terms, but may be reappointed following a one-year hiatus. The Dean of the School of Graduate Studies shall not be subject to any term limit. In addition to the above voting members, the IRB may also invite the participation of an undefined number of non-voting liaisons to assist it. A quorum of the Board shall be defined as a majority of its total voting membership.

Duties of the IRB

It shall be the responsibility of the IRB to develop procedures for the submission and review of proposals for research involving human subjects so as to implement the policy established in this section. The IRB is authorized to develop its own internal operating procedures not inconsistent with this section and with federal law or procedures.

The IRB shall maintain a web page or similar mechanism to make available to the University community the appropriate forms, guidelines, etc. to be used when seeking approval for research involving human subjects. At least annually, the IRB shall issue a report on its activities to the Provost, with a copy provided to the Faculty Senate.

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*Academic Affairs Revised April 1993
Reenacted with slight amendment by Faculty Senate Bill 13-A-18 approved by the Faculty Senate March 13, 2013 and by the President April 11, 2013, Posted for 15 day review on April 11, 2013 Significantly revised by Faculty Senate Bill 16-A-14.*

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<td>Second Senate Meeting</td>
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<td>Faculty Senate Vote</td>
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<td>President’s Review</td>
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I. Motion to be Considered:

Approve as representative for Southeast Missouri State University on the River Campus Board of Managers the appointment of Karl Kunkel with a term expiring December 1, 2017, and the reappointment of William Holland with a term expiring December 1, 2019. The appointment of Provost Karl Kunkel replaces Gerald McDougall who previously served as Interim Provost.

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. Karl Kunkel’s term will expire on December 1, 2017. The re-appointment of William Holland will expire on December 1, 2019.

Listed below are the current representatives and their expiration dates.

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<tr>
<th>Term Expiration Date</th>
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<th>University Representatives</th>
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<tr>
<td>December 1, 2018</td>
<td>Scott Meyer</td>
<td>Rhonda Weller-Stilson</td>
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<td>December 1, 2017</td>
<td>Victoria Rust</td>
<td>Gerald McDougall</td>
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<tr>
<td>December 1, 2016</td>
<td>Dennis Vollink*</td>
<td>William Holland</td>
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William Holland is Vice President for University Advancement and Executive Director of the University Foundation at Southeast Missouri State University. He holds a bachelor of science degree in management from Missouri State University. He has attended professional development classes and seminars on human resources, executive development, marketing strategy, marketing planning, applied statistics and market segmentation by the American Management Association, the Wharton School of Business, Yale University, City College of New York, and the University of Illinois.

Dr. Karl Kunkel is Provost at Southeast Missouri State University overseeing the Division of Academic Affairs. He holds the Doctor of Philosophy in Sociology, Master of Arts in Sociology, and Bachelor of Arts in Sociology, all from the University of Missouri-Columbia. Prior to his current position, Dr. Kunkel served as Dean of the College of Arts and Sciences at Pittsburg State University (Kansas) for nearly four and a half years, after serving 17 years as a faculty member and then Department Chair in Sociology, Anthropology, and Criminology at Missouri State University.

*The Cape Girardeau City Council will act on replacement/reappointment of Dennis Vollink.

Recommended By:

Student Government
Faculty Senate
Administrative Council
VP, Finance & Admin.
VP, University Advancement

Chairperson________________________
Dean________________________
Academic Council________________________
Provost________________________
President________________________

Board Action on:________________________
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Approve:________________________
Secretary:________________________
BOARD OF REGENTS
MOTION CONSIDERATION FORM
December 16, 2016
Open Session

I. Motion to be Considered:

Approve the attached updated policy statements of Section 01-03, Nondiscrimination, (Attachment 1) and Section 03-02 Affirmative Action/Equal Employment Opportunity (Attachment 2) of the Business Policy & Procedures Manual.

II. Background:

The University Business Policies and Procedures incorporate federal and state law, and university standards, into policies that guide the daily operations of the institution. Policies must be reviewed and updated as needed, based on new legislation and court rulings which may directly or indirectly affect university policies.

Recently, a student filed a complaint with the Office of Civil Rights (OCR) of the Department of Education, alleging disability discrimination. During the course of the complaint process, the OCR reviewed various University policies and procedures. After participating in mediation, in which the student did not accept proposed resolutions, OCR proposed their voluntary resolution process, in which they provide a resolution. If it is accepted by the University, the complainant is made aware of the OCR’s accepted resolution and the complaint is closed upon the University’s completion of all items in the resolution.

One of the items OCR required in their resolution was that the University amend their Nondiscrimination Policy to include color as a protected category, in addition to race, ethnicity and national origin, to mirror federal language. In addition, they asked that references to contacting the OCR provide contact information for the Regional Office of the OCR, not for the main office in Washington DC.

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Attachment 1 is an updated Nondiscrimination policy statement for section 01-03 of the Business Policy and Procedures Manual which reflects both of these requirements. Because the University’s Affirmative Action/Equal Employment Opportunity policy mirrors the protection of the same categories in the hiring and employment processes, this policy statement found in Section 03-02 of the University’s Business Policy and Procedures Manual has also been updated to include color as a protected category (Attachment 2).

If approved by the Board, both of these policies will be updated on the electronic version of the Business Policies and Procedures maintained on the University website. In addition, any references to these policies in printed brochures or other materials will be updated at their next printing.
GENERAL STATEMENT OF POLICY

Southeast Missouri State University is committed to providing a safe, civil and positive learning and working environment for its faculty, staff, students, and visitors, free from discrimination in any form. This policy applies to all members and guests of the University community and prohibits discrimination on the basis of race, color, ethnicity, religion, national origin, sex, sexual orientation, gender identity, age, genetic information, disability, or protected veteran status in any of its programs or activities. Harassment based on any of these classifications is a form of discrimination that also violates University policy and will not be tolerated. In some circumstances, such discrimination may also violate federal and/or state law. Retaliation is also prohibited against anyone who asserts a claim of discrimination, participates in a discrimination investigation, or otherwise opposes unlawful discrimination.

This policy is consistent with the academic mission of the University and with the legal requirements of applicable state and federal laws prohibiting discrimination. These laws include, but are not limited to: Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, the Missouri Human Rights Act, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Equal Pay Act, the Rehabilitation Act of 1973, the Vietnam-Era Veterans Readjustment Act, the Genetic Information Nondiscrimination Act of 2008, and all amendments to the foregoing.

Equal Employment Opportunities

The University’s nondiscrimination policy and commitment to equal opportunity applies to applicants for employment, to all phases of the employment process, and to all terms and conditions of employment with Southeast.

Access to Educational Opportunities

The University’s prohibition against discrimination also applies to admission policies and practices, financial aid programs and to all other aspects of the University’s educational programs and activities offered or sponsored by the University, in accordance with applicable law, including the requirements of Title IX of the Education Amendments of 1972, which requires the University not to discriminate based on sex (including sexual harassment and sexual violence) in its education programs and activities.

Questions about the information in this policy or about the application of this policy may be directed to:

Office for Institutional Equity and Diversity
One University Plaza
MS3375
Cape Girardeau, Missouri 63701
Email: equityissues@semo.edu
Phone: 573-651-2524
The Vice President for Finance & Administration shall be responsible for issuing and maintaining operating procedures to implement this policy.
GENERAL STATEMENT OF POLICY

Southeast Missouri State University is committed to providing equal employment opportunity and to the principles of affirmative action. In accordance with this commitment, and in compliance with the requirements of applicable laws, it is the policy of the University to provide equal opportunity for all applicants and employees in its employment practices, including but not limited to, hiring and promotion, without regard to race, color, ethnicity, religion, national origin, sex, sexual orientation, gender identity, age, genetic information, disability, or protected veteran status.

The University believes that a diverse University community advances the academic purposes of the University and enhances the working and learning environment. In furtherance of its commitment to affirmative action, it is the policy of the University to engage in positive and constructive actions to recruit, admit, hire, promote and retain qualified women, minorities, persons with disabilities and protected veterans, in a good faith effort to meet and maintain its commitment to the goals of affirmative action and equal opportunity.

The Vice President for Finance & Administration shall be responsible for issuing and maintaining operating procedures to implement this policy.
BOARD OF REGENTS
MOTION CONSIDERATION FORM
December 16, 2016
Open Session

I. Motion to be Considered:

Approve the three-year re-appointment to end effective December 1, 2019, of Kathy M. Mangels as a representative of Southeast Missouri State University on the Show Me Center Board of Managers.

II. Background:

The Multi-use Center Agreement 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 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.

Kathy M. Mangels is the Vice President for Finance & Administration and has served four previous terms on the Board. Listed below are the current representatives and their expiration dates.

<table>
<thead>
<tr>
<th>Term Expiration Date</th>
<th>City Representatives</th>
<th>University Representatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 1, 2017</td>
<td>Donald Kaverman</td>
<td>Mike Buck</td>
</tr>
<tr>
<td>December 1, 2018</td>
<td>Lincoln Scott</td>
<td>Dr. Beth Easter</td>
</tr>
<tr>
<td>December 1, 2019</td>
<td>Scott Meyer*</td>
<td>Kathy M. Mangels</td>
</tr>
</tbody>
</table>

*The Cape Girardeau City Council will act on the replacement/reappointment of Scott Meyer.

Recommended By:
Student Government
Faculty Senate
Administrative Council
VP, Finance & Admin.
VP, University Advancement

Chairperson
Dean
Academic Council
Provost
President

Board Action on:
Motion By: ____________________________
Second By: ____________________________
Vote:  Yeas: ______  Nays: ______
BOARD OF REGENTS
MOTION CONSIDERATION FORM
December 16, 2016
Open Session

I. Motion to be Considered:

Approve the attached Special Course Fees commencing with the Spring 2017 semester.

II. Background:

Special course fees are requested by departments to cover the cost of consumable supplies or other expenses that are unique to a course (e.g. student insurance, chemicals). Formalizing the “up-front” billing avoids surprise costs to students after they enroll. This process also makes special course fees eligible for the Hope Scholarship and Lifetime Learning tax credits that the student or parent may claim.

Biology has approved special course fees of $10 and $15 attached to several of their laboratory courses. These fees help offset the cost of dissection kits, petri dishes, microscopic slides, etc. Due to recent reorganizational of course materials in the Biology curriculum, five courses with previously approved course fees have been renumbered and renamed.

This motion requests to move existing course fees associated with the five Biology courses detailed on Attachment 1 to their new numbered course, effective Spring 2017.

Recommended By: 

Student Government
Faculty Senate
Administrative Council
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:
College of Science, Technology, & Agriculture

Biology

Biology has approved special course fees of $10 to $15 attached to several of their laboratory courses. These fees help offset the cost of dissection kits, petri dishes, lens paper, microscopic slides, etc. Due to recent reorganization of course materials in the biology curriculum, five courses with previously approved course fees have been renumbered and renamed. This request is simply to move the preapproved course fee from the old version of the course to its new counterpart. Because fees previously existed, there would be no budgetary impact.

Comparison of previous courses and new replacement courses:

<table>
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<th>Current Course</th>
<th>Fee</th>
<th>New Course</th>
<th>Fee</th>
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<td>BI153 – Organismal Biology</td>
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<td>BI154 – Genetics &amp; Cell Biology</td>
<td>$15</td>
<td>BI283 – Genetics</td>
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A Resolution
by the Board of Regents
of
Southeast Missouri State University

WHEREAS, General Seth Jefferson McKee, the oldest-living American four-star general, was awarded the rank of Chevalier (Knight) in the National Order of the Legion of Honor by the government of France on Friday, November 4, 2016, the highest honor France bestows on its citizens or foreign nationals; and celebrated his 100th birthday on Saturday, November 5, 2016, at his home in Scottsdale, Arizona; and

WHEREAS, General McKee graduated from Cape Girardeau High School and attended Southeast Missouri State Teachers College from 1934 to 1937; joined the Missouri National Guard in 1935, and began his Air Force career as an aviation cadet in 1938; and completed his bachelor of arts degree in government at the University of Oklahoma in 1947; and

WHEREAS, General McKee's military career is exemplary, including serving as an airman in World War II, deployed to England in 1944 as deputy commander of the 370th fighter group, flying a Lockheed P-38 Lightning, logging more than 190 hours in 69 combat missions; he is credited with the downing of two enemy aircraft and flew cover for the D-Day invasion and was involved in bombing missions at Saint-Lô, the Falaise Gap, and Battle of the Bulge; he served in France, Belgium, and Germany; and

WHEREAS, he held positions of increasing responsibility achieving the rank of four-star general, with multiple assignments in countries throughout the world, and he retired in 1973 as commander of the North American Air Defense Command; and

WHEREAS, his military honors and awards include the Air Force Distinguished Service Medal, Silver Star, Legion of Merit with two oak leaf clusters, Distinguished Flying Cross, Air Medal with 10 oak leaf clusters, Croix de Guerre with Palm (France), Croix de Guerre with Palm (Belgium), Belgian Fourragere, Order of Leopold with Palm (Belgium), First Class Order of the Crown of Thailand, Order of the Sacred Treasure, First Class (Japan), and Order of National Security Merit, Second Class (Republic of Korea); and

WHEREAS, General McKee has been married to his lovely wife, Sally, for more than 75 years, and the P-38 he flew was named in her honor as "My Gal Sal," and they raised three sons, Seth, William and Thomas, and Sally played an important role and worked in hospitals as a "Gray Lady," an American Red Cross volunteer; and

WHEREAS, General McKee has represented the University well during his career and has supported his alma mater by presenting the commencement address in May 1971, and by returning to campus often to speak with faculty, staff, and students; he received the Missouri Mule Skinner citation and the Alumni Merit Award from Southeast, both in 1971; and he has been faithful in his stewardship of the public trust,

Now, therefore, be it resolved by the Board of Regents of Southeast Missouri State University that sincere congratulations and the grateful appreciation of the University community be expressed to General Seth Jefferson McKee, and that this resolution be placed in the minutes of the Board of Regents;

Done in the City of Cape Girardeau, Missouri, this sixteenth day of December in the year two thousand sixteen.

[Signature]
President of the Board of Regents

[Signature]
President of the University

[Signature]
Secretary
The attached 4-week census report showed an increase in undergraduate headcount of 1.0% (+106), attributed in large part to a 16.5% (+190) increase in high school dual enrollment and a 9.1% (+155) increase in beginning freshmen in fall 2016. The undergraduate full-time equivalent (FTE) enrollment declined 0.1% (-11.8). The decline in undergraduate FTE is the result of both smaller beginning freshmen classes in 2013 and 2015, and a 13% (-88) decline in new transfer students this fall.

Though not displayed on the attached report, it is notable that beginning freshmen enrolling directly from high school reached 1713 students in fall 2016. This is a record for the enrollment of recent high school graduates in a beginning freshmen class. Previous enrollment levels in this category were 1508 (‘15), 1642 (‘14), 1523 (‘13), 1630 (‘12), 1651 (‘11) and 1658 (‘10). Achieving record enrollment in this category is attributed to the successful implementation of the new university brand, marketing plan and the use of a new customer relations management system in the Office of Admissions.

Graduate student enrollment declined 8.2% (-115) in fall 2016 and graduate FTE declined 6.9% (46.7). International student enrollment fell this year by 12% from 1,131 to 992. The decrease is attributed, in part, to fewer students enrolling in the University’s intensive English Program and fewer international graduate students enrolling.

Unduplicated student enrollment at the Southeast regional campuses declined 7.5%, from 1,059 (‘15) to 985 (‘16). Duplicated student enrollment at a regional campus includes 219 at Kennett, 127 at Malden, and 648 at Sikeston.

Cape College Center enrollment increased 11.7%, from 154 (‘15) to 172 (‘16). While enrollment increased in fall 2016, it is lower than previous years: 206 (‘14), 212 (‘13), 223 (‘12), 192 (‘11).

Combined undergraduate and graduate is 11,978 students, reflecting a 0.1% (-9) decrease in headcount and a 0.6% (-58.5) decrease in overall FTE from Fall 2015.
Southeast Missouri State University
4 Week Census Report
UNDUPlicated COUNT
FALL 2016 SEMESTER

UNDERGRADUATE BOTH ON AND OFF CAMPUS

<table>
<thead>
<tr>
<th></th>
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<th>SEMESTER CREDIT HOURS</th>
<th>FULL TIME EQUIVALENT</th>
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<td>190</td>
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<tr>
<td>% Change 15-16</td>
<td>7.1%</td>
<td>17.0%</td>
<td>16.5%</td>
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Beginning Freshmen

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Freshmen

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<td>-10.8%</td>
<td>-17.5%</td>
<td>-11.5%</td>
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Sophomores

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Juniors

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Note: Undergrad. FTE = Total Undergrad Credit Hrs/15. Grad. FTE = Total Grad. Credit Hrs/12. Total FTE = Undergrad. FTE + Grad. FTE.
Note: "Special" includes Intensive English Program and others. "Visiting" includes Partnership students (beginning fall 2010) and others.

Prepared by the Office of Institutional Research 9/20/2016
## UNDERGRADUATE BOTH ON AND OFF CAMPUS

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<th>HEADCOUNT</th>
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<td>2014</td>
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<td>152</td>
<td>248</td>
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<td>831.00</td>
<td>2,135.00</td>
<td>86.93</td>
<td>55.40</td>
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<tr>
<td>% Change 15-16</td>
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<td>1.1%</td>
<td>-5.6%</td>
<td>-20.1%</td>
<td>2.6%</td>
<td>-11.8%</td>
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<td>2.6%</td>
<td>-11.8%</td>
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<tr>
<td><strong>Visiting</strong></td>
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<td></td>
<td></td>
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<tr>
<td>2016</td>
<td>43</td>
<td>195</td>
<td>238</td>
<td>547.00</td>
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<td>1,563.00</td>
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<td>67.73</td>
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<td>2015</td>
<td>34</td>
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<td>203</td>
<td>430.00</td>
<td>877.00</td>
<td>1,307.00</td>
<td>28.67</td>
<td>58.47</td>
<td>87.14</td>
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<tr>
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<td>1,148.00</td>
<td>1,783.00</td>
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<td>9</td>
<td>26</td>
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<td>139.00</td>
<td>256.00</td>
<td>7.80</td>
<td>9.26</td>
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<tr>
<td>% Change 15-16</td>
<td>28.5%</td>
<td>15.4%</td>
<td>17.2%</td>
<td>27.2%</td>
<td>15.8%</td>
<td>19.6%</td>
<td>27.2%</td>
<td>15.8%</td>
<td>19.6%</td>
</tr>
<tr>
<td><strong>Total Undergraduate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2016</td>
<td>7,896</td>
<td>2,797</td>
<td>10,693</td>
<td>112,063.00</td>
<td>16,122.50</td>
<td>128,185.50</td>
<td>7,470.86</td>
<td>1,074.83</td>
<td>8,545.69</td>
</tr>
<tr>
<td>2015</td>
<td>7,924</td>
<td>2,663</td>
<td>10,587</td>
<td>112,350.00</td>
<td>16,012.00</td>
<td>128,362.00</td>
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<td>1,085.40</td>
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<tr>
<td>2014</td>
<td>8,166</td>
<td>2,680</td>
<td>10,848</td>
<td>116,392.50</td>
<td>16,150.50</td>
<td>132,543.00</td>
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<tr>
<td>% Change 15-16</td>
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<td>5.0%</td>
<td>1.0%</td>
<td>-0.3%</td>
<td>0.7%</td>
<td>-0.1%</td>
<td>-0.3%</td>
<td>0.7%</td>
<td>-0.1%</td>
</tr>
</tbody>
</table>

Note: Undergrad. FTE = Total Undergrad Credit Hrs/15. Grad. FTE = Total Grad. Credit Hrs/12. Total FTE = Undergrad. FTE + Grad/ FTE.
Note: "Special" includes Intensive English Program and others. "Visiting" includes Partnership students (beginning fall 2010) and others.
<table>
<thead>
<tr>
<th></th>
<th>HEADCOUNT</th>
<th>SEMESTER CREDIT HOURS</th>
<th>FULL TIME EQUIVALENT</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>FULL TIME</td>
<td>PART TIME</td>
<td>TOTAL</td>
</tr>
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<td>Non Degree Unclassified</td>
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<td>% Change 15-16</td>
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<tr>
<td>Degree Seeking Masters</td>
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<td>482</td>
<td>683</td>
<td>1,165</td>
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<tr>
<td>2014</td>
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<td>-3.3%</td>
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<tr>
<td>Specialists</td>
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<td>2015</td>
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<td>-33</td>
</tr>
<tr>
<td>% Change 15-16</td>
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<tr>
<td>Doctorate</td>
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<td>19</td>
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</tr>
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<td>2014</td>
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</tr>
<tr>
<td>% Change 15-16</td>
<td>-8.9%</td>
<td>-7.8%</td>
<td>-8.2%</td>
</tr>
</tbody>
</table>

Note: Undergrad. FTE = Total Undergrad. Credit Hrs/15. Grad. FTE = Total Grad. Credit Hrs/12. Total FTE = Undergrad. FTE + Grad. FTE. Not: "Special" includes Intensive English Program and others. "Visiting" includes Partnership students (beginning fall 2010) and others.

Prepared by the Office of Institutional Research 9/20/2016
## COMBINED UNDERGRADUATE AND GRADUATE TOTALS

<table>
<thead>
<tr>
<th></th>
<th>HEADCOUNT</th>
<th>SEMESTER CREDIT HOURS</th>
<th>FULL TIME EQUIVALENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FULL TIME</td>
<td>PART TIME</td>
<td>TOTAL</td>
</tr>
<tr>
<td>2016</td>
<td>8,344</td>
<td>2,634</td>
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<tr>
<td>2015</td>
<td>8,416</td>
<td>2,571</td>
<td>11,987</td>
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<td>2014</td>
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<tr>
<td>% Change 15-16</td>
<td>-0.9%</td>
<td>1.8%</td>
<td>-0.1%</td>
</tr>
</tbody>
</table>

Note: Undergrad. FTE = Total Undergrad. Credit Hrs/15. Grad. FTE = Total Grad. Credit Hrs/12. Total FTE = Undergrad. FTE + Grad. FTE.
Note: "Special" includes Intensive English Program and others. "Visiting" includes Partnership students (beginning fall 2010) and others.
Southeast aspires to retain at least 80 percent of first-time, full-time undergraduate students to the second year and graduate at least 60 percent of this cohort in six years. It is the University's objective to see the campus community come together to improve student learning and success by enhancing academic and support programs, and increase student engagement to achieve the above goals.

Southeast President Carlos Vargas has invited Dr. Vincent Tinto, distinguished professor emeritus at Syracuse University and the former chair of the Higher Education Program, to visit Southeast on Wednesday, October 19, 2016. Dr. Tinto will facilitate discussions throughout the day to explore the wide range of issues influencing student success, with the objective of identifying actionable strategies to help Southeast meet this aspirational retention and graduation rate goal. The graphs below show the most recent 10-year retention, as well as the 4- and 6-year graduation rates at Southeast. The institutional goals are included (in red) for comparison.

Dr. Tinto has carried out research and has written extensively on higher education, particularly on student success and the impact of learning communities on student growth and attainment. His book, "Leaving College," lays out a theory and policy perspective on student success that is considered the benchmark by which work on these issues are judged. His most recent book, "Completing College," lays out a framework for institutional action for student success, describes the range of programs that have been effective in enhancing student success, and the types of policies institutions should follow to successfully implement programs in ways that endure and scale-up over time.

The general session from 8 to 11 a.m. is open to all University faculty, staff, and students. Registration is required as seating is limited. Please register online at app.semo.edu/genl/registration/homepage.asp.

For more information about this event, please contact the Vice President for Enrollment Management and Student Success at dbelow@semo.edu or call (573) 986-6888.
BUILDING A CAMPUS CULTURE TO SUPPORT STUDENT PERSISTENCE AND GRADUATION

A DAY WITH VINCENT TINTO
Wednesday, October 19, 2016

8-11 a.m. General Session (Open to all faculty, staff, and students)
University Center Ballroom A

8 a.m. Registration

8:30 a.m. Welcome
CARLOS VARGAS
President

8:50 a.m. Southeast College Completion Metrics

9:30 a.m. Student Success Keynote Speaker
VINCENT TINTO
Distinguished University Professor Emeritus and former
Chair of the Higher Education Program, Syracuse University

10:30 a.m. Question and Answer

Identifying Priorities to Support Student Success (Invitation only)

11:30 a.m.-1 p.m. Council of Deans, Chairpersons Forum and
Regional Campus Directors Luncheon with Dr. Tinto
University Center Redhawks Room

1:15-2:30 p.m. Academic Advising and Support Discussion with Dr. Tinto
University Center Ballroom B

3-4:30 p.m. Faculty Senate Discussion with Dr. Tinto:
Creating Active and Engaging Learning Environments
to Foster Student Success
University Center Redhawks Room

5:15-6 p.m. Conversation with Learning Community Students
LaFerla Hall

6-8 p.m. Learning Communities Conversation and Dinner
LaFerla Hall

Registration required for all events except Faculty Senate Discussion.
Jose Alpizar

1715 Forest View Drive, Cape Girardeau, MO 63701 ● Cell: (901)330-9555 ● jAlpizar96@yahoo.

Professional Summary
Motivated young professional with years in theater and customer service. Active listener with superb oral and written communication skills. Dependable, responsible and enthusiastic.

Skills
- Fast learner
- Comprehensive tech training
- Dependable and punctual
- Works well under pressure
- Can-do attitude
- Time management
- Professional demeanor
- People Person
- Accepts criticism well

Work History
Sales Associate/Stylist, 08/2015 to Current
American Eagle Outfitters – Cape Girardeau
As a store associate, I had to make sure that the merchandise was kept clean, orderly, and organized while also making sure to keep the customer as my top priority. Once they are done shopping, I had to ring the customer up and ensure that they’re saving as much money as they can. Other things I had to do included sweeping the floors and cleaning the store windows before we opened.

Waiter, 08/2011 to 05/2014
Kan’s Asian Grill – Collierville, Tennessee
After my first year working as a host at this establishment, I started training to be a server. I became and stayed a part time waiter for the rest of the two years I was there. I had to provide excellent customer service and make sure that the patrons I took care of had an excellent dining experience. Once my shift was over, I had to rotate between several chores like rolling silverware, sweeping and mopping, cleaning the waiter station, etc.

Student Ambassador, 08/2016 to Current
Southeast Missouri State University – Admissions Office
As a student ambassador, I am to show prospective students what really makes Southeast great. I provide a friendly tour of campus, make sure the student and his family feel at home, and try to convince the family to attend the school.

Education
Bachelor of Arts: Musical Theatre, Current
Southeast Missouri State University - Cape Girardeau, Missouri
BOARD OF REGENTS

REPORT ITEM

December 16, 2016

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:

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>ANTICIPATED COMPLETION</th>
<th>VENDOR</th>
<th>AWARD AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef Covered Feeding Facility</td>
<td>12/31/16</td>
<td>Kiefner Brothers, Inc.</td>
<td>$256,000</td>
</tr>
<tr>
<td>Cheney Hall Foundation Repair</td>
<td>10/31/16</td>
<td>SEMO Mudjacking &amp; Piering</td>
<td>$147,500</td>
</tr>
<tr>
<td>Campus Wide Facilities Master Plan</td>
<td>06/23/17</td>
<td>Lawrence Group</td>
<td>$650,000</td>
</tr>
</tbody>
</table>

Part II – Facilities Management Change Orders
in Excess of $20,000 or 15% of Project Cost

The following change order(s) in excess of $20,000 or 15% of project cost were executed:

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capaha Field Renovations</td>
<td>Brockmiller Construction</td>
<td>Provided wireless option for video scoreboard; provide portable pitching mound; added additional fence and gate between the dugout and grandstand on NE side of field; painted top of backstop wall and posts.</td>
<td>$22,431</td>
</tr>
<tr>
<td>Center for Speech &amp; Hearing</td>
<td>Boulder Construction, LLC.</td>
<td>Revised wiring size; add soffit in Clinical Storage room 113; chip out concrete brick ledge and add masonry at front entry; added Knox box per CPR 13 (Boulder CP21); removal of soffit for duct in room 113 and moisture mitigation in the restrooms, revised door actuator to wall mounted version; added rock around mechanical equipment and relocated small retaining wall.</td>
<td>$8,635</td>
</tr>
<tr>
<td>Towers North HVAC Renovation</td>
<td>Associated Sheet Metal, Inc.</td>
<td>Add hardware and access control components to South main entry door.</td>
<td>$15,999</td>
</tr>
</tbody>
</table>
Part III – Facilities Management Capital Projects Update Report

A. STATE FUNDED CAPITAL IMPROVEMENT PROJECTS

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>ANTICIPATED COMPLETION</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crisp Hall Renovation</td>
<td>Fall 2018</td>
<td>Building assessment meeting held October 18, 2016. Determination made to complete exterior envelope work (roof replacement; lintels; tuck-pointing) Summer 2017. Awaiting design proposal from consultant.</td>
</tr>
</tbody>
</table>

B. LOCAL FUNDED AND MAINTENANCE & REPAIR CAPITAL IMPROVEMENTS OVER $50,000

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>ANTICIPATED COMPLETION</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. General Construction Contract 2016</td>
<td>Multiple projects through 6/30/17</td>
<td>Marching Band Relocation – Field leveling and seeding work is substantially complete. River Campus Seminary Building Stair Repair - awaiting proposal from Nip Kelley. 512 &amp; 518 N. Sprigg House Demo—awaiting proposal from Nip Kelley.</td>
</tr>
<tr>
<td>3. Rice Breeder Greenhouse at Southeast Missouri State University – Malden</td>
<td>March 1, 2017</td>
<td>Notice to Proceed issued to Kiefer Brothers. Column erection and MEP rough-in in progress.</td>
</tr>
<tr>
<td>4. Dearmont Circle Concrete Replacement</td>
<td>July 31, 2018</td>
<td>Design is complete. Construction deferred from Summer 2017 to Summer 2018 due to camps/conference relocation to South campus.</td>
</tr>
<tr>
<td>5. Towers North HVAC Renovation</td>
<td>Complete</td>
<td>All HVAC work is complete. Card reader installed October 17-21, 2016. Project is complete and under warranty.</td>
</tr>
<tr>
<td>6. Henderson, Myers, and Vandiver Card Access</td>
<td>Complete</td>
<td>Project is complete and under warranty.</td>
</tr>
<tr>
<td>PROJECT</td>
<td>ANTICIPATED COMPLETION</td>
<td>STATUS</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>7. Greek Housing – Alumni Drive</td>
<td>July 2017</td>
<td>Phase 1A – Both buildings have met substantial completion and are occupied. Punchlist items to be completed during winter break. Phase 1B – Site infrastructure and building foundation work is complete. Wall and roof framing are in progress.</td>
</tr>
<tr>
<td>8. 325 Broadway – Mass Media Renovations</td>
<td>Complete</td>
<td>Punchlist work complete, card readers programmed and furniture delivered. Basement level occupied by <em>The Arrow</em> and conducting classes on first floor. TV and Video Production equipment has been ordered (lights, cabling, microphones, headsets, cameras, monitors, etc.). Project is complete and under warranty.</td>
</tr>
<tr>
<td>9. Tutorial Services Relocation</td>
<td>Completed</td>
<td>Project is complete and under warranty.</td>
</tr>
<tr>
<td>10. Malden Roof Replacements</td>
<td>November 2016</td>
<td>Installation of new roof membrane is complete. Final change order circulating.</td>
</tr>
<tr>
<td>11. David M. Barton Agriculture Research Center Reservoir and Tile Drain Instrumentation</td>
<td>Complete</td>
<td>Project is complete and under warranty.</td>
</tr>
<tr>
<td>12. Rhodes Hall Roof Replacement</td>
<td>Complete</td>
<td>Project is complete and under warranty.</td>
</tr>
<tr>
<td>13. Tennis Courts Locker Rooms</td>
<td>Complete</td>
<td>Project is complete and under warranty.</td>
</tr>
<tr>
<td>14. Track Building Renovation &amp; Addition</td>
<td>TBD</td>
<td>Review meeting with Athletics held mid-October 2016. Additional design options requested from architect per Athletic Director. Consultant to provide fee proposal for re-design prior to winter break.</td>
</tr>
<tr>
<td>15. Capaha Field Renovation</td>
<td>December 31, 2016</td>
<td>Turf installation is complete. Scoreboard is 90% complete. Fencing installation is in progress.</td>
</tr>
<tr>
<td>16. Cheney Hall Building Assessment and Repair</td>
<td>Complete.</td>
<td>Notice to Proceed issued to SEMO Mudjacking. Exterior piers were installed. Project is complete and under warranty.</td>
</tr>
<tr>
<td>17. Intramural Fields Artificial Turf Installation</td>
<td>Complete</td>
<td>Project is complete and under warranty.</td>
</tr>
<tr>
<td>18. NPHC Plaza and Central Pedestrian Corridor</td>
<td>Summer 2017</td>
<td>A/E contract awarded to SWT Design. Schematic design to be complete fall/winter 2016.</td>
</tr>
<tr>
<td>20. Campus Directional Signage</td>
<td>Spring 2017</td>
<td>Construction documents are in progress. Internal meeting held to verify building names and sign locations. Facilities is working on revisions and will submit for approval prior to winter break.</td>
</tr>
<tr>
<td>PROJECT</td>
<td>ANTICIPATED COMPLETION</td>
<td>STATUS</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>21. Marching Band Relocation</td>
<td>Updated to March 2017</td>
<td>Owner of 416 Morgan Oak and Facilities Mgmt staff have finalized scope of work/cost estimates. Owner is waiting on permit to be issued by City of Cape.</td>
</tr>
<tr>
<td>22. Center for Speech &amp; Hearing</td>
<td>November 2016</td>
<td>Construction is substantially complete, and punch list is in progress. Furniture to be installed the week of December 12, 2016.</td>
</tr>
<tr>
<td>23. Houck Service Drive Repair</td>
<td>Complete</td>
<td>Project is complete and under warranty.</td>
</tr>
<tr>
<td>24. Towers Dining Renovations</td>
<td>October 2017</td>
<td>Chartwell’s project. Awaiting as-buils from Chartwell’s consultant. Project is complete and under warranty.</td>
</tr>
<tr>
<td>26. SRC South – Success Center Renovation</td>
<td>TBD</td>
<td>Preliminary designs under review as well as funding allocation. Consultant is preparing fee proposal to complete renderings to be used in capital fund raising campaign.</td>
</tr>
<tr>
<td>27. Cottonwood Sprinkler Repairs</td>
<td>May 15, 2017</td>
<td>A/E completed construction documents and each Cottage was bid as a separate base bid. Bid opening was held December 8, 2016.</td>
</tr>
<tr>
<td>28. Beef Covered Feeding Facility</td>
<td>December 31, 2016</td>
<td>Notice of Award issued to Kiefner Brothers, Inc., on September 20, 2016. Structural steel frame is being fabricated and concrete work at the site has begun.</td>
</tr>
<tr>
<td>29. Malden HVAC Systems Repair and Replacement</td>
<td>December 2016</td>
<td>Pre-bid meeting conducted, and bid opening held October 6, 2016. Notice of Award issued to Associated Sheet Metal. Contractor has installed gas lines and is working on curb installation for units to sit upon.</td>
</tr>
<tr>
<td>32. Capaha Field Indoor Batting Facility</td>
<td>Updated to August 2017.</td>
<td>Hurst-Rosche is preparing 100% construction documents for review. Bid opening is anticipated January or February 2017. Athletic Director requested construction to be complete August 2017.</td>
</tr>
<tr>
<td>33. Towers Central Complex Electrical Renovation</td>
<td>July 2017</td>
<td>KJWW is completing construction documents to replace failing MCC panel, transformer, and associated components. Bidding will occur in February 2017.</td>
</tr>
<tr>
<td>PROJECT</td>
<td>ANTICIPATED COMPLETION</td>
<td>STATUS</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>34. Dearmont Hall B and C Wing Electric Repair</td>
<td>January 12, 2017</td>
<td>Schneider Electric is removing existing electrical components inside both wings. New service conduits are being installed in mechanical rooms and tunnels under B and C Wings. B Wing was re-energized during Thanksgiving Break. Work on C Wing to be completed during winter break by Contractor. Building will be re-energized prior to the beginning of Spring 2017 semester to enable student occupancy.</td>
</tr>
<tr>
<td>36. Parker Hall Stair Replacement</td>
<td>Spring/Summer 2017</td>
<td>Consultant has completed construction documents and project is being bid in December 2016.</td>
</tr>
<tr>
<td>37. Parker Hall Roof Replacement</td>
<td>Summer 2017</td>
<td>Consultant has submitted proposal and CAPBAPF is circulating.</td>
</tr>
</tbody>
</table>

Part IV – Other Capital Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Vendor</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
</table>