

Missouri Western State University
A Component Unit of the State of Missouri

Auditors' Report and Financial Statements
(Including Reports Required Under OMB-133)

June 30, 2015

Missouri Western State University A Component Unit of the State of Missouri

June 30, 2015

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Missouri Western State University

A Component Unit of the State of Missouri

Management's Introduction

Year Ended June 30, 2015

Overview

Missouri Western State University (the University of Missouri Western) is a four-year public institution providing a blend of traditional liberal arts and professional degree programs. The University offers student centered, high quality instruction that focuses on experience-based learning, community service and state-of-the-art technology. Missouri Western is located in St. Joseph, Missouri and is committed to the educational, economic, cultural, and social development of the region it serves.

The University is a component unit of the State of Missouri and is authorized under Missouri statute to offer associate, baccalaureate and graduate degrees as well as certificate programs. Professional programs, programs for transfer students, continuing education opportunities and self-enrichment courses are also offered. Missouri Western State University has an enrollment of approximately 5,800 undergraduate and graduate students. The University has on-campus student housing that can accommodate approximately 23% of the student body.

The predecessor to Missouri Western State University, St. Joseph Junior College, was organized in 1915 as an integral part of the city public school system. An independent junior college district involving eleven school districts was organized in 1965, and the school's name was changed to Missouri Western Junior College. Also in 1965, legislation allowing the junior college to become a four-year college passed the Missouri General Assembly. In the fall of 1969, 2,536 students began attending the new four-year school, Missouri Western College, on the present campus, which now comprises 723 acres. The College became a fully funded state institution on July 1, 1977. University designation for Missouri Western became official on August 28, 2005. The legislation (SB 98) that included university designation also gives Missouri Western a statewide mission in the area of applied learning.

Missouri Western State University invests its resources, including student fees and state appropriations, efficiently and effectively to serve the needs of students, our region and the State of Missouri. Missouri Western invests approximately 82% of its total budget in instruction and in other activities that specifically support students. The University works with students to connect the theory of the classroom with its applications beyond the classroom in the community, the region and well beyond. Missouri Western serves students who are typically first-generation college students and who demonstrate financial need at a level substantially above the average for students in Missouri. The University produces student outcomes that compare well with other colleges and universities in Missouri.

Strategic Planning

Missouri Western has a long-standing commitment to strategic planning and formally implemented a five year planning schedule in 2002. All Missouri Western strategic plans remain committed to fulfilling the mission, vision and values of the institution. With the implementation of *The Western Advantage* (2002-2007), *Building the New American Regional University* (2007-2012), and *Achieving Excellence, Transforming Lives* (2012-2017) strategic plans, Missouri Western has focused on continuous improvement. Missouri Western's current strategic plan, *Achieving Excellence, Transforming Lives* has three main goals: 1) Enhancing the Educational Experience; 2) Preparing Graduates for Careers, Graduate Studies and Life Opportunities; and 3) Increasing and Managing Resources.

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For development of each strategic plan, Missouri Western seeks the input and feedback from hundreds of internal and external stakeholders. As a result, the University's strategic initiatives focus on a future vision that has broad support. Missouri Western's Strategic Plan Steering Committee meets regularly and reports progress annually; keeping stakeholders informed of goal implementation. A strategic plan website archives all meeting agendas, minutes, annual reports, and action projects.

Academic Quality Improvement Program (AQIP)

Missouri Western maintains institutional accreditation through the Academic Quality Improvement Program (AQIP) of the Higher Learning Commission (HLC). Continuous accreditation has been in place since 1919. The most recent Reaffirmation of Accreditation was issued in 2009 – 2010 and remains in effect until 2016-2017. To maintain continuous accreditation through HLC, the University maintains three AQIP Action Projects at all times and reports annually to HLC on project status. In addition, Missouri Western provides to HLC an Annual Institutional Data Update on key indicators of institutional performance and prepares a Systems Portfolio every four years as a comprehensive self-study toward quality improvement. In addition, Missouri Western participates in an AQIP Strategy Forum and a Comprehensive Quality Review (CQR) as part of the reaffirmation of accreditation process.

Campus Environment

The year of 2015 included the completion of a number of capital projects across the University campus. A \$765,000 addition to Potter hall, the University's Fine and Performing Arts facility, providing additional restrooms and new percussion studio space was completed. The University began work on a \$5 million energy savings performance contract with Schneider Electric whereby nearly every facility on campus was or will be impacted with energy efficient upgrades to lighting and control systems, building automation systems, water conservation, and various other major mechanical improvements. The project with Schneider is ongoing and will continue through the 2017 fiscal year. As a part of the Centennial Capital Campaign, work began late in fiscal year 2015 on the complete renovation of Spratt Memorial Stadium, home of the Griffon Football and Soccer teams.

The summer of 2015 marked Missouri Western's sixth year as the home of the summer training camp for the Kansas City Chiefs of the NFL. Prior to the start of the Summer 2015 camp in St Joseph through 2017, along with two one-year renewal option for the 2018 and 2019 training camps. The 2015 camp was very successful with the highest level of fan attendance since the first year of camp in 2010. The Chiefs once again expressed their appreciation for the University's hard work in hosting the camp.

The year 2014 marked the completion of the Blum Union Kelly's Commons with a total construction cost of approximately \$130,000. The University also completed renovations to the residence halls of approximately \$600,000, resurfaced the tennis courts, renovated the Baker Fitness Center flooring and completed roof repairs to several academic buildings.

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Just prior to the first training camp in 2010, the University celebrated the completion of a 118,000 square-foot indoor sports and recreation facility that provided the NFL team protection from the summer heat and thunderstorms during camp, and serves the campus and community for the remaining 49 weeks of the year. The Griffon Indoor Sports Complex has been a welcome addition to the campus environment while enhancing the economy of the region. Campus and community groups use the facility nearly every day.

Additional information technology expansions which have improved internal processes include the implementation of reverse transcript processing, installation of the Degree Works module of the Ellucian Banner system, installation of the Hobson's Customer Relations Management application service, and installation of the College Scheduler application service. The installation of the National Student Clearing House eTranscript processing service was completed. Our campus-wide Internet bandwidth was increased from 250 Megabits per second (Mbps) to 500 Mbps in 2015.

Missouri Western is approved to offer courses and/or programs in two locations in the Kansas City area. The Northland campus offers a 2+2 Bachelor of Science in Elementary Education degree. Missouri Western is also approved to offer the Bachelor of Science in Early Childhood Education and Bachelor of Science in Nursing at Metropolitan Community College – Penn Valley Campus.

Future Directions

Missouri Western's current strategic plan, *Achieving Excellence, Transforming Lives* has three main goals: 1) Enhancing the Educational Experience; 2) Preparing Graduates for Careers, Graduate Studies and Life Opportunities; and 3) Increasing and Managing Resources. The annual reports attest to the progress the University has made in accomplishing these goals. An important focus in the current strategic plan is Master Planning for the University's campus and the surrounding region. The Master Plan was completed in 2015 and will be used to guide campus decisions for the next ten years. Missouri Western continues to participate with Heartland Health (Mosaic Life Care) and Herzog Contracting Corporation for a comprehensive development strategy for the Riverside Road Corridor.

Aligned with the strategic goal of *Increasing and Managing Resources*, it is crucial to the University's success in the next 100 years to support and grow areas that will enhance its academic programs while creating a remarkable student experience.

The ***Centennial Capital Campaign*** is the direct response of Missouri Western's commitment to achieve its strategic goals and its mission of transforming lives. Based on University priorities and positive feedback from its campaign study, the *Centennial Capital Campaign* will secure private resources to meet many of its long-range facility, endowment, and program needs during the five-year campaign:

- Enhance Campus Facilities
 - Spratt Memorial Stadium Complex improvements
 - Potter Hall expansion and improvements

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- Expand Missouri Western's Endowments
 - Support for general operating, scholarship, and program endowments
 - Ongoing University Support
- Gifts to Missouri Western for programs, equipment, and other emerging needs

The public phase of the campaign began in January, 2015.

Since 2009, graduating seniors and alumni of the Craig School of Business have had the opportunity to compete for ownership of a Rocky Mountain Chocolate Factory (RMCF) store or other franchise stores. In a senior-level Applied Entrepreneurship class, the students complete a business plan for a store, and then present that business plan to a panel of experts who select the winners. The winners are provided with financing and support in opening their own store. In 2015, fifteen (15) Missouri Western graduates own and operate Rocky Mountain Chocolate Factory, Aspen Leaf frozen yogurt, or other franchise stores in nine (9) states.

In the summer of 2012, Gov. Jay Nixon visited the campus to announce that Missouri Western, the St. Joseph Metro Chamber and several other education and business partners have been awarded a grant of \$1 million to establish an Innovation Campus. The grant helps employees and potential employees in high-demand industries complete post-secondary degrees. The Missouri Western State University Innovation Campus Project – The Buchanan County Degree Attainment Initiative (BCDAI) enrolled ten new students for the fall semester of 2015. A total of 47 citizens have entered the program. Nine have graduated.

In addition to community partners such as the Community Alliance of St Joseph, business partners include:

- Heartland Health
- Hillyard Industries
- Boehringer Ingelheim Vetmedica Inc
- Gray Manufacturing
- Lifeline Foods
- Altec Industries
- Blue Sun Biodiesel
- Albaugh Inc.
- Famers State Bank
- Midland Empire Resources for Independent Living (MERIL)
- Sunshine Electronic Display
- Commerce Bank

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In the summer of 2013, the National Science Foundation awarded a grant of just over \$1 million to Missouri Western and Davidson College in North Carolina for under graduate synthetic biology research. The grant is the largest research grant in the University's history. The collaborative grant supports research on the development of a system to reprogram the genetic material of bacteria to optimize a metabolic process of the team's choosing. The system has applications in energy, the environment, pharmaceuticals, food production, bio-mining and bio-remediation. The three-year grant has provided 18 undergraduate students on each campus with full-time summer research jobs and summer support for the faculty researchers.

Enrollment in graduate programs at Missouri Western continues to grow. The Masters in Information Management degree with an option in Enterprise Resource Planning will have its first graduates in May 2016. Enrollment in this program has grown significantly in the second year of the program, from an initial enrolment of five to an enrollment approaching thirty. Mosaic Life Care recently provided a gift to the university to establish the first endowed professorship. This gift provides the funding for a faculty position to teach in the recently-approved B.S. in Population Health program. The Population Health degree program is the first to be offered in the state Building Affordability Initiative. Governor Jay Nixon announced on August 12, 2015 that Missouri Western would receive \$4.8 million State capital appropriation for improvement and renovations made possible by the Building Affordability initiative passed by the General Assembly. This initiative is providing students with state-of-the-art facilities that are needed to prepare for the jobs of the future and help the universities hold down the cost of tuition.

At Missouri Western, these improvements will include renovations to Popplewell hall, Wilson hall, the Hearnes Center Library, Eder hall, Potter hall and the Looney Complex by replacing entryways, flooring, drop ceilings and renovating restrooms with ADA accessible stalls and fixtures. In addition the initiative will allow the university to install new fiber-optic cable to support faster Internet connection speeds, upgrade to digital HVAC controls and replace old air-cooled rooftop chillers. The renovations began this summer and will be completed by early 2018.



Independent Auditors' Report

Board of Governors
Missouri Western State University
St. Joseph, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Missouri Western State University (University), collectively a component unit of the State of Missouri, as of and for the year ended June 30, 2015, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 University'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 University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Missouri Western State University as of June 30, 2015, and the respective 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.

Emphasis of Matters

During fiscal year ended June 30, 2015, the Missouri Western State University adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. As a result of the implementation of these standards, the Missouri Western State University reported a restatement for the change in accounting principle (see Note 1.) Our auditors' opinion was not modified with respect to the restatement.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedule of Funding Progress for Postemployment Healthcare Plan, and Schedule of University's Proportionate Share of the Net Pension Liability 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 financial statements that collectively comprise Missouri Western State University's basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the management's introduction and the other information required by the bond trustee for bonds, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The management's introduction and the other information required for bonds has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2015, on our consideration of Missouri Western State 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



CliftonLarsonAllen LLP

St. Louis, Missouri
November 18, 2015

Missouri Western State University
A Component Unit of the State of Missouri
Management's Discussion and Analysis
Year Ended June 30, 2015

Management's Discussion and Analysis

This discussion and analysis of Missouri Western State University (the University) financial statements provides a comparative overview of the University's financial performance during the years ended June 30, 2015, 2014, and 2013. Since the Management's Discussion and Analysis is designed to focus on current activities, resulting change and current known facts, please read it in conjunction with the University's basic financial statements and the footnotes.

Financial Highlights

Comparative Analysis of Fiscal Years 2015 and 2014

A review of the University's net position at June 30, 2015, reflects a decrease of \$.4 million or 0.01% to \$51.7 million. GASB 68 required a change in accounting principle to recognize MOSERS pension liability of \$30.3 million which resulted in the decrease of net position to \$51.7 million. Operating revenues for the year ended June 30, 2015, which includes tuition and fees of \$24.9 million; federal and state grants and contracts of \$1.0 million; auxiliary revenues of \$8.8 million; and other revenues of \$.9 million, increased by \$.25 million to \$35.6 million. Operating expenses increased by \$1.4 million to \$69.3 million, resulting in an operating loss of \$33.7 million. Operating expenses included depreciation of \$5.6 million. This operating loss of \$33.7 million and net non-operating and other capital revenues of \$33.3 million resulted in a decrease in net position of \$.4 million.

Comparative Analysis of Fiscal Years 2014 and 2013

A review of the University's net position at June 30, 2014 reflects a decrease of \$1.6 million or 2.0% to \$82.4 million. Operating revenues for the year ended June 30, 2014, which includes tuition and fees of \$24.6 million; federal and state grants and contracts of \$1.2 million; auxiliary revenues of \$8.6 million; and other revenues of \$1.0 million, increased by \$.2 million to \$35.4 million. Operating expenses increased by \$2.0 million to \$67.9 million, resulting in an operating loss of \$32.5 million. Operating expenses included depreciation of \$5.6 million. This operating loss of \$32.5 million and net non-operating and other capital revenues of \$30.9 million resulted in a decrease in net position of \$1.6 million.

Net Position

The Statements of Net Position present the financial position of the University at the end of the fiscal year and includes all assets and deferred outflows of resources, liabilities and deferred inflows of resources of the University. Assets and liabilities are generally measured using historical cost, which approximates current value, with certain exceptions, such as, capital assets which are stated at cost less accumulated depreciation, and long-term debt, which is stated at cost. A summary of the University's assets, deferred outflow of resources, liabilities, deferred inflows of resources and net position at June 30, 2015, 2014, and 2013 is as follows:

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Year Ended June 30, 2015

Net Position
as of June 30
(In millions)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Current Assets	\$ 27.3	\$ 27.5	\$ 30.2
Non-current Assets			
Capital assets, net of depreciation	111.0	108.4	110.9
Other	1.2	1.5	1.4
Deferred Outflows of Resources	<u>4.9</u>	<u>1.4</u>	<u>1.5</u>
Total assets and deferred outflows of resources	<u>\$ 144.4</u>	<u>\$ 138.8</u>	<u>\$ 144.0</u>
Current Liabilities	\$ 9.2	\$ 8.2	\$ 8.2
Noncurrent Liabilities	76.0	48.2	51.8
Deferred Inflows of Resources	<u>7.4</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>\$ 92.6</u>	<u>\$ 56.4</u>	<u>\$ 60.0</u>
Net Position			
Net investment in capital assets	\$ 62.5	\$ 62.7	\$ 61.5
Restricted	2.0	2.6	2.6
Unrestricted Operating	16.4	17.1	19.9
Unrestricted GASB 68	<u>(29.1)</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ 51.8</u>	<u>\$ 82.4</u>	<u>\$ 84.0</u>

Comparative Analysis of Fiscal Years 2015 and 2014

Current assets decreased 0.01% from \$27.5 million to \$27.3 million. This is primarily due to a reduction in cash and investments from additional projects approved by the Board of Governors.

Noncurrent assets increased by 5% from \$109.9 million to \$112.2 million. Capital assets, net of accumulated depreciation, increased 2.4% from \$108.4 million to \$111.0 million, primarily due to additional capital projects completed in FY15.

Non-current liabilities increased by 58.0% from \$48.2 to \$76.0 million. This is primarily due to the GASB 68 pronouncement requiring the recognition of the proportionate share of the unfunded MOSERS pension.

Deferred outflows increased from \$1.4 to \$4.9 million due to GASB 71 pronouncement requiring 2015 fiscal year MOSERS contribution be reported as a deferred outflow rather than as an expense.

Deferred inflows increased from zero to \$7.4 million due to GASB 68 pronouncement requiring recognition of projected versus actual earnings on investments in MOSERS plan.

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Comparative Analysis of Fiscal Years 2014 and 2013

Current assets decreased 10.0% from \$30.2 million to \$27.5 million. This is primarily due to the calling of the Series 2003 Bonds and a decrease in student accounts receivable.

Noncurrent assets decreased by 2.2% from \$112.3 million to \$109.9 million. Capital assets, net of accumulated depreciation, decreased 2.3% from \$110.9 million to \$108.4 million, primarily due to depreciation expense in excess of capital expenditures and capital projects.

Non-current liabilities decreased by \$3.6 million primarily due to the calling of the Series 2003 Auxiliary Revenue Bonds with a payoff of the remaining principal balance of \$2.4 million and the principal payments of the remaining bonds in the amount of \$1.5 million.

Capital Assets, Net
June 30, 2015
(In millions)

	Cost	Accumulated Depreciation	Net Capital Assets
Land	\$ 0.3	\$ -	\$ 0.3
Land improvements	10.0	3.8	6.2
Buildings and improvements	152.4	57.2	95.2
Furniture, fixtures and equipment	18.5	14.9	3.6
Library materials	4.3	3.7	0.6
Construction in progress	5.1	-	5.1
	\$ 190.6	\$ 79.6	\$ 111.0

As of June 30, 2015, the University had recorded \$190.6 million in gross capital assets and \$79.6 million in accumulated depreciation that resulted in \$111.0 million in net capital assets.

As of June 30, 2014, the University had recorded \$183.2 million in gross capital assets and \$74.7 million in accumulated depreciation that resulted in \$108.4 million in net capital assets.

In 2015 the University made several additions to capital assets, including \$.5 additions of furniture, fixtures and equipment as well as \$2.0 in building improvements. There was an increase of \$5.1 million in construction in progress due primarily to energy savings projects that the University started in FY15.

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In 2015 the University made several additions to capital assets, including various building improvements. Renovations were made to multiple facilities for our food service production. Popplewell Hall received a complete renovation of the area formerly known as the Deli, and reopened as the "The Pod" which offers deli sandwiches, snacks and hot food. In addition, the Student Union food court was remodeled and now features a Subway franchise and Aramarks version of Chinese cuisine called the Wok. All of these projects totaled approximately \$600,000.

A new addition to Potter Hall was completed in 2015, featuring a new percussion room at a cost of \$800,000. In addition land improvement projects totaling \$970,000 to revamp the football practice fields, and the paving of the parking lots by the fitness center.

In 2014 the University made several additions to capital assets, including \$125,940 additions to art and collectibles as well as \$625,000 residential hall renovations and \$746,000 in building improvements.

The year 2014 marked the completion of the Blum Union Kelly's Commons with a total construction cost of approximately \$130,000. The University also completed renovations to the residence halls of approximately \$600,000, resurfaced the tennis courts, and renovated the Baker Fitness Center flooring and roof repairs to multiple academic buildings. Additional projects were completed including street repairs, carpeting and painting in various buildings.

In 2009, the University entered into a contract with the Kansas City Chiefs Professional Football Franchise to hold their summer training camp on the campus of the University beginning in July 2010. As part of the agreement, the University constructed an indoor practice facility, multi-purpose facility, two outdoor practice fields, and other enhancements in preparation for the camp. The project was funded by state tax credits awarded to the Kansas City Chiefs, the City of St. Joseph, Buchanan County, the University, and private donations. The construction of the facilities was completed in July 2010, at a cost of \$11,338,408.

After extensive contract negotiations MWSU and the KC Chiefs have signed a three-year contract with two optional one-year extensions starting in July 2015. The summer of 2015 marked Missouri Western's sixth year as the home of Kansas City Chiefs summer training camp. Once again this year was a very successful camp with a high level of fan attendance. The Chiefs expressed their appreciation for the University's hard work in hosting the camp.

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Analysis of Net Position
June 30
(In millions)

	2015	2014	2013
Net investment in capital assets	\$ 62.5	\$ 62.7	\$ 61.5
Restricted	2.0	2.6	2.6
Unrestricted Operating	16.4	17.1	19.9
Unrestricted GASB 68	(29.1)	-	-
Total	\$ 51.8	\$ 82.4	\$ 84.0

Comparative Analysis of Fiscal Years 2015 and 2014

Net position decreased by 59.1% or \$30.6 million from fiscal year 2014 to 2015. The net position are comprised of unrestricted operating \$16.4 million and the cumulative effect of a change in accounting principle from GASB 68 unrestricted of -\$29.1 million; restricted for loans and other \$1.7 million; and restricted for debt service agreement for repairs and maintenance \$0.3 million; net investment in capital assets \$62.5 million.

The decrease in the unrestricted net position of \$29.9 million from 2014 to 2015 is due to the cumulative effect of the implementation of GASB 68, a new standard for pension accounting placed into effect by the Governmental Accounting Standards Board starting July 1, 2014. A more in depth explanation can be found in footnote 5.

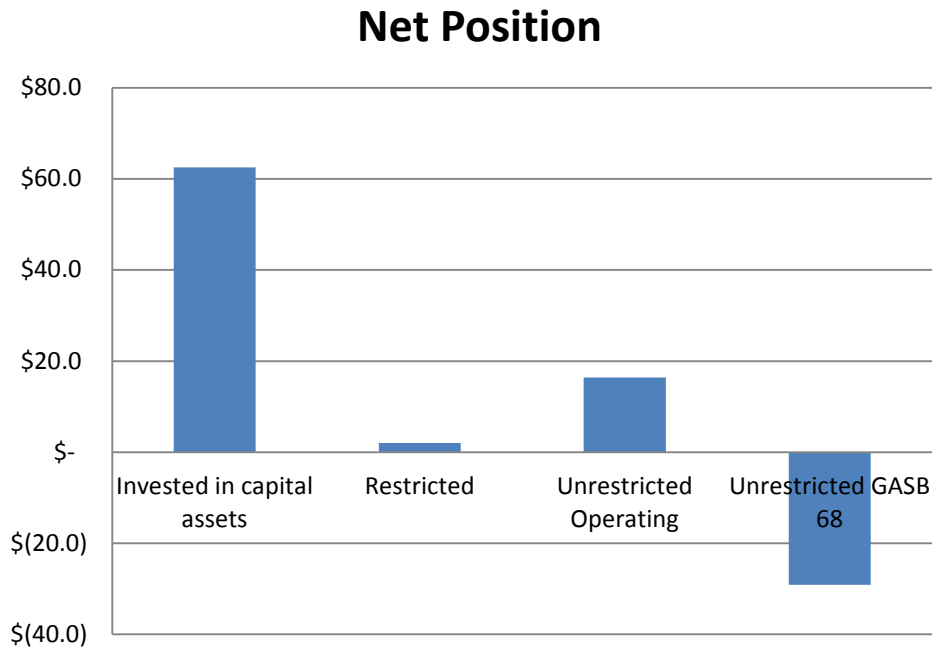
Comparative Analysis of Fiscal Years 2014 and 2013

Net position decreased by 1.92% or \$1.6 million from fiscal year 2013 to 2014. The net position are comprised of unrestricted \$17.1 million; restricted for loans and other \$1.9 million; and restricted for debt service agreement for repairs and maintenance \$0.7 million; net investment in capital assets \$62.7 million.

The decrease in the unrestricted net position of \$2.8 million from 2013 to 2014 resulted primarily from the calling of the 2013 Series Revenue bonds of \$1.9 million and \$.7 million on multiple projects approved by the Board of Governors including equipment, software upgrades, campus master planning and updates to facilities.

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The following is a graphic illustration of net position at June 30, 2015.



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Management's Discussion and Analysis
Year Ended June 30, 2015

Analysis of Unrestricted Net Position
Year Ended June 30
(In millions)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating Fund			
Unrestricted Funds Operating	\$ 6.8	\$ 9.1	\$ 10.3
Unrestricted Funds GASB 68	(29.1)	-	-
Designated Funds	<u>5.7</u>	<u>5.6</u>	<u>5.4</u>
	<u>(16.6)</u>	<u>14.7</u>	<u>15.7</u>
 Auxiliary Fund			
Unrestricted Funds	<u>3.9</u>	<u>2.4</u>	<u>4.2</u>
	<u>3.9</u>	<u>2.4</u>	<u>4.2</u>
 Total	<u><u>\$ (12.7)</u></u>	<u><u>\$ 17.1</u></u>	<u><u>\$ 19.9</u></u>

Missouri Western State University
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Management's Discussion and Analysis
Year Ended June 30, 2015

Operating Results

The Statements of Revenues, Expenses and Changes in Net Position present the University's results of operations. The statements distinguish revenues and expenses between operating and non-operating categories, and provide a view of the University's operating margin. Comparative summary statements of revenues, expenses and changes in net position for the years ended June 30, 2015, 2014, and 2013 are as follows:

Operating Results			
Year Ended June 30			
<i>(In millions)</i>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating Revenues			
Tuition and fees	\$ 24.9	\$ 24.6	\$ 24.3
Federal grants and contracts	0.5	0.5	0.4
State grants and contracts	0.5	0.7	0.6
Auxiliary enterprises	8.8	8.6	8.9
Other	0.9	1.0	0.9
Total operating revenues	<u>35.6</u>	<u>35.4</u>	<u>35.1</u>
Operating Expenses	<u>69.3</u>	<u>67.9</u>	<u>65.9</u>
Operating Loss	<u>(33.7)</u>	<u>(32.5)</u>	<u>(30.8)</u>
Nonoperating Revenues (Expenses)			
State appropriations	21.6	20.5	20.7
Federal grants	11.0	10.9	11.2
Contributions	1.0	1.1	1.3
Interest income	0.1	0.1	0.8
Loss on disposal of capital assets	-	-	-
Interest on capital asset – related debt	(2.4)	(2.1)	(2.2)
Net nonoperating revenues	<u>31.3</u>	<u>30.5</u>	<u>31.8</u>
Capital Revenues	<u>2.0</u>	<u>0.3</u>	<u>0.8</u>
Increase/Decrease in Net Position	(0.4)	(1.7)	1.8
Net Position, Beginning of Year	82.4	84.0	82.9
Change in Accounting Principle	(30.2)	-	(0.7)
Net Position, Beginning of Year, as Restated	<u>52.2</u>	<u>84.0</u>	<u>82.2</u>
Net Position, End of Year	<u>\$ 51.8</u>	<u>\$ 82.4</u>	<u>\$ 84.0</u>

Missouri Western State University
A Component Unit of the State of Missouri
Management's Discussion and Analysis
Year Ended June 30, 2015

Tuition and fees and auxiliary enterprises revenue is reported only to the extent they are earned. Student financial assistance provided by federal and state sources is reported as federal and state grants and contract revenues rather than as tuition and fees or auxiliary revenues.

In fiscal year 2015, total operating revenues held steady with an increase of 0.013% from \$35.4 to \$35.6 million. The increase was due primarily to a slight increase in the number of students.

In fiscal year 2015, non-operating and capital revenues increased by 0.08% from \$30.9 to \$33.3 million due primarily from the following increases (decreases) in millions:

Capital Gifts – State of Mo Tax Credits	\$.7
Capital Gifts – Remington Hall	\$.5
State Appropriations – General Operating	\$ 1.1

In fiscal year 2014, total operating revenues held steady with an increase of 0.1% from \$35.2 to \$35.4 million. The increase was due primarily to a slight increase in tuition and fees.

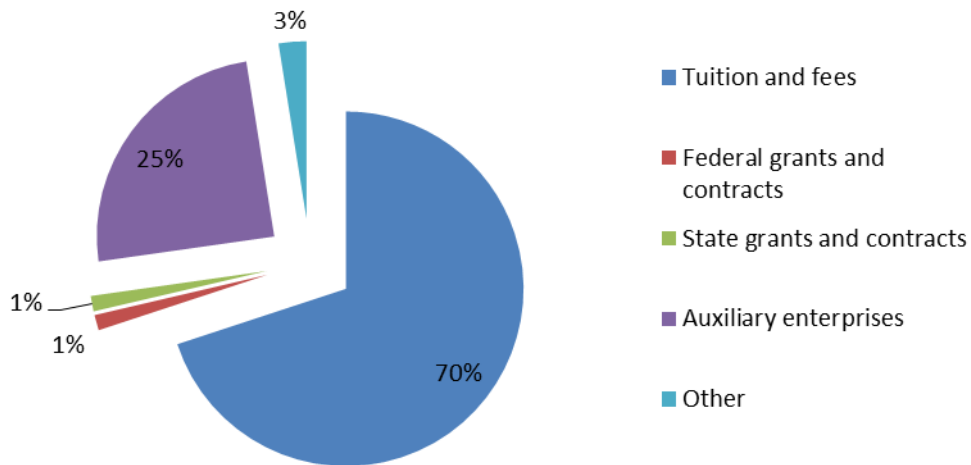
In fiscal year 2014, non-operating and capital revenues decreased by 5.2% from \$32.5 to \$30.9 or \$1.6 million due primarily from the following increases (decreases) in millions:

Amortization	\$ (.5)
Capital Gifts – Agenstein/Remington Hall	\$ (.5)
State Appropriations – General Operating	\$ (.2)
Federal Grants	\$ (.3)

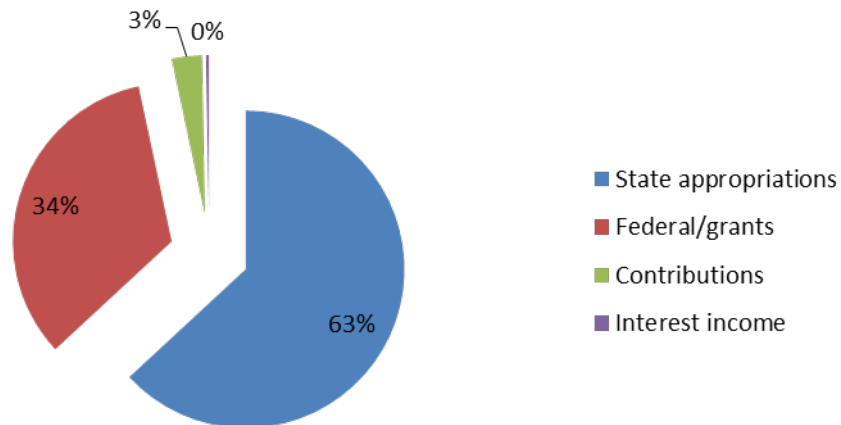
Missouri Western State University
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The following are graphic illustrations of revenues by source for the year ended June 30, 2015.

Operating Revenues



Non Operating Revenues



Missouri Western State University
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Operating Expenses
Year Ended June 30
(In millions)

	2015	2014	2013
Compensation	\$ 41.0	\$ 40.6	\$ 38.2
Scholarships	4.7	4.7	5.2
Supplies and other services	15.3	14.3	14.3
Depreciation	5.6	5.6	5.5
Utilities	2.7	2.7	2.7
Total	\$ 69.3	\$ 67.9	\$ 65.9

Missouri Western State University elected to use the natural classification for operating expenses, as did all state public higher education institutions in the State of Missouri.

During 2015, 2014 and 2013, tuition fee waivers are reported as a reduction in revenue rather than scholarships and amounted to approximately \$3.8, \$3.5, and \$3.5 million, respectively. In addition, Federal Pell Grants and Federal Education Opportunity Grants outlays are recorded as a reduction in tuition and fees revenue and amounted to approximately \$8.6, \$8.2 and \$7.8 million respectively.

Comparative Analysis of Fiscal Years 2015 and 2014

In 2015, the University's operating expenses increased by \$1.4 million, of which \$.4 million increase in compensation and fringe benefits reflecting a 1.0% increase in compensation to employees and a \$1.0 million increase in supplies. Supplies and other services increased in multiple areas including an increase in food costs, the centennial and campus master planning are just a few of the projects in 2015.

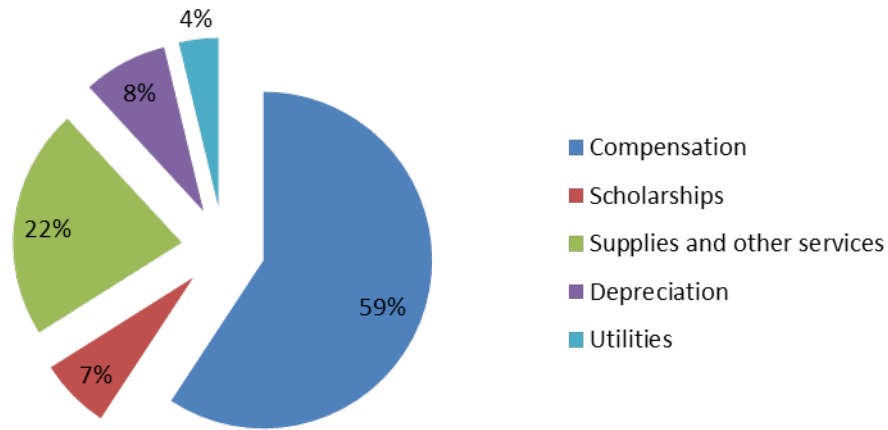
Comparative Analysis of Fiscal Years 2014 and 2013

In 2014, the University's operating expenses increased by \$2.0 million, of which \$2.4 million increase in compensation and fringe benefits reflecting a 3% increase in compensation to employees, a \$0.5 million decrease in scholarships, and a \$0.1 million increase in utilities.

Missouri Western State University
A Component Unit of the State of Missouri
Management's Discussion and Analysis
Year Ended June 30, 2015

The following is a graphic illustration of operating expenses for the fiscal year ended June 30, 2015.

Operating Expenses



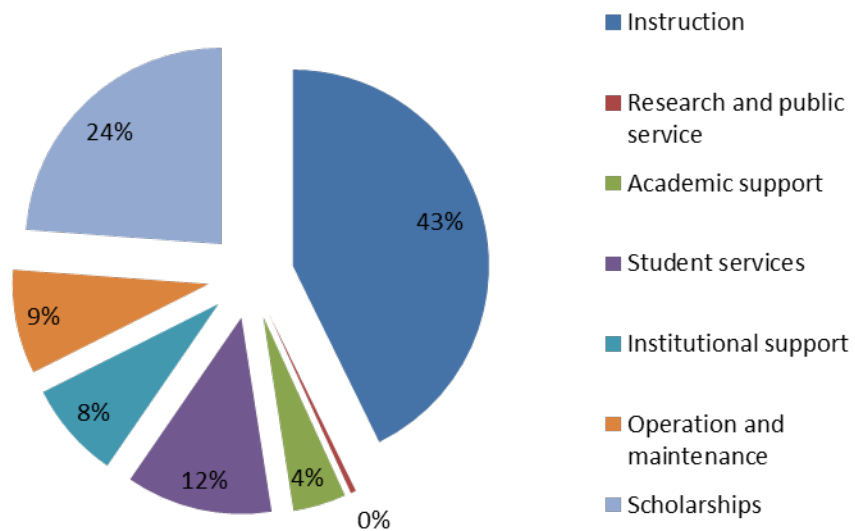
**Analysis of Educational and General Operating Expenses
by Functional Classification
June 30, 2015
(In millions)**

	Unrestricted	Restricted	Total
Instruction	\$ 28.5	\$ 1.0	\$ 29.5
Research and public service	0.4	-	0.4
Academic support	2.8	0.3	3.1
Student services	8.0	0.4	8.4
Institutional support	5.6	-	5.6
Operation and maintenance	5.9	-	5.9
Scholarships	6.1	10.3	16.4
Total	\$ 57.3	\$ 12.0	\$ 69.3

Missouri Western State University
A Component Unit of the State of Missouri
Management's Discussion and Analysis
Year Ended June 30, 2015

The following is a graphic illustration of educational and general operating expenses at June 30, 2015.

Operating Expenses by Function



Missouri Western continues to invest a high proportion of its total expenditures in instruction and other activities that specifically support students and the community. Instruction, Research and Public Service, Student Services, Scholarships, and Academic Support combined represent 82% of total educational and general expenses. Institutional support 10% and Operation and Maintenance 8% make up the remainder.

Missouri Western State University
A Component Unit of the State of Missouri
Management's Discussion and Analysis
Year Ended June 30, 2015

Cash Flows

The Statement of Cash Flows provides a view of the sources and uses of the University's cash resources. Comparative summary statements of cash flows for the years ended June 30, 2015, 2014, and 2013 are as follows:

Cash Flows			
Year Ended June 30			
<i>(In millions)</i>			
	2015	2014	2013
	<hr/>	<hr/>	<hr/>
Cash Provided by (Used in)			
Operating activities	\$ (28.8)	\$ (26.3)	\$ (24.0)
Noncapital financing activities	33.6	32.6	33.0
Capital and related financing activities	(5.4)	(8.8)	(5.7)
Investing activities	<hr/> 4.1	<hr/> 0.5	<hr/> 4.3
Change in Cash and Cash Equivalents	3.5	(2.0)	7.6
Cash and Cash Equivalents, Beginning of Year	<hr/> 16.0	<hr/> 18.0	<hr/> 10.4
Cash and Cash Equivalents, End of Year	<hr/> <hr/> \$ 19.5	<hr/> <hr/> \$ 16.0	<hr/> <hr/> \$ 18.0

Comparative Analysis of Fiscal Years 2015 and 2014

Cash at June 30, 2015 were \$19.5 million, which was an increase of \$3.5 million from 2014. The increase in cash and cash equivalents is primarily attributable proceeds from sales of investments to use for additional capital projects completed in 2015 and to be completed in 2016.

During 2015, cash used in operating activities amounted to \$28.8 million, which resulted from receipts from tuition and fees, grants and contracts and auxiliary enterprise charges less payments to employees and suppliers. Cash provided by non-capital financing activities, primarily state appropriations and federal grants, was \$33.6 million. Cash used for capital and related financing activities was \$5.4 million, which consisted of the purchases of capital assets of \$4.6 million, capital gifts received of \$1.9 million and payment of debt service \$2.7 million. Investing activities amounted to \$4.1million, which primarily were the result of investment activity (net proceeds of sales).

Missouri Western State University
A Component Unit of the State of Missouri
Management's Discussion and Analysis
Year Ended June 30, 2015

Comparative Analysis of Fiscal Years 2014 and 2013

Cash and cash equivalents at June 30, 2014 were \$16.0 million, which was a decrease of \$2.0 million from 2013. The decrease in cash and cash equivalents is primarily attributable to \$1.9 million paid to call the 2013 Series 2013 Revenue Bonds.

During 2014, cash used in operating activities amounted to \$(26.3) million, which resulted from receipts from tuition and fees, grants and contracts and auxiliary enterprise charges less payments to employees and suppliers. Cash provided by non-capital financing activities, primarily state appropriations and federal grants, was \$32.6 million. Cash used for capital and related financing activities was \$(8.8) million, which consisted of the purchases of capital assets \$(3.2) million, capital gifts received of \$.5 million and payment of debt service \$(5.9) million. Investing activities amounted to \$.5 million, which primarily were the result of investments.

Missouri Western State University Foundation, Inc.

Missouri Western State University Foundation, Inc. is a not-for-profit organization incorporated in the State of Missouri on December 19, 1968. The Foundation's principal activity is to obtain contributions, which include cash and other assets, for the support and assistance of Missouri Western State University and its faculty and students. A copy of the Foundation's annual financial report can be obtained by sending a written request to the Missouri Western State University Foundation, 4525 Downs Drive, St. Joseph, Mo. 64507.

The University has included financial information of the Missouri Western State University Foundation, Inc., in this report as required by the Governmental Accounting Standards Board (GASB) Statements No. 14, *The Financial Reporting Entity*, as amended by GASB No. 39, *Determining whether Certain Organizations are Component Units*, as amended by GASB No. 61, *The Financial Reporting Entity: Omnibus*. Governmental Accounting Standards Board Statement No. 61 requires reporting, as discretely presented component units, organizations that raise and hold economic resources for the direct benefit of the University.

Acknowledgements

The University's financial statements are the responsibility of the University's management. The timely preparation of the University's financial statements was made possible by the dedicated service of the Accounting Office personnel and others who have our sincere appreciation.

Liabilities and Deferred Inflows of Resources

	<u>2015</u>
Current Liabilities	
Accounts payable and accrued liabilities	\$ 4,701,330
Accrued compensated absences	783,140
Unearned revenue	664,267
Interest payable	540,324
Long-term debt - current portion	<u>2,489,740</u>
Total current liabilities	<u>9,178,801</u>
Non-current Liabilities	
Accrued compensated absences	747,017
Other postemployment benefit	1,315,066
Pension Liability, net	25,343,374
Long-term debt	<u>48,646,044</u>
Total noncurrent liabilities	<u>76,051,501</u>
Deferred inflows of resources	<u>7,389,501</u>
Total liabilities and deferred inflows of resources	<u>92,619,803</u>
Net Position	
Net investment in capital assets	62,539,045
Restricted, expendable for	
Scholarships, fellowships and other	208,131
Loans	1,478,492
Debt service agreement for repairs and maintenance	343,910
Unrestricted	<u>(12,802,920)</u>
Total net position	<u>\$ 51,766,658</u>

Missouri Western State University
A Component Unit of the State of Missouri
Missouri Western State University Foundation, Inc.
Statement of Financial Position
June 30, 2015

Assets

	2015
Current Assets	
Cash	\$ 919,968
Pledges receivable – current portion	1,615,568
Pledges receivable – gifts-in-kind	97,058
Notes Receivable, net - current portion	5,210
Interest, dividends and other receivables	96,462
Prepaid expense	35,224
Total current assets	2,769,490
Investments	
Investments	36,447,824
Mineral rights	174,963
Cash surrender value of life insurance	467,479
Total investments	37,090,266
Equipment	
Equipment, at cost	61,432
Less accumulated depreciation	48,216
Total equipment	13,216
Other Assets	
Pledges receivable, net	2,450,209
Notes receivable - net	90,883
Beneficial interest in perpetual trusts	5,446,736
Other equity interests	1,000,000
Total other assets	8,987,828
Total assets	\$ 48,860,800

Liabilities and Net Assets

	<u>2015</u>
Current Liabilities	
Accounts payable	\$ 460,878
Agency funds, net	57,450
Deferred revenue	117,878
Lease payable – current portion	<u>2,522</u>
Total current liabilities	638,728
Long-term Liabilities	
Lease payable – long-term portion	<u>7,621</u>
Total liabilities	<u>646,349</u>
Net Assets	
Unrestricted	
General operating	2,223,112
Board designated	<u>1,372,170</u>
Total unrestricted	3,595,282
Temporarily restricted	17,955,251
Permanently restricted	<u>26,663,918</u>
Total net assets	<u>48,214,451</u>
Total liabilities and net assets	<u>\$ 48,860,800</u>

Missouri Western State University
A Component Unit of the State of Missouri
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2015

	2015
Operating Revenues	
Tuition and fees, net	\$ 24,895,708
Federal grants and contracts	467,375
State grants and contracts	494,087
Interest on student loans receivable	137,286
Sales and services of educational activities	352,961
Auxiliary enterprises, net	8,812,542
Other operating revenues	439,144
Total operating revenues	35,599,103
Operating Expenses	
Salaries and wages	32,079,645
Fringe benefits	8,935,852
Supplies and other services	15,327,316
Scholarships and fellowships	4,681,937
Depreciation	5,612,641
Utilities	2,610,868
Total operating expenses	69,248,259
Operating Loss	(33,649,156)
Nonoperating Revenues	
State appropriations	21,586,490
Federal grants	10,840,056
Federal interest rebate	200,011
Decrease in net position after state appropriations and federal grants	(1,022,599)
Contributions	993,987
Interest income	85,635
Loss on disposal of capital assets	(37,945)
Interest on capital asset-related debt	(2,351,721)
Loss before Capital Revenues	(2,332,643)
Capital Appropriations	
Capital Revenues	1,976,532
Capital Revenues	1,976,532
Decrease in Net Position	(356,111)
Net Position, Beginning of Year	82,374,463
Change in Accounting Principle-Cumulative effect	(30,251,694)
Net Position, Beginning of Year, as Restated	52,122,769
Net Position, End of Year	\$ 51,766,658

Missouri Western State University
A Component Unit of the State of Missouri
Missouri Western State University Foundation, Inc.
Statement of Activities
Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, Gains and Other Support				
Contributions	\$ 849,010	\$ 2,382,620	\$ 1,864,646	\$ 5,096,276
Legacies and bequests	-	-	265,361	265,361
In-kind contributions	32,028	250,462	-	282,490
Investment income	197,965	1,491,653	2,992	1,692,610
Mineral rights royalties	16,750	-	-	16,750
Other income	3,434	878,867	239	882,540
Change in value of beneficial interest in perpetual trust	-	-	(221,167)	(221,167)
Net Assets released from donor restrictions	3,448,409	(3,448,497)	88	-
	<u>4,547,596</u>	<u>1,555,105</u>	<u>1,912,159</u>	<u>8,014,860</u>
Total revenues, gains and other support				
Expenses				
Scholarships	789,673	-	-	789,673
Allocations	3,029,501	-	-	3,029,501
General and administrative	207,177	-	-	207,177
Fundraising	168,638	-	-	168,638
Agent fees	103,413	-	-	103,413
Uncollectible pledges	43,078	-	-	43,078
Total expenses	<u>4,341,480</u>	<u>-</u>	<u>-</u>	<u>4,341,480</u>
Other Revenues (Expenses)				
Unrealized gains (losses) on investments	(82,727)	(621,241)	-	(703,968)
Unrealized losses on mineral rights	(16,768)	-	-	(16,768)
Total expenses	<u>(99,495)</u>	<u>(621,241)</u>	<u>-</u>	<u>(720,736)</u>
Change in Net Assets	106,621	933,864	1,912,159	2,952,644
Net Assets, Beginning of Year	3,488,671	17,021,387		20,510,058
Net Assets, End of Year	<u>\$ 3,595,292</u>	<u>\$ 17,955,251</u>	<u>\$ 1,912,159</u>	<u>\$ 23,462,702</u>

Missouri Western State University
A Component Unit of the State of Missouri

Statement of Cash Flows
Year Ended June 30, 2015

	2015
Operating Activities	
Tuition and fees	\$ 24,344,264
Grants and contracts	1,093,811
Payments to suppliers	(16,057,162)
Payments to employees	(41,998,367)
Loans issued to students	(258,729)
Collection of loans issued to students	575,120
Sales and services of auxiliary enterprises	7,800,422
Other payments	(4,282,691)
	<u>(28,783,332)</u>
Net cash used in operating activities	<u>(28,783,332)</u>
Noncapital Financing Activities	
State appropriations	21,586,490
Federal grants	10,840,055
Direct lending receipts	20,470,588
Direct lending payments	(20,470,588)
Contributions	1,193,998
	<u>33,620,543</u>
Net cash provided by noncapital financing activities	<u>33,620,543</u>
Capital and Related Financing Activities	
Capital gifts received	1,976,532
Purchase of capital assets	(4,595,691)
Proceeds from long-term debt	999,716
Principal paid on long-term debt	(1,527,060)
Interest paid on long-term debt	(2,289,258)
	<u>(5,435,761)</u>
Net cash used in capital and related financing activities	<u>(5,435,761)</u>
Investing Activities	
Purchase of investments	(4,420,000)
Proceeds from sale of investments	8,373,145
Investment income	85,704
	<u>4,038,849</u>
Net cash provided by (used in) investing activities	<u>4,038,849</u>
Increase in Cash and Cash Equivalents	3,440,299
Cash and Cash Equivalents, Beginning of Year	16,041,389
Cash and Cash Equivalents, End of Year	\$ 19,481,688

	<u>2015</u>
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities	
Operating loss	\$ (33,649,156)
Depreciation expense	5,612,641
Amortization expense	332,960
Loss on disposal of capital assets	37,945
Changes in operating assets and deferred outflows and liabilities and deferred inflows	
Receivables, net	(340,102)
Loans to students	316,391
Prepaid expenses	(21,978)
Other post benefit obligation	72,100
Accounts payable and accrued liabilities	295,802
Deferred outflows of resources	(1,917)
Net Pension Liability	(8,416,404)
Deferred inflows of resources	7,389,501
Deferred revenue	(468,088)
Accrued compensated absences	56,973
	<u>56,973</u>
Net Cash Used in Operating Activities	<u><u>\$ (28,783,332)</u></u>

Noncash activity:

The University entered into a capital lease obligation in 2015 in the amount of \$3,604,230 as capital lease construction in progress and long-term debt in the statement of net position.

Missouri Western State University
A Component Unit of the State of Missouri
Missouri Western State University Foundation, Inc.
Statement of Cash Flows
June 30, 2015

	2015
CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in Net Assets	\$ 2,952,634
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	4,472
Net Unrealized Losses (Gains) on Investments and Mineral Rights	720,746
Realized Gains on Investments	(853,669)
Loss on Sale of Equipment	336
Change in Cash Surrender Value of Life Insurance	66,416
Change in Value of Trusts	221,167
Contributions Restricted for Long-Term Purposes	(2,130,007)
Effects of Changes in Operating Assets and Liabilities:	
Pledges Receivable - Net	(831,781)
Notes Receivable - Net	(137)
Interest, Dividends and Other Receivables	44,809
Prepaid Expenses	(18,381)
Accounts Payable	179,199
Deferred Revenue	(16,826)
Net Cash Flows Provided by (Used in) Operating Activities	338,978
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	(1,479)
Proceeds from Notes Receivable	12,439
Purchases of Investments	(2,771,641)
Purchases of Equity Interests	(50,000)
Proceeds from Sale of Investments	667,361
Net Cash Flows (Used in) Provided by Investing Activities	(2,143,320)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Contributions Restricted for Investment in Endowment	2,130,007
Repayments on Leases Payable	(2,399)
Net Payments on Agency Funds	(15,259)
Net Cash Provided by Financing Activities	2,112,349
NET INCREASE (DECREASE) IN CASH	308,007
Cash, Beginning of Year	611,961
CASH, END OF YEAR	\$ 919,968
SUPPLEMENTAL CASH FLOW DISCLOSURES	
Interest Paid During the Year	\$ 573
NONCASH ACTIVITIES	
Equipment Purchased with Lease Payable	\$ -

Missouri Western State University

A Component Unit of the State of Missouri

Notes to Financial Statements

June 30, 2015

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Reporting Entity

Missouri Western State University (the University) is a public, state-supported institution providing a blend of traditional liberal arts and sciences and career-oriented degree programs. The University is a component unit of the State of Missouri. The University is authorized under Missouri statute to offer associate, baccalaureate and graduate degrees as well as certificate programs. Professional programs, programs for transfer students, continuing education opportunities and self-enrichment courses are also offered. Missouri Western State University has an enrollment of approximately 5,800 students. The University has on-campus student housing that can accommodate approximately 23% of the student body.

The predecessor to Missouri Western State University, St. Joseph Junior College, was organized in 1915 as an integral part of the city public school system. An independent junior college district involving eleven school districts was organized in 1965. Also in 1965, the Missouri State Legislature enacted legislation creating Missouri Western State University, which, when combined with St. Joseph Junior College, constituted a four-year State University. In 1969, the College moved to the present campus, which now comprises 723 acres. The College became a fully funded state institution on July 1, 1977. Effective August 28, 2005, the College changed its name to Missouri Western State University.

The University participates in the Federal Student Financial Aid Program and the University extends unsecured credit to students.

Missouri Western State University Foundation, Inc. (the Foundation) is a legally separate, tax-exempt component unit of the University. The Foundation's primary function is to raise and hold funds to support the University and its programs. The board of the Foundation is self-perpetuating and consists of graduates and friends of the University.

Although the University does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are restricted by donors for the benefit of the University. Because these restricted 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.

Complete financial statements of the Foundation may be obtained from its Administrative Office at the following address: 4525 Downs Drive, Spratt Hall 111, St. Joseph, Missouri 64507.

The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards, including ASC Topic 958, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from revenue recognition criteria and presentation features required under pronouncements of the Governmental Accounting Standards Board (GASB). No modifications have been made to Foundation's statements in the University's financial reporting for these differences. See *Note 11* for discussions regarding the Foundation's accounting policies and other disclosures.

Missouri Western State University

A Component Unit of the State of Missouri

Notes to Financial Statements

June 30, 2015

Basis of Accounting and Presentation

The financial statements of the University have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities, and deferred inflows and outflows of resources 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. Operating revenues and expenses include exchange transactions and program-specific, government-mandated nonexchange transactions. Government-mandated nonexchange transactions that are not program specific (such as state appropriations), investment income and interest on capital asset-related debt are included in nonoperating revenues and expenses. The University first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net positions are available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The cash and cash equivalents represent balances at Citizens Bank & Trust (trustee). Cash and cash equivalents include amounts in demand deposits, savings accounts, cash management pools, repurchase agreements, and money market funds.

Investments

Investments in equity and debt securities are carried at fair value. Fair value is determined using quoted market prices. Investments in non-negotiable certificates of deposit are carried at cost.

Restricted Cash and Investments

Restricted cash and investments include restricted funds to be used for future capital projects in accordance with the Series 2008 Bond indenture, along with other required debt service funds. Restricted cash and investments include cash, U.S. Agency bonds and certificates of deposit.

Missouri Western State University

A Component Unit of the State of Missouri

Notes to Financial Statements

June 30, 2015

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students, charges for auxiliary enterprise services provided to students and other receivables. Accounts receivable is recorded net of estimated uncollectible amounts.

Deferred Outflows of Resources

The University reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its statements of net position. The University's deferred outflow includes primarily deferred losses on defeasance of bonds, and current year payments of contributions to MOSERS that will be recognized next year.

Deferred Inflows of Resources

The University's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. Deferred inflows of resources reported in these financial statements in the current year represent differences between the projected and actual earnings on investments in the MOSERS pension plan.

Loans to Students

The University makes loans to students under the Federal Perkins Loan Program. Such loans receivable do not record an estimate of uncollectible amounts in accordance with Federal Perkins Loan Program guidelines.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation if acquired by gift. Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the University:

Land improvements	15 years
Buildings and improvements	15 – 40 years
Furniture, fixtures and equipment	3 – 10 years
Library materials	10 years

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Notes to Financial Statements

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Compensated Absences

University policies permit most employees to accumulate vacation benefits that may be realized as paid time off or as a cash payment upon termination. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits that employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net assets date.

Unearned Revenue

Unearned revenue at June 30, 2015, consists of unearned student fees of \$618,000 and other unearned revenue of \$46,000. Revenue from the Kansas City Chiefs' Agreement was fully recognized in fiscal year 2015.

Deferred Loss on Bond Refunding

During fiscal year 2013 the University issued Auxiliary System Refunding Revenue Bonds, Series 2012, which resulted in a partial refunding of the University's 2003 Series Bonds of \$19,475,000. The partial refunding resulted in a deferred accounting loss, which is being amortized over the remaining life of the defeased 2003 bonds. The University's unamortized deferred loss was \$1,291,365 at June 30, 2015, and is included as a deferred outflow of resources in the statement of net position.

Net Position

Net position of the University is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose as specified by creditors, grantors or donors external to the University, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets; or restricted.

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June 30, 2015

Classification of Revenues

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

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) sales and services of auxiliary enterprises and (3) interest on student loans.

Non-operating revenues – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*, and GASB No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, such as state appropriations and interest income.

Scholarship Discounts & Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students’ behalf. Certain governmental grants, such as Pell grants, are recorded as nonoperating revenues and other governmental grants are recorded as operating revenues 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 scholarship allowance. The scholarship allowances on tuition and fees for the year ended June 30, 2015 was \$9,633,774. The scholarship allowances on auxiliary enterprises for the year ended June 30, 2015 was \$2,813,524.

Income Taxes

As a state institution of higher education, the income of the University is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of state law. However, the University is subject to federal income tax on any unrelated business taxable income.

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**Notes to Financial Statements
June 30, 2015**

New Accounting Standards

For fiscal year ended June 30, 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/expenditures. As a result of the implementation, net position as of July 1, 2014 was restated as follows:

Net position, as previously reported	\$ 82,374,463
Prior period adjustment:	
Cumulative effect of adoption of GASB 68	(33,759,778)
Deferred outflows	
Contributions during the fiscal year ended June 30, 2014	<u>3,508,084</u>
Total prior period adjustment	<u>(30,251,694)</u>
Net position, as restated	<u><u>\$ 52,122,769</u></u>

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri State Employees' Retirement System (MOSERS) and additions to/deductions from MOSERS' fiduciary net position have been determined on the same basis as they are reported by MOSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2: Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, an entity'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 or the State of Missouri; bonds of any city, county, school district or special road district of the State of Missouri; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

The University had no bank balances exposed to custodial credit risk at June 30, 2015.

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Investments

The University may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in corporate bonds and equity securities. The University had no investments meeting these criteria at June 30, 2015.

Custodial Credit Risk

Custodial credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The University had no investments exposed to custodial credit risk at June 30, 2015. The University's investment policy currently addresses custodial credit risk by requiring 110% collateralization on all investments.

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the statements of net position as follows:

	2015
Carrying value	
Deposits	\$ 22,981,688
Total	\$ 22,981,688
Included in the following statements of net position	
Cash	\$ 17,796,270
Restricted cash	1,685,418
Short-term investments	3,500,000
	\$ 22,981,688

Investment Income

Investment income for the years ended June 30, 2015 consisted of:

	2015
Interest income	\$ 85,635

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**Notes to Financial Statements
June 30, 2015**

Note 3: Capital Assets

Capital assets activity for the year ended June 30, 2015:

	Beginning Balance	2015			Ending Balance
		Additions	Disposals	Transfers	
Cost					
Land	\$ 323,525	\$ -	\$ -	\$ -	\$ 323,525
Land improvements	8,746,146	976,241	-	250,938	9,973,325
Buildings and improvements	150,475,954	1,475,950	(67,703)	469,313	152,353,514
Furniture, fixtures and equipment	18,591,949	557,314	(650,246)	-	18,499,017
Construction in progress	720,252	5,120,784	-	(720,251)	5,120,785
Library materials	4,355,145	69,633	(145,611)	-	4,279,167
	<u>183,212,971</u>	<u>8,199,922</u>	<u>(863,560)</u>	<u>-</u>	<u>190,549,333</u>
Less Accumulated Depreciation					
Land improvements	(3,366,146)	(436,781)	-	-	(3,802,927)
Buildings and improvements	(53,215,797)	(3,982,297)	35,732	-	(57,162,362)
Furniture, fixtures and equipment	(14,433,917)	(1,071,121)	644,273	-	(14,860,765)
Library materials	(3,748,403)	(122,442)	145,611	-	(3,725,234)
	<u>(74,764,263)</u>	<u>(5,612,641)</u>	<u>825,616</u>	<u>-</u>	<u>(79,551,288)</u>
Net capital assets	<u>\$108,448,708</u>	<u>\$2,587,281</u>	<u>\$ (37,944)</u>	<u>\$ -</u>	<u>\$110,998,045</u>

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Notes to Financial Statements June 30, 2015

Note 4: Long-term Liabilities

The following is a summary of long-term obligation transactions for the University for the year ended June 30, 2015:

	2015				Current Portion
	Beginning Balance	Additions	Deductions	Ending Balance	
Bonds and other long-term debt					
Auxiliary system revenue bonds					
– Series 2010	\$21,985,000		\$ (1,000,000)	\$20,985,000	\$1,020,000
Auxiliary system revenue bonds					
– Series 2008	5,335,000		(215,000)	5,120,000	225,000
Auxiliary refunding and improvement					
– Series 2012	20,575,000		(265,000)	20,310,000	270,000
Department of Economic Development	-	74,297	(11,047)	63,250	21,880
Capital leases	206,149	4,529,648	(36,012)	4,699,785	952,860
Subtotal bonds and other long-term debt	48,101,149	4,603,945	(1,527,059)	51,178,035	2,489,740
Discount on bond issuance	(375,212)		332,960	(42,252)	-
Total bonds	47,725,937	4,603,945	(1,194,099)	51,135,783	2,489,740
Other noncurrent liabilities					
Accrued compensated absences	1,469,305	60,853		1,530,158	783,140
Unearned revenue	1,132,355		(468,088)	664,267	664,267
Other post employment benefit	1,242,966	72,100		1,315,066	
Pension liability, net	-	25,343,374	-	25,343,374	
Total noncurrent liabilities	\$51,570,563	\$30,080,272	\$ (1,662,187)	\$79,988,648	\$3,937,147

Auxiliary Refunding and Improvement Bonds, Series 2012

The Board of Governors authorized the University to issue the Auxiliary System Refunding and Improvement Revenue Bonds, Series 2012 dated November 8, 2012 in the amount of \$20,840,000. The proceeds were used to defease a portion of the Auxiliary Refunding and Improvement Bonds, Series 2003. The Series 2012 Bonds mature on October 1 of each year through 2033, in amounts varying from \$265,000 to \$1,485,000, at interest rates ranging from 0.7% to 3.55%. Interest payments are payable semiannually. The bonds are secured by the net revenues available for debt service of the University and other funds pledged to the payment of the bonds.

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Auxiliary System Refunding and Improvement Revenue Bonds, Series 2010-A Tax-Exempt and 2010-B Taxable Build America Bonds

The Board of Governors authorized the University to issue the Auxiliary System Refunding and Improvement Revenue Bonds, Series 2010-A and 2010-B dated September 9, 2010 in the amount of \$24,840,000. The proceeds of \$9,840,000 from the Series 2010-A Bonds were used to defease the Auxiliary Refunding and Improvement Bonds, Series 1998. The Series 2010-A Bonds mature on October 1 of each year through 2029, in amounts varying from \$445,000 to \$665,000, at interest rates ranging from 0.75% to 4.25%. The proceeds of \$15,000,000 from the Series 2010-B Bonds we will be used for the construction of a new residential hall and other improvements. The Series 2010-B Bonds mature on October 1 of each year through 2036, in amounts varying from \$375,000 to \$900,000, at interest rates ranging from 1.75% to 6.75%. Interest payments are payable semiannually. The bonds are secured by the net revenues available for debt service of the University and other funds pledged to the payment of the bonds.

Auxiliary System Revenue Bonds, Series 2008

The Board of Governors authorized the University to issue the Auxiliary System Revenue Bonds, Series 2008 (the Series 2008 Bonds) dated October 7, 2008, in the amount of \$6,315,000. The proceeds from the Series 2008 Bonds will be used for the construction and renovation of certain athletic facilities. The Series 2008 Bonds mature on October 1 of each year through 2029, in amounts varying from \$185,000 to \$890,000, at interest rates ranging from 3.0% to 5.0%. Interest payments are payable semiannually. The bonds are secured by the net revenues available for debt service of the University and other funds pledged to the payment of the bonds.

The debt service requirements of the bonds payable as of June 30, 2015 are as follows:

Year Ending June 30	Total to be Paid	Principal	Interest
2016	\$ 3,343,898	\$ 1,515,000	\$ 1,828,898
2017	3,326,399	1,540,000	1,786,399
2018	3,820,184	2,085,000	1,735,184
2019	3,809,966	2,135,000	1,674,966
2020	3,803,019	2,195,000	1,608,019
2021 – 2025	18,875,993	12,090,000	6,785,993
2026 – 2030	18,368,416	14,250,000	4,118,416
2031 – 2035	11,043,189	9,705,000	1,338,189
2036	928,125	900,000	28,125
	<u>\$ 67,319,189</u>	<u>\$ 46,415,000</u>	<u>\$ 20,904,189</u>

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Notes to Financial Statements June 30, 2015

The University owns and operates the Auxiliary System (the “System”) serving the University and its students. The System presently includes the following facilities:

Housing and Dining Facilities: Three suite complexes, three apartment-style complexes, a living center, having an aggregate of 1,336 residential spaces, a student commons building and the Student Union Building.

Recreational Facilities: A 12,000 square foot recreational and fitness building, tennis courts, running track, softball fields, swimming pool, jogging trail and other recreational and fitness facilities.

Sources of income included in the revenues of the System are room and board charges, commissions for operation of the University Bookstore, income from laundry vending operations, commissions from food service catering, revenue from nonresidential rentals of dormitory space for meetings and conferences, and investment income earned on unexpended proceeds from operations.

Management believes that the University complied with all the restrictive covenants of bond agreements. The Auxiliary System produced net operating revenues in the fiscal year ended June 30, 2015 175% of the year’s bond service requirements, exceeding the 110% as required by the Bond debt covenants.

Additionally, the University is to establish and maintain a repair and replacement reserve fund by making annual deposits until the fund accumulates a balance of \$300,000. At June 30, 2015 the repair and replacement reserve fund had a balance of \$300,000. This fund is to be used to pay the cost of unusual and extraordinary repairs and replacements to housing system facilities.

The debt service requirements for the capital leases as of June 30, 2015 are as follows:

Year Ending June 30	Total to be Paid	2015 Principal Interest	
2016	\$ 270,445	\$ 61,991	\$ 208,454
2017	427,928	300,055	127,873
2018	427,928	309,943	117,985
2019	427,929	320,216	107,713
2020	377,960	280,921	97,039
2021-2025	1,889,800	1,524,593	365,207
2026-2030	1,889,799	1,745,645	144,154
2031	157,483	156,421	1,062
	\$ 5,869,272	\$ 4,699,785	\$ 1,169,487

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The University entered into a capital lease purchase agreement for 32 Steinway Piano's at a total cost of \$378,730 in January 2010. The total amount of principal and interest outstanding at June 30, 2015 is \$199,873. The total amount of accumulated depreciation that has been recorded since 2010 is \$208,304 with depreciation expense of \$37,874 being charged in 2015.

The pianos are used for multiple classroom instruction, applied learning, concerts, master class instruction and key board labs from beginning to advance.

The University has entered into a capital lease energy saving project with Schneider Electric, a global specialist in energy management. The total amount of principal and interest for this project is \$5,669,397 that is financed by US Bank. Schneider Electric has guaranteed energy savings of \$7,335,635 which would show a positive net financial impact for the University of \$1,666,238 over the 15 year period. This project is not scheduled to be completed in FY 2016. The first payment for this project is scheduled for December 2016.

This project spans 27 facilities, and it incorporates a variety of energy efficiency upgrades to enhance classroom and building comfort, while reducing energy consumption through lighting retrofits, building automation systems, building sub-metering, water fixture retrofits, various building envelope improvements and mechanical upgrades.

The University entered into a promissory note with the Missouri Department of Economic Development Division of Energy to finance costs of implementation of energy conservation. The total amount of principal and interest outstanding at June 30, 2015 is \$65,921. The debt service requirements for the promissory note as of June 30, 2015 are as follows:

Year Ending June 30	Total to be Paid	2015	
		Principal	Interest
2016	\$ 23,325	\$ 21,880	\$ 1,445
2017	23,325	22,430	895
208	19,271	18,940	331
	\$ 65,921	\$ 63,250	\$ 2,671

Note 5: General Information about the Pension Plans

The University participates in the Missouri State Employees' Retirement System (MOSERS), a cost-sharing, multiple-employer, defined-benefit, public employee retirement system. MOSERS is administered by an 11-member Board of Trustees. A publicly available financial report that includes the financial statements and required supplementary information is issued. This report may be obtained by writing to Post Office Box 209, Jefferson City, Missouri 65102, or calling 573.751.2342.

MOSERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Benefits are established by state statute which may be changed by the Missouri legislature with concurrence of the Governor.

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The University was required by statute to contribute at an actuarially determined rate; the rate was 16.97%, 16.98% and 14.45% of eligible salaries for the years ended June 30, 2015, 2014 and 2013, respectively. Employees hired after January 1, 2011 are required to contribute 4% of their salary. Contributions, which equaled the contribution requirements for the years ended June 30, 2015, 2014 and 2013 were \$3,486,111, \$3,508,084 and \$2,792,911, respectively.

Beginning July 1, 2002, all full-time faculty are enrolled in the College and University Retirement Plan (CURP) if they have not previously been enrolled in MOSERS. CURP is a noncontributory 401(a) defined contribution retirement plan that uses TIAA-CREF as its third-party administrator. CURP provides a retirement program that offers interstate portability, immediate vesting and no minimum service requirement. Contributions made by the University are self-directed by participants into their selected individual accounts. After participating in CURP for at least six years, a faculty member may elect to become a member of MOSERS.

The University is required to contribute at an actuarially determined rate; the rate was 6.16%, 6.38% and 6.8% of annual covered payroll for 2015, 2014, and 2013, respectively. The University's contributions to the plan for the years ended June 30, 2015, 2014 and 2013 were \$459,119, \$417,013, and \$417,793, respectively which equaled the required contributions for each year.

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.

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Notes to Financial Statements June 30, 2015

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 4.0% of their annual pay. The University's required contribution rate for the year ended June 30, 2015, 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, 2014 was 16.98%, which is the year of measurement for the net pension liability. Contributions to the pension plan from the University were \$3,508,084 for the year ended June 30, 2014.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the University reported a liability of \$25,343,374 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, 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, 2014. At June 30, 2014, the University's proportion was 1.0749%, which remained unchanged from the percentage used to allocate the liability as of June 30, 2013, since this was the initial implementation year.

There were no changes in benefit terms during the MOSERS plan year ended June 30, 2014, that affected the measurement of total pension liability.

For the year ended June 30, 2015, the University recognized pension expense of \$2,382,429. At June 30, 2015, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 98,752	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	7,389,501
Changes in proportion and differences between University contributions and proportionate share of contributions	-	-
University contributions subsequent to the measurement date of 6-30-14	3,486,111	-
	\$ 3,584,863	\$ 7,389,501
Total	\$ 3,584,863	\$ 7,389,501

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Notes to Financial Statements June 30, 2015

\$3,486,111 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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:

Plan Year ending June 30:	
2015	\$ (1,813,098)
2016	(1,813,098)
2017	(1,817,177)
2018	(1,847,376)
2019	-
Thereafter	-
	<u><u>\$ (7,290,749)</u></u>

Actuarial assumptions. The total pension liability in the June 30, 2014 actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%, approximate
Salary increases	3.0% to 5.9% annually, average, including inflation
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 port-retirement mortality rates for males and 80% of the port-retirement mortality for females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2014 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% to 8%.

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in MOSERS target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Policy Allocation	Long-term Expected Real Rate of Return *	Weighted Average Long-Term Expected Real Rate of Return
Beta Balanced	76.6%	5.7%	4.4%
Illiquids **	19.2%	7.3%	1.4%
Old Portfolio ***	<u>4.2%</u>	6.0%	<u>0.2%</u>
	<u>100.0%</u>		<u>6.0%</u>

* 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%.

*** As of June 30, 2014, MOSERS was in the final stages of transitioning from a portfolio allocation consisting of 45% public equities, 30% public debt, and 25% alternative investments (old portfolio) to a new target allocation of 80% beta-balanced and 20% illiquids.

Discount rate. The discount rate used to measure the total pension liability was 8.0%. The projection of cashflows 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 District'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 8.0%, 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 (7.0%) or 1-percentage-point higher (9.0%) than the current rate:

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	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
University's proportionate share of net pension liability	\$39,308,554	\$25,343,374	\$13,563,906

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

Payables to the Pension plan

As of June 30, 2015, the Agency had payables of \$23,618 to MOSERS because the bi-weekly payroll pay period started on June 26, 2015 and ended on July 6, 2015. The \$23,618 was the portion of MOSERS allocated to June 30, 2015 but was not paid until July 10, 2015.

Note 6: Postemployment Healthcare Plan

Plan Description

The University provides a one-time opportunity for retirees to continue medical insurance coverage. Retirees who elect to continue medical insurance are required to pay monthly premiums. Monthly premiums for participating retirees under 65 years of age are provided at the same rate as regular employees. Employees and retirees over age 65 are provided a supplemental program with Medicare being the primary provider and the University retiree being the secondary provider. The premium is adjusted for the subsidized program and is the same for employees and retirees in this age group. Financial statements for the plan are not available.

Funding Policy

The University pays for its 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 obligation.

Annual 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 45. 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 thirty years. The following table shows the components of the University's annual OPEB cost for the year ended June 30, 2015 the amount actually contributed to the plan and changes in the University's net OPEB obligation to the plan:

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	2015
Annual OPEB cost (expense)	\$ 134,400
Contributions made	(62,300)
Increase in net OPEB obligation	72,100
Net OPEB obligation – beginning of year	1,242,966
NET OPEB obligation – end of year	<u>\$ 1,315,066</u>

The University’s annual OPEB cost, employer contributions, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for June 30 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2011	\$ 318,338	\$ 65,000	20.42%	\$ 859,640
6/30/2012	235,613	80,000	33.95%	1,015,253
6/30/2013	235,613	80,000	33.95%	1,170,866
6/30/2014	134,400	62,300	46.35%	1,242,966
6/30/2015	134,400	62,300	46.35%	1,315,066

Funded Status and Funding Progress

As of July 1, 2013, 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 \$1.26 million. The covered payroll (annual payroll of active employees covered by the plan) was \$27.9 million, and the ratio of the UAAL to the covered payroll was 4.5%.

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.

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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, 2013 actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions included a 3.75% discount rate, an annual healthcare cost trend rate of 7.6% initially, reduced by decrements to an ultimate rate of 4.5% after 7 years and a 2.0% annual increase in salaries. It is also assumed that all retirees will continue coverage for their lifetime. The UAAL is being amortized as a level dollar amount over 30 years.

Note 7: Commitments and Contingencies

Claims and Litigation

The University is currently involved in various claims and pending legal actions related to matters arising from the ordinary conduct of business. The University administration believes the ultimate disposition of the actions will not have a material effect on the financial statements of the University.

Government Grants

The University is currently participating in numerous grants from various departments and agencies of the federal and state governments. The expenditures of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting department or agency, the grants are considered closed.

Note 8: Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses, natural disasters and employee health and accidental benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to general liability and workers' compensation.

Settled claims have not exceeded this commercial coverage in any of the three preceding years. Additional coverage is provided through the State Self Insurance program, through the Risk Management Division of the Department of Administration Services, in Jefferson City. The State of Missouri self-insures the workers' compensation benefits for all state employees, including University employees. Claims are administered by the Missouri Office of Administration, Risk Management Section.

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Note 9: Capital Projects

Building improvements. Projects for 2015 included the completion of numerous projects. Potter Hall saw the completion of a percussion room, two new offices and two new restrooms for a construction cost of approximately \$800,000. Campus Dining received multiple renovations, including a new food service area in Popplewell Hall called “The Pod”, and changes to the food court that added a Subway franchise and a Chinese food dining area called the “Wok” with a construction cost of approximately \$600,000. In addition, renovations were made to the residence halls in 2015 amounting to \$393,000.

Construction in progress. There were two major projects initiated in 2015. Renovation to the Spratt Stadium began in the spring of 2015 and is scheduled for completion in the spring of 2016. The cost of the project will be approximately \$7 million dollars, as of June 30, 2015 the remaining construction commitment was approximately \$5.7 million dollars. The scope of the project includes the demolition and construction of the concourse, concessions area, restrooms, club level (including suites) and press box. In addition, repairs and improvements to the home grandstand seating area, removal of the track and relocation of the field to be closer to the home stands and new turf will replace the current surface.

The next major project in construction in progress is the energy savings and performance contract with Schneider Electric. The scope of this project includes lighting retrofits and controls, building automation system and sub-metering, water conservation, and mechanical and building improvements. Annual energy savings over the 15 years of the contract are guaranteed to be more than the annual payment on the capital lease for the project. As of June 30, 2015 the remaining construction commitment was approximately \$0.9 million dollars.

Kansas City Chiefs Summer Training Camp – The University entered into a contract with the Kansas City Chiefs Professional Football Franchise to hold their summer training camp on the campus of the University beginning in July 2010. As part of the agreement, the University built an indoor practice facility, multi-purpose facility, two outdoor practice fields and other enhancements in preparation for the camp. The project was funded by the Kansas City Chiefs, City of St. Joseph, Buchanan County, the University and private donations. Construction of the facilities was completed in July 2010 at a cost of \$11,338,408.

In 2015 a new contract was entered into for a three year period with the option to renew for an additional two years. As part of the contract negotiations, a new irrigation system was installed and the existing grass was replaced by Bermuda sod. In addition, a new driveway, parking lot and sidewalk were paved to the practice field. The project cost was approximately \$675,000 which was financed with a tax credit agreement with the Missouri Development Finance Board and the Missouri Western State University Foundation.

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Note 10: Segment Information

A segment is an identifiable activity for which one or more revenue bonds or other revenue-backed debt instruments are outstanding. A segment has a specific identifiable revenue stream pledged in support of the revenue bonds or other revenue-backed debt and has related expenses, gains and losses, assets, and liabilities that can be identified.

The University has issued revenue bonds with the net revenues from the Auxiliary System pledged to pay the bond interest and principal. The Auxiliary System is comprised of University owned housing units, student centers, recreation and athletic facilities, bookstore, and similar auxiliary enterprise units. Condensed financial statements for the Auxiliary System for fiscal year 2015 are presented below.

**Auxiliary System Condensed Statement of Net Position
As of June 30, 2015**

	2015
Assets	
Current assets	\$ 2,414,637
Noncurrent assets	2,700,460
Capital assets, net	51,772,948
Deferred outflows of resources	1,291,365
Total assets and deferred outflows of resources	58,179,410
 Liabilities	
Current liabilities	2,574,035
Long-term liabilities	44,857,748
Total Liabilities	47,431,783
 Net Position	
Invested in Capital Assets	6,229,384
Unrestricted	3,758,243
Restricted	760,000
Total Net Position	\$ 10,747,627

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**Auxiliary System Condensed Statement of Revenues,
Expenses and Changes in Net Position**
Year Ended June 30, 2015

	2015
Operating Revenues	\$ 10,646,131
Depreciation Expense	(2,411,652)
Other Operating Expenses	(9,911,605)
Operating Loss	(1,677,126)
Nonoperating Revenues (Expenses)	
Interest expense	(2,265,248)
Other nonoperating revenues	256,577
Loss before Capital Revenues	(3,685,797)
Other revenues	1,466,557
Decrease in Net Position	(2,219,240)
Net Position, Beginning of Year	12,966,867
Net Position, End of Year	\$ 10,747,627

Note 11: Missouri Western State University Foundation, Inc. - Accounting Policies and Disclosures

Investments and Investment Return

Investments include marketable equity securities, debt securities, mineral rights, money market funds and hedge funds. Investments include investment specific money market funds that are reported at cost, which approximates fair value. Investments in marketable equity securities, debt securities, oil royalties and gas royalties are carried at fair value with unrealized and realized gains and losses on investments reported as an increase or decrease in unrestricted, temporarily restricted or permanently restricted net assets based upon donor imposed restrictions.

Investment income is reported in the statements of activities as unrestricted, temporarily restricted or permanently restricted revenue based upon donor imposed restrictions.

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The following is a summary of investment securities:

	<u>2015</u>
Money market funds	\$ 1,185,447
Common stock and equity mutual funds	20,279,620
U.S. Government obligations	14,131,691
Hedge funds	<u>851,066</u>
Total	<u>\$ 36,447,824</u>

Fair Value Measurements

In determining fair value, the Foundation uses various valuation approaches within the ASC Topic 820 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

ASC Topic 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs, by requiring that the most observable inputs be used when available. ASC Topic 820 defines levels within the hierarchy based on the reliability of inputs as follows:

- Level 1:** Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets; and
- Level 2:** Valuations based on quoted prices for similar assets or liabilities, or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3:** Valuations derived from valuation techniques in which one or more significant inputs, or significant value drivers, are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classifications in the valuation hierarchy.

Investments

Securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within Level 1 or Level 2 of the valuation hierarchy and are reported as current assets in the accompanying statements of financial position.

Beneficial Interest in Perpetual Trust

The fair value for beneficial interests in perpetual trusts was determined by calculating the Foundation's proportional share of the assets held in trust as determined by the trustee of the trust and is classified as Level 3 within the valuation hierarchy.

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Mineral Rights

The fair value measurements for mineral rights are calculated using an industry standard formula based upon the average of historical royalty income times a factor of 11 (9 for 2011). The factor was obtained from an applicable regional oil and mineral association. The fair value of the mineral rights is classified as Level 3 within the valuation hierarchy.

Other Equity Interest

During 2013, the Foundation purchased a 7.69% ownership interest in a community based limited liability company. This investment is carried on the Foundation's books at cost, defined as the lower of cost or fair market value. The carrying value of this equity interest totals \$500,000.

During 2014, the Foundation purchased an ownership interest in a limited liability company that is carried at cost, defined as the lower of cost or fair market value. The carrying value Investment returns for the years ended June 30, 2015 consist of the following:

	<u>2015</u>
Investment income	\$ 838,941
Net realized gains	853,669
Net unrealized gains (losses)	<u>(703,978)</u>
Total investment return	<u>\$ 988,632</u>
Total investment fees	<u>\$ 103,413</u>

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The fair values of other assets and liabilities measured on a recurring basis, as of June 30, 2015 are as follows:

	2015		
	Fair Value Measurements Using		
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock and equity mutual funds	\$ 20,279,620	\$ -	
Foreign	\$ 4,678,308	-	\$ -
Energy minerals	717,619	-	-
Technology services	1,642,297	-	-
Finance	2,136,989	-	-
Electronic technology	412,496	-	-
Consumer	2,038,626	-	-
Health technology	595,936	-	-
Health care	931,759	-	-
Domestic equity	1,783,490	-	-
Utilities	113,421	-	-
Telecommunications	231,798	-	-
Industrials	930,013	-	-
Materials	224,436	-	-
All other common stocks	1,640,622	-	-
Equity mutual funds	2,201,810	-	-
U.S. Government obligations and mutual funds	6,649,012	7,482,679	-
U.S. Government issues	1,280,240	-	-
Corporate issues	7,375,144	-	-
Foreign issues	510,541	-	-
Taxable municipal issues	615,165	-	-
Fixed income mutual funds	4,350,601	-	-
Hedge funds	851,066	851,066	-
Beneficial interest in perpetual trusts	5,446,736	-	5,446,736
	<u>\$ 40,709,113</u>	<u>\$ 27,779,698</u>	<u>\$ 5,446,736</u>

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The following is a reconciliation of the beginning and ending balance of assets and liabilities measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the year ended June 30, 2015:

	Beneficial Interest in Perpetual Trusts
Balance, June 30, 2014	5,667,903
New equity interest received	
Sale of equity interests	
Change in fair market value	(221,167)
Balance, June 30, 2015	5,446,736

Cash Surrender Value of Life Insurance

Various contributions are designated by donors and the Foundation board to be invested in life insurance policies covering selected students and patrons of Missouri Western State University. The Foundation is the owner and beneficiary of these policies. The annual increase in the cash surrender value of the policies is recorded as either temporarily or permanently restricted income, depending upon the donor intent. Any proceeds from these policies are restricted for use on physical plant maintenance and major capital improvements.

Pledges Receivable

Pledges receivable are for pledged receivables that are generally due within one to ten years. Pledges receivable are stated at the pledged amount. The carrying amount of pledges receivable is reduced by the amount of the unamortized discount related to promises to give that are to be collected over a period longer than one year. Management has established a valuation allowance that reflects management's best estimate of amounts that will not be collected. An allowance for uncollectible pledges is maintained based on management's assessment of the collectability of specific donors' pledges and the aging of pledges receivable. All pledges or portions thereof deemed to be uncollectible are written off to the allowance for uncollectible pledges.

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Included in pledges receivable are the following unconditional promises to give:

	2015
Total pledges receivable	\$ 4,222,028
Less allowance for uncollectible pledges	34,174
Less unamortized discount	122,077
Net pledges receivable	4,065,777
Less pledges receivable, current portion	1,615,568
Net pledges receivable, long-term	\$ 2,450,209
Amount due in	
Less than one year	\$ 1,649,742
One to five years	2,478,386
Six to ten years	93,900
	\$ 4,222,028

Imputed discount rate of 1.63% was used in discounting long-term pledges receivable for 2015.

The Foundation has been notified that it is designated as a beneficiary of numerous trusts. These gifts are revocable and are not recognized within the accompanying financial statements due to their conditional nature.

Unearned Revenue

Revenues from memberships are recognized in the fiscal year in which the memberships are used. Memberships for the 2013-2014 year are reported as unearned revenue at June 30 of the current year.

Beneficial Interest in Perpetual Trusts

The Foundation has a beneficial interest in various perpetual trusts. These consist of trusts created by independent donors for whom the assets are not in the possession or control of the Foundation. The Foundation, along with other specified not-for-profit organizations, is a beneficiary of these trusts.

The Foundation's beneficial interest in perpetual trusts held by third parties was valued at \$5,446,736 at June 30, 2015. No new trust agreements were received in 2015. A change in value of the beneficial interest in perpetual trusts of \$(221,167) was recorded for the year ended June 30, 2015. Interest income received from these trusts was \$119,895 for the year ended June 30, 2015.

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Other Equity Interest

Other equity interest relates to percentage interests in a privately held limited liability company and certain units of partnerships. These interests are carried as the fair market value of the equity interest at the date of the gift. That fair market value was determined by obtaining an independent valuation of the minority interest received by the Foundation. The units were purchased at their fair market value and are carried at cost.

Net Assets

Net assets are classified into one of three classes based on the existence or absence of donor imposed restrictions. The following is a description of each class:

Unrestricted

Unrestricted net assets include all net assets which are neither temporarily nor permanently restricted. This category includes board designated net assets.

Temporarily Restricted

Temporarily restricted net assets include contributed net assets for which donor imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted.

Permanently Restricted

Permanently restricted net assets include contributed net assets, which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

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Nature and Amount of Temporarily Restricted and Permanently Restricted Net Assets

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

	2015
Scholarships	\$ 6,793,604
Programmatic and departmental support	9,517,870
Special programs	1,643,777
Total	\$ 17,955,251

Permanently restricted net assets are available for the following purposes:

	2015
Scholarships	\$ 15,575,722
Academic departments	9,774,908
Other	1,313,288
Total	\$ 26,663,918

Income Taxes

The Foundation is a not-for-profit organization exempt from income taxes under section 501(c)(3) of the U.S. Internal Revenue Code. It is not considered to be a private foundation. The Foundation's Form 990 information returns for years ended prior to June 30, 2007 are no longer subject to examination by the Internal Revenue Service.

Endowments

The Foundation's endowments consist of 169 funds established to support a variety of scholarships, programs and departments at Missouri Western State University. Its endowments consist of both donor-restricted endowment funds and funds designated by the Board of Directors (the Board) to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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Interpretation of Relevant Law

The Board of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the historical cost of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. Consequently, the Foundation classifies permanently restricted net assets as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation's Board.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in a manner that is intended to produce results similar to the S&P 500 Index while assuming a moderate level of investment risk.

Spending Policy

The Foundation has a policy of appropriating for distribution each year 4% of the endowment fund's average balance using a three year rolling average for program purpose. The Foundation policy also appropriates a 1% administrative fee based on the year end endowment balance.

In establishing this policy, the Foundation considered the long-term expected returns on its endowment investments. Accordingly, over the long-term, the Foundation expects the current spending policy will allow its endowment to retain the original corpus of the gift.

Strategies Employed for Achieving Objectives

The Foundation relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Foundation targets a diversified asset allocation that emphasizes fixed income securities to achieve its long-term objectives within prudent risk constraints.

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June 30, 2015

Endowment Net Asset Composition by Type of Fund as of June 30, 2015:

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor restricted endowment funds	\$ -	\$ 7,658,792	\$ 19,732,932	\$ 27,391,724
Board-designated endowment funds	114,058	3,151,033	-	3,265,091
Total endowment funds	<u>\$ 114,058</u>	<u>\$ 10,809,825</u>	<u>\$ 19,732,932</u>	<u>\$ 30,656,815</u>

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2015:

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ 112,470	\$ 10,848,276	\$ 18,660,043	\$ 29,620,789
Investment return				-
Contributions	1,588	930,863	46,291	978,742
Change in donor restrictions	-	95,682	1,026,598	1,122,280
Appropriation of endowment assets for expenditure	-	(1,064,996)	-	(1,064,996)
Endowment net assets, end of year	<u>\$ 114,058</u>	<u>\$ 10,809,825</u>	<u>\$ 19,732,932</u>	<u>\$ 30,656,815</u>

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Note 12: Related Party

The University provides to the Foundation, without charge, contributed office equipment and services of various University employees. However, several additional expenses paid by the University are reimbursed by the Foundation. During the year ended June 30, 2015 the University received from the Foundation \$250,173 for use of telephones, postage, printing, publications, and a portion of the salaries of staff and students employed by the University. The University has also received \$1,478,000 of contributions from the Foundation for capital assets, scholarships and other contributions for general operations for the year ending June 30, 2015. Included in accounts payable at June 30, 2015 was \$428,956 due from the Foundation.

Note 13: Subsequent Event

The Board of Governors authorized the University to issue the Auxiliary System Refunding and Improvement Revenue Bonds Series 2015 dated July 9, 2015 in the amount of \$13,665,000. The proceeds of \$7,660,000 were used to defease the Auxiliary Refunding and Improvement Bonds, Series 2010A. The Series 2015 Bonds mature on October 1 of each year through 2035, in amounts varying from \$490,000 to \$2,495,000, and interest rates ranging from 2.0% to 3.875%. The proceeds of the Series 2015 bonds will be used for the construction of Spratt Stadium and renovation of the fields that is used by the University football and the soccer teams. Interest payments are payable semiannually. The bonds are secured by the net revenues available for debt service of the University and other funds pledged to the payment of the bonds.

Required Supplementary Information

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Required Supplementary Information
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Schedule of Funding Progress for Postemployment Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
* 7/1/2009	\$ -	\$ 3,147,347	\$ 3,147,347	0%	\$ 22,454,953	14.02%
7/1/2011	\$ -	\$ 2,228,289	\$ 2,228,289	0%	\$ 22,163,874	10.05%
** 7/1/2013	\$ -	\$ 1,260,500	\$ 1,260,500	0%	\$ 27,912,338	4.52%

Note:

* Fiscal year 2009 is the transition year for GASB Statement No. 45.

** 7/1/11 valuation is based on actuarial assumptions including a 4% discount rate, annual healthcare trend cost rate of 8.5%, and UAAL is amortized level dollar amount over 30 years. Change in the 7/1/13 valuation is based on actuarial assumptions including a 3.75% discount rate and annual healthcare trend cost rate of 7.6%. UAAL is amortized level dollar amount over 30 years.

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Schedule of the University's Proportionate Share of the Net Pension Liability
Missouri State Employees' Retirement System

	June 30, 2015 *
University's proportion of the net pension liability	1.0749%
University's proportionate share of the net pension liability	\$ 25,343,374
University's covered-employee payroll	\$ 20,200,108
University's proportionate share of the net pension liability as a percentage of its covered employee payroll	125.46%
Plan fiduciary net position as a percentage of the total pension liability	79.49%

* Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year of June 30, 2014.

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Schedule of University Contributions
Missouri State Employees' Retirement System

	June 30, 2015 *
Required contribution	\$ 3,508,084
Contributions in relation to the required contribution	\$ 3,508,084
Contribution deficiency (excess)	\$ -
University's covered-employee payroll	\$ 20,200,108
Contributions as a percentage of covered-employee payroll	17.37%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available

Notes to Schedules of Employer's Share of Net Pension Liability and Contributions

There were no changes in benefit terms or assumptions in the plan for the year ended June 30, 2014. Contribution rates to MOSERS for the University for years ended June 30, 2015, 2014, and 2013 were 16.97%, 16.98% and 14.45%.

Supplementary Information

Missouri Western State University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Grantor/ Pass - Through Grantor / Program Title	Pass Through Number	Federal CFDA Number	Federal Expenditures
Student Financial Assistance Programs Cluster:			
U.S. Department of Education			
Student Financial Assistance Programs Cluster:			
Federal Supplemental Educational Opportunity Grant		84.007	\$ 142,931
Federal Family Education Loans:			
Direct Loans		84.268	20,470,588
Federal Perkins Loans-Federal Capital Contributions		84.038	253,216
Federal TEACH Grant		84.379	11,322
Federal Work Study		84.033	373,614
Federal Pell Grant		84.063	<u>10,097,743</u>
Total Student Financial Assistance Programs Cluster			<u>31,349,414</u>
Non Student Financial Assistance Programs Cluster:			
U.S. Department of Education			
Supporting Effective Educator Development Grant		84.367D	10,000
Investing in Innovation Fund (i3) Validation Grant		84.411B	209,000
Carl Perkins		84.048	18,014
Vocational Rehabilitations Grants to States		84.126	<u>441,389</u>
Total Department of Education Non Student Financial Aid Cluster			<u>678,403</u>
Total U.S. Department of Education			32,027,817
National Science Foundation			
MidWest Apex Project (MAP)		47.076	146,611
RUI: BIOMAPS: Collaborative Research: Modular programmed evolution of Bacteria from Optimization of Metabolic Pathways		47.074	<u>109,548</u>
Total National Science Foundation			256,159
U. S. Department of Housing and Urban Development			
Passed Through - St. Joseph Metro Chamber of Commerce as part of Buchanan County Degree Attainment Initiative	Number Unknown	14.228	<u>84,191</u>
Total U.S.Department of Housing and Urban Development			84,191
U.S. Department of Labor			
Trade Adjustment Assistance		17.245	74,522
WIA Program - WIA Adult		17.258	<u>64,443</u>
Total U.S. Department of Labor			<u>138,965</u>
Total Non Student Financial Assistance Programs Cluster			<u>1,157,718</u>
Total Schedule of Expenditures of Federal Awards			<u><u>\$ 32,507,132</u></u>

Missouri Western State University
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Missouri Western State University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2 ADDITIONAL AUDITS

Grantor agencies reserve the right to conduct additional audits of Missouri Western State University's grant programs for economy and efficiency. Such audits may result in disallowed costs to Missouri Western State University. However, Missouri Western State University's management does not believe such audits would result in any disallowed costs that would be material to Missouri Western State University's financial position as of June 30, 2015.

NOTE 3 STUDENT LOAN PROGRAMS ADMINISTERED BY THE UNIVERSITY

Missouri Western State University administered the following federal loan program during the year ended June 30, 2015:

Perkins Loan Program CFDA #84.038

Outstanding Balance, July 1, 2014	\$1,814,630
Additions:	
New Loans	258,729
Total Additions	258,729
Deductions:	
Loans Canceled or Assigned	186,468
Collections	227,800
Total Deductions	414,268
Outstanding Balance, June 30, 2015	\$1,659,091

**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 Governors
Missouri Western State University
St. Joseph, 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 the discretely presented component unit of Missouri Western State University, a component unit of the State of Missouri, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise Missouri Western State University's basic financial statements, and have issued our report thereon dated November 18, 2015. The financial statements of the Missouri Western State University Foundation, Inc. were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Missouri Western 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 Missouri Western State University's internal control. Accordingly, we do not express an opinion on the effectiveness of Missouri Western State 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 Missouri Western State University'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.

Board of Governors
Missouri Western State University

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Missouri Western State 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 result of that testing, and not to provide an opinion on the effectiveness of Missouri Western State University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Missouri Western State University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

St. Louis, Missouri
November 18, 2015

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Governors
Missouri Western State University
St. Joseph, Missouri

Report on Compliance for Each Major Federal Program

We have audited Missouri Western State University's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Missouri Western State University's major federal programs for the year ended June 30, 2015. Missouri Western State 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Missouri Western State University's major federal programs based on our audit of the types of compliance requirements 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Missouri Western State 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 Missouri Western State University's compliance.

Opinion on Each Major Federal Program

In our opinion, Missouri Western State 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, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal program is not modified with respect to this matter.

Missouri Western State University's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Missouri Western 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 Missouri Western State 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 Missouri Western State University's internal control over compliance with the types of 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 federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Missouri Western State 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 2015-001, which we consider to be a significant deficiency.

Missouri Western State University's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Missouri Western 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.

Board of Governors
Missouri Western State University

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
November 18, 2015

Missouri Western State University
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

 Significant deficiencies identified? **No**

 Significant deficiencies identified that are considered to be material weaknesses? **No**

Noncompliance material to financial statements noted? **No**

Federal Awards:

Internal control over major programs:

 Significant deficiencies identified? **Yes**

 Significant deficiencies identified that are considered to be material weaknesses? **No**

Type of auditor's report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? **Yes**

The programs tested as major programs include:

Name of Federal Program	CFDA Number
Student Financial Assistance Programs Cluster	Various

The threshold for distinguishing type A and B programs was \$300,000.

Missouri Western State University did qualify as a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

NONE

Missouri Western State University
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2015-001: STUDENT FINANCIAL AID – NSLDS REPORTING

Condition

The NSLDS "SCHER1" report was reviewed as part of our NSLD special testing. It was noted that errors were not being re-submitted within the 10-day time period.

Criteria

Per the NSLDS Enrollment Reporting Guide (July 2014) section 6.1.1 Reporting Schedules, If the response is provided by a batch response file, NSLDS will process the file and return an Error/Acknowledgement file. Any error must be corrected and submitted within 10 days of receiving the file. National Student Clearinghouse's submissions finding related to failure to comply with the requirement to have error responses filed and accepted within the 10-day time frame. The Clearinghouse was audited and received a finding for not properly submitting the error reports to NSLDS, thus anyone utilizing the National Student Clearinghouse (NCS) will have the error report finding.

Possible Asserted Affect

The status of certain students with loans may not be properly updated in the NSLDS system. Per 34 CFR 685.309 (Administrative and fiscal control requirements for participating schools regulations), the school is responsible for providing accurate and timely enrollment data as this data determines whether a student with a loan should enter the grace period and when eventual repayment begins.

Auditors' Recommendation

We recommend working with the National Student Clearinghouse and directly with NSLDS to monitor compliance related to reporting student enrollment data.

Management's Response

Management will review the NSLDS Scher1 report for error submissions and communicate with NSLDS directly to monitor the compliance of the National Student Clearinghouse.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding

Missouri Western State University has taken corrective action and added procedures to provide oversight of the National Student Clearinghouse, their third-party service provider.

Missouri Western State University
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

D. PRIOR YEAR FINDINGS

2014-001: STUDENT FINANCIAL AID – NSLDS REPORTING

Condition

A scheduled submission to the National Student Clearinghouse (NSC) on May 22, 2014, for Unofficial Withdrawals was not transmitted. The NSC then forwards the details to the National Student Loan Data System (NSLDS). During our NSLDS testing we noted that the 5/22/14 submission was not transmitted by the Registrar's Office and the status of 19 students was affected and thus incorrect until corrected on July 29, 2014.

Criteria

The University is required to confirm and report to the National Student Loan Data System (NSLDS) the enrollment status of students who receive Federal student loans. This process is called Enrollment Reporting. Enrollment information is used to determine the borrower's eligibility for in-school status, deferment, interest subsidy, and grace period. Enrollment changes, such as a change from full-time to half-time status, graduation, withdrawal, or an approved leave of absence, are changes that need to be reported. The enrollment information is merged into the NSLDS database and reported to guarantors, lenders, and servicers of student loans. The school must report enrollment changes within 30 days; however, if a roster file is expected within 60 days, you may provide the updated data on that roster file.

Possible Asserted Affect

No Affect.

Auditors' Recommendation

Management should review the National Student Clearinghouse submissions and confirmations as well as verifying the information is timely reported to the National Student Loan Data System.

Management's Response

Management will review NSC submissions and verify timeliness of NSLDS submissions.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding

Missouri Western State University has taken corrective action and added procedures to provide oversight to ensure Enrollment Reporting is submitted timely. There was no similar finding identified by the auditor during the current year 2015 audit related to this matter.

Information Required for Bonds

Missouri Western State University
Revenue and Expenditures Schedule
Auxiliary System Bonds
Year Ended June 30, 2015

	2015
Revenue	
Bookstore commissions	\$ 261,887
Student fees	1,781,717
Residence Halls	6,319,691
Campus dining services	4,199,295
Federal interest rebate	276,117
Investment income	24,594
Total revenue	12,863,301
Expenditures	
Dormitory	2,854,086
Campus dining services	3,738,213
Recreational facilities	241,932
Student union	410,907
Total expenditures	7,245,138
Excess of Revenue over Expenditures before Debt Service	5,618,163
Add capital improvements	241,168
Net Available for Debt Service	\$ 5,859,331
Debt Service for Fiscal Year	3,353,528
Coverage	1.75

Missouri Western State University
Changes in Reserve Fund Balances
Auxiliary System Bonds
Year Ended June 30, 2015

	Debt Service Reserve	Repair and Replacement Reserve
Balance, June 30, 2014	\$ 460,000	\$ 300,000
Transfer to auxiliary fund	-	-
Balance, June 30, 2015	\$ 460,000	\$ 300,000

Missouri Western State University
Insurance Coverage
Auxiliary System Bonds
Year Ended June 30, 2015

Insurance coverage as of June 30, 2015 was as follows:

	Amount of Coverage	
	Building	Contents
Blanket building coverage – no coinsurance	\$ 219,941,282	\$ -
Blanket contents coverage – no coinsurance	-	78,538,575
Residential complex (included in blanket figures)		
Nelle Blum Student Union	14,195,310	1,363,839
Beshears Hall	6,772,715	470,735
Juda Hall	6,772,715	470,735
Logan Hall	6,772,715	470,735
Leaverton Hall	8,333,646	653,869
Vaselakos Hall	8,333,646	653,869
Fitness Center	11,649,392	268,804
Scanlon Hall	14,116,263	500,928
Commons Building	1,697,237	253,000
Griffon Hall	12,118,341	600,000
Liability insurance		
Covered under the state legal expense fund (Statutory limit)		
Per person		\$ 100,000
Per occurrence		1,000,000
Blanket crime		100,000

Missouri Western State University
Occupancy Statistics
Auxiliary System Bonds
Years Ended June 30, 2015 and 2014

Student information is as follows:

	<u>Head Count</u>		<u>Full Time Equivalent Students</u>	
	<u>14-15</u>	<u>13-14</u>	<u>14-15</u>	<u>13-14</u>
Summer	1,428	1,359	899	869
Fall	5,926	5,823	4,421	4,420
Spring	4,904	4,951	3,783	3,811

Statistics on the occupancy of the housing facilities are as follows:

	<u>Rooms Available</u>		<u>Rooms Occupied</u>		<u>Occupancy Rate</u>	
	<u>14-15</u>	<u>13-14</u>	<u>14-15</u>	<u>13-14</u>	<u>14-15</u>	<u>13-14</u>
Summer	1,336	1,336	104	148	7.78%	11.08%
Fall	1,336	1,336	1,209	1,217	90.49%	91.09%
Spring	1,336	1,336	1,058	1,041	79.19%	77.92%

Room charges for the fiscal years ended June 30, 2014 and 2013 are as follows:

2015	Summer	Spring	Fall
Living Learning Center	\$ -	\$ 2,124	\$ 2,124
Apartment complex room charges	-	2,387	2,387
Suite complex room charges	600	2,124	2,124
Griffon Hall	-	3,178	3,178
Board charges	-	(**)	(**)
2014	Summer	Spring	Fall
Living Learning Center	\$ -	\$ 2,082	\$ 2,082
Apartment complex room charges	-	2,341	2,341
Suite complex room charges	600	2,082	2,082
Griffon Hall	-	3,131	3,131
Board charges	-	(***)	(***)

A student union fee is charged each student, each semester as follows:

	<u>14-15</u>	<u>13-14</u>
Summer	\$ 15	\$ 15
Spring and fall	41	41

**Room and board charges are per semester, \$1,549 for the full week meal plan, \$1,527 for the 15-meal plan and \$1,525 for the 10-meal plan.

***Room and board charges are per semester, \$1,482 for the full week meal plan, \$1,460 for the 15-meal plan and \$1,447 for the 10-meal plan.