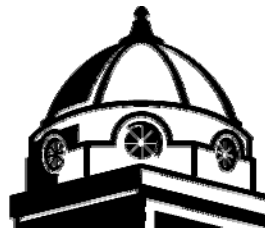

**SOUTHEAST MISSOURI STATE
UNIVERSITY SYSTEM FACILITIES**
FINANCIAL STATEMENTS
JUNE 30, 2016



**SOUTHEAST MISSOURI
STATE UNIVERSITY • 1873**

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Independent Auditors' Report

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

Report On The Financial Statements

We have audited the accompanying financial statements of the business-type activities of Southeast Missouri State University System Facilities (the System Facilities) of Southeast Missouri State University (the University), a component unit of the State of Missouri, as of and for the year ended June 30, 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

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Southeast Missouri State University System Facilities' (the System Facilities) basic financial statements provides an overview of the System Facilities' financial performance during the year ended June 30, 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:

	<u>2016</u>	<u>2015</u>
Current Assets	\$ 16,989,433	\$ 12,740,424
Noncurrent Assets		
Restricted long-term investments	1,001,403	—
Capital assets, net of depreciation	172,239,777	168,439,762
Total assets	<u>190,230,613</u>	<u>181,180,186</u>
Deferred Outflows of Resources	6,132,625	6,358,003
Current Liabilities	9,433,035	7,494,553
Noncurrent Liabilities	133,506,245	126,417,541
Total liabilities	<u>142,939,280</u>	<u>133,912,094</u>
Net Position		
Net investment in capital assets	45,341,669	43,523,850
Restricted	1,265,621	1,539,879
Unrestricted	6,816,668	8,562,366
Total net position	<u>\$ 53,423,958</u>	<u>\$ 53,626,095</u>

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.

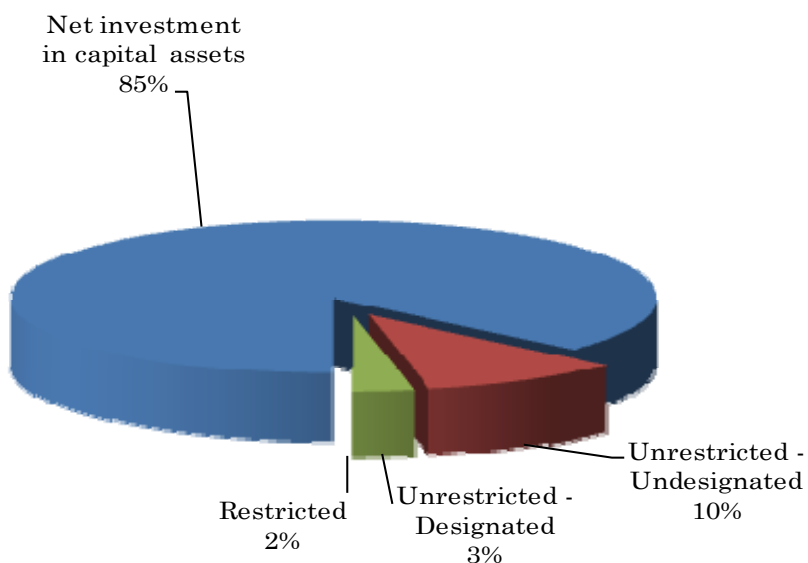
**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Management’s Discussion And Analysis (*Continued*)

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

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

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 \$5.39 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**

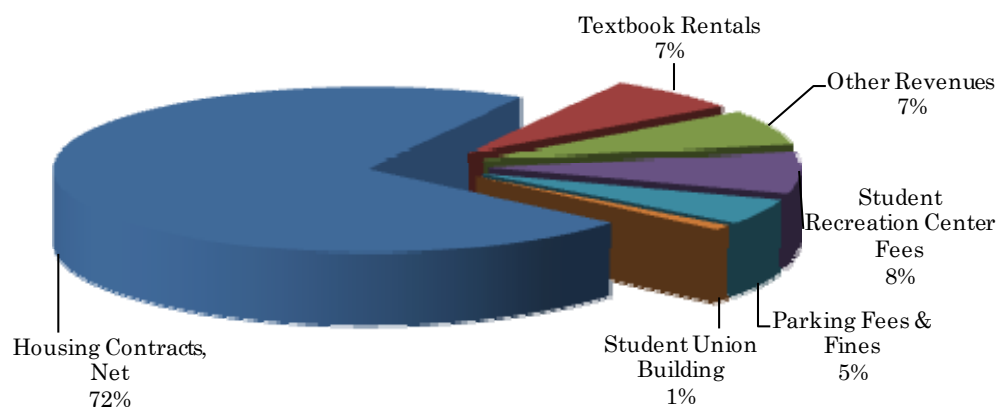
	<u>2016</u>	<u>2015</u>
Operating Revenue		
Housing contracts, net of scholarship allowance	\$ 21,480,173	\$ 21,917,805
Textbook sales and rentals	2,007,281	2,184,137
Student recreation center fees	2,482,663	2,542,516
Parking fees and fines	1,424,372	1,180,854
Student union building fees	267,000	267,000
Other operating revenues	2,203,288	2,217,067
Total operating revenue	29,864,777	30,309,379
Operating Expenses		
Personnel service	5,175,335	5,241,543
Contract food service	6,783,413	7,088,733
Utilities and maintenance	2,781,207	3,628,284
Book purchases	1,522,154	1,540,827
Depreciation	4,214,285	3,730,955
Other operating expenses	4,605,660	3,226,490
Total operating expenses	25,082,054	24,456,832
Operating income	4,782,723	5,852,547
Nonoperating Revenue (Expenses)		
Investment income	136,203	125,585
Interest on capital asset related debt	(4,916,894)	(5,315,332)
Disposal of plant facilities	(204,169)	(178,749)
Net nonoperating expenses	(4,984,860)	(5,368,496)
Increase (decrease) in net position	(202,137)	484,051
Net position beginning of year	53,626,095	53,142,044
Net position end of year	\$ 53,423,958	\$ 53,626,095

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Management's Discussion And Analysis (*Continued*)

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 million 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:

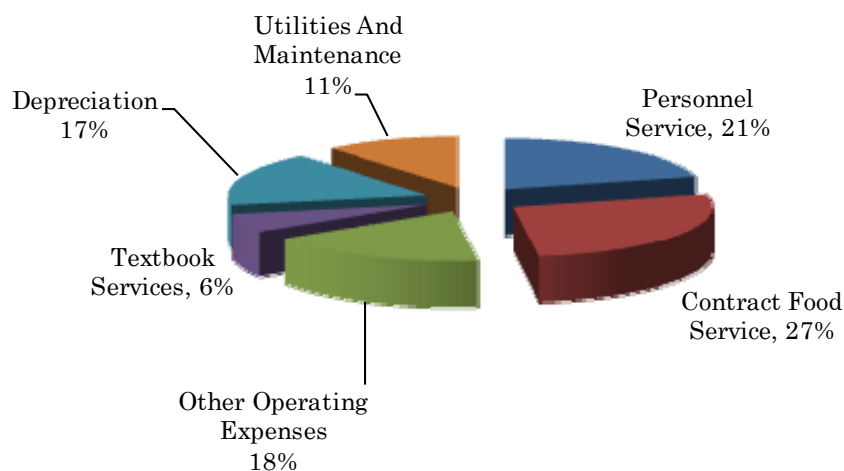


Operating expenses of the System Facilities totaled \$25.08 million for the fiscal year ended June 30, 2016 and \$24.46 million for the fiscal year ended June 30, 2015. Personal service costs and contract food service costs accounted for 48% of the total operating expenses in fiscal year 2016 and 50%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



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:

	<u>2016</u>	<u>2015</u>
Buildings and improvements	\$ 193,013,941	\$ 193,262,045
Land	476,467	476,467
Infrastructure	12,815,156	12,299,156
Construction in progress	8,138,822	462,478
Less: Accumulated depreciation	(42,204,609)	(38,060,384)
	<u>\$ 172,239,777</u>	<u>\$ 168,439,762</u>

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.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Management's Discussion And Analysis (*Continued*)

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.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**STATEMENT OF NET POSITION
June 30, 2016**

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	7,620
Inventories	1,425,129
Total Current Assets	<u>16,989,433</u>

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	<u>173,241,180</u>

Total Assets

190,230,613

Deferred Outflows Of Resources

Deferred amounts on refunding of bonds payable	<u>6,132,625</u>
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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	<u>9,433,035</u>

Noncurrent Liabilities

Notes payable	318,358
Bonds payable	133,187,887
Total Noncurrent Liabilities	<u>133,506,245</u>

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	<u>\$ 53,423,958</u>

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

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

Operating Revenues

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

Operating Expenses

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

Operating Income

4,782,723

Nonoperating Revenues (Expenses)

Investment income	136,203
Interest on capital asset-related debt	(4,916,894)
Loss on disposal of plant facilities	(204,169)
Total Nonoperating Expenses, Net	<u>(4,984,860)</u>

Decrease In Net Position

(202,137)

Net Position - Beginning Of Year

53,626,095

Net Position - End Of Year

\$ 53,423,958

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

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

Cash Flows From Operating Activities	
Student and housing fees	\$ 25,001,037
Other receipts	4,940,394
Payments to vendors and suppliers	(15,807,632)
Payments to employees	(5,166,104)
Net Cash Provided By Operating Activities	<u>8,967,695</u>
Cash Flows From Capital And Related Financing Activities	
Proceeds from capital debt	30,630,000
Payment of bond issuance costs	2,651,419
Purchases of capital assets and payments to contractors	(5,824,170)
Principal paid on capital debt	(26,616,374)
Interest paid on capital debt	(4,712,431)
Net Cash Used In Capital And Related Financing Activities	<u>(3,871,556)</u>
Cash Flows From Investing Activities	
Interest on investments	128,583
Purchases of investments	(5,598,020)
Net Cash Used In Investing Activities	<u>(5,469,437)</u>
Net Decrease In Cash And Cash Equivalents	(373,298)
Cash And Cash Equivalents - Beginning Of Year	<u>11,333,365</u>
Cash And Cash Equivalents - End Of Year	<u>\$ 10,960,067</u>
Supplemental Disclosure Of Cash Flow Information	
Noncash transactions:	
Capital asset purchases included in accounts payable	<u>\$ 2,591,173</u>

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**STATEMENT OF CASH FLOWS (Continued)
For The Year Ended June 30, 2016**

Reconciliation Of Operating Income To	
Net Cash Provided By Operating Activities	
Operating income	\$ 4,782,723
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	4,214,285
Changes in assets and liabilities:	
Receivables, net	102,743
Inventories	(120,813)
Accounts payable and accrued liabilities	5,615
Unearned revenue	(26,089)
Accrued compensated absences and post-employment benefits	<u>9,231</u>
Net Cash Provided By Operating Activities	<u><u>\$ 8,967,695</u></u>

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

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.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements (*Continued*)

Summary Of Significant Accounting Policies

Cash And Cash Equivalents

These assets represent all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents and restricted cash and cash equivalents are combined on the statement of cash flows and represent cash and repurchase agreements.

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:

<u>Capital Assets</u>	<u>Years</u>
Building and improvements	10 to 50
Infrastructure	10 to 50

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

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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.

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
			<u>(In Years)</u>	
			<u>< 1 Year</u>	<u>1-5</u>
U.S. Treasury Obligations	*	\$ 3,948,135	\$ 3,197,520	\$ 750,615
U.S. Agency Obligations	*	1,649,885	1,399,097	250,788
		\$ 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.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. 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:

Deposits	
Cash in Bank	\$ 10,569,234
Insured Cash Sweep	390,833
	<u>10,960,067</u>
Investments	
U.S. Treasury Obligations	3,948,135
U.S. Agency Obligations	1,649,885
	<u>5,598,020</u>
	<u>\$ 16,558,087</u>

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

Included in the following statement of net position captions:

Cash and cash equivalents	\$ 6,606,121
Cash and cash equivalents - restricted	4,353,946
Restricted short-term investments	4,596,617
Restricted long-term investments	<u>1,001,403</u>
	<u>\$ 16,558,087</u>

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.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements (*Continued*)

5. Capital Assets

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

	Balance - June 30, 2015	Additions	Retirements	Balance - June 30, 2016
Capital assets, not being depreciated:				
Land	\$ 476,467	\$ —	\$ —	\$ 476,467
Construction in progress	462,478	7,702,469	(26,125)	8,138,822
Total capital assets not being depreciated	938,945	7,702,469	(26,125)	8,615,289
Capital assets, being depreciated:				
Buildings and improvements	193,262,045	26,125	(274,229)	193,013,941
Infrastructure	12,299,156	516,000	—	12,815,156
Total capital assets being depreciated	205,561,201	542,125	(274,229)	205,829,097
Less accumulated depreciation for:				
Buildings and improvements	(36,516,008)	(3,968,644)	70,060	(40,414,592)
Infrastructure	(1,544,376)	(245,641)	—	(1,790,017)
Total accumulated depreciation	(38,060,384)	(4,214,285)	70,060	(42,204,609)
Total capital assets being depreciated, net	167,500,817	(3,672,160)	(204,169)	163,624,488
Capital assets, net	\$ 168,439,762	\$ 4,030,309	\$ (230,294)	\$ 172,239,777

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:

Capital projects	\$ 2,411,967
Retainage - capital projects	179,206
Residence life operations	6,889
Other auxiliary operations	12,432
	<u>\$ 2,610,494</u>

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements (*Continued*)

7. Bonds Payable

	Amount Outstanding June 30, 2015	Principal Additions	Principal Payments	Amount Outstanding June 30, 2016
System Facilities Revenues Bonds Series 2011	\$ 23,555,000	\$ —	\$ 23,555,000	\$ —
System Facilities Revenues Bonds Series 2011B	27,690,000	—	660,000	27,030,000
System Facilities Revenues Bonds Series 2013A	76,830,000	—	1,820,000	75,010,000
System Facilities Revenues Bonds Series 2013B	1,510,000	—	545,000	965,000
System Facilities Revenues Bonds Series 2016A	—	21,710,000	—	21,710,000
System Facilities Revenues Bonds Series 2016B	—	8,920,000	—	8,920,000
	<u>106,030,000</u>	<u>30,630,000</u>	<u>26,580,000</u>	<u>133,635,000</u>
Less: Current maturities (due within one year)				4,395,000
Add: Premium on bond payable				4,429,230
Less: Discount on bond payable				<u>481,343</u>
				<u><u>\$ 133,187,887</u></u>

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 of \$23,555,000 System Facilities Revenue bonds Series 2011 and constructing, furnishing, and equipping a facility for Greek student housing and certain other expansions, renovations and improvements to System Facilities. The advanced refunding decreased the University's total debt service payments by \$2,830,120 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$2,808,596.

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.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements (*Continued*)

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

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

The Series 2016A bonds, collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities bear interest at rates varying from 3% 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.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

Series 2013 Bonds

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

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

The Series 2013A and 2013B bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2013A bonds maturing April 1, 2021 and thereafter shall be subject to redemption on or after April 1, 2020 at a redemption price of 100% of the principal amount together with accrued interest thereon to the date of maturity. The Series 2013A bonds are collateralized by a pledge of the gross income and revenues derived from the ownership or operation of the System Facilities, bear interest at rates varying from 2.6% 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.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

Series 2011B Bonds

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

<u>Redemption Dates</u>	<u>Redemption Prices</u>
April 1, 2017-March 31, 2018	102%
April 1, 2018-March 31, 2019	101%
April 1, 2020-April 1, 2042	100%

Extraordinary Option Redemption at 100% may occur upon the occurrence of certain special conditions or events. The Series 2011B bonds bear interest at rates varying from 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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 4,395,000	\$ 5,007,485
2018	5,320,000	4,800,879
2019	5,515,000	4,593,566
2020	5,780,000	4,343,498
2021	6,030,000	4,078,288
2022-2026	26,880,000	17,481,600
2027-2031	31,140,000	12,640,068
2032-2036	23,590,000	7,741,114
2037-2041	18,820,000	3,387,537
2042-2045	6,165,000	434,725
	<u>\$ 133,635,000</u>	<u>\$ 64,508,760</u>

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements (*Continued*)

8. Notes Payable

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

	<u>Balance - June 30, 2015</u>	<u>Principal Additions</u>	<u>Principal Payments</u>	<u>Balance - June 30, 2016</u>
Chartwell's-Olive's and Skylight Terrace Expansion	\$ 392,447	\$ —	\$ (36,374)	\$ 356,073
Less: Current maturities (due within one year)				<u>37,715</u>
				<u><u>\$ 318,358</u></u>

On July 1, 2009, the University entered into an agreement with Chartwells, the University's contracted food service provider, for the construction of dining facilities in the new residence hall and expansion of the University Center to provide additional dining space. The University will make monthly principal payments totaling \$577,870 through fiscal year 2025.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 37,715	\$ 12,285
2018	39,105	10,895
2019	40,546	9,454
2020	42,041	7,959
2021	43,590	6,410
2022-2025	153,076	9,425
	<u>\$ 356,073</u>	<u>\$ 56,428</u>

9. Retirement Plan

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

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

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

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

SOUTHEAST MISSOURI STATE UNIVERSITY SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

The University's proportion of the net pension liability was based on the University's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 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 Systems 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.

SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES

Notes To Financial Statements (*Continued*)

11. Contingencies And Risk Management

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

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

System Facilities employees are covered under Worker's Compensation by the State of Missouri. Claims are submitted to the State and paid by the State on behalf of the University. Total claims paid for the University employees for fiscal year 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.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

Notes To Financial Statements (*Continued*)

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

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

SCHEDULE OF INSURANCE COVERAGE (UNAUDITED)

June 30, 2016

Coverage And Insurer	Policy Expiration Date	Amount Of Coverage
Fire and extended coverage (building, contents and loss of income) Marsh USA	6/30/2016	\$ 948,490,397

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**

	Fall Semester 2015	Spring Semester 2016	Summer Semester 2016
Enrollment - Full-Time Equivalent (FTE) Students on campus and off campus	9,233	8,581	2,889
Student Union Fee (per FTE student)	\$ 15.00	\$ 15.00	\$ 7.50
Parking and Transportation Fee (per FTE student)	\$ 5.00	\$ 5.00	\$ 2.50
Student Recreation Center Fee			
Per credit hour	\$ 5.25	\$ 5.25	\$ 5.25
Per FTE student*	\$ 78.75	\$ 78.75	\$ 31.50
Aquatic Center Fee			
Per credit hour	\$ 4.55	\$ 4.55	\$ 4.55
Per FTE student*	\$ 68.25	\$ 68.25	\$ 27.30

* 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
LaFerla 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):

	<u>Service Fee</u>
ResNet - Technology Fee	\$ 60
RHA Fee	30
Cable TV	60

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**SCHEDULE OF ROOM AND BOARD COSTS - FIVE-YEAR TREND
(UNAUDITED)
June 30, 2016**

	Fiscal Year				
	2012	2013	2014	2015	2016
Vandiver Hall	\$7,570 - \$8,320	\$7,760 - \$8,540	\$ 7,970 - \$8,780	\$ 8,050 - \$8,890	\$ 8,050 - \$9,080
Towers Complex - West/North	\$7,470 - \$8,220	\$7,760 - \$8,540	\$ 7,970 - \$8,780	\$ 8,050 - \$8,890	\$ 8,050 - \$9,080
Towers Complex - East/South	\$5,820 - \$6,570	\$6,010 - \$6,790	\$ 6,220 - \$7,030	\$ 6,300 - \$7,140	\$ 6,350 - \$7,380
Group Housing	\$6,670 - \$7,420	\$6,860 - \$7,640	\$ 6,970 - \$7,780	\$ 7,050 - \$7,890	\$ 7,050 - \$8,080
Myers Hall	\$7,320 - \$8,070	\$7,660 - \$8,440	\$ 7,970 - \$8,780	\$ 8,050 - \$8,890	\$ 8,050 - \$9,080
Cheney Hall	\$6,070 - \$6,820	\$6,160 - \$6,940	\$ 6,220 - \$7,030	\$ 6,300 - \$7,140	\$ 6,350 - \$7,380 ⁽²⁾
Dearmont Quadrangle	\$5,570 - \$6,320	\$5,710 - \$6,490	\$ 5,870 - \$6,680	\$ 7,300 - \$8,140	\$ 7,500 - \$8,530 ⁽¹⁾
Merick Hall	\$7,570 - \$8,320	\$7,760 - \$8,540	\$ 7,970 - \$8,780	\$ 8,300 - \$9,140	\$ 8,300 - \$9,330
Henderson Hall	\$7,570 - \$8,320	\$7,760 - \$8,540	\$ 7,970 - \$8,780	\$ 8,050 - \$8,890	\$ 8,050 - \$9,080
LaFerla Hall	N/A	N/A	\$ 7,970 - \$8,780	\$ 8,300 - \$9,140	\$ 8,300 - \$9,330
Dobbins River Campus Center	N/A	N/A	N/A	\$ 8,300 - \$9,140	\$ 8,300 - \$9,330

(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

Fiscal Year	Freshmen	Sophomores	Juniors	Seniors	Other	Total
2012	1,602	808	320	241	6	2,977
2013	1,612	779	341	197	14	2,943
2014	1,547	744	375	204	14	2,884
2015	1,582	764	371	234	20	2,971
2016	1,499	769	358	252	11	2,889

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

**SCHEDULE OF HOUSING OCCUPANCY (UNAUDITED)
June 30, 2016**

Housing System Facility	(1) Housing Capacity	(2) Average Occupancy (#)	(3) Simple Average Occupancy (%)	(4) Effective Average Occupancy (%)
Vandiver Hall	293	250	85.3%	88.7%
Towers Complex	1,279	1,195	93.4%	95.2%
Group Housing	333	328	98.5%	98.5%
Myers Hall	199	150	75.4%	78.4%
Cheney Hall*	92	—	0.0%	0.0%
Dearmont Quadrangle	201	191	95.0%	95.0%
Merick Hall	299	263	88.0%	91.6%
Henderson Hall	50	47	94.0%	112.0%
LaFerla Hall	252	225	89.3%	92.9%
Dobbins River Campus Center	180	136	75.6%	77.8%
	3,178	2,785	87.6%	91.9%

(1) The average number of available beds.

(2) The average number of occupied beds.

(3) Column (2) divided by column (1)

(4) Column (3) adjusted for private-room contracts purchased, i.e., double-occupancy rooms converted to single-occupancy.

* Cheney was closed for repairs for Academic year 2015-2016.

**SOUTHEAST MISSOURI STATE UNIVERSITY
SYSTEM FACILITIES**

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

Housing System Facility	Housing Capacity	Dining Facilities	Year Constructed
Vandiver Hall	293	No	2002
Towers Complex	1,279	Yes	1967
Group/Greek Housing	333	No	1963
Myers Hall	199	No	1948
Cheney Hall	92	No	1939
Dearmont Quadrangle	201	No	1958 (2)
Merick Hall	299	Yes	2009
Henderson Hall	50	No	Not Available (1)
LaFerla Hall	252	No	2013
Dobbins River Campus Center	180	Yes	2014
	3,178		

(1) The University acquired and renovated Henderson Hall in 2007

(2) Converted to private rooms in Fall 2014