


NOTICE OF MEETING
Board of Governors Finance and Auditing Committee
Truman State University
October 14, 2025

The Board of Governors Finance and Auditing Committee for Truman State University will meet on Tuesday, October 14, 2025, beginning at 8:00 a.m. The meeting will be held in the President's Office, located in McClain Hall 200, on the University campus in Kirksville, Missouri. The public is invited to attend.

The tentative agenda for the meeting is attached to this notice.

Persons with disabilities who may need assistance with the meeting should contact the President's Office on the University campus (telephone 660-785-4100).

Dated this 8th day of October 2025.


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

TENTATIVE AGENDA
Board of Governors Finance and Auditing Committee
Truman State University
October 14, 2025

- | | |
|--------|---|
| ITEM 1 | Call to Order |
| ITEM 2 | Minutes from Prior Meeting |
| ITEM 3 | Review University Audit Drafts with External Auditors |
| ITEM 4 | Meet with External Auditors in Executive Session |
| ITEM 5 | Financial Report |
| ITEM 6 | Accounts Receivables |
| ITEM 7 | List of Projected Agenda Items |
| ITEM 8 | Adjournment |

ITEM 1

Call to Order

ITEM 2

Minutes from Prior Meeting

TRUMAN STATE UNIVERSITY
Kirkville 63501

DRAFT MINUTES OF THE
BOARD OF GOVERNORS
FINANCE AND AUDITING COMMITTEE

MEETING ON
AUGUST 1, 2025

The Board of Governors Finance and Auditing Committee for Truman State University held a meeting on Friday, August 1, 2025. The meeting was held in McClain Hall, Room 206J, on the University's campus in Kirkville, Missouri.

A quorum was present, with two members participating: Sarah Burkemper, in person, and Taylor Burks, via video conference. Also in attendance were Michael Garzanelli, Comptroller, and Mark Herrmann, General Counsel.

The open session of the meeting was called to order at 3:30 p.m. by the Committee Chairperson, Sarah Burkemper.

The minutes of the June 13, 2025, meeting were presented and approved without revision.

The University's financial report was presented by Mr. Garzanelli. Revenues and expenses for the Education and General, Auxiliary, and Foundation funds were discussed.

A brief review of the University's fixed income investment portfolio for the second quarter of the calendar year was presented by Mr. Garzanelli.

The gift policy was presented for review. There were no reports of gifts costing \$50.00 or more to university employees for the past fiscal year.

A brief review of processes offered by the University to report ethic and fiscal misconduct was presented by Mr. Garzanelli.

A review of outstanding accounts receivable was presented by Mr. Garzanelli. Fewer accounts were sent for collection during the past fiscal year than in the prior year.

A list of projected agenda items for future meetings was reviewed. No changes were noted.

Mr. Garzanelli reviewed an expedited remediation project with the committee, and he also quantified the recorded liability as required by generally accepted accounting standards.

The meeting adjourned at approximately 4:15 p.m.

I hereby certify that the foregoing minutes were approved by the Board of Governors Finance and Auditing Committee on the 14th day of October 2025.

Sarah Burkemper, Committee Chair

ITEM 3

Review University Audit Drafts with External Auditors

Truman State University

June 30, 2025



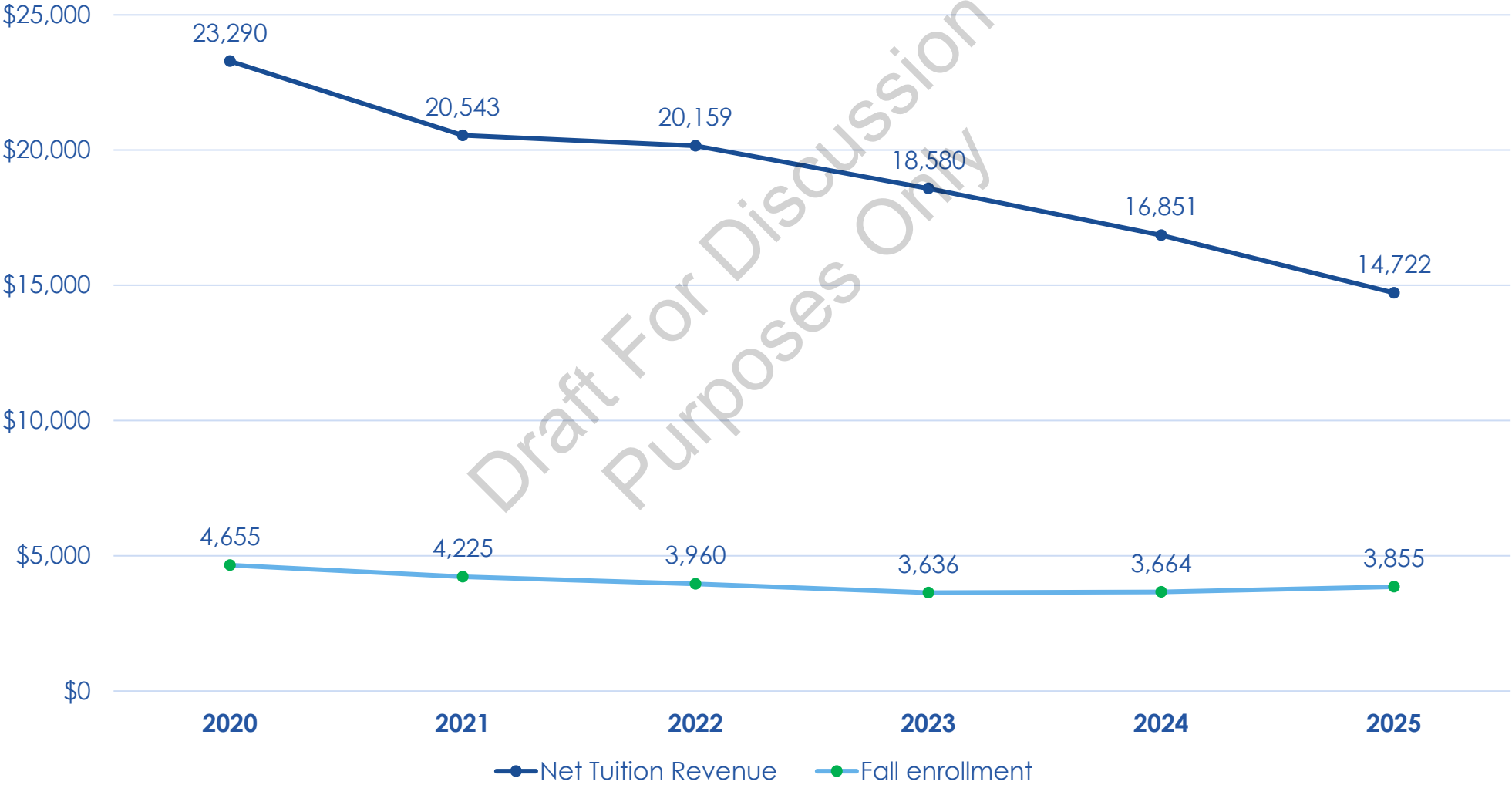
Executive Summary

- Clean Opinion on Financial Statements
- Management was well prepared for the audit
- No changes to planned scope of the audit that was previously communicated
- No adjustments were proposed by RubinBrown as a result of the audit

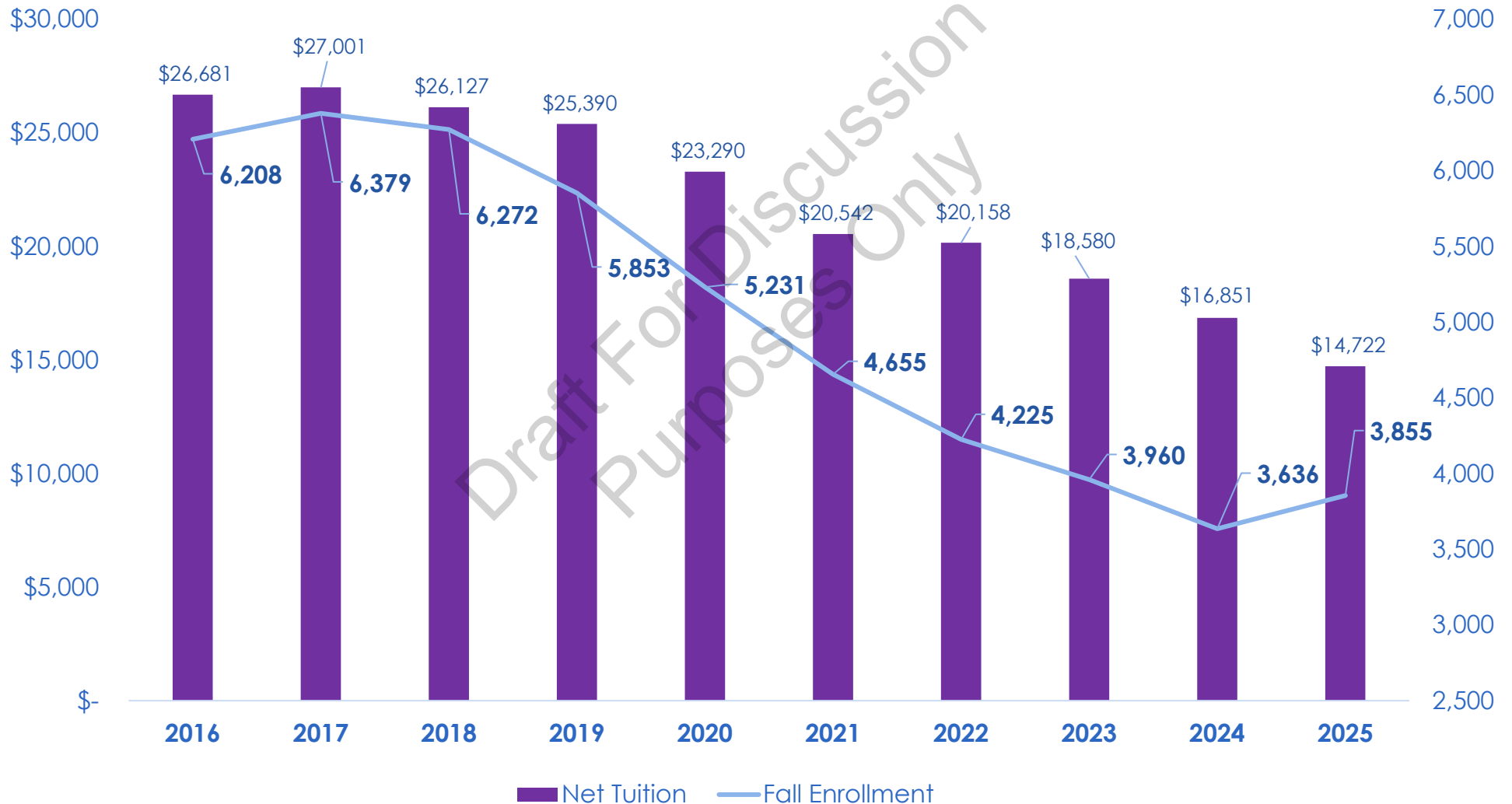
Draft For Discussion
Purposes Only



Tuition Revenue Trends



Tuition Revenue and Enrollment Trends



Financial Analysis

	June 30,	
	2025	2024
Assets		
Cash	\$ 2,270	\$ 2,791
Receivables	5,486	5,407
Investments	181,142	167,680
Loans to students, net	206	695
Capital assets	172,083	172,624
Other assets	1,965	1,537
Total Assets	\$ 363,152	\$ 350,734
Deferred Outflows Of Resources	\$ 18,594	\$ 20,818

OBSERVATIONS

- Investments increased by \$13.5M, due to an overall positive net investment return on the Foundation's and University's assets in the current year.
- Capital assets decreased by \$541K in the current year related primarily to the Kirk Building, HVAC and Roofing, offset by scheduled depreciation on existing assets.



Financial Analysis

	June 30,	
	2025	2024
Liabilities		
Accounts payable and accrued expenses	\$ 10,809	\$ 9,875
Other employee related obligations	2,303	1,548
Long-term debt	24,075	27,260
Net pension liability	89,634	95,249
Perkins liability	665	942
Subscription liability	2,712	2,921
Other liabilities	2,488	2,700
Total Liabilities	\$ 132,686	\$ 140,495
Deferred Inflows Of Resources	\$ 7,128	\$ 5,015

OBSERVATIONS

- Long-term debt decreased by \$3.2M due to the scheduled maturity payments on the outstanding bonds and the financed energy project purchases.
- The net pension liability decreased by approximately \$5.6M, primarily due to changes in the actuarial estimates and assumptions in the MOSERS plan.
- The Perkins liability continues to decline as funds are collected from students and the federal program continues to sunset.



Financial Analysis

	June 30,	
	2025	2024
Revenues		
Tuition and fees, net	\$ 14,722	\$ 16,851
Grants, contracts and contributions	18,559	20,730
Auxiliary enterprises	15,388	15,200
Investment income	13,954	13,212
Revenues designated for endowment and capex	5,055	1,699
State appropriation	48,678	47,260
Other revenues	3,120	1,758
Total Revenues	\$ 119,476	\$ 116,710

OBSERVATIONS

- Tuition and fees decreased by \$2.1M from the prior year, mostly related to increases in institutional scholarships (discounts).
- Grants, contracts and contributions decreased by over \$3.3M, mostly related to funding for construction projects on campus.
- State appropriations increased by \$1.4 over the prior year, which is a significant source of revenue for the University.



Financial Analysis

	June 30,	
	2025	2024
Total Revenues (From Previous Page)	\$ 119,476	\$ 116,710
Expenses		
Salaries and Wages	41,755	40,127
Benefits	17,518	13,772
Supplies and other services	28,873	26,956
Other nonoperating costs	133	(1,096)
Interest	688	741
Depreciation	14,620	14,486
Total Expenses	\$ 103,587	\$ 94,986
Change In Net Position	\$ 15,889	\$ 21,724

OBSERVATIONS

- Benefit expenses increased by \$3.7M from the prior year. The majority of this change relates to the overall change in the net pension liability and related deferred inflows/outflows.
- Interest expense decreased from the current year given the paydown of bonds that occurred in 2023, which drove a lower debt service amount for the entirety of 2024 and 2025.



Appendix

*Detailed Auditor
Communications*

Draft For Discussion
Purposes Only



TRUMAN STATE UNIVERSITY

AUDITOR COMMUNICATIONS

JUNE 30, 2025

Draft For Discussion
Purposes Only

Board of Governors and Finance and Auditing Committee
Truman State University
Kirksville, Missouri

We have audited the financial statements of Truman State University (the University) as of and for the year ended June 30, 2025, and have issued our report thereon dated **October **, 2025**. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 13, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. During the year ended June 30, 2025, the University adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. No other new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2025. We noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred. There are no instances where we consider a significant accounting practice that is acceptable under the applicable financial reporting framework not to be most appropriate to the particular circumstances of the University.

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures that were brought to the attention of management.

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

Management's estimate of the valuation of investments is based on observable inputs and information received related to the net asset values per share of investments held. We evaluated the key factors and assumptions used to develop the valuation of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

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

The disclosure of Deposits, Investments And Fair Value

The disclosure of Long-Term Liabilities

Circumstances that Affect the Form and Content of the Auditors' Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditors' report.

There were no circumstances that caused us to modify our auditors' report.

Matters Resulting in Consultation Outside the Engagement Team

There were no significant matters which resulted in consultation outside of our engagement team.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected misstatements proposed by us during our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no such corrected misstatements noted during the completion of our audit procedures.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the attached management representation letter.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the

University's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the information and use of the Board of Governors, University Finance and Auditing Committee, and Management of Truman State University, and is not intended to be and should not be used by anyone other than these specified parties.

October **, 2025

Draft For Discussion
Purposes Only

REPORT DATE

RubinBrown LLP
1200 Main Street
Suite 1000
Kansas City, MO 64105

This representation letter is provided in connection with your audit of the financial statements of Truman State University, which comprise the statement of financial position for the business-type activities of Truman State University as of June 30, 2025 and 2024, and the respective changes in financial position and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

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

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

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- 2) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
- 5) All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 6) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 7) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- 8) With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.

- d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- 9) All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- 10) All funds and activities are properly classified.
- 11) All net position components and fund balance classifications have been properly reported.
- 12) All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 13) All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- 14) All interfund and intra-entity transactions and balances have been properly classified and reported.
- 15) Special items and extraordinary items have been properly classified and reported.
- 16) Deposit and investment risks have been properly and fully disclosed.
- 17) Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- 18) All required supplementary information is measured and presented within the prescribed guidelines.
- 19) Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
- 20) With regard to pensions:
 - a. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Information Provided

- 21) We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- 22) All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 23) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 24) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
- 25) We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
- 26) We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 27) We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 28) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.

- 29) We have a process to track the status of audit findings and recommendations.
- 30) We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 31) We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 32) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 33) We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- 34) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- 35) The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 36) We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.
- 37) We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 38) There are no violations or possible violations or laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
- 39) There are no other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62.
- 40) We have disclosed to you all known actual or possible litigation, claims and assessment whose effects should be considered when preparing the financial statements.
- 41) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- 42) We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 43) We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- 44) The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.

Single Audit

- 45) With respect to federal awards, we represent the following to you:
 - a. We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
 - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards (SEFA) in accordance with the Uniform Guidance.
 - c. We believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance.
 - d. We acknowledge our responsibility for presenting the SEFA in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior

period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

- e. We are responsible for including the auditors' report on the SEFA in any document that contains the schedule and that indicates that the auditor has reported on such information.
- f. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- g. When the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date of issuance by the entity of the SEFA and the auditors' report thereon.
- h. We have, in accordance with the Uniform Guidance, identified in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- i. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
- j. We have made available to you all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
- k. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- l. We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditors' report.
- m. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- p. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- q. *(If the entity has passed federal assistance through to subrecipients)* We have monitored subrecipients, as necessary, to determine if they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- r. *(If the entity has passed federal assistance through to subrecipients)* We have issued management decisions for audit findings that relate to federal awards we make to subrecipients and such management decisions are issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipients have taken the appropriate and timely action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient from the pass-through entity.
- s. *(If the entity has passed federal assistance through to subrecipients)* We have considered the results of subrecipients' audits and have made any necessary adjustments to our own books and records.
- t. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- u. We have charged costs to federal awards in accordance with applicable cost principles.

- v. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- w. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- x. The reporting package does not contain personally identifiable information.
- y. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- z. We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.
- aa. We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditors' role in the preparation of the adjustments. (This representation is required by footnote 28 to paragraph 3.18 of *Government Auditing Standards* when the auditor has a role in converting cash-basis financial statements to accrual-based financial statements.)
- bb. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

In addition:

- cc. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements
 - dd. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditors' report.
 - ee. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form and we are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- 46) We have made all management decisions and performed all management functions in relation to non-attest services provided by RubinBrown, LLP, as listed below. We have designated Mike Garzanelli, an employee with suitable skill, knowledge, and/or experience to oversee the services received. Furthermore, we have established and maintained internal controls, including monitoring activities related to the non-attest services provided by RubinBrown, LLP, and we have evaluated and accept responsibility for the adequacy and results of the non-attest services received.

The non-attest services provided by RubinBrown, LLP are listed below:

- > Preparation and Review of IRS form 990-T (if required to be filed at date of determination)
- > Preparation and processing of financial statements, using information provided to us by management
- > Preparation of data collection form

Dr. Susan Thomas, President

Mike Garzanelli, University Comptroller

Cheryl Cragg, Assistant Comptroller

Draft For Discussion
Purposes Only

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

Board of Governors
Truman State University
Kirksville, Missouri

We have audited, 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 (*Government Auditing Standards*), the financial statements of Truman State University (the University), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated **October **, 2025**.

Report On Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 would consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report On Compliance And Other Matters

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

Purpose Of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October **, 2025

TRUMAN STATE UNIVERSITY
A COMPONENT UNIT OF
THE STATE OF MISSOURI
FINANCIAL STATEMENTS
JUNE 30, 2025



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Independent Auditors' Report

Board of Governors and Audit Committee
Truman State University
Kirksville, Missouri

Report On The Audit Of The Financial Statements

Opinion

We have audited the financial statements of Truman State University (the University), a component unit of the State of Missouri, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities of the University as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **October ***, on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

October **, 2025

TRUMAN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Truman State University (the University) annual financial report presents management's discussion and analysis of the financial condition and performance of the University during the fiscal years ended June 30, 2025, 2024 and 2023. This discussion should be read in conjunction with the accompanying financial statements and footnotes. The financial statements, footnotes and this discussion are the responsibility of University management.

Using The Annual Financial Statement

This annual report consists of financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) Statements No. 35, *Basic Financial Statements and Management Discussion and Analysis for Public Colleges and Universities*. The financial statements prescribed by GASB Statement No. 35 (the statement of net position, statement of revenues, expenses, and changes in net position and the statement of cash flows) are prepared under the accrual basis of accounting, whereby revenues, and assets are recognized when the service is provided and expense and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The University adopted GASB Statement 84, for reporting fiduciary activities, and GASB Statement 87, for reporting lease liabilities, during fiscal years 2020 and 2021, respectively. The implementation of these accounting standards did not have a material effect on the financial statements.

The University adopted GASB Statement 96, for subscription-based information technology arrangements (SBITAs), during fiscal years 2022 and 2023.

The University adopted GASB Statement 101, for compensated absences, during fiscal years 2024 and 2025.

About The University

Truman State University was established in 1867, and is presided over by a Board of Governors. The University was designated as the statewide liberal arts and sciences institution in 1986, and it offers undergraduate and graduate degree programs, minors, and several additional areas of specialization within academic departments.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

During fall of 2025, the University enrolled 3,855 students. The institution's primary mission is undergraduate education, and enrollment data reflected this mission.

	2025	2024	2023
Undergraduate	3,506	3,265	3,302
Graduate	349	399	334
	3,855	3,664	3,636

Most students enrolled at the University are full-time, degree-seeking undergraduates who live in residence halls or in the Kirksville community. The University has a diverse student body, and the majority of its students are residents of Missouri. The remaining students come from 38 other states and 46 foreign countries.

Statement Of Net Position

The statement of net position includes all assets and liabilities of Truman State University and Truman State University Foundation (the Foundation). The difference between total assets and total liabilities, or net position, is one indicator of the current financial condition of the University. The change in net position measures whether the overall financial condition has improved, or worsened, during the year. However, changes in net position should be considered in conjunction with nonfinancial facts such as enrollment and the condition of the University's facilities.

Nonexpendable restricted net position is subject to externally imposed stipulations that may be maintained permanently by the University. Expendable restricted net position is subject to externally imposed stipulations that can be fulfilled by actions of the University or that expire by the passage of time. The category of unrestricted net position is not subject to externally imposed stipulations. It may be designated for specific purposes by actions of management or the Board of Governors, or it may be limited by contractual agreements with outside parties.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Condensed Statements Of Net Position As Of June 30, 2025, 2024 And 2023

	2025	2024	2023
Assets			
Current Assets	\$ 33,594,274	\$ 39,886,920	\$ 31,668,522
Noncurrent Assets	329,558,895	310,846,939	304,718,699
Total Assets	363,153,169	350,733,859	336,387,221
Deferred Outflows of Resources	18,593,904	20,817,621	16,530,140
Liabilities			
Current Liabilities	18,871,457	17,664,126	15,658,303
Noncurrent Liabilities	113,815,338	122,830,277	129,992,949
Total Liabilities	132,686,795	140,494,403	145,651,252
Deferred Inflows of Resources	7,128,301	5,014,686	2,948,182
Net Position			
Net investment in capital assets	141,008,930	139,438,582	135,967,917
Restricted, nonexpendable	37,432,754	36,436,390	35,543,461
Restricted, expendable	47,543,743	42,777,749	35,786,683
Unrestricted	15,946,550	7,389,670	(2,980,134)
Total Net Position	\$ 241,931,977	\$ 226,042,391	\$ 204,317,927

Fiscal year 2025 net position increased by \$15.9 million compared to 2024, primarily due to an increase in investment values, a decrease in long-term debt and a reduction in net pension liability.

At June 30, 2025, 2024, and 2023, the University's current assets of \$33.6 million, \$39.9 million and \$31.7 million, respectively, were sufficient to cover current liabilities during the same periods. At June 30, 2025, noncurrent assets of \$329.6 million primarily included investments of \$157.2 million and capital assets (net of depreciation) of \$172.1 million.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Total University liabilities totaled \$132.7 million, \$140.5 million and \$145.7 million at June 30, 2025, 2024 and 2023, respectively. At June 30, 2025, current liabilities consisted primarily of accounts payable and accrued liabilities of \$10.8 million, the current portion of long-term debt of \$3 million, and unearned revenue of \$1.9 million. A large portion of noncurrent liabilities related to the University's net pension liability of \$89.6 million. Revenue bonds secured by the Housing System represent the other significant component of noncurrent liabilities and are outlined below:

	2025	2024	2023
Bonds Payable			
Student Housing System Revenue Bonds 2016	\$ 12,160,000	\$ 13,075,000	\$ 13,960,000
Student Housing System Revenue Bonds 2020	10,515,000	11,720,000	12,905,000
Total bonds payable	22,675,000	24,795,000	26,865,000
Unamortized premium on bonds payable	253,939	278,124	302,308
Total bonds payable plus unamortized premium	22,928,939	25,073,124	27,167,308

During its most recent review in March of 2024, Moody's Investors Service downgraded Truman State University's housing system revenue bonds from A2 to A3. However, Moody's affirmed the University's A2 issuer rating. The downgrade of the housing system revenue bonds was based on declines in pledged revenue from the auxiliary system as a result of multi-year declines in enrollment which reduced housing system occupancy and top-line revenues. The affirmation of the A2 issuer rating recognized the University's fundamental credit strengths including ample liquidity along with careful budgeting and expense management.

Statement Of Revenues, Expenses, And Changes In Net Position

The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. A public university's dependency on state appropriations and gifts could result in operating deficits because the financial reporting model classifies state appropriations and gifts as nonoperating revenues. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Condensed Statements Of Revenues, Expenses, And Changes In Net Position For The Years Ended June 30, 2025, 2024 And 2023

	2025	2024	2023
Operating Revenue	\$ 45,039,396	\$ 50,016,879	\$ 41,351,003
Operating Expense	102,765,140	95,291,421	98,710,383
Operating Loss	(57,725,744)	(45,274,542)	(57,359,380)
Net Nonoperating Revenues	68,560,008	65,299,640	54,742,787
Gain/Loss before other revenue	10,834,264	20,025,098	(2,616,593)
Appropriations, gifts and revenues restricted for capital improvements	3,942,154	756,669	3,847,274
Additions to permanent endowments	1,113,168	942,697	1,188,817
Total Increase In Net Position	\$ 15,889,586	\$ 21,724,464	\$ 2,419,498

Comparisons 2025 To 2024

Significant sources of revenue for the University were state appropriations at \$48.7 million in 2025 compared to \$47.3 million in 2024; student tuition and fees totaling \$14.7 million in 2025 compared to \$16.9 million in 2024; federal grants and contracts totaling \$16.1 million in 2025 compared to \$18.8 million in 2024; auxiliary services totaling \$15.4 million in 2025 compared to \$15.2 million in 2024; and investment income totaling \$13.7 million in 2025 compared to \$12.9 million in 2024.

Operating expenses were \$102.8 million in 2025 compared to \$95.3 million in 2024. Salaries and wages grew 4%, and fringe benefits increased 27% due to changes in pensions, insurance, compensated absences and retirement incentives. Supplies and other services grew 14%, scholarships increased 48%, depreciation edged higher by 1%, utilities fell 5%, and other expenses decreased 3%.

Comparisons 2024 To 2023

Significant sources of revenue for the University were state appropriations at \$47.3 million in 2024 compared to \$44.9 million in 2023; student tuition and fees totaling \$16.9 million in 2024 compared to \$18.6 million in 2023; federal grants and contracts totaling \$15.9 million in 2024 compared to \$5.6 million in 2023; auxiliary services totaling \$15.2 million in 2024 compared to \$14.4 million in 2023; and investment income totaling \$12.9 million in 2024 compared to \$6 million in 2023.

Operating expenses were \$95.3 million in 2024 compared to \$98.7 million in 2023 with salaries and wages up 2%, fringe benefits down 25% due to changes in pension assumptions, supplies and other services down 1%, scholarships down 1%, depreciation up 2%, utilities down 1%, and other expenses up 7%.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Statement Of Cash Flows

The statement of cash flows presents the University's flows of cash by defined categories. The primary purpose of the statement of cash flows is to illustrate the University's cash receipts and payments during the year.

Condensed Statements Of Cash Flows For The Years Ended June 30, 2025, 2024 And 2023

	2025	2024	2023
Cash And Cash Equivalents Provided By (Used In):			
Operating activities	\$ (43,586,312)	\$ (36,975,007)	\$ (40,944,695)
Noncapital financing activities	55,034,395	52,646,833	49,599,506
Capital and related financing activities	(12,208,534)	(17,201,467)	(18,434,525)
Investing activities	795,038	1,672,084	9,358,280
Net increase (decrease) in cash and cash equivalents	34,587	142,443	(421,434)
Cash And Cash Equivalents, Beginning Of Year	8,762,052	8,619,609	9,041,043
Cash And Cash Equivalents, End Of Year	\$ 8,796,639	\$ 8,762,052	\$ 8,619,609

The primary sources of operating cash were student tuition and fees (\$14.6 million, \$16.7 million and \$18.8 million in 2025, 2024 and 2023, respectively); auxiliary enterprises (\$15.4 million, \$15.3 million and \$14.4 million in 2025, 2024 and 2023, respectively); and grants and contracts (\$15.0 million, \$14.1 million and \$5.4 million in 2025, 2024 and 2023, respectively). The largest uses of operating cash were payments to employees (\$59.8 million, \$59.4 million and \$57.4 million in 2025, 2024 and 2023, respectively) and payments to suppliers (\$17.8 million, \$14.7 million and \$13.4 million in 2025, 2024 and 2023, respectively).

State appropriation was the most significant source of cash associated with noncapital financing activities at \$48.7 million, \$47.3 million and \$44.9 million in 2025, 2024 and 2023, respectively.

The purchase of capital assets of \$12.3 million, \$14 million and \$12.1 million in 2025, 2024 and 2023, respectively, represented the largest use of cash associated with capital and related financing activities. Capital asset purchases in fiscal years 2024 and 2025 included recent renovations to the Kirk and Greenwood buildings. The significant increase in fiscal year 2023 principal payments reflected the defeasement of the 2015 revenue bond series.

The net change in cash from investing activities was due to investment income of \$4.7 million, \$5.7 million and \$0.5 million in 2025, 2024 and 2023, respectively; and the purchase and sale of securities of (\$3.9) million, (\$4.1) million and \$8.8 million in 2025, 2024 and 2023, respectively.

TRUMAN STATE UNIVERSITY

Management's Discussion And Analysis (*Continued*)

Expenses By Functional Categories

The University also tracks expenses by functional categories (such as Instruction, Research and Student Services) for the State of Missouri and other external agency purposes. The categorization of expenses also helps the University monitor expenditures in mission critical areas such as instruction. Depreciation and maintenance of plant have been allocated among the other functional expenses to conform to the Integrated Postsecondary Education Data System (IPEDS) finance survey.

Functional operating expenses follow:

	2025	%	2024	%	2023	%
Instruction	\$ 49,850,115	48.51%	\$ 46,568,127	48.87%	\$ 49,901,949	50.55%
Credit and noncredit courses						
Research	705,393	0.69%	755,523	0.79%	669,728	0.68%
Activities specifically organized to produce research outcomes from funds awarded by external agencies, as well as internally supported programs						
Public Service	3,238,731	3.15%	3,197,421	3.36%	3,076,467	3.12%
Activities that primarily provide non-instructional services to individuals and groups outside of the University. Expenditures are primarily for community service.						
Academic Support	8,384,389	8.16%	7,233,316	7.59%	7,378,540	7.47%
Supporting services to instruction, research and public service. Includes libraries, academic administration and instructional media.						
Student Services	14,220,507	13.84%	12,723,198	13.35%	12,948,898	13.12%
Activities which primarily contribute to students' well-being outside the formal instruction program. Includes admissions, registrar, student activities and financial aid administration.						
Institutional Support	8,114,393	7.90%	7,278,145	7.64%	7,331,713	7.43%
Activities which generally provide support to the entire University. Includes executive management, fiscal operations, personnel, development, fundraising activities and general admin services.						
Scholarships & Fellowships	766,124	0.75%	508,308	0.53%	523,401	0.53%
Awards for grant-in-aid stipends to students based on financial need and/or merit.						
Auxiliary Enterprises	17,485,488	17.00%	17,027,383	17.87%	16,879,687	17.10%
Expenditures of essentially self-supporting activities such as Student Union Building, housing, cafeterias and recreation center.						
Total Operating Expenses	\$ 102,765,140	100.00%	\$ 95,291,421	100.00%	\$ 98,710,383	100.00%

Physical Plant

The University focused on renovating existing facilities during fiscal year 2025. The historic Kirk Building was transformed into a Student Success Center at a projected cost of \$21 million. This project will provide a central facility where students and area residents are able to access various services at a single location. These services will include academic advisement, tutoring, rural healthcare including both in-person and remote mental health counseling, and career planning. The Kirk Building renovation was funded by the State of Missouri and through a federal Health Resources and Services Administration grant. This two-year project is expected to be completed early in calendar year 2026.

As a component of the State of Missouri's fiscal year 2025 budget, the University was appropriated \$5.2 million to make heating, ventilation and air-conditioning (HVAC) improvements to several buildings across campus. This appropriation included design, equipment and construction related costs. This project is expected to be completed by the end of calendar year 2025.

The University also continued to address regularly scheduled maintenance and facility improvements. Six separate roof and masonry replacement and repair projects were completed on Magruder Hall, McClain Hall, Missouri Hall, Ophelia Parrish, Pickler Memorial Library and Ryle Hall and at a combined cost of nearly \$1 million. Food service reinvestment funds were also used to renovate the Ryle Hall cafeteria and the Student Union Building's Chick-fil-A restaurant at a cost of \$1.6 million and \$610,000, respectively. Future capital projects will likely include additional roof replacements and central boiler system renovations designed to improve efficiency and reduce heating costs.

Looking Forward

As a public university, Truman State's outlook is closely tied to the financial strength of the State of Missouri. Traditionally, a large source of Education and General revenue has been derived through state appropriations, and the operating funds received from the state for fiscal year 2026 increased by 1.5%.

The Missouri General Assembly modified the Higher Education Student Funding Act in 2021, and tuition increases are no longer capped by the Consumer Price Index. The University increased fiscal year 2026 tuition by 4%. Similarly, room and board prices were increased by an average of 4.5%.

Truman State continues to fulfill its mission as Missouri's public liberal arts and sciences university by actively surveying the educational requirements of potential students and the labor market. During the last three fiscal years, the University created ten new undergraduate programs, seven new graduate degrees, and four new certificate programs to meet the changing needs of existing and prospective students.

TRUMAN STATE UNIVERSITY

STATEMENT OF NET POSITION**Page 1 Of 2**

	June 30,	
	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,480,973	\$ 1,734,297
Restricted cash and cash equivalents	789,214	1,056,317
Restricted short-term investments	2,099,789	2,642,098
Short-term investments	21,123,816	26,539,105
Accounts receivable, net of allowance: \$101,509 in 2025, \$86,102 in 2024	1,115,796	973,531
Interest receivable	704,650	542,567
Federal and state grants receivable	1,620,240	4,098,309
Other receivables	2,750,384	334,780
Inventories	188,638	154,850
Loans to students, net of allowance: \$23,970 in 2025, \$26,785 in 2024	130,214	597,314
Prepaid expenses	1,590,560	1,213,752
Total Current Assets	33,594,274	39,886,920
Noncurrent Assets		
Investments	157,213,884	137,956,668
Loans to students, net of allowance: \$78,923 in 2025, \$84,985 in 2024	76,045	97,207
Capital assets, net	172,083,343	172,624,225
Cash value of life insurance	185,623	168,839
Total Noncurrent Assets	329,558,895	310,846,939
Total Assets	363,153,169	350,733,859
Deferred Outflows Of Resources		
Deferred amounts on University pension contributions	7,711,912	7,996,058
Deferred amounts on debt refundings	482,541	521,667
Deferred amounts related to pension plan	10,399,451	12,299,896
Total Deferred Outflows Of Resources	18,593,904	20,817,621

TRUMAN STATE UNIVERSITY

STATEMENT OF NET POSITION

Page 2 Of 2

	June 30,	
	2025	2024
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 10,809,224	\$ 9,874,768
Accrued early retiree termination benefits	452,628	—
Accrued compensated absences - current portion	1,134,440	1,151,331
Unearned revenue	1,852,916	1,961,024
Annuities and trusts payable	52,294	71,989
Long-term debt - current portion	3,011,541	3,185,434
Subscription liability - current portion	1,084,862	839,384
Due to federal government - current portion	177,098	275,439
Deposits held in custody for others	296,454	304,757
Total Current Liabilities	18,871,457	17,664,126
Noncurrent Liabilities		
Accrued compensated absences	716,276	396,966
Subscription liability	1,626,895	2,081,677
Annuities and trusts payable	286,637	361,748
Long-term debt	21,063,067	24,074,610
Due to federal government	488,373	666,096
Net pension liability	89,634,090	95,249,180
Total Noncurrent Liabilities	113,815,338	122,830,277
Total Liabilities	132,686,795	140,494,403
Deferred Inflows Of Resources		
Deferred amounts related to pension plan	7,128,301	5,014,686
Net Position		
Net investment in capital assets	141,008,930	139,438,582
Restricted for:		
Nonexpendable:		
Endowment	37,432,754	36,436,390
Expendable:		
Scholarships and fellowships	17,917,913	15,276,993
Loans	5,015,499	4,783,797
Other:		
Education & general	17,154,358	15,499,122
Capital improvement	6,909,860	6,741,039
Athletics	546,113	476,798
Unrestricted	15,946,550	7,389,670
Total Net Position	\$ 241,931,977	\$ 226,042,391

TRUMAN STATE UNIVERSITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For The Years Ended June 30,	
	2025	2024
Operating Revenues		
Tuition and fees, net	\$ 14,722,472	\$ 16,850,983
Federal grants and contracts	12,248,418	15,862,200
State grants and contracts	487,746	179,517
Private grants and contracts	4,485	22,348
Interest on student loans receivable	119,206	136,444
Sales and services of educational activities	266,437	313,776
Auxiliary enterprises, net	15,387,807	15,200,080
Other operating revenues	1,802,825	1,451,531
Total Operating Revenues	45,039,396	50,016,879
Operating Expenses		
Salaries and wages	41,754,760	40,127,337
Fringe benefits	17,517,522	13,772,275
Supplies and other services	17,503,610	15,364,000
Scholarships and fellowships	766,124	518,290
Depreciation	14,620,306	14,485,909
Utilities	4,339,419	4,586,210
Other	6,263,399	6,437,400
Total Operating Expenses	102,765,140	95,291,421
Operating Loss	(57,725,744)	(45,274,542)
Nonoperating Revenues (Expenses)		
State appropriations	48,678,224	47,260,412
Federal grants and contracts	3,811,037	2,925,770
Contributions	2,007,028	1,740,182
Change in value of annuity and trust obligations	44,041	(50,215)
Income from trusts	132,784	128,350
Investment income	13,701,725	12,947,280
Interest on capital asset-related debt	(687,765)	(741,165)
Loss on disposal of capital assets	(133,993)	(7,399)
Other nonoperating revenue (expenses)	1,006,927	1,096,425
Nonoperating Revenues, Net	68,560,008	65,299,640
Gain Before Capital Contributions And Additions To Permanent Endowment	10,834,264	20,025,098
Appropriations, Gifts And Revenues Restricted For Capital Improvements	3,942,154	756,669
Additions To Permanent Endowment	1,113,168	942,697
Increase In Net Position	15,889,586	21,724,464
Net Position - Beginning Of Year	226,042,391	204,317,927
Net Position - End Of Year	\$ 241,931,977	\$ 226,042,391

TRUMAN STATE UNIVERSITY

STATEMENT OF CASH FLOWS

Page 1 Of 2

	For The Years Ended June 30,	
	2025	2024
Cash Flows From Operating Activities		
Tuition and fees	\$ 14,619,106	\$ 16,742,991
Grants and contracts	15,017,897	14,124,538
Payments to suppliers	(17,789,997)	(14,658,467)
Payments for utilities	(4,339,419)	(4,586,210)
Payments to employees	(59,794,993)	(59,399,582)
Payments for scholarships and fellowships	(766,124)	(518,290)
Loans issued to students	(45,490)	(64,668)
Collections of loans to students	652,958	884,285
Sales and services of auxiliary enterprises	15,426,023	15,251,695
Sales and services of educational activities	266,437	313,776
Other payments	(6,832,710)	(5,065,075)
Net Cash Used In Operating Activities	(43,586,312)	(36,975,007)
Cash Flows From Noncapital Financing Activities		
State appropriations	48,678,224	47,260,412
Repayments of federal loans	(276,064)	(309,741)
Gifts and grants for other than capital purposes	5,818,065	4,665,952
Payments of annuity and trust obligations	12,677	(71,988)
Endowment gifts	1,113,168	942,697
Interest paid on subscriptions	(259,419)	(177,090)
Payments made for subscriptions	(1,207,187)	(1,102,068)
Other receipts (disbursements)	1,154,931	1,438,659
Net Cash Provided By Noncapital Financing Activities	55,034,395	52,646,833
Cash Flows From Capital And Related Financing Activities		
Appropriations, gifts and revenues restricted for capital improvements	3,942,154	756,669
Purchase of capital assets	(12,273,378)	(13,989,509)
Interest paid on capital debt and leases	(691,874)	(745,274)
Principal paid on capital debt and leases	(3,185,436)	(3,223,353)
Net Cash Used In Capital And Related Financing Activities	(12,208,534)	(17,201,467)
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	47,666,468	84,091,272
Investment income	4,719,018	5,757,477
Purchases of investments	(51,590,448)	(88,176,665)
Net Cash Provided By Investing Activities	795,038	1,672,084
Net Increase In Cash And Cash Equivalents	34,587	142,443
Cash And Cash Equivalents - Beginning Of Year	8,762,052	8,619,609
Cash And Cash Equivalents - End Of Year	\$ 8,796,639	\$ 8,762,052

TRUMAN STATE UNIVERSITY

STATEMENT OF CASH FLOWS

Page 2 Of 2

	For The Years Ended June 30,	
	2025	2024
Reconciliation Of Cash And Cash Equivalents To The Statement Of Net Position		
Cash	\$ 1,480,973	\$ 1,734,297
Restricted cash - current	789,214	1,056,317
Cash equivalents included in short-term investments	5,903,880	5,838,949
Cash equivalents included in investments - noncurrent	622,572	132,489
Total Cash And Cash Equivalents	\$ 8,796,639	\$ 8,762,052
Reconciliation Of Operating Loss To Net Cash From Operating Activities		
Operating loss	\$ (57,725,744)	\$ (45,274,542)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization expense	14,620,306	14,485,909
Net change in pension expense	(1,277,758)	(5,129,821)
Changes in assets and liabilities:		
Receivables, net	(79,800)	(2,320,151)
Inventories	(33,788)	13,958
Loans receivable	488,262	683,173
Prepaid expenses and other assets	(340,635)	1,028,331
Accounts payable and accrued liabilities	124,209	(335,812)
Unearned revenue	(108,108)	242,039
Accrued compensated absences and early termination benefits	755,047	(370,149)
Deposits held in custody for others	(8,303)	2,058
Net Cash Used In Operating Activities	\$ (43,586,312)	\$ (36,975,007)
Supplemental Disclosure Of Cash Flow Information		
Noncash gifts received	\$ 40,827	\$ 142,241
Accounts payable incurred for capital asset purchases	3,805,506	2,991,150
Loss on disposal of capital assets	133,993	7,399
Right of use assets additions	963,383	3,489,713
Unrealized gains on investments	8,820,624	6,990,577

TRUMAN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 And 2024

1. Nature Of Operations And Summary Of Significant Accounting Policies

Nature Of Operations

Truman State University (the University) is a state-assisted university with its campus located in Kirksville, Missouri, operating under the jurisdiction of its Board of Governors. The University is a component unit of the state of Missouri. The University is fully accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The University awards graduate and undergraduate degrees from five schools and serves a population of approximately 3,800 students.

Reporting Entity

The University determines its financial reporting entity pursuant to GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statements No. 61 and No. 80. As a result of the application of this pronouncement, the University includes the Truman State University Foundation (the Foundation), a legally separate not-for-profit corporation, as a blended component unit within its financial statements. Representatives of the University hold a voting majority of the seats on the Foundation's Nominating Committee, which in turn appoints a voting majority of the members of the Foundation's Board of Trustees. Additionally, the Foundation provides a financial benefit to the University, as the University is able to access the Foundation's resources. Finally, the Foundation provides services entirely to the University. Accordingly, the University presents the Foundation as a blended component unit.

Pursuant to the blended method of component unit presentation, the financial data of the Foundation is combined with the financial data of the University within these financial statements. Transactions between the University and the Foundation have been eliminated as part of the combination process.

Separately issued financial statements for the Foundation can be obtained by calling 660-785-4150, or writing to Truman State University, Attn: Office of Advancement, 100 E. Normal, Kirksville, MO 63501.

Basis Of Accounting And Presentation

The University prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). The financial statements of the University have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements unless they relate to services provided and used internally. The University first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position is available.

Cash Equivalents

The University considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2025 and 2024, cash equivalents consisted primarily of money market funds.

Investments And Investment Income

Investments in equity securities, fixed income securities, mutual funds, limited partnerships and limited liability companies are carried at fair value. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit and repurchase agreements are carried at cost plus accrued interest, which approximates fair value.

Investment income includes interest income, dividend income, net realized gains and losses from the sale of securities, and net unrealized gains and losses that represent the change in the fair value of securities for the year.

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts.

Accounts Receivable

Accounts receivable consists mostly of enrollment fee charges to students and charges for auxiliary enterprise services provided to students. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollected amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Inventories

Inventories consist of farm animals and supplies. Inventories are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

Loans To Students

The University makes loans to students under various federal and other loan programs. Loans to students are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollected amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to loans to students.

Subscription-Based Information Technology Arrangements

For qualifying subscription arrangements, a subscription liability and right to use asset is recognized at the commencement of the underlying contractual term. A corresponding subscription liability is also recognized at the commencement date based on the estimated present value of the payments over the contractual term.

When not expressly stated in the terms of the subscription agreement, the University establishes a discount rate at the beginning of each fiscal year based on the bank prime loan rate as published by the Federal Reserve Bank of St. Louis to calculate the present value of the subscription liability. The bank prime loan rate is a widely used interest rate benchmark for establishing commercial credit, and at July 2025, this rate was 7.5%. The University has elected to combine software and non-software components for all contracts and has not recognized right to use assets and subscription liabilities for arrangements with terms of 12 months or less.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the University:

Land improvements	20 years
Buildings and improvements	20 - 50 years
Infrastructure	20 years
Furniture, fixtures and equipment	3 - 20 years
Library materials	10 years

All interest costs of \$687,765 and \$741,165 incurred in 2025 and 2024, respectively, were charged to expense.

Compensated Absences

University policies permit nonacademic employees to accumulate vacation and compensating time benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits when earned, whether the employee is expected to realize the benefit as time off or in cash. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

The University implemented GASB Statement No. 101, Compensated Absences. The new statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability is required to be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The impact of this new standard is not material and balances reported in previous periods were not changed as a result of the implementation of this new standard.

Unearned Revenue

Unearned revenue primarily represents tuition and student fees not earned during the current year, as well as advances on grants and contract awards for which the University has not met all of the applicable eligibility requirements.

Pensions

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

Net Position

Resources are required to be classified for accounting and reporting purposes into the following three net position categories:

- ***Net Investment In Capital Assets:*** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- ***Restricted:***
 - Nonexpendable*** - Net position subject to externally imposed stipulations that the University maintain them permanently. Such assets include the Foundation's permanent endowment funds.
 - Expendable*** - Net position whose use by the University is subject to the externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.
- ***Unrestricted*** - Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Governors or may otherwise be limited by contractual agreements with outside parties. Approximately \$2 million of the Foundation's unrestricted net position at June 30, 2025 and 2024 is designated by the Board as an endowment for scholarships.

Classification Of Revenues

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

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) sales and services of auxiliary enterprises (3) certain federal grants and (4) interest on student loans.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of certain nonexchange transactions. In a nonexchange transaction, the University receives value without directly giving equal value back, such as with gifts and contributions. Additionally, certain significant revenue relied upon for operations, such as state appropriations, Pell and similar funding, federal and state grants, investment income and endowment income, are reported as nonoperating revenue.

Scholarship Discounts And Allowances

Student enrollment fee revenues and revenues from auxiliary enterprises are reported net of scholarship allowances in the statements of revenues, expenses and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, including federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues while Pell grants are reported as nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees, or auxiliary services, the University has recorded a discount and allowance. The total scholarship allowances on enrollment fees for the years ended June 30, 2025 and 2024 were \$21,409,528 and \$19,314,142, respectively. The total scholarship allowances on fees charged for auxiliary enterprises for the years ended June 30, 2025 and 2024 were \$1,375,302 and \$1,035,638, respectively.

Estimates And Assumptions

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

Income Taxes

As a state institution of higher education, the income of the University is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code (the Code) and a similar provision of state law. The Foundation is exempt from income taxes under Section 501(c)(3) of the Code and a similar provision of state law.

Subsequent Events

Management evaluates subsequent events through the date the financial statements are available for issue, which is the date of the Independent Auditors' Report.

2. Deposits And Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The University's deposit policy for custodial credit risk requires compliance with the provisions of Missouri state law. The Foundation's policy does not currently include that provision.

Missouri state law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. Agencies or instrumentalities or the State of Missouri; bonds of any city, county, school district or special road district of the State of Missouri; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits. As of June 30, 2025, the University's deposits were properly insured or collateralized.

Investments

The University and Foundation may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. Agencies and instrumentalities, fixed income securities, bankers acceptances, commercial paper, corporate bonds, and bank repurchase agreements. The Foundation may also invest in real estate, equity securities, mutual funds, limited partnerships and limited liability companies.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

At June 30, 2025, the University and Foundation had the following investments and maturities:

Type	Fair Value	Maturities In Years			
		Not Applicable	0 - 5	6 - 10	More Than 10
Cash equivalents	\$ 6,526,452	\$ 6,526,452	\$ —	\$ —	\$ —
Fixed income	94,073,848	8,446,775	84,604,163	949,068	73,842
Equity securities	23,012,359	23,012,359	—	—	—
All asset mutual funds	2,325,062	2,325,062	—	—	—
MOSIP reported at NAV	10,010,702	—	10,010,702	—	—
Reported at Net Asset Value:					
Dalfen Last Mile Industrial Fund V LP	676,059	676,059	—	—	—
Global Alpha Int'l Small Cap Fund LP	1,323,120	1,323,120	—	—	—
Hardman Johnston Int'l equity fund II	3,661,813	3,661,813	—	—	—
Industry Ventures Secondary IX LP	2,137,225	2,137,225	—	—	—
Industry Ventures Secondary X LP	575,251	575,251	—	—	—
Blue Owl (formerly) IPI Partners III-A	436,496	436,496	—	—	—
Ir&m core bond fund	2,903,553	2,903,553	—	—	—
Klep Offshore fund	1,119,533	1,119,533	—	—	—
Klep Offshore fund III LP	895,716	895,716	—	—	—
Metis Real Asset Index	724,827	724,827	—	—	—
Mill Point Capital Partners III-A	61,538	61,538	—	—	—
NEPC Diversified Credit Series	3,616,742	3,616,742	—	—	—
Nepc Emerging Market Equity Series	3,823,836	3,823,836	—	—	—
Nepc Global Equity Series Class A	11,265,284	11,265,284	—	—	—
NEPC US Small Cap Equity Series	4,645,466	4,645,466	—	—	—
Newbury Equity Partners V LP	1,649,207	1,649,207	—	—	—
Orchard Landmark Limited	1,034,931	1,034,931	—	—	—
TA Realty Core Property Fund LP	1,620,563	1,620,563	—	—	—
Thoma Bravo Fund Xv-A LP	1,071,850	1,071,850	—	—	—
Vwh Offshore Fund III LP	375,705	375,705	—	—	—
Windrose Health Investors VI LP	870,351	870,351	—	—	—
	\$ 180,437,489	\$ 84,799,714	\$ 94,614,865	\$ 949,068	\$ 73,842

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

At June 30, 2024, the University and Foundation had the following investments and maturities:

Type	Fair Value	Maturities In Years			
		Not Applicable	0 - 5	6 - 10	More Than 10
Cash equivalents	\$ 7,675,110	\$ 7,675,110	\$ —	\$ —	\$ —
Fixed income	95,276,235	6,217,552	87,770,021	1,005,883	282,779
Equity securities	19,812,510	19,812,510	—	—	—
All asset mutual funds	2,153,384	2,153,384	—	—	—
Reported at Net Asset Value:					
Dalfen Last Mile Industrial Fund V LP	629,707	629,707	—	—	—
Global Alpha Int'l Small Cap Fund LP	1,216,034	1,216,034	—	—	—
Hardman Johnston Int'l equity fund II	2,021,797	2,021,797	—	—	—
Industry Ventures Secondary IX LP	2,140,490	2,140,490	—	—	—
Industry Ventures Secondary X LP	191,208	191,208	—	—	—
IPI Partners III-A	319,253	319,253	—	—	—
Ir&m core bond fund	2,737,224	2,737,224	—	—	—
Klcp Offshore fund	798,115	798,115	—	—	—
Klcp Offshore fund III LP	1,269,127	1,269,127	—	—	—
Metis Real Asset Index	641,733	641,733	—	—	—
NEPC Diversified Credit Series	3,183,845	3,183,845	—	—	—
Nepc Emerging Market Equity Series	5,551,484	5,551,484	—	—	—
Nepc Global Equity Series Class A	10,723,466	10,723,466	—	—	—
NEPC US Small Cap Equity Series	4,304,137	4,304,137	—	—	—
Newbury Equity Partners V LP	1,633,085	1,633,085	—	—	—
Orchard Landmark Limited	1,178,441	1,178,441	—	—	—
TA Realty Core Property Fund LP	1,571,154	1,571,154	—	—	—
Thoma Bravo Fund Xv-A LP	769,609	769,609	—	—	—
Vwh Offshore Fund III LP	746,367	746,367	—	—	—
Windrose Health Investors VI LP	594,356	594,356	—	—	—
	\$ 167,137,871	\$ 78,079,188	\$ 87,770,021	\$ 1,005,883	\$ 282,779

Interest Rate Risk

The University's policy manages interest rate risk by maintaining adequate liquidity for short-term cash needs. The University seeks to avoid the need to sell securities prior to maturity by making longer-term investments only with funds that are not needed for cash flow purposes; by establishing maximum individual investment maturity (or duration) and maximum portfolio average maturity (or portfolio limits); and by structuring the investment portfolio so that securities mature in time to meet expected cash requirements for ongoing operations. The policy limits the portfolio's maximum average duration to three years.

The Foundation's policy has no constraint on the maturity of any single fixed income security; however, the dollar weighted average duration of the investment grade portion of the portfolio should not exceed a range of +/- 35% of that of the fixed income benchmarks for investment grade fixed income securities.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The University's policy limits credit risk by establishing minimum credit ratings for each non-government security type; by implementing a credit review and approval process or by hiring an outside registered investment advisor who has such a process; and by diversifying the portfolio to reduce the risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or type of security.

It is the Foundation's policy to limit its investments in fixed-income securities to those investments with ratings of investment grade or higher at the time of purchase by nationally recognized statistical rating organizations (NRSROs).

Commercial paper rated A-1, P-1, or the equivalent by at least two nationally recognized statistical rating organizations may be held from issuing corporations with commercial paper programs with sizes in excess of \$500,000,000 as well as long term debt ratings, if any, of "A" or better. Purchases of commercial paper may not exceed 270 days to maturity.

All Treasury / Agency securities are rated as either AA+ by S&P or AAA by Moody's.

At June 30, 2025 and 2024, the following ratings were available for the University's and Foundation's fixed income investments, including certificates of deposit:

Quality Ratings	2025	2024
Treasury/Agency	\$ 60,239,131	\$ 51,526,469
AAA	119,878	485,804
AAAm	10,010,702	11,946,922
AA+	1,086,980	1,271,953
AA	453,823	3,300,383
AA-	3,887,469	2,220,819
A+	7,381,054	5,235,889
A	7,012,857	6,778,124
A-	3,733,340	4,611,283
A-1	—	747,984
BBB+	1,712,541	933,053
Mutual funds and other not rated	8,446,775	6,217,552
	\$ 104,084,550	\$ 95,276,235

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University or Foundation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Custodial credit risk for deposits is the risk that in the event of a bank failure, a government's deposit may not be returned to it. The University's deposit policy for the custodial credit risk requires compliance with the provisions of state law. Collateralization for the University is required for three types of investments: certificates of deposit, repurchase agreements, and letters of credit from the Federal Home Loan Bank. All securities serving as collateral shall be kept at a nonaffiliated custodial facility. The University's investment in bankers acceptances must be issued by domestic banks rated A-1, P-1, or the equivalent by at least two nationally recognized statistical rating organizations and maturity may not exceed 270 days. The Foundation's investment policy does not address custodial credit risk.

Concentration Of Credit Risk

No more than 30% of the University's portfolio can be invested in callable U.S. Government agencies; no more than 50% of the portfolio can be invested in bankers acceptances and commercial paper combined; no more than 40% of the portfolio can be invested in corporate bonds; no more than 25% of the portfolio can be invested in municipal bonds; no more than 10% of the portfolio can be invested in asset-backed securities; and no more than 20% of the portfolio can be invested in money market mutual funds.

The Foundation places certain limits on the amount that may be invested in any one issuer. Investments in any one individual equity security should not exceed approximately 10% of the market value of the investment manager portfolio. No more than 18% of the overall portfolio may be invested in any one passively managed index product. In addition, no more than 18% of the overall portfolio may be invested in any one actively managed product. No more than 35% of the overall portfolio may be invested in any one investment company across multiple actively managed products. No more than 45% of the overall portfolio may be invested in any one investment company across multiple products, including actively and passively managed products. Holdings of any single stock issue in this portfolio should not exceed more than 5% of the total outstanding common stock of any one company. Unrated and below-investment grade fixed income securities are permitted within the portfolio, but shall be limited to a maximum of 25% of the market value of the portfolio at the time of the purchase for the core fixed income managers.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

Foreign Currency Risk

This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The University's investment policy does not address foreign currency risk. The Foundation's investment policy permits it to hold up to 32% of total investments in international equities. The University and the Foundation had an immaterial amount in direct investments (mutual funds are not considered direct investments) in international equities at June 30, 2025.

Summary Of Carrying Values

The carrying values of deposits and investments are included in the statement of net position as follows at June 30, 2025 and 2024:

	2025	2024
Carrying value		
Deposits	\$ 2,270,187	\$ 2,790,614
Investments	180,437,489	167,137,871
	<u>\$ 182,707,676</u>	<u>\$ 169,928,485</u>
Included in the following statement of net position captions:		
Cash and cash equivalents	\$ 1,480,973	\$ 1,734,297
Restricted cash - current	789,214	1,056,317
Restricted short-term investments	2,099,789	2,642,098
Short-term investments	21,123,816	26,539,105
Long term investments	157,213,884	137,956,668
	<u>\$ 182,707,676</u>	<u>\$ 169,928,485</u>

Investment Income

Investment income for the years ended June 30, 2025 and 2024 consists of:

	2025	2024
Interest and dividend income	\$ 5,283,690	\$ 5,405,969
Net realized and unrealized gains on investments	8,418,035	7,541,311
	<u>\$ 13,701,725</u>	<u>\$ 12,947,280</u>

Fair Value Measurements

GASB Statement No. 72 sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the University and Foundation have the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the University's and Foundations' own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the University's and Foundations' own data.

The University also holds Missouri Securities Investment Program (MOSIP) Liquid Series Investments of \$10,010,702 and \$11,946,922 at June 30, 2025 and 2024, respectively. These investments are valued at net asset value (NAV) as a practical expedient in determining fair value. MOSIP Liquid Series invests its assets in instruments in which school districts and political subdivisions are permitted to invest under Missouri law. These investments include but are not limited to U.S. Treasury and government agency securities, repurchase agreements, banker's acceptances, certificates of deposit, and commercial paper. In order to minimize NAV fluctuations and to provide liquidity to its participants, the weighted average maturity to reset of the portfolio is managed at 60 days or less.

When available, quoted prices are used to determine fair value by the University and Foundation. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. The University and Foundation's Level 1 investments primarily consist of investments in mutual funds, cash equivalents and equity securities.

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

The Foundation's current portfolio includes investments in certain limited partnerships and limited liability companies, of which an actively traded and publicly available market is not available. As such, these investments in limited partnerships and limited liability companies are recorded at fair value based on their respective Net Asset Value (NAV) per share, or equivalent, at June 30, 2025 and 2024.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

At June 30, 2025, the University's and Foundation's investments were classified as follows:

Type	Fair Value	Fair Value Level		
		1	2	3
Cash equivalents	\$ 6,526,452	\$ 6,526,452	\$ —	\$ —
Fixed income	84,063,146	8,446,775	75,616,371	—
Equity securities	23,012,359	23,012,359	—	—
All asset mutual funds	2,325,062	2,325,062	—	—
MOSIP reported at NAV	10,010,702	—	—	—
Reported at Net Asset Value:				
Dalfen Last Mile Industrial Fund V LP	676,059	—	—	—
Global Alpha Int'l Small Cap Fund LP	1,323,120	—	—	—
Hardman Johnston Int'l equity fund II	3,661,813	—	—	—
Industry Ventures Secondary IX LP	2,137,225	—	—	—
Industry Ventures Secondary X LP	575,251	—	—	—
Blue Owl (formerly) IPI Partners III-A	436,496	—	—	—
Ir&m core bond fund	2,903,553	—	—	—
Klcp Offshore fund	1,119,533	—	—	—
Klcp Offshore fund III LP	895,716	—	—	—
Metis Real Asset Index	724,827	—	—	—
Mill Point Capital Partners III-A	61,538	—	—	—
NEPC Diversified Credit Series	3,616,742	—	—	—
Nepc Emerging Market Equity Series	3,823,836	—	—	—
Nepc Global Equity Series Class A	11,265,284	—	—	—
NEPC US Small Cap Equity Series	4,645,466	—	—	—
Newbury Equity Partners V LP	1,649,207	—	—	—
Orchard Landmark Limited	1,034,931	—	—	—
TA Realty Core Property Fund LP	1,620,563	—	—	—
Thoma Bravo Fund Xv-A LP	1,071,850	—	—	—
Vwh Offshore Fund III LP	375,705	—	—	—
Windrose Health Investors VI LP	870,351	—	—	—
	\$ 170,426,787	\$ 40,310,648	\$ 75,616,371	\$ —

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

At June 30, 2024, the University's and Foundation's investments were classified as follows:

Type	Fair Value	Fair Value Level		
		1	2	3
Cash equivalents	\$ 7,675,110	\$ 7,675,110	\$ —	\$ —
Fixed income	83,329,313	6,217,552	77,111,761	—
Equity securities	19,812,510	19,812,510	—	—
All asset mutual funds	2,153,384	2,153,384	—	—
MOSIP reported at NAV	11,946,922	—	—	—
Reported at Net Asset Value				
Dalfen Last Mile Industrial Fund V LP	629,707	—	—	—
Global Alpha Int'l Small Cap Fund LP	1,216,034	—	—	—
Hardman Johnston Int'l equity fund II	2,021,797	—	—	—
Industry Ventures Secondary IX LP	2,140,490	—	—	—
Industry Ventures Secondary X LP	191,208	—	—	—
IPI Partners III-A	319,253	—	—	—
Ir&m core bond fund	2,737,224	—	—	—
Klcp Offshore fund	798,115	—	—	—
Klcp Offshore fund III LP	1,269,127	—	—	—
Metis Real Asset Index	641,733	—	—	—
NEPC Diversified Credit Series	3,183,845	—	—	—
Nepc Emerging Market Equity Series	5,551,484	—	—	—
Nepc Global Equity Series Class A	10,723,466	—	—	—
NEPC US Small Cap Equity Series	4,304,137	—	—	—
Newbury Equity Partners V LP	1,633,085	—	—	—
Orchard Landmark Limited	1,178,441	—	—	—
TA Realty Core Property Fund LP	1,571,154	—	—	—
Thoma Bravo Fund Xv-A LP	769,609	—	—	—
Vwh Offshore Fund III LP	746,367	—	—	—
Windrose Health Investors VI LP	594,356	—	—	—
	\$ 167,137,871	\$ 35,858,556	\$ 77,111,761	\$ —

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Governmental accounting standards require certain disclosures regarding the nature of risks of investments reported at NAV, which are described in the table below as of June 30, 2025.

Type	Investment Strategy	Redemption Rights	Unfunded Commitments
Dalfen Last Mile Industrial Fund V I.P	The Fund provides opportunistic exposure to the industrial real estate market.	Illiquid (a) \$	300,000
Hardman Johnston Int'l Equity Fund II	The Fund's investment objective is to achieve long-term growth by investing in international large cap equity securities.	Available monthly, 30 days notice	—
Industry Ventures Secondary IX LP	Investment is a fund of funds, seeking to generate returns from investment in venture capital and technology buyout strategies.	Illiquid (a)	135,418
Ir&m Core Bond Fund	The Fund seeks to outperform the Bloomberg Barclays U.S. Aggregate Index ("Index") by investing primarily in investment-grade fixed income securities, including obligations issued or guaranteed by the U.S. Government, its agencies, or instrumentalities; corporate securities; municipal securities; 144A securities; convertible securities; inflation-indexed securities; U.S. dollar-denominated debt of foreign issuers; structured securities including residential mortgage-backed securities (RMBS), mortgage pass-throughs and collateralized mortgage obligations (CMOs), asset-backed securities (ABS), and commercial mortgage-backed securities (CMBS); preferred and hybrid capital securities and money market instruments. These securities may have all types of interest rate payment and reset terms, including fixed rate, variable rate, floating rate, adjustable rate, zero coupon, contingent, deferred, payment-in-kind, and auction rate features. While there is no limit on the duration of the individual securities in the Fund's portfolio, the Fund normally expects to maintain a dollar-weighted average portfolio duration within +/- 10% of the duration of the Index.	Available, at the end of each Business Day. The fund may pay withdrawals in the form of cash or securities, at the discretion of the fund manager.	—
Klcp Offshore Fund	The investment objective of the fund is to achieve long-term growth of capital. The advisor intends to achieve the investment objective by investing in a portfolio of debt and equity securities.	Illiquid (a)	327,170
Klcp Offshore Fund III LP	The investment objective of the fund is to achieve long-term growth of capital. The advisor intends to achieve the investment objective by investing in a portfolio of debt and equity securities.	Illiquid (a)	222,804
Nepc Emerging Market Equity Series	The Fund's investment objective is to achieve long-term appreciation and current income by investing in a diversified portfolio of equity securities of emerging market companies.	Available, (b)	—
Nepc Global Equity Series Class A	The Fund's investment objective is to achieve long-term appreciation and current income by investing in a diversified portfolio of equity securities of foreign and domestic companies.	Available, (c)	—

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Type	Investment Strategy	Redemption Rights	Unfunded Commitments
Newbury Equity Partners V LP	The Partnership operates as a "Fund of Funds" investment vehicle that seeks to realize long term returns in excess of those available through conventional investments primarily by investing in a diversified group of closed-end private funds focused on Investment partnerships. Substantially all of the fund's investments are sponsored and managed by outside investment managers ("Sponsors"). The Partnership intends to acquire securities in secondary market transactions ("Secondary Investments") primarily in leveraged buyout, growth equity, mezzanine and venture capital investment funds ("Investment Partnerships"). In addition, the Partnership may make primary investments in Investment Partnerships ("Primary Investments"), direct investments in companies alongside investment Partnerships ("Co-Investments"), and Secondary Investments in companies.	Illiquid (a) \$	430,000
Thoma Bravo Fund Xv-A LP	The Fund seeks to invest in companies that are operating in fragmented sub-sectors within software and can benefit from accretive add-on acquisitions and the Partnership's operational improvement capabilities. While the Fund will focus on software and tech-enabled services businesses that are domiciled in North America, its portfolio companies will tend to have a global customer base and serve a broad range of industries and end markets.	Illiquid (a)	206,373
Vwh Offshore Fund III LP	The Fund's objective is to produce superior risk-adjusted total returns by investing in U.S. residential non-performing loans and other mortgage or credit related assets and instruments from U.S. government or affiliated agencies such as Fannie Mae, Freddie Mac, The Department of Housing and Urban Development, as well as banks and other market participants.	Illiquid (a)	835,247
Windrose Health Investors VI LP	The Partnership was organized for the purpose of investing and trading in securities, as defined in the Limited Partnership Agreement, and other instruments and assets of public and private companies. The portfolio investments will primarily be in middle-market healthcare companies located primarily in the United States.	Illiquid (a)	316,360
Global Alpha Int'l Small Cap Fund LP	The Fund's objective is to seek to maximize long-term total returns through prudent investments in primarily international small capitalization stocks.	Available monthly, 15 days notice	—
Blue Owl (formerly) IPI Partners III-A	The Fund was formed to acquire and invest on a global basis in data centers and other technology and connectivity-related real assets.	Illiquid (a)	639,779

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Type	Investment Strategy	Redemption Rights	Unfunded Commitments
Metis Real Asset Index	The portfolio seeks to provide investment results that correspond to the total return performance of a custom index of publicly-traded common stocks equally comprised of Dow Jones U.S. Select REIT Index, Bloomberg Roll Select Commodity Index, S&P Global Natural Resources Index, gold bullion, and S&P Global Infrastructure Index.	Available weekly, 5 days notice.	—
Mill Point Capital Partners III-A LP	The Partnership focuses on identifying companies that can be aquired outside of the traditional investment banking process yet are stable niche market leaders needing operational and strategic enhancements. The primary focus is to execute control buyouts within the industrial/basic manufacturing and business service industries.	Illiquid (a)	920,923
Orchard Landmark Limited	The Fund is the offshore feeder in a "master feeder" structure whereby the Feeder Fund invests substantially all of its assets in OL Master Limited (the "Master Fund"), an exempted company incorporated with limited liability in the Cayman Islands. The investment objective of the Feeder Fund, through the Master Fund, is to achieve an attractive risk-adjusted return by employing a primarily credit and credit linked investment program with a focus on privately negotiated credit-intensive investments in securities and assets of companies that have a strong presence in developed and developing Asian/Pacific countries.	Available quarterly, 90 days notice	—
TA Realty Core Property Fund LP	The Fund was formed for the purpose of acquiring, owning, holding for investment and investing in and engaging in activities related to investments in real estate assets.	Available daily, 45 days notice (d)	—
Industry Ventures Secondary X LP	The fund makes minority investments in leading later-stage venture-backed companies through flexible investment structures, including direct secondaries, secondary LP investments, continuation funds, and other special situations.	Illiquid (a)	599,793
NEPC US Small Cap Equity Series	The Fund's investment objective is to achieve long-term appreciation and current income by investing in a diversified portfolio of equity securities of domestic companies. The Fund will primarily invest in securities issued by small and mid-cap sized companies as defined by FTSE Russell. The Fund's benchmark is the FTSE Russell 2000 Index.	Available daily	—
NEPC Diversified Credit Series	The Fund's investment objective is to achieve an annualized return that exceeds the benchmark over a full market cycle with comparable risk levels. The Fund will primarily invest in fixed income securities. The Fund's benchmarks are 50% Bloomberg U.S. Corporate Investment Grade Index; 25% Bloomberg U.S. Corporate High-Yield Index and 25% Morningstar LSTA US Leveraged Loan Index.	Available daily	—

- (b) Issuances and redemptions of class units may be made on each Business Day, based upon each class's members' equity per unit. Member withdrawal requests from the Fund must be received by the Manager, not less than one Business Day prior to the Business Day on which the withdrawal request is to be processed. Requests to withdraw 100% of a member's interests in the Fund must be received by the Manager no less than thirty calendar days prior to the intended withdrawal date. The Manager, at its discretion, may impose an anti-dilution levy on issuance or redemption of units to cover the dealing cost associated with converting the issuance amounts into underlying investments of the Fund or realizing net redemption proceeds from underlying investments.
- (c) Issuances and redemptions of class units may be made on each Business Day, based upon each class's members' equity per unit. Member withdrawal requests from the Fund must be received by the Manager, not less than one Business Day prior to the Business Day on which the withdrawal request is to be processed. Requests to withdraw 100% of a member's interests in the Fund must be received by the Manager no less than thirty calendar days prior to the intended withdrawal date.
- (d) At the discretion of TA, shares may be redeemed by an investor at any time throughout the term of the OP LLC Agreement. Redemption requests must be received by the Fund 45 days prior to quarter end, and to the extent the Fund has liquid assets, redemption requests may be redeemed after quarter-end when that quarter's price per share is published. There were twenty-four outstanding redemption requests totaling \$254,412,238 for the Fund as of December 31, 2024.

The University's investments in MOSIP are also measured at net asset value. The disclosures related to the investment purpose and redemption rights for MOSIP are included on page 32 of the financial statements.

3. Endowments And Similar Funds

The Board of Directors of the Foundation has established an investment policy with the objectives of protecting the principal of the endowment funds and maximizing total investment return without assuming extraordinary risks. It is the goal of the Foundation to provide spendable income levels that are reasonably stable and sufficient to meet budgetary requirements and to maintain a spending rate, currently established on a fund-by-fund basis, which ensures a proper balance between the preservation of corpus and enhancement of the purchasing power of investment earnings.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

In August 2009, the State of Missouri adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation has reviewed the provisions of this act and determined (utilizing the criteria prescribed by UPMIFA) that declines in the fair value of invested, nonexpendable assets to the extent that they exceed the original gift made by the donor (i.e., the assets are “underwater”) are not available for spending, until such fair value is re-established to an amount above the original gift made by the donor. There were no funds that were considered to be underwater at June 30, 2025 or 2024, respectively.

4. Capital Assets

Capital assets activity for the year ended June 30, 2025 was:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital Assets, Nondepreciable:					
Land	\$ 15,197,618	\$ 28,702	\$ —	\$ —	\$ 15,226,320
Art	177,535	—	—	—	177,535
Construction in progress	12,236,413	5,404,673	—	(12,140,402)	5,500,684
Total Capital Assets, Nondepreciable	27,611,566	5,433,375	—	(12,140,402)	20,904,539
Capital Assets, Depreciable:					
Buildings and improvements	375,511,251	6,618,864	573,512	12,140,402	393,697,005
Furniture, fixtures and equipment	20,679,870	978,514	403,223	—	21,255,161
Library materials	11,770,068	85,665	69,725	—	11,786,008
Infrastructure	23,314,766	—	—	—	23,314,766
Subscription Assets, being amortized:	4,887,944	1,027,863	64,479	—	5,851,328
Total	436,163,899	8,710,906	1,110,939	12,140,402	455,904,268
Less Accumulated Depreciation/Amortization:					
Buildings and improvements	243,408,038	11,491,830	545,753	—	254,354,115
Furniture, fixtures and equipment	18,072,080	999,807	402,298	—	18,669,589
Library materials	11,123,623	142,389	69,725	—	11,196,287
Infrastructure	16,594,005	801,439	—	—	17,395,444
Subscription Assets	1,953,494	1,184,842	28,307	—	3,110,029
Total	291,151,240	14,620,307	1,046,083	—	304,725,464
Total Capital Assets Being Depreciated/Amortized, Net	145,012,659	(5,909,401)	64,856	12,140,402	151,178,804
Total Capital Assets - Net	\$ 172,624,225	\$ (476,026)	\$ 64,856	\$ —	\$ 172,083,343

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

Capital assets activity for the year ended June 30, 2024 was:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital Assets, Nondepreciable:					
Land	\$ 15,176,045	\$ 21,573	\$ —	\$ —	\$ 15,197,618
Art	177,535	—	—	—	177,535
Construction in progress	7,952,051	11,207,857	—	(6,923,495)	12,236,413
Total Capital Assets, Nondepreciable	23,305,631	11,229,430	—	(6,923,495)	27,611,566
Capital Assets, Depreciable:					
Buildings and improvements	366,588,551	2,986,380	193,135	6,129,455	375,511,251
Furniture, fixtures and equipment	20,684,954	939,074	944,158	—	20,679,870
Library materials	12,151,053	113,118	494,103	—	11,770,068
Infrastructure	22,346,296	174,434	—	794,040	23,314,766
Subscription Assets, being amortized:	4,594,472	583,972	290,500	—	4,887,944
Total	426,365,326	4,796,978	1,921,896	6,923,495	436,163,899
Less Accumulated Depreciation/Amortization:					
Buildings and improvements	232,322,017	11,279,156	193,135	—	243,408,038
Furniture, fixtures and equipment	17,654,534	1,248,744	831,198	—	18,072,080
Library materials	11,469,771	147,955	494,103	—	11,123,623
Infrastructure	15,764,053	829,952	—	—	16,594,005
Subscription Assets	1,046,935	980,102	73,543	—	1,953,494
Total	278,257,310	14,485,909	1,591,979	—	291,151,240
Total Capital Assets Being Depreciated/Amortized, Net	148,108,016	(9,688,931)	329,917	6,923,495	145,012,659
Total Capital Assets - Net	\$ 171,413,647	\$ 1,540,499	\$ 329,917	\$ —	\$ 172,624,225

5. Subscription-Based Information Technology Arrangements

Intangible right to use assets consisted of the following at June 30, 2025:

	Beginning Balance	Additions	Disposals	Ending Balance
Right of use assets	\$ 4,887,944	\$ 1,027,863	\$ (64,479)	\$ 5,851,328
Accumulated amortization	(1,953,494)	(1,184,842)	28,307	(3,110,029)
Right of use assets, net	\$ 2,934,450	\$ (156,979)	\$ (36,172)	\$ 2,741,299

Intangible right to use assets consisted of the following at June 30, 2024:

	Beginning Balance	Additions	Disposals	Ending Balance
Right of use assets	\$ 4,594,472	\$ 583,972	\$ (290,500)	\$ 4,887,944
Accumulated amortization	(1,046,935)	(980,102)	73,543	(1,953,494)
Right of use assets, net	\$ 3,547,537	\$ (396,130)	\$ (216,957)	\$ 2,934,450

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

The University has twenty-seven subscription-based agreements for various technologies that qualify for recognition as a subscription right to use asset and related subscription liability. The payment terms of these agreements consist of a range of monthly to annual installments in amounts varying from \$3,900 to \$261,875 per each agreement. The agreements do not contain any material amounts of variable payments, and no material other payments (such as termination penalties) were recognized in the years ending June 30, 2025 or 2024. The University amortizes the right to use asset on a straight-line basis over the shorter of the subscription term or the useful life of the underlying information technology assets.

The following is an analysis of all future minimum payments under the subscription agreements as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,084,862	\$ 167,769	\$ 1,252,631
2027	954,506	96,912	1,051,418
2028	665,902	38,195	704,097
2029	6,487	506	6,993
	<u>\$ 2,711,757</u>	<u>\$ 303,382</u>	<u>\$ 3,015,139</u>

6. Long-Term Liabilities

The following is a summary of long-term obligation transactions for the University for the year ended June 30, 2025:

	Beginning Balance	Additions	Deductions	Defeasement	Ending Balance	Current Portion
Bonds and leases						
Student Housing System Revenue						
Bonds - 2020	\$ 11,720,000	\$ —	\$ 1,205,000	\$ —	\$ 10,515,000	\$ 1,230,000
Student Housing System Revenue						
Bonds - 2016	13,075,000	—	915,000	—	12,160,000	945,000
Total bonds payable	24,795,000	—	2,120,000	—	22,675,000	2,175,000
Unamortized premium on						
bonds payable	278,124	—	24,184	—	253,939	24,184
Total bonds payable plus	25,073,124	—	2,144,184	—	22,928,939	2,199,184
unamortized premium						
Financed purchase agreements	2,186,920	—	1,041,250	—	1,145,669	812,357
Total bonds and purchase agreements	27,260,044	—	3,185,434	—	24,074,608	3,011,541
Other noncurrent liabilities						
Accrued termination benefits	—	452,628	—	—	452,628	452,628
Subscription liability	2,921,061	(173,132)	36,172	—	2,711,757	1,084,862
Accrued compensated absences (Note 1)	1,548,297	302,419	—	—	1,850,716	1,134,440
Annuities and trusts payable	433,736	—	94,805	—	338,931	52,294
Total other noncurrent liabilities	4,903,094	581,915	130,977	—	5,354,032	2,724,224
Total noncurrent liabilities	<u>\$ 32,163,138</u>	<u>\$ 581,915</u>	<u>\$ 3,316,411</u>	<u>\$ —</u>	<u>\$ 29,428,640</u>	<u>\$ 5,735,765</u>

Note 1: In accordance with Governmental Accounting Standards Board pronouncement 101, the change in the compensated absences liability is reflected as a net change.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

The following is a summary of long-term obligation transactions for the University for the year ended June 30, 2024:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds and leases					
Student Housing System Revenue Bonds - 2020	\$ 12,905,000	\$ —	\$ 1,185,000	\$ 11,720,000	\$ 1,205,000
Student Housing System Revenue Bonds - 2016	13,960,000	—	885,000	13,075,000	915,000
Student Housing System Revenue Bonds - 2015	—	—	—	—	—
Total bonds payable	26,865,000	—	2,070,000	24,795,000	2,120,000
Unamortized premium on bonds payable	302,308	—	24,184	278,124	24,184
Total bonds payable plus unamortized premium	27,167,308	—	2,094,184	25,073,124	2,144,184
Financed purchase agreements	3,316,089	—	1,129,169	2,186,920	1,041,250
Total bonds and purchase agreements	30,483,397	—	3,223,353	27,260,044	3,185,434
Other noncurrent liabilities					
Accrued termination benefits	407,767	—	407,767	—	—
Subscription liability	3,468,291	554,838	1,102,068	2,921,061	839,384
Accrued compensated absences	1,510,679	164,625	127,007	1,548,297	1,151,331
Annuities and trusts payable	455,510	—	21,774	433,736	71,989
Total other noncurrent liabilities	5,842,247	719,463	1,658,616	4,903,094	2,062,704
Total noncurrent liabilities	\$ 36,325,644	\$ 719,463	\$ 4,881,969	\$ 32,163,138	\$ 5,248,138

Annuities And Trusts Payable

The Foundation has been the recipient of several gift annuities, which require future payments to the donor or their named beneficiaries. The assets received from donors are recorded at fair value on the date of the gift. The Foundation has recorded a liability at June 30, 2025 and 2024 of \$338,931 and \$433,736, respectively, which represents the present value of the future annuity obligations. The liability has been determined using discount rates ranging from approximately 1% to 7.5%. The Foundation has segregated assets in custodial investment accounts to fund these obligations. At June 30, 2025 and 2024, the fair value of these investments was \$938,744 and \$1,024,565, respectively.

Energy Performance Contract

In May 2015, the University entered into an Energy Performance Contract with Energy Solutions Professionals, LLC (the Contractor). The project includes the installation of various equipment and improvements at the University facilities through December 2016. The total cost of the project was approximately \$10,100,000. The Contractor has projected annual savings for the University of approximately \$1,000,000 per year over a 10-year period.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

In May 2015, the University entered into a financed purchase agreement to fund the energy savings project with a financial institution. Total acquisition costs for the energy equipment and improvements to be funded by the financial institution totaled \$9,274,600. The purchase agreement was payable over a 10-year period. Remaining payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	742,846	7,154	750,000
	\$ 742,846	\$ 7,154	\$ 750,000

Revenue Bonds Payable

During fiscal 2023, the University elected to call the 2015 series of revenue bonds in the amount of \$8,885,000. By retiring the bonds before the normal 6/30/2034 expiry, the University saved approximately \$1,900,000 in interest expense and reduced its bonded indebtedness by 24%.

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

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

On February 11, 2016, the University issued a series of auxiliary system revenue bonds in order to refund the remaining outstanding bonds from the 2008 bond issuance. The principal amount issued, with its related premium, totaled \$20,588,689 and matures in annual installments through 2036.

The current refunding resulted in a decrease in payments to service the new debt versus the old debt of \$2,583,901, an economic gain of \$4,373,351, and a deferred amount from refunding of \$1,271,533, which is being amortized over the life of the new debt.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

On May 28, 2015, the University issued a series of auxiliary system revenue bonds, in order to refund the remaining outstanding bonds from the 2006 bond issuance. The principal amount issued, with its related premium, totaled \$12,824,953 and matures in annual installments through 2034. The current refunding resulted in a decrease in payments to service the new debt versus the old debt of \$2,182,006, an economic gain of \$1,672,487 and a deferred amount from refunding of \$225,305. The deferred amount from refunding is being amortized over the life of the new debt. The bonds were defeased in 2023.

The various issues of the auxiliary system revenue bonds are payable, both as to principal and interest, solely out of the net income and revenues arising from the operation of the auxiliary system and out of any grant-in-aid which may be received from any source.

The bonds outstanding bear interest at rates ranging from 2% to 4% per annum and are collateralized by a first lien on and pledge of the net revenue derived from the operation and ownership of the housing system which includes all housing, dining and social facilities owned or operated by the University.

The bond debt service requirements as of June 30, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,175,000	\$ 582,944	\$ 2,757,944
2027	2,220,000	530,978	2,750,978
2028	2,275,000	477,878	2,752,878
2029	2,345,000	413,398	2,758,398
2030	2,395,000	357,142	2,752,142
2031-2035	9,985,000	918,573	10,903,573
2036	1,280,000	41,600	1,321,600
	\$ 22,675,000	\$ 3,322,513	\$ 25,997,513

7. Pension Plans - MOSERS

General Information About The Pension Plan

Plan description. Benefit eligible employees of Truman State University are provided with pensions through the Missouri State Employees' Plan (MSEP) - a cost-sharing multiple-employer defined benefit pension plan administered by the Missouri State Employees' Retirement System (MOSERS). 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 Financial Report (ACFR), and 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 MSEP 2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' ACFR starting on page 30.

Contributions. Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.0 percent of their annual pay. The University's required contribution rate for the years ended June 30, 2025 and June 30, 2024, was 27.26 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the pension plan from the University were \$7,711,912 and \$7,996,058 for the years ended June 30, 2025 and 2024, respectively.

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

At June 30, 2025, the University reported a liability of \$89,634,090 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was offset by the fiduciary net position obtained from MOSERS ACFR as of June 30, 2024, to determine net pension liability.

The University's proportion of the net pension liability was based on the University's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2024. At the June 30, 2024 measurement date, the University's proportion was 1.10 percent, an decrease from its proportion measured of 1.25 percent as of the June 30, 2023, measurement date.

There were no changes in benefit terms during the MOSERS plan year ended June 30, 2024, that affected the measurement of total pension liability.

Actuarial assumptions. The total pension liability in the June 30, 2024 actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.75% to 10.00% including inflation
Wage inflation	2.25%
Investment rate of return	6.95%, compounded annually, net after investment expenses and including inflation

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2020. In addition, the investment return assumption remained the same at 6.95% for the June 30, 2024 valuation. Other assumption changes were decreases in the payroll and wage growth assumptions.

Mortality. Mortality rates were based on the Pub-2010 General Members Below Median Employee mortality table, set back two years for males and set forward one year for females. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (Continued)

Long-term investment rate of return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in MOSERS target asset allocation as of June 30, 2024 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
Global public equity	30.0%	5.8%	2.3%
Global private equity	15.0%	7.4%	1.4%
Long treasuries	25.0%	1.6%	0.9%
Core bonds	10.0%	1.2%	0.3%
Commodities	5.0%	3.6%	0.3%
TIPS	25.0%	0.8%	0.7%
Private real assets	5.0%	5.2%	0.3%
Public real assets	5.0%	5.8%	0.4%
Hedge funds	5.0%	2.9%	0.2%
Alternative beta	10.0%	3.4%	0.5%
Private credit	5.0%	7.6%	0.5%
Cash & cash equivalents**	-40.0%	0.0%	0.0%
	100.0%		7.8%
Correlation/volatility adjustment			-0.6%
Long-term expected net nominal return			7.2%
Long-term expected geometric net real return			5.3%

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

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

Discount rate. The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

Sensitivity Of The University's Proportionate Share Of The NPL

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
University's proportionate share of the net pension liability	\$ 111,282,108	\$ 89,634,090	\$ 71,552,185

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

Pension expense. For the years ended June 30, 2025 and 2024, the University recognized pension expense of \$5,786,953 and \$2,898,282, respectively.

Deferred outflows of resources and deferred inflows of resources. At June 30, 2025 and 2024, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 4,354,079	\$ —
Net difference between projected and actual earnings on pension plan investments	6,045,372	—
Changes in proportion and differences between University contributions and proportionate share of contributions	—	7,128,301
University contributions subsequent to the measurement date of June 30, 2024	7,711,912	—
	<u>\$ 18,111,363</u>	<u>\$ 7,128,301</u>

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

	2024	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 4,462,800	\$ —
Net difference between projected and actual earnings on pension plan investments	7,837,096	—
Changes in proportion and differences between University contributions and proportionate share of contributions	—	5,014,686
University contributions subsequent to the measurement date of June 30, 2023	7,996,058	—
	<u>\$ 20,295,954</u>	<u>\$ 5,014,686</u>

The University amounts reported as deferred outflows of resources related to pensions resulting from the University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026 of the University's financial statements. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the University's fiscal year following MOSERS' fiscal year as follows:

Amortization Schedule

Plan Year Ending June 30,	Amount
2026	\$ (1,171,340)
2027	3,438,004
2028	944,173
2029	60,313
	<u>\$ 3,271,150</u>

Payables To The Pension Plan

As of June 30, 2025, the University had payables of \$384,410 to MOSERS for the amount owed for salaries earned but not remitted as of June 30, 2025, due to payment terms in employment contracts.

8. Retirement Plans - CURP

All faculty on full-time, regular appointment are enrolled in the College and University Retirement Plan (CURP) if they have not previously been enrolled in MOSERS. CURP is a noncontributory 401(a) defined contribution retirement plan, which uses TIAA-CREF as its third-party administrator. The University is required to contribute at an actuarially determined rate; the rate was 6% of annual covered payroll for 2025 and 2024. The University's contributions to the plan for the years ended June 30, 2025 and 2024 were \$565,455 and \$520,084, respectively, which equaled the required contributions for the years. CURP provides a retirement program, which offers interstate portability, immediate vesting and no minimum service requirement. Contributions made by the University are self-directed by participants into their selected individual accounts. After participating in CURP for at least six years, a faculty member may elect to become a member of MOSERS.

9. Employee Health And Welfare Benefits

Effective January 1, 2012, the University established a self-insured medical program covering substantially all employees. The University's liability has been limited by the purchase of specific (\$175,000 in fiscal year 2025) and aggregate (\$5,000,000 in fiscal year 2025) reinsurance. The University has recorded a liability for expenses incurred but not reported of \$357,000 and \$244,000 as of June 30, 2025 and 2024, respectively, which is included in accrued liabilities on the statement of net position.

The liability reported for claims incurred but not reported are based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information obtained prior to the issuance of the financial statements indicates it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Change in the balance of the insurance reserve liability during the years ended June 30, 2025 and 2024 were as follows:

Liability, July 1, 2023	\$ 250,000
Current year claims and changes in estimate	4,967,035
Claim payments	<u>(4,973,035)</u>
Liability, June 30, 2024	244,000
Current year claims and changes in estimate	5,227,932
Claim payments	<u>(5,114,932)</u>
Liability, June 30, 2025	<u><u>\$ 357,000</u></u>

Total employee health and welfare premium expense paid by the University was \$6,728,039 and \$6,383,464 for the years ended June 30, 2025 and 2024, respectively.

10. Early Retiree Termination Benefits

The Board of Governors approved early retirement incentive programs in fiscal year 2025. This program offered lump sum incentive payments, but not University-paid health care.

The University has recorded a liability at the present value of the estimated future cash flows for the programs, amounting to \$452,628 at June 30, 2025.

Lump sum payments to participants totaled \$60,000 during 2025. At June 30, 2025, there were sixteen retirees participating in the program.

There was no balance due as of June 30, 2024.

11. Commitments And Contingencies

Claims And Litigation

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

Government Grants

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

Construction

The University had outstanding commitments of \$4.7 million, related to construction contracts as of June 30, 2025. This commitment pertains to the Kirk Building Renovation and related site work; campus dining improvements; a comprehensive heating, ventilation and air conditioning (HVAC) project involving several campus facilities; along with various roofing and masonry repairs.

Perkins Loan Program

The University participates in the Federal Perkins Loan Program where loans were provided to eligible students and repayments are collected by the University.

Effective October 2017, the United States Department of Education (DOE) did not renew the Federal Perkins Loan Program. No new loans were distributed to students after the program's cancellation. The current guidance provided by the DOE stipulates that cash collected by the University from loans disbursed prior to October 2017 be remitted to the DOE on a proportional basis (the Perkins Loan Program was originally funded by the DOE with a percentage match from the University). Based on this guidance, the University determined that it was probable that the DOE, as the provider of the original resource, would require the University to return all of the resources originally received. At the time of the receipt of the resources, the University recorded nonexchange revenues, and thereby, the balance of the resources provided by the DOE resided in the University's net position.

Pursuant to the guidance provided by GASB 33: *Accounting and Financial Reporting of Nonexchange Transactions*, and based on the University's estimate that the return of these resources is probable, an expense and corresponding liability of \$3,187,203 has been recorded in the fiscal year ended June 30, 2020. The liability was reduced by subsequent payments as calculated and required by the U.S. Department of Education. A balance of \$665,471 and \$941,535 remained as a payable on the University's statement of net position as of June 30, 2025 and 2024, respectively.

12. Risk Management

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

13. Segment Information

A segment is an identifiable activity reported within a stand-alone entity for which one or more revenue bonds are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds and has related expenses, gains and losses, assets and liabilities that are required by an external party to be accounted for separately. Pursuant to the reporting requirements of GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus - an amendment of GASB Statements No. 21 and No. 34*, the University had one segment at June 30, 2025.

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

TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

The condensed financial information for the Housing System Revenue Bond Fund as of June 30, 2025 and 2024 is as follows:

Condensed Statement Of Net Position

	<u>2025</u>	<u>2024</u>
Current Assets	\$ 18,448,054	\$ 15,749,297
Noncurrent Assets		
Capital assets, net of depreciation	<u>47,924,097</u>	<u>52,213,310</u>
Total Assets	<u>66,372,151</u>	<u>67,962,607</u>
 Deferred Outflows Of Resources	 <u>482,541</u>	 <u>521,667</u>
 Current Liabilities	 4,015,106	 3,142,060
Noncurrent Liabilities	21,017,045	23,412,221
Total Liabilities	<u>25,032,151</u>	<u>26,554,281</u>
 Net Position		
Net investment in capital assets	23,333,514	26,448,617
Unrestricted	<u>18,489,027</u>	<u>15,481,376</u>
 Total Net Position	 <u><u>\$ 41,822,541</u></u>	 <u><u>\$ 41,929,993</u></u>

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

	2025	2024
Operating Revenue		
Housing and food service, net of scholarship allowance	\$ 13,901,067	\$ 13,799,580
Other operating revenues	377,832	397,758
Total Operating Revenue	14,278,899	14,197,338
Operating Expenses		
Compensation and benefits	2,473,019	2,434,097
Supplies and other services	7,206,835	6,906,862
Depreciation	5,190,569	5,316,552
Utilities	1,486,510	1,559,602
Total Operating Expenses	16,356,933	16,217,113
Operating Loss	(2,078,034)	(2,019,775)
Nonoperating Revenue (Expenses)		
Student fees for capital projects	918,319	816,149
Investment income	1,497,666	1,024,054
Interest on capital asset related debt and other expenses	(664,106)	(700,895)
Funds received for capital investment	233,645	361,198
Other	(14,942)	(14,942)
Net Nonoperating Revenue	1,970,582	1,485,564
Decrease In Net Position	(107,452)	(534,211)
Net Position - Beginning Of Year	41,929,993	42,464,204
Net Position End Of Year	\$ 41,822,541	\$ 41,929,993

Condensed Statement Of Cash Flows

	2025	2024
Net cash provided by operating activities	\$ 3,112,535	\$ 3,243,754
Net cash used in capital and related financing activities	(3,059,282)	(1,805,825)
Net cash provided by investing activities	1,668,811	(1,469,634)
Net increase (decrease) in cash and cash equivalents	1,722,064	(31,705)
Cash and cash equivalents - beginning of year	19,623	51,328
Cash and cash equivalents - end of year	\$ 1,741,687	\$ 19,623

TRUMAN STATE UNIVERSITY

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

Schedule of the University's Proportionate Share of the Net Pension Liability

	University Fiscal Year Ending June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
University's proportionate of the net pension liability	1.100%	1.250%	1.370%	1.388%	1.501%	1.585%	1.600%	1.676%	1.674%	1.721%
University's proportionate share of the net pension liability	\$ 89,634,090	\$ 95,249,180	\$ 98,158,024	\$ 77,572,868	\$ 95,271,502	\$ 95,729,325	\$ 89,261,489	\$ 87,256,736	\$ 77,726,342	\$ 55,252,185
University's covered payroll	27,101,985	27,488,134	27,345,126	27,345,126	29,990,097	30,784,413	31,102,260	32,983,265	32,430,791	33,308,792
University's proportionate share of the net pension liability as a percentage of its covered payroll	330.73%	346.51%	358.96%	283.68%	317.68%	310.97%	286.99%	264.55%	239.67%	165.88%
Plan fiduciary net position as a percentage of the total pension liability	52.02%	52.86%	53.53%	63.00%	55.48%	56.72%	59.02%	60.41%	63.60%	77.62%

Notes: The information is based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

TRUMAN STATE UNIVERSITY

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

Schedule of University Contributions

	2025	2024	2023	2022	June 30, 2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 7,737,031	\$ 7,387,983	\$ 7,237,626	\$ 6,428,840	\$ 6,398,954	\$ 6,528,844	\$ 6,221,531	\$ 6,049,390	\$ 5,597,262	\$ 5,503,067
Contributions in relation to the contractually required contribution	7,737,031	7,387,983	7,237,626	6,428,840	6,398,954	6,528,844	6,221,531	6,049,390	5,597,262	5,503,067
University's covered payroll	26,911,498	27,101,985	27,488,134	27,345,126	27,967,688	29,990,097	30,784,413	30,995,235	31,102,260	32,983,265
Contributions as a percentage of covered payroll	28.75%	27.26%	26.33%	23.51%	22.88%	21.77%	20.21%	19.45%	16.97%	16.97%

Notes: The information is based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

TRUMAN STATE UNIVERSITY

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION For The Year Ended June 30, 2025

1. Changes Of Benefit Terms Or Assumptions

There were no changes in benefit terms during the fiscal year ended June 30, 2025.

DRAFT FOR
DISCUSSION PURPOSES
ONLY

ITEM 4

Meet with External Auditors in Executive Session

ITEM 5

Financial Report

Truman State University Financial Report

August 31, 2025 compared to August 31, 2024

Education & General (Pages A1-A3)

Overall revenue increased by \$681,914 (2.4%) to \$28.8M. The distribution by source for the last three fiscal years is outlined in Figure 1. Fiscal year-to-date revenues were 31% of budget.

Tuition revenue increased by \$711,175 (4.2%) due to a 4% price escalation and a 1% improvement in full-time enrollment.

As a result of a 1.5% increase in appropriations, State of Missouri revenue of \$8.2M was \$121,696 greater than prior year.

Other revenue fell \$256,497 to \$1.1M (19%) due to less investment income associated with the University's fixed income portfolio. Fee revenue increased by \$105,540 (6%) to \$1.8M. Fee variances, other than tuition, are outlined in Figure 2.

Figure 1: Education & General Revenues

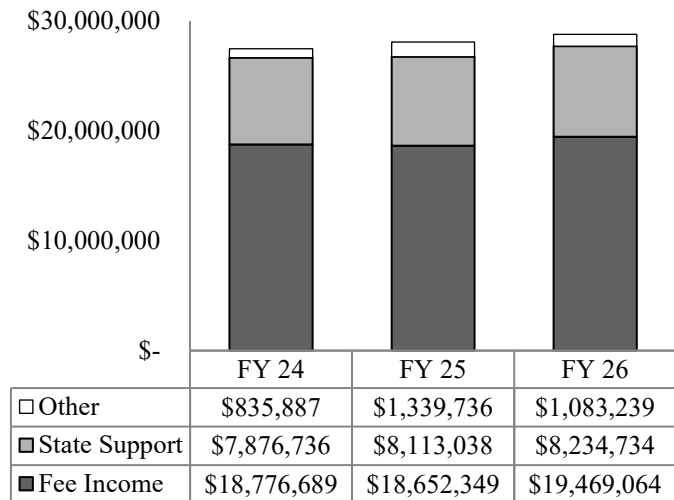
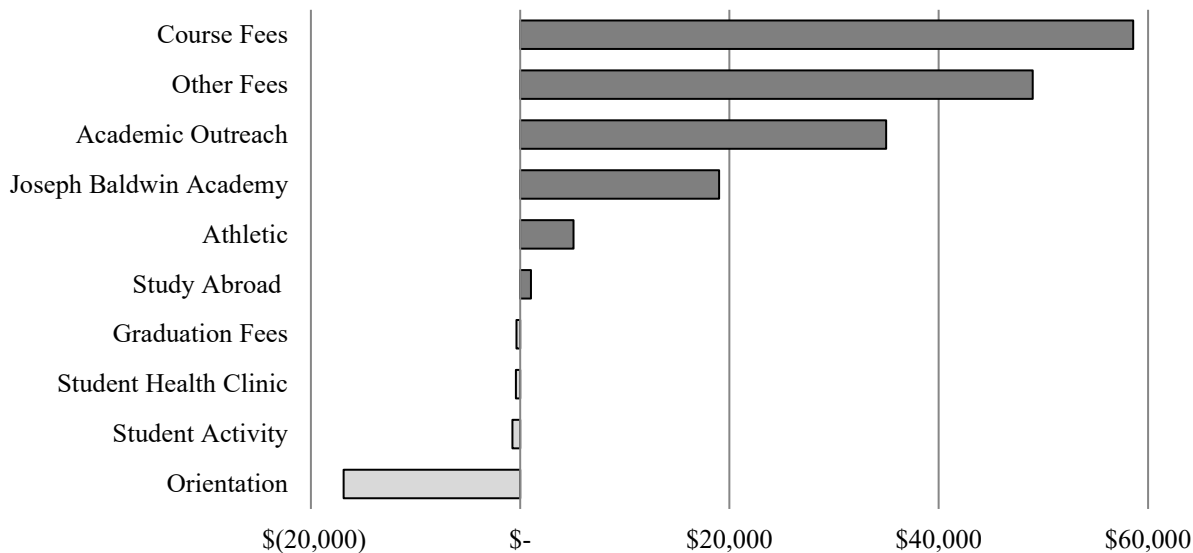


Figure 2: Local Fee Revenue Variances (FY 25 to FY 26)



Education and general expenses increased \$2.2M (11%) to \$22M. Fiscal year-to-date expenses were 23% of budget. Spending for the last three fiscal years is outlined in Figure 3, and notable variances included:

- Institutional aid grew \$1.3M (16%). The variance was primarily comprised of increased awards to first-time students of \$927,016 and to transfer students of \$207,213. The remaining difference was caused by higher scholarship renewals resulting from an 8% increase in institutional aid in the prior fiscal year.
- Compensation increased \$421,006 (7.5%). A 3% average faculty increase, a \$2,180 annual staff increase and a 15% increase to the student hourly wage rate resulted in higher overall salaries. Associated benefit costs also grew due to higher salaries, a 1.5% MOSERS pension rate increase and higher insurance costs.

- Equipment and capital expenses grew by \$359,424 based on replacement purchases of a bus (\$219,273), a back-hoe loader (\$104,429), a utility vehicle (\$22,298), and an irrigation wheel (\$16,896).
- Office contracts increased \$351,843 (21%) due to higher technology renewal costs (\$210,669) and additional admissions software purchases (\$145,399).
- Professional services decreased \$85,153 (9%) due to lower contracted printing (\$49,927) and legal costs (\$23,927).
- Supplies fell \$72,276 (14%) due to fewer office supplies (\$43,349) and non-capitalized computer and peripheral purchases (\$42,961).

Auxiliary Systems (Pages B1-B3)

Revenue grew by \$761,804 (8.5%) to \$9.7M due to a \$741,260 (9%) increase in residence life income. A year-over-year increase of 68 student residents, a 4.5% increase in housing rates and a 4% increase to meal plan prices accounted for the additional income.

Student Union revenue grew by \$20,526 (4%) to \$524,793 based on slightly higher enrollment and a corresponding \$30 increase to the associated per student fee. Recreation Center income edged higher by \$3,216 (1%) to \$360,786. Other auxiliary revenue decreased by \$3,198 (8%) to \$38,867 due to non-recurring transfers from the Truman State University Foundation. The revenue distribution for the last three fiscal years is outlined in Figure 4, and fiscal year-to-date revenues were 54% of budget.

Auxiliary expenses increased \$214,414 (6%) to \$3.6M. Fiscal year-to-date expenses were 20% of budget. Expenses were allocated across auxiliary units as illustrated in Figure 5 and included the following variances:

- Institutional aid grew \$126,445 (19%) as an increase in scholarships awarded on a per student basis resulted in a larger proportion of funding available for housing costs.
- Other expenses fell \$117,276 (20%) due to lower insurance premiums.
- Overall meal costs increased \$91,596 (12%) due to higher food costs, increased campus catering and larger summer camp populations.
- Compensation grew \$84,844 (12%) due to a \$2,180 annual staff increase, a 15% increase in the student hourly wage rate and associated benefit costs.

Figure 3: Education & General Expenses

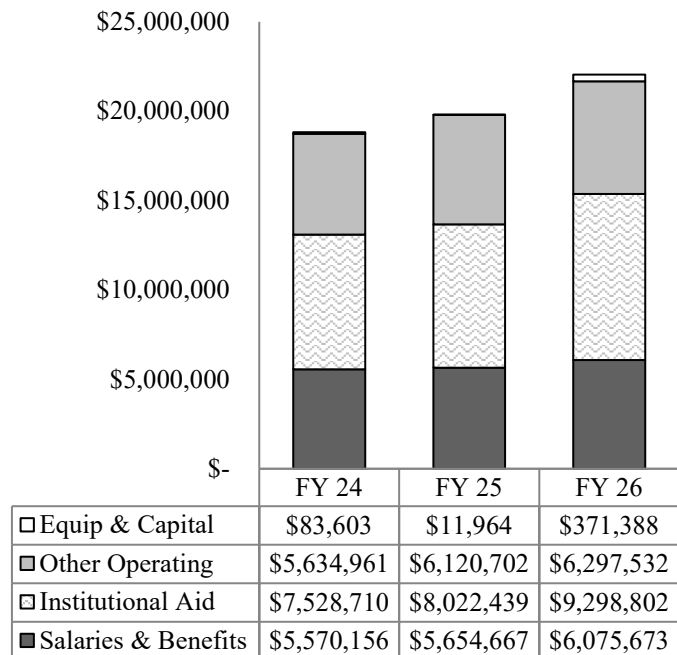


Figure 4: Auxiliary Revenues

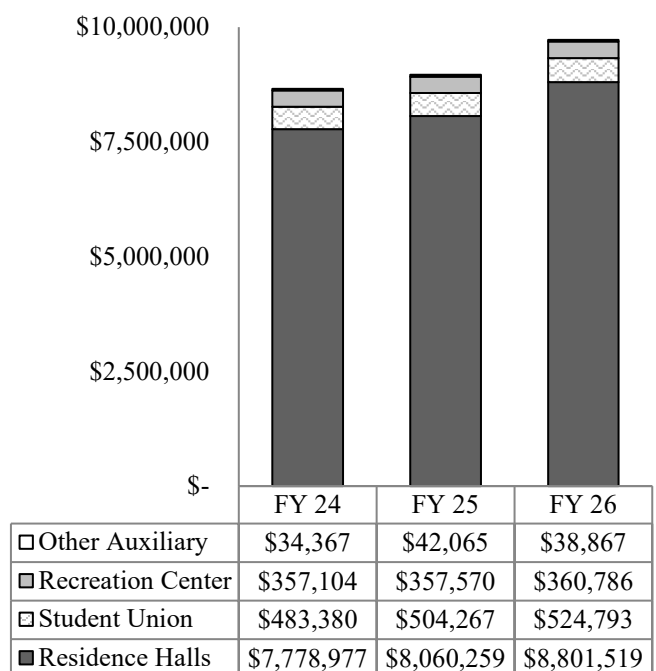
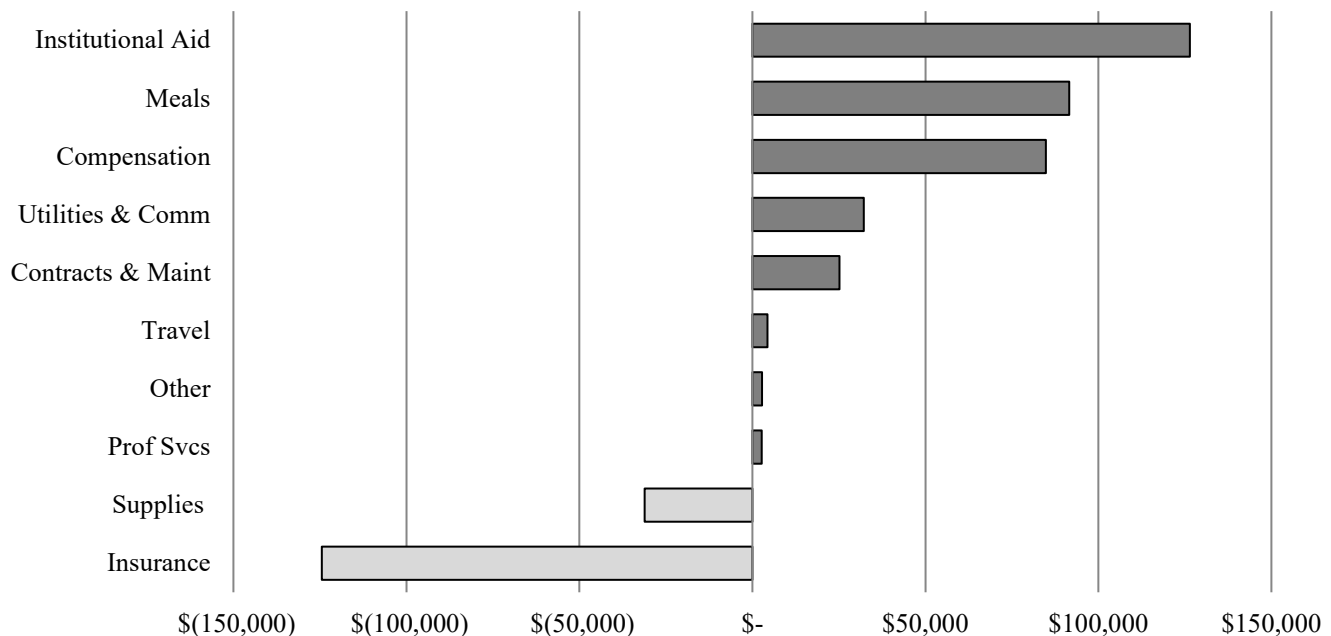


Figure 5: Auxiliary Expense Variances (FY 25 to FY 26)



Truman State University Foundation (Pages C1-C3)

Statement of Net Position (Page C-1)

Net position increased \$5.5M (7%) to \$85.9M. Current assets grew by \$522,185 (8%) to \$7.2M due to corresponding increases in cash and short-term investments associated with increased scholarship spending and additional admission related expenditures. Non-current assets grew \$4.9M (7%) to \$79.3M based on an increase in overall investment value. Loans receivable decreased \$38,303 (35%) to \$70,976 due to fewer outstanding student loans. Current liabilities fell \$16,695 (6%) to \$265,073 due to a decrease in annuitant payments. Non-current liabilities also fell \$81,235 (23%) to \$275,061 as a result of fewer charitable gift annuities.

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

Overall giving decreased \$495,346 (66%) to \$257,596. A prior year estate gift of \$491,535 has not yet been duplicated in the current fiscal period. Investment revenue fell \$460,590 (18%) to \$2.1M as larger unrealized gains in fixed asset holdings from the prior year were not repeated. Net expenses and University transfers grew \$272,857 (22%) to \$1.5M due to a \$144,491 increase in scholarship awards, a \$100,000 admissions software purchase and \$82,644 in additional travel associated with a women's soccer training trip.

Investments Schedule (Page C-3)

Investments (including endowed, short-term, long-term, and annuities) increased by \$5.3M (7%) to \$85.6M. Year-over-year gains, predominantly unrealized, were concentrated in equity funds and alternative investments. The Foundation also held beneficial interests in certain trusts, and their combined value decreased \$182,195 (4%) to \$4.4M. The reduction was associated with the prior year liquidation of the Cozean trust, and \$376,314 in trust proceeds were placed in an Education department restricted fund.

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

	FY26 Budget	FY26 To Date	Percent of Budget This Year	Percent of Budget Last Year
Education & General				
Revenues				
State Sourced Income	\$ 50,936,492	\$ 8,234,734	16.2%	
Local Income	40,698,059	20,552,303	50.5%	
Total Budgeted Revenues	91,634,551	28,787,037	31.4%	31.2%
Rollover from prior year	6,283,566			
Total Resources to Spend	\$ 97,918,117			
Expenses				
Faculty/Staff Salaries	36,461,799	3,473,254	9.5%	
Student Employment	3,582,185	678,173	18.9%	
Fringe Benefits	16,426,410	1,924,246	11.7%	
Total Salaries & Fringe Benefits	56,470,394	6,075,673	10.8%	10.3%
Equipment & Capitalized Expense	1,202,341	371,388	30.9%	1.0%
Operations				
Other Expense	19,045,382	5,713,352	30.0%	
Institutional Aid	17,300,000	9,298,802	53.8%	
Utilities	3,900,000	584,180	15.0%	
Total Operations	40,245,382	15,596,334	38.8%	35.3%
Total Education & General Expense	\$ 97,918,117	\$ 22,043,395	22.5%	20.6%

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

	FY24	FY25	FY26	Change	% Change
Education & General	Receipts	Receipts	Receipts	FY25 to FY26	FY25 to FY26
State Appropriation					
State Appropriation	\$ 7,876,736	\$ 8,113,038	\$ 8,234,734	\$ 121,696	1.5%
Total State Sourced Income	7,876,736	8,113,038	8,234,734	121,696	1.5%
Enrollment Fees					
Enrollment Fees	17,074,344	16,965,878	17,677,053	711,175	4.2%
Course Fees	792,410	756,193	814,785	58,592	7.7%
Other Fees	485,462	520,072	563,091	43,019	8.3%
Student Activity Fees	137,886	133,251	132,509	(742)	-0.6%
Athletic Fees	171,361	165,602	170,683	5,081	3.1%
Health Clinic Fees	115,226	111,353	110,943	(410)	-0.4%
Total Student Fees	18,776,689	18,652,349	19,469,064	816,715	4.4%
Other Operating & Non-Operating	835,887	1,339,736	1,083,239	(256,497)	-19.1%
Total Education & General	\$ 27,489,312	\$ 28,105,123	\$ 28,787,037	\$ 681,914	2.4%

	FY25	FY26	FY26-FY25
	8/31/2024	8/31/2025	Difference
Revenues:			
Tuition & Fees			
Prior Year Tuition Revenue	\$ -	\$ (2,375)	\$ (2,375)
Fall Semester	15,927,882	16,637,944	710,062
Summer Session	991,706	987,926	(3,780)
Joseph Baldwin Academy	317,516	336,526	19,010
Institute for Academic Outreach	145,440	180,408	34,968
Orientation Fees	222,634	205,761	(16,873)
Student Union Portion of Fees	(482,599)	(503,215)	(20,616)
Recreation Bldg Portion of Fees	(337,080)	(339,244)	(2,164)
Professional Development	-	338	338
Study Abroad	138,717	139,737	1,020
Student Activity Fees	133,251	132,509	(742)
Athletic Fees	165,602	170,683	5,081
Student Health Clinic Fees	111,353	110,943	(410)
Recovery of Faculty & Admin Costs	41,662	33,247	(8,415)
Course Fees	756,193	814,785	58,592
Other Fees	520,072	563,091	43,019
Subtotal	18,652,349	19,469,064	816,715
Sales & Services			
Fees & Fines	17,148	13,933	(3,215)
Parking Stickers	90,500	70,195	(20,305)
Student Insurance	214,309	226,560	12,251
Other Income	56,347	104,863	48,516
Subtotal	378,304	415,551	37,247
Other Operating			
Graduation Fees	1,156	800	(356)
Lab & Materials Fees	48	6,016	5,968
Athletic Income	5,087	4,250	(837)
Interest Charged to Students	25,562	29,958	4,396
Departmental Fundraising	13,089	17,788	4,699
Miscellaneous Income	39,520	17,027	(22,493)
Subtotal	84,462	75,839	(8,623)
Non-Operating			
General Revenue Appropriation	8,113,038	8,234,734	121,696
Investment Income	703,615	298,032	(405,583)
Revenue from Foundation	173,355	293,817	120,462
Subtotal	8,990,008	8,826,583	(163,425)
Total Revenues	\$ 28,105,123	\$ 28,787,037	\$ 681,914

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

	<u>FY24</u> <u>Expense</u>	<u>FY25</u> <u>Expense</u>	<u>FY26</u> <u>Expense</u>	<u>Change</u> <u>FY25 to FY26</u>	<u>% Change</u> <u>FY25 to FY26</u>
Education & General					
Salaries & Fringe Benefits					
Faculty & Staff Salaries	\$ 3,195,000	\$ 3,222,591	\$ 3,473,254	\$ 250,663	7.78%
Student Employment	614,516	607,246	678,173	70,927	11.68%
Fringe Benefits	1,760,640	1,824,830	1,924,246	99,416	5.45%
Total Salary & Fringe Benefits	<u>5,570,156</u>	<u>5,654,667</u>	<u>6,075,673</u>	<u>421,006</u>	<u>7.45%</u>
Equipment & Capital Expenses	<u>83,603</u>	<u>11,964</u>	<u>371,388</u>	<u>359,424</u>	<u>3004.21%</u>
Operations					
Institutional Aid	7,528,710	8,022,439	9,298,802	1,276,363	15.91%
Travel	142,577	127,158	170,529	43,371	34.11%
Utilities	608,681	550,317	584,180	33,863	6.15%
Professional Services	700,082	913,916	828,763	(85,153)	-9.32%
Supplies	341,789	528,632	456,356	(72,276)	-13.67%
Office Contracts	1,397,930	1,681,405	2,033,248	351,843	20.93%
Library Acquisitions	612,462	594,129	578,505	(15,624)	-2.63%
Communications	85,799	74,026	78,910	4,884	6.60%
Energy Lease Principal & Interest	210,000	210,000	210,000	-	0.00%
Maintenance & Repair	112,962	110,627	89,159	(21,468)	-19.41%
Other Expense	1,422,679	1,330,492	1,267,882	(62,610)	-4.71%
Total Operations	<u>13,163,671</u>	<u>14,143,141</u>	<u>15,596,334</u>	<u>1,453,193</u>	<u>10.27%</u>
Total Education & General	<u><u>\$ 18,817,430</u></u>	<u><u>\$ 19,809,772</u></u>	<u><u>\$ 22,043,395</u></u>	<u><u>\$ 2,233,623</u></u>	<u><u>11.28%</u></u>

Current Unrestricted E & G	FY25	FY26	FY26-FY25
	8/31/24	8/31/25	Difference
Expenditures:			
Salary Expense			
Faculty & Staff Salaries	\$ 3,222,591	\$ 3,473,254	\$ 250,663
Student Employment	607,246	678,173	70,927
Subtotal	3,829,837	4,151,427	321,590
Fringe Expense			
FICA & Medicare	234,540	249,794	15,254
Retirement	772,100	836,803	64,703
Employee Insurances	435,656	473,857	38,201
Other Fringes	382,534	363,792	(18,742)
Subtotal	1,824,830	1,924,246	99,416
Supplies			
Office Expense	281,714	187,403	(94,311)
Educational Supplies	37,019	46,786	9,767
Other	209,899	222,167	12,268
Subtotal	528,632	456,356	(72,276)
Other Expense			
Institutional Aid	8,022,439	9,298,802	1,276,363
Rentals	15,126	22,825	7,699
Office Contracts	1,681,405	2,033,248	351,843
Meals/Banquets/Refreshments	102,924	114,068	11,144
Library Acquisitions	594,129	578,505	(15,624)
Auxiliary Reimbursement	(82,149)	(82,149)	-
Professional Services	913,916	828,763	(85,153)
Repairs	2,002	4,258	2,256
Utilities	550,317	584,180	33,863
Insurance	967,213	845,031	(122,182)
Dues & Memberships	186,081	197,307	11,226
Maintenance & Repair	110,627	89,159	(21,468)
Energy Lease Principal & Interest	210,000	210,000	-
Other Expense	139,295	166,542	27,247
Subtotal	13,413,325	14,890,539	1,477,214
Equipment & Capital Expenses	11,964	371,388	359,424
Subtotal	11,964	371,388	359,424
Communications	74,026	78,910	4,884
Subtotal	74,026	78,910	4,884
Travel			
In State Travel	4,448	4,397	(51)
Out of State Travel	17,894	28,887	10,993
Study Abroad Travel	38,058	93,983	55,925
Other Travel Related Expenses	66,758	43,262	(23,496)
Subtotal	127,158	170,529	43,371
Total Expenditures	\$ 19,809,772	\$ 22,043,395	\$ 2,233,623

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

Auxiliary Systems	FY26 Budget	FY26 To Date	Percent of Budget This Year	Percent of Budget Last Year
Revenues				
Residence Halls	\$ 15,923,000	\$ 8,801,519		
Student Union	1,113,000	524,793		
Recreation Center	635,000	360,786		
Other Auxiliary	229,000	38,867		
Total Budgeted Revenues	17,900,000	9,725,965	54.3%	53.7%
Rollover from prior year	283,241			
Total Resources to Spend	\$ 18,183,241			
Expenses				
Salaries	1,313,199	210,916		
Student Salaries	434,625	203,572		
Fringe Benefits	817,859	396,835		
Total Salaries & Fringe Benefits	2,565,683	811,323	31.6%	29.6%
Equipment /Capitalized Expens	73,701	12,563	17.0%	0.0%
Operations				
Bond Principal & Interest	2,757,944	-	0.0%	
Meals-Contract Food Service	6,322,500	578,689	9.2%	
Other Expense	3,211,303	1,110,044	34.6%	
Institutional Aid	1,320,350	789,527	59.8%	
Utilities	1,931,760	311,758	16.1%	
Total Operations	15,543,857	2,790,018	17.9%	18.3%
Total Auxiliary Expense	\$ 18,183,241	\$ 3,613,904	19.9%	20.0%

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

	<u>FY24</u> <u>Receipts</u>	<u>FY25</u> <u>Receipts</u>	<u>FY26</u> <u>Receipts</u>	<u>Change</u> <u>FY25 to FY26</u>	<u>% Change</u> <u>FY25 to FY26</u>
Auxiliary					
Residence Halls	\$ 7,778,977	\$ 8,060,259	\$ 8,801,519	\$ 741,260	9.2%
Student Union	483,380	504,267	524,793	20,526	4.1%
Recreation Center	357,104	357,570	360,786	3,216	0.9%
Other Auxiliary	34,367	42,065	38,867	(3,198)	-7.6%
Total Auxiliary	<u><u>\$ 8,653,828</u></u>	<u><u>\$ 8,964,161</u></u>	<u><u>\$ 9,725,965</u></u>	<u><u>\$ 761,804</u></u>	<u><u>8.5%</u></u>

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

	FY24 Expense	FY25 Expense	FY26 Expense	Change FY25 to FY26	% Change FY25 to FY26
Auxiliary					
Salaries & Fringe Benefits					
Administrative & Staff Salaries	\$ 222,961	\$ 203,025	\$ 210,916	\$ 7,891	3.9%
Student Wages	140,543	168,815	203,572	34,757	20.6%
Fringe Benefits	387,048	354,639	396,835	42,196	11.9%
Total Salary & Fringe Benefits	750,552	726,479	811,323	84,844	11.7%
Equipment & Capital Expenses	12,563	12,563	12,563	-	0.0%
Operations					
Institutional Aid	511,297	663,082	789,527	126,445	19.1%
Supplies	84,140	71,790	40,641	(31,149)	-43.4%
Office Contracts	80,947	112,607	122,873	10,266	9.1%
Communications	9,120	6,331	6,208	(123)	-1.9%
Meals-Contract Food Service	451,800	530,084	578,689	48,605	9.2%
Meals-Other	225,352	235,163	278,154	42,991	18.3%
Utilities	337,588	279,465	311,758	32,293	11.6%
Professional Services	15,298	17,184	19,844	2,660	15.5%
Reimbursement to E & G	82,149	82,149	82,149	-	0.0%
Maintenance & Repair	65,961	86,139	100,997	14,858	17.2%
Other Expense	518,183	576,454	459,178	(117,276)	-20.3%
Total Operations	2,381,835	2,660,448	2,790,018	129,570	4.9%
Total Auxiliary	\$ 3,144,950	\$ 3,399,490	\$ 3,613,904	\$ 214,414	6.3%

	FY25	FY26	FY26-FY25
	31-Aug-24	31-Aug-25	Difference
Expenditures:			
Salary Expense			
Administrative & Staff Salaries	\$ 203,025	\$ 210,916	\$ 7,891
Student Wages	168,815	203,572	34,757
Subtotal	371,840	414,488	42,648
Fringe Expense			
FICA & Medicare	14,719	15,268	549
Retirement	57,018	60,129	3,111
Employee Insurance	41,852	47,053	5,201
Other Fringes	241,050	274,385	33,335
Subtotal	354,639	396,835	42,196
Supplies			
Office Expense	1,850	3,196	1,346
Other Supplies	69,940	37,445	(32,495)
Subtotal	71,790	40,641	(31,149)
Other Expense			
Institutional Aid	663,082	789,527	126,445
Office Contracts	112,607	122,873	10,266
Meals - Contract Food Service	530,084	578,689	48,605
Meals - Other	235,163	278,154	42,991
Professional Services	17,184	19,844	2,660
Utilities	279,465	311,758	32,293
Insurance	521,904	397,454	(124,450)
Dues & Memberships	11,693	13,471	1,778
Maintenance & Repair	86,139	100,997	14,858
Reimbursement to E&G	82,149	82,149	-
Energy Lease Principal & Interest	40,000	40,000	-
Other Expenses	2,784	3,781	997
Subtotal	2,582,254	2,738,697	156,443
Equipment	12,563	12,563	-
Subtotal	12,563	12,563	-
Communications	6,331	6,208	(123)
Subtotal	6,331	6,208	(123)
Travel Expense			
Out of State Travel	-	2,635	2,635
Other Travel Related Expenses	73	1,837	1,764
Subtotal	73	4,472	4,399
Total Auxiliary Expenses	\$ 3,399,490	\$ 3,613,904	\$ 214,414

Truman State University Foundation
Statement of Net Position
August 31, 2024 Compared to August 31, 2025

	31-Aug-24	31-Aug-25	Change
	FY25	FY26	FY25 to FY26
Cash	\$ 279,089	\$ 417,560	\$ 138,471
Short Term Investments	6,158,004	6,617,512	459,508
Interest Receivable	80,023	80,880	857
Due from Investment Manager	29,402	-	(29,402)
Loans Receivable, net of allow	94,715	47,466	(47,249)
Current Assets	<u>6,641,233</u>	<u>7,163,418</u>	<u>522,186</u>
Investments	74,140,820	79,018,902	4,878,082
Loans Receivable, net of allow	109,280	70,976	(38,304)
Cash Value of Life Insurance	168,839	185,623	16,784
Non-Current Assets	<u>74,418,939</u>	<u>79,275,502</u>	<u>4,856,563</u>
Total Assets	<u>81,060,171</u>	<u>86,438,920</u>	<u>5,378,748</u>
Accounts Payable	198,343	205,484	7,141
Refundable Advance	16,030	7,295	(8,735)
Annuities & Trusts Payable	67,396	52,295	(15,101)
Current Liabilities	<u>281,768</u>	<u>265,073</u>	<u>(16,695)</u>
Annuities & Trusts Payable	356,296	275,061	(81,235)
Non-Current Liabilities	<u>356,296</u>	<u>275,061</u>	<u>(81,235)</u>
Total Liabilities	<u>638,065</u>	<u>540,134</u>	<u>(97,930)</u>
Net Position	<u>\$ 80,422,107</u>	<u>\$ 85,898,785</u>	<u>\$ 5,476,678</u>

Truman State University Foundation
Statement of Revenues, Expenses & Changes in Net Position
August 31, 2024 Compared to August 31, 2025

	31-Aug-24 FY25	31-Aug-25 FY26	Change FY25 to FY26
Interest on Student Loans	\$ 1,584	\$ 892	\$ (692)
Operating Revenue	1,584	892	(692)
Scholarships	629,111	773,602	144,491
Supplies & Other Services	238,912	222,819	(16,093)
Travel Expense	30,251	112,895	82,644
Other Expense	60,755	68,951	8,196
Operating Expenses	959,028	1,178,267	219,239
Operating Gain (Loss)	(957,444)	(1,177,375)	(219,931)
Contributions	605,492	91,751	(513,741)
Interest & Other Distributions	68,969	74,519	5,550
Realized Gain (Loss)	1,499	263,187	261,688
Unrealized Gain (Loss)	2,491,133	1,763,305	(727,828)
Other Non-Operating Income	18,547	9,695	(8,852)
Other Non-Operating Expense	(49,338)	(52,099)	(2,761)
Non-Operating Revenues (Expenses)	3,136,303	2,150,359	(985,944)
Income before Other Revenues, Expenses, Gains, Losses & Transfers	2,178,859	972,984	(1,205,875)
Additions to Permanent Endowments	147,450	165,845	18,395
Transfers to Education & General for Admin	(19,833)	(19,833)	-
Transfers to Education & General	(153,522)	(273,983)	(120,461)
Transfer to Auxiliary - Other	(9,324)	(682)	8,642
Transfer to Capital Fund - Plant	(60,963)	-	60,963
Increase (Decrease) in Net Assets	2,082,666	844,330	(1,238,337)
Net Position, Beginning of Year	78,339,441	85,054,456	6,715,015
Net Position, Ending Balance	<u>\$ 80,422,107</u>	<u>\$ 85,898,785</u>	<u>\$ 5,476,678</u>

Truman State University Foundation
Investments Schedule
August 31, 2024 Compared to August 31, 2025

	31-Aug-24	31-Aug-25	Change
	FY25	FY26	FY25 to FY26
Endowed Pool	\$ 72,023,871	\$ 76,890,282	\$ 4,866,412
Short-Term Pool	6,158,004	6,617,512	459,508
Long Trust	848,400	906,298	57,897
Charitable Gift Annuities (General)	963,336	852,998	(110,337)
Student Investment Fund	208,784	240,554	31,771
Charitable Gift Annuities (California)	65,912	66,114	202
Charitable Gift Annuities (Florida)	30,518	31,728	1,210
Gift Pool	-	30,927	30,927
Total Investments	\$ 80,298,824	\$ 85,636,414	\$ 5,337,591
Lyle Ingraham Trust	\$ 3,899,997	\$ 4,095,043	\$ 195,046
Ludlow Trust	256,839	260,182	3,343
Cozean Trust	380,583	-	(380,583)
Beneficial Interest in Trusts	\$ 4,537,420	\$ 4,355,226	\$ (182,195)

ITEM 6

Accounts Receivables

TRUMAN STATE UNIVERSITY ACCOUNTS RECEIVABLE

	Aug 31, 2024		Oct 31, 2024		Dec 31, 2024		Feb 28, 2025		Apr 30, 2025		Jun 30, 2025		Aug 31, 2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Academic Term														
2018 Summer and Prior	\$ 15,872	0.3%	\$ 15,600	0.1%	\$ 12,119	0.1%	\$ 11,818	0.5%	\$ 11,483	0.3%	\$ 11,211	0.6%	\$ 9,246	0.1%
2018 Fall	15,093	0.3%	14,993	0.1%	14,593	0.1%	14,093	0.6%	13,871	0.4%	10,078	0.5%	9,596	0.1%
2019 Spring	9,244	0.2%	9,244	0.1%	9,244	0.0%	9,244	0.4%	9,244	0.2%	943	0.0%	936	0.0%
2019 Summer	1,737	0.0%	538	0.0%	538	0.0%	538	0.0%	538	0.0%	383	0.0%	383	0.0%
2019 Fall	36,348	0.7%	22,734	0.1%	22,630	0.1%	21,063	0.9%	21,063	0.5%	14,997	0.8%	14,997	0.2%
2020 Spring	40,360	0.7%	40,866	0.3%	34,150	0.2%	32,898	1.4%	32,821	0.8%	30,158	1.6%	28,723	0.4%
2020 Summer	5,412	0.1%	5,386	0.0%	3,291	0.0%	3,239	0.1%	3,233	0.1%	2,776	0.1%	2,382	0.0%
2020 Fall	82,995	1.5%	82,753	0.5%	74,780	0.3%	72,765	3.0%	71,112	1.8%	62,441	3.3%	59,889	0.9%
2021 Spring	43,851	0.8%	43,318	0.3%	40,200	0.2%	38,779	1.6%	23,885	0.6%	20,840	1.1%	20,628	0.3%
2021 Summer	4,558	0.1%	4,553	0.0%	4,442	0.0%	4,307	0.2%	4,040	0.1%	1,067	0.1%	1,067	0.0%
2021 Fall	90,825	1.6%	90,377	0.6%	89,242	0.4%	87,819	3.6%	84,945	2.2%	76,794	4.0%	69,173	1.1%
2022 Spring	70,231	1.3%	67,795	0.4%	66,967	0.3%	65,858	2.7%	64,261	1.7%	63,609	3.3%	61,128	0.9%
2022 Summer	2,112	0.0%	2,112	0.0%	2,065	0.0%	2,053	0.1%	1,692	0.0%	1,581	0.1%	1,508	0.0%
2022 Fall	88,269	1.6%	86,417	0.5%	82,019	0.4%	79,212	3.3%	74,411	1.9%	72,273	3.8%	70,274	1.1%
2023 Spring	104,486	1.9%	103,079	0.6%	95,784	0.4%	95,081	3.9%	94,654	2.5%	92,209	4.8%	91,520	1.4%
2023 Summer	8,558	0.2%	8,125	0.1%	7,799	0.0%	7,578	0.3%	7,018	0.2%	6,543	0.3%	6,362	0.1%
2023 Fall	94,194	1.7%	91,502	0.6%	84,943	0.4%	79,944	3.3%	63,983	1.7%	60,072	3.1%	58,499	0.9%
2024 Spring	98,856	1.8%	90,221	0.6%	81,764	0.4%	78,115	3.2%	74,625	1.9%	70,306	3.7%	69,035	1.1%
2024 Summer	183,925	3.3%	37,174	0.2%	16,567	0.1%	14,431	0.6%	12,022	0.3%	10,413	0.5%	10,411	0.2%
2024 Fall	4,586,431	82.0%	972,395	6.1%	437,806	2.0%	187,932	7.8%	178,800	4.6%	170,504	8.9%	162,879	2.5%
2025 Spring	-	0.0%	14,269,386	88.8%	21,213,464	94.7%	1,500,458	62.2%	585,027	15.1%	367,860	19.3%	167,443	2.6%
2025 Summer	-	0.0%	-	0.0%	-	0.0%	-	0.0%	2,408,551	62.3%	458,302	24.0%	202,851	3.1%
2025 Fall	-	0.0%	-	0.0%	-	0.0%	-	0.0%	18,882	0.5%	301,265	15.8%	5,359,329	82.7%
Non-Student Receivables	7,291	0.1%	3,491	0.0%	2,887	0.0%	5,111	0.2%	2,963	0.1%	2,777	0.1%	3,862	0.1%
Totals	\$ 5,590,647	100.0%	\$ 16,062,057	100.0%	\$ 22,397,291	100.0%	\$ 2,412,334	100.0%	\$ 3,863,123	100.0%	\$ 1,909,401	100.0%	\$ 6,482,122	100.0%
External Collection														
1st referral	\$ 309,193		\$ 321,009		\$ 305,826		\$ 306,616		\$ 317,682		\$ 261,484		\$ 312,624	
2nd referral	391,366		412,017		398,322		425,229		439,375		394,398		357,685	
Total in Collection	<u>\$ 700,559</u>		<u>\$ 733,026</u>		<u>\$ 704,148</u>		<u>\$ 731,845</u>		<u>\$ 757,057</u>		<u>\$ 655,881</u>		<u>\$ 670,309</u>	

ITEM 7

List of Projected Agenda Items

**Truman State University
Finance and Auditing Committee
List of Projected Agenda Items
As of October 2025**

December 2025 Meeting

Minutes from Prior Meeting
Financial Report
Review Committee Needs for Upcoming Year
Meet with External Auditors to Review Single and ACT/Class Rank Audits
Evaluate Auditors using Toolkit
Review Investment Policy
Review Account Receivables
Review Report of Audit Services obtained by University without Audit Committee Approval (under \$5,000)
Information Technology Report

February 2026 Meeting

Minutes from Prior Meeting
Financial Report
Investment Report – PFM Annual Report
Review Audit Charter
Independent Auditor Recommendation
Reserves Report
Review Account Receivables
Annual Review of Board of Governors Conflict of Interest Policy

April 2026 Meeting

Minutes from Prior Meeting
Financial Report
Review Risk Assessment Completed by Management
Review Account Receivables
Review Engagement Letters for Upcoming Audit

June 2026 Meeting

Minutes from Prior Meeting
Financial Report
Investment Report (Quarter Ending March 31)
Meet with External Auditors (audit preview)
Meet with External Auditors in Executive Session
Review Account Receivables

August 2026 Meeting

Minutes from Prior Meeting
Financial Report
Investment Report (Quarter Ending June 30)
Gift Policy Report
Ethics and Fiscal Misconduct Report
Review Account Receivables

October 2026 Meeting

Minutes from Prior Meeting
Financial Report
Review University Audit Drafts with External Auditors
Meet with External Auditors in Executive Session
Review Account Receivables

ITEM 8

Adjournment