
**TRUMAN STATE UNIVERSITY
FOUNDATION
A COMPONENT UNIT OF
TRUMAN STATE UNIVERSITY
FINANCIAL STATEMENTS
JUNE 30, 2024**

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Independent Auditors' Report

Board of Directors
Truman State University Foundation
Kirksville, Missouri

Report On The Audit Of The Financial Statements

Opinion

We have audited the financial statements of Truman State University Foundation (the Foundation), a component unit of Truman State University, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Foundation'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 Foundation as of June 30, 2024 and 2023, 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. 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 Foundation 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 Foundation'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 Foundation'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 Foundation'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 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 30, 2024, on our consideration of the Foundation'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

RubinBrown LLP

October 30, 2024

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF TRUMAN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Years Ended June 30, 2024, 2023 And 2022

This section of the Truman State University Foundation (the Foundation) annual financial report presents management's discussion and analysis of the financial performance of the Foundation during the fiscal years ended June 30, 2024, 2023 and 2022. 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 Foundation management.

Using The Annual Financial Statement

This annual report consists of financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Government* and No. 35, *Basic Financial Statements and Management Discussion and Analysis for Public Colleges and Universities*. The financial statements prescribed by GASB Statements No. 34 and 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.

About The Foundation

The Foundation is organized under Section 501(c)(3) of the Internal Revenue Code with the primary purpose of receiving gifts and donations for use at Truman State University (the University). Funds raised are kept in endowment funds, used for loans, or expended for the University within the wishes of the donor. The University transferred its endowment fund to the Foundation for investment purposes in 1985.

Statement Of Net Position

The Statement of Net Position includes all assets and liabilities of the Foundation. The difference between total assets and total liabilities, or net position, is one indicator of the current financial condition of the Foundation, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

The restricted, nonexpendable portion of the Foundation's net position relates to assets that are subject to externally-imposed stipulations that must be maintained permanently by the Foundation. The restricted, expendable portion of the Foundation's net position relates to assets that are subject to externally-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to the stipulations or that expire by the passage of time.

TRUMAN STATE UNIVERSITY FOUNDATION
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Management's Discussion And Analysis (*Continued*)

The category of unrestricted net position is not subject to externally-imposed stipulations. The unrestricted portion of net position may be designated for specific purposes by action of management or Board of Directors, or may be limited by contractual agreements with outside parties.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Assets			
Current assets	\$ 6,402,119	\$ 7,551,253	\$ 6,842,302
Noncurrent assets	72,525,569	64,491,271	61,109,449
Total Assets	78,927,688	72,042,524	67,951,751
Liabilities And Net Position			
Current liabilities	226,500	247,363	203,283
Noncurrent liabilities	361,748	383,521	423,093
Total Liabilities	588,248	630,884	626,376
Total Net Position	\$ 78,339,440	\$ 71,411,640	\$ 67,325,375

At June 30, 2024, 2023 and 2022, the Foundation's current assets of \$6,402,119, \$7,551,253 and \$6,842,302, respectively, were sufficient to cover current liabilities of \$226,500, \$247,363 and \$203,283, respectively. Noncurrent assets totaling \$72,525,569, \$64,491,271 and \$61,109,449 at June 30, 2024, 2023 and 2022, respectively, were primarily in investments of equity securities, fixed income securities and mutual funds. Current and noncurrent assets also include \$100,966 and \$116,491, respectively, of loans outstanding to the University students at June 30, 2024, compared to \$126,938 and \$242,359, respectively, at June 30, 2023, and \$168,600 and \$323,008, respectively, at June 30, 2022.

At June 30, 2024, 2023 and 2022, the Foundation's liabilities, current and noncurrent, totaled \$588,248, \$630,884 and \$626,376, respectively. The decrease of \$42,636 from 2023 to 2024 was due to a minor decrease in overall payables. The increase of \$4,508 from 2022 to 2023 was due to an increase in overall payables.

TRUMAN STATE UNIVERSITY FOUNDATION
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Management's Discussion And Analysis (*Continued*)

Total net position increased by \$6,927,800 from 2023 to 2024 and increased by \$4,086,265 from 2022 to 2023. Net position by category is outlined in the following table:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net Position			
Nonexpendable - endowment	\$ 36,436,390	\$ 35,543,461	\$ 34,433,464
Expendable - scholarships and fellowships	15,276,993	11,506,823	10,116,819
Expendable - loans	4,436,304	4,086,695	3,881,028
Restricted expendable - other	16,518,479	15,635,285	14,616,017
Unrestricted	5,671,274	4,639,376	4,278,047
Total Net Position	<u>\$ 78,339,440</u>	<u>\$ 71,411,640</u>	<u>\$ 67,325,375</u>

Statements Of Revenues, Expenses And Changes In Net Assets

The Statements of Revenues, Expenses and Changes in Net Assets presents the revenues earned by the Foundation, both operating and nonoperating, and the expenses incurred by the Foundation, both operating and nonoperating.

TRUMAN STATE UNIVERSITY FOUNDATION
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Management's Discussion And Analysis (*Continued*)

Condensed Statements Of Revenues, Expenses And Changes In Net Position
For The Years Ended June 30, 2024, 2023 And 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total Operating Revenues	\$ 15,086	\$ 21,079	\$ 22,881
Total Operating Expenses	2,699,709	2,657,896	2,126,283
Operating Loss	(2,684,623)	(2,636,817)	(2,103,402)
Net Nonoperating Revenues (Expenses)	10,572,207	6,532,917	(7,505,565)
Income (loss) before other revenues, expenses, gains, losses and transfers	7,887,584	3,896,100	(9,608,967)
Additions to permanent endowments	942,697	1,188,817	1,296,492
Transfers to Truman State University	(1,902,481)	(998,652)	(631,394)
Total Increase (Decrease) In Net	\$ 6,927,800	\$ 4,086,265	\$ (8,943,869)
Operating Revenues			
Interest on student loans receivable	\$ 15,086	\$ 21,079	\$ 22,881
Operating Expenses			
Supplies and other services	\$ 981,117	\$ 835,895	\$ 614,798
Travel expenses	166,912	196,442	57,494
Scholarships and fellowships	1,261,224	1,446,521	1,255,855
Other	290,456	179,038	198,136
Total Operating Expenses	\$ 2,699,709	\$ 2,657,896	\$ 2,126,283
Nonoperating Revenues (Expenses)			
Contributions	\$ 1,740,182	\$ 1,306,909	\$ 1,286,343
Investment income (loss)	8,911,374	5,309,673	(8,599,620)
Income from trusts	128,350	123,588	119,092
Other	121,168	110,706	67,849
Total Nonoperating Revenues (Expenses)	\$ 10,901,074	\$ 6,850,876	\$ (7,126,336)
Nonoperating Expenses			
Change in value of annuity and trust obligations	\$ 50,215	\$ 28,682	\$ 54,898
Other	278,652	289,277	324,331
Total Nonoperating Expenses	\$ 328,867	\$ 317,959	\$ 379,229

TRUMAN STATE UNIVERSITY FOUNDATION
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Management's Discussion And Analysis (*Continued*)

Comparisons 2024 To 2023

The most significant source of revenue for the Foundation in 2024 was investment income. Investment income increased significantly over prior year due to an increase in unrealized gains. Additionally, contributions (both unrestricted and additions to the endowment) increased by 7%.

Operating expenses for 2024 increased by 1.5% from 2023. Supplies and other services increased by 17%, respectively. Other expenses increased by 62%, travel expenses decreased by 15%, and scholarships and fellowships decreased by 13% from 2023.

Nonoperating revenues increased \$4,050,198 between 2023 and 2024, due primarily to an increase in unrealized gains.

Nonoperating expenses increased \$10,908 between 2023 and 2024, due to an increase in the change of annuity and trust obligations.

Comparisons 2023 To 2022

The most significant source of revenues for the Foundation in 2023 and 2022 were contributions. Investment income decreased significantly over prior year due to a decrease in unrealized gains. However, contributions (both unrestricted and additions to the endowment) decreased by 3%.

Operating expenses for 2023 increased by 25% from 2022. Travel expenses, other expenses, and supplies and other services increased by 242%, 10%, and 40%, respectively. Scholarships and fellowships also both increased by 15%.

Nonoperating revenues increased \$13,977,212 between 2022 and 2023, due primarily to an increase in unrealized gains.

Nonoperating expenses decreased \$61,270 between 2022 and 2023, due to a decrease in investment management fees.

TRUMAN STATE UNIVERSITY FOUNDATION
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Management's Discussion And Analysis (*Continued*)

Statement Of Cash Flows

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash Provided By (Used In)			
Operating activities	\$ (1,551,462)	\$ (2,453,096)	\$ (1,974,468)
Noncapital financing activities	(101,660)	446,625	1,469,318
Investing activities	2,572,130	1,456,079	2,027,271
Net Increase (Decrease) In Cash And Cash			
Equivalents	919,008	(550,392)	1,522,121
Cash And Cash Equivalents, Beginning Of Year	7,067,560	7,617,952	6,095,831
Cash And Cash Equivalents, End Of Year	<u>\$ 7,986,568</u>	<u>\$ 7,067,560</u>	<u>\$ 7,617,952</u>

Cash and equivalents increased between 2024 and 2023, primarily due to increases in investing activities.

Looking Forward

The mission of the Foundation is to advance the University through lasting relationships, strong private gift support, and prudent stewardship. The Truman State University Foundation works to secure donations to provide opportunities for students and to enhance learning and instruction at the University. The Foundation is governed by a Board of Directors who ensure it fulfills its mission. These board members are leaders in various professions, and their experience provides the Foundation with innovative support and oversight.

During fiscal year 2024, more than 2,000 generous donors (primarily comprised of alumni) gave approximately \$2.8M. These resources are already impacting the University through scholarships, new academic programs, and facility upgrades. Private gifts enable Truman State University students with educational opportunities not possible through traditional financial aid alone.

Even as the Foundation celebrates the amazing generosity of its donors, more work remains. In the coming year, the Foundation will be addressing a number of new strategic initiatives including expanding student scholarships, new experiential learning opportunities, creating new learning opportunities through advanced technology and campus facility upgrades.

Additional information can be obtained by calling (660) 785-4133 or writing to Truman State University, Attn: Office of Advancement, 100 E. Normal, Kirksville, MO 63501.

TRUMAN STATE UNIVERSITY FOUNDATION
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STATEMENT OF NET POSITION

	June 30,	
	2024	2023
Assets		
Current Assets		
Cash	\$ 311,458	\$ 419,856
Short-term investments	5,838,949	6,353,132
Other current assets	—	500,000
Interest receivable	80,023	78,421
Prepaid expenses	70,723	72,906
Loans to students, net of allowance of \$23,215 in 2024 and \$12,003 in 2023	100,966	126,938
Total Current Assets	6,402,119	7,551,253
Noncurrent Assets		
Investments	72,240,239	64,092,129
Loans to students, net of allowance of \$26,785 in 2024 and \$22,907 in 2023	116,491	242,359
Cash value of life insurance	168,839	156,783
Total Noncurrent Assets	72,525,569	64,491,271
Total Assets	78,927,688	72,042,524
Liabilities		
Current Liabilities		
Accounts payable	154,512	175,374
Annuities and trusts payable - current portion	71,988	71,989
Total Current Liabilities	226,500	247,363
Noncurrent Liabilities - Annuities And Trusts Payable	361,748	383,521
Total Liabilities	588,248	630,884
Net Position		
Restricted for:		
Nonexpendable:		
Permanent endowment	36,436,390	35,543,461
Expendable:		
Scholarships and fellowships	15,276,993	11,506,823
Loans	4,436,304	4,086,695
Other:		
Education and general	14,933,890	13,162,526
Capital improvements	1,107,791	1,995,399
Athletics	476,798	477,360
Unrestricted	5,671,274	4,639,376
Total Net Position	\$ 78,339,440	\$ 71,411,640

TRUMAN STATE UNIVERSITY FOUNDATION
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**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS**

	For The Years Ended June 30,	
	2024	2023
Operating Revenues		
Interest on student loans receivable	\$ 15,086	\$ 21,079
Operating Expenses		
Supplies and other services	981,117	835,895
Travel expenses	166,912	196,442
Scholarships and fellowships	1,261,224	1,446,521
Other	290,456	179,038
Total Operating Expenses	2,699,709	2,657,896
Operating Loss	(2,684,623)	(2,636,817)
Nonoperating Revenues (Expenses)		
Contributions	1,740,182	1,306,909
Investment income	8,911,374	5,309,673
Change in value of annuity and trust obligations	(50,215)	(28,682)
Income from perpetual trust	128,350	123,588
Other nonoperating revenues	121,168	110,706
Other nonoperating expenses	(278,652)	(289,277)
Net Nonoperating Revenues (Expenses)	10,572,207	6,532,917
Change In Net Position Before Additions To Permanent Endowment And Transfers	7,887,584	3,896,100
Additions To Permanent Endowment	942,697	1,188,817
Transfers To Truman State University	(1,902,481)	(998,652)
Increase In Net Position	6,927,800	4,086,265
Net Position - Beginning Of Year	71,411,640	67,325,375
Net Position - End Of Year	\$ 78,339,440	\$ 71,411,640

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF TRUMAN STATE UNIVERSITY

STATEMENT OF CASH FLOWS

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	For The Years Ended June 30,	
	2024	2023
Cash Flows From Operating Activities		
Payments to suppliers	\$ (906,959)	\$ (768,555)
Payments for scholarships and fellowships	(1,261,224)	(1,446,521)
Loans issued to students	(31,414)	(39,668)
Collections of loans to students	126,854	183,058
Other payments	521,281	(381,410)
Net Cash Used In Operating Activities	(1,551,462)	(2,453,096)
Cash Flows From Noncapital Financing Activities		
Gifts and grants for other than capital purposes	1,599,653	1,024,499
Endowment gifts	942,697	1,188,817
Transfers to Truman State University	(2,402,481)	(1,498,652)
Payments of annuity and trust obligations	(71,989)	(75,724)
Other payments	(169,540)	(192,315)
Net Cash Provided By (Used In) Noncapital Financing Activities	(101,660)	446,625
Cash Flows From Investing Activities		
Investment income (loss)	3,947,926	(904,182)
Proceeds from sales and maturities of investments	23,726,279	24,592,190
Distributions received from perpetual trusts	128,350	123,588
Purchases of investments	(25,230,425)	(22,355,517)
Net Cash Provided By Investing Activities	2,572,130	1,456,079
Net Increase (Decrease) In Cash And Cash Equivalents	919,008	(550,392)
Cash And Cash Equivalents - Beginning Of Year	7,067,560	7,617,952
Cash And Cash Equivalents - End Of Year	\$ 7,986,568	\$ 7,067,560
Reconciliation Of Cash And Cash Equivalents To The Statement Of Net Position		
Cash	\$ 311,458	\$ 419,856
Cash equivalents included in short-term investments	5,838,949	6,353,132
Cash equivalents included in investments - noncurrent	1,836,161	294,572
Total Cash And Cash Equivalents	\$ 7,986,568	\$ 7,067,560

TRUMAN STATE UNIVERSITY FOUNDATION
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STATEMENT OF CASH FLOWS

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	For The Years Ended June 30,	
	2024	2023
Reconciliation Of Net Operating Loss To Net Cash From Operating Activities		
Operating loss	\$ (2,684,623)	\$ (2,636,817)
Adjustments to reconcile operating loss to net cash from operating activities:		
Changes in assets and liabilities:		
Prepaid expenses and other assets	1,002,183	9,860
Loans receivable, net	151,840	122,311
Accounts payable	(20,862)	51,550
Net Cash Used In Operating Activities	\$ (1,551,462)	\$ (2,453,096)
Supplemental Disclosure Of Cash Flow Information		
Noncash gifts received	\$ 140,529	\$ 282,410
Unrealized gain (loss) on investments	4,961,846	6,208,538

TRUMAN STATE UNIVERSITY FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
June 30, 2024 And 2023

1. Nature Of Operations And Summary Of Significant Accounting Policies

Nature Of Operations

The Truman State University Foundation (the Foundation) is a not-for-profit organization whose mission and principal activities are to promote the welfare and mission of Truman State University (the University). The Foundation is included in the University's financial statements and is presented as a blended component unit. The Foundation's revenues and other support are derived principally from contributions. The Foundation extends credit in the form of loans receivable, secured by promissory notes, to qualified students and awards scholarships to students of the University. The Foundation also provides support to University academic divisions, athletics, and Truman State University alumni associations.

Basis Of Accounting And Presentation

The financial statements of the Foundation have been prepared on 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 nonexchange transactions (principally contributions) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements, unless they relate to services provided and used internally. Operating revenues and expenses include exchange transactions and program-specific, voluntary nonexchange transactions. Voluntary nonexchange transactions that are not program-specific and investment income (or losses) are included in nonoperating revenues and expenses. The Foundation first applies restricted assets when an expense or outlay is incurred for purposes for which both restricted and unrestricted assets are available.

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, the 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.

TRUMAN STATE UNIVERSITY FOUNDATION
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Notes To Financial Statements (*Continued*)

Cash Equivalents

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2024 and 2023, cash equivalents consisted primarily of money market funds.

Investments And Investment Income

Investments in equity securities, fixed income securities and mutual funds are carried at fair value. Fair value for equity securities and mutual funds are determined using quoted market prices. Fixed income securities are valued using a multi-dimensional relational model that utilizes observable inputs in active markets. Investments in non-negotiable certificates of deposit and repurchase agreements are carried at cost, which approximates fair value.

The Foundation holds investments that are measured at fair value on a recurring basis and has chosen a narrative format for the fair value disclosures.

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 investments accounts, as adjusted for additions to or deductions from those accounts.

Loans To Students

Loans to students are stated at the amount billed to students, plus any accrued and unpaid interest. The Foundation provides an allowance for doubtful accounts through a charge to the change in net position and a credit to the valuation allowance, based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the student.

TRUMAN STATE UNIVERSITY FOUNDATION
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Notes To Financial Statements (*Continued*)

Net Position

The net position of the Foundation is classified in three components. Restricted, nonexpendable net position relates to net position that must be held in perpetuity; any income earned on such assets must be used for a particular purpose, as specified by grantors or donors external to the Foundation. Restricted expendable net position relates to net position that must be used for a particular purpose, as specified by creditors, grantors or donors external to the Foundation. Unrestricted net position relates to the remaining assets less remaining liabilities that do not meet the definition of restricted expendable or nonexpendable net position. \$1,984,952 and \$1,932,194 of the Foundation's unrestricted net position at June 30, 2024 and 2023, respectively, is designated by the Board as an endowment for scholarships.

Classification Of Revenues

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

Operating revenues - includes activities that have the characteristics of exchange transactions, such as interest on student loans.

Nonoperating revenues - includes activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*, and GASB No. 34, *Basic Financial Statements And Management's Discussion And Analysis For State And Local Government*, such as investment income.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted net position. Gifts received with a donor stipulation that limits their use are reported as a component of restricted-expendable or restricted-nonexpendable net position.

Gifts of land, buildings, equipment, and other long-lived assets are recorded at acquisition value at the date of the gift and are reported as a component of unrestricted net position, unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as a component of restricted-expendable or restricted-nonexpendable net position. Normally, gifts of land or buildings are sold by the Foundation and donations of equipment are transferred to the University.

TRUMAN STATE UNIVERSITY FOUNDATION
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Notes To Financial Statements (*Continued*)

In addition to receiving cash contributions, the Foundation receives in-kind contributions of supplies from various donors. It is the policy of the Foundation to record the estimated acquisition value of certain in-kind donations as an expense in its financial statements and similarly increase contribution revenue by a like amount. For the years ended June 30, 2024 and 2023, the Foundation received in-kind contributions of \$4,664 and \$55,260, respectively.

Collections

Donations of works of art, historical treasures, and similar assets are transferred to the University if received by the Foundation.

Income Taxes

The Foundation constitutes a qualified, not-for-profit organization, and is therefore exempt from income taxes under Section 501(c)(3) of the Internal Revenue 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, Investments And Fair Value

Deposits

Custodial credit risk is the risk that in the event of a bank failure, an entity's deposits may not be returned to it. The Foundation's depositary agreement for banking services requires compliance with the provisions of Missouri state law. The Foundation's investment policy does not address custodial credit risk over deposits.

Investments

The 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, as well as in bank repurchase agreements. It may also invest in corporate bonds, real estate and equity securities and mutual funds.

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF TRUMAN STATE UNIVERSITY

Notes To Financial Statements *(Continued)*

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

Type	Fair Value	Maturities In Years			
		Not Applicable	0 - 5	5 - 10	More Than 10
Cash equivalents	\$ 7,675,110	\$ 7,675,110	\$ —	\$ —	\$ —
Fixed income mutual funds	6,217,552	6,217,552	—	—	—
Equity mutual funds	19,812,510	19,812,510	—	—	—
All asset mutual funds	2,153,384	2,153,384	—	—	—
Limited partnerships and LLC's					
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	—	—	—
	\$ 78,079,188	\$ 78,079,188	\$ —	\$ —	\$ —

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

At June 30, 2023, the Foundation had the following investments and maturities:

Type	Fair Value	Maturities In Years			
		Not Applicable	0 - 5	5 - 10	More Than 10
Cash equivalents	\$ 6,647,704	\$ 6,647,704	\$ —	\$ —	\$ —
Fixed income mutual funds	7,144,090	7,144,090	—	—	—
Equity mutual funds	24,875,009	24,875,009	—	—	—
All asset mutual funds	2,003,786	2,003,786	—	—	—
Limited partnerships and LLC's					
Dalfen Last Mile Industrial Fund V LP	638,311	638,311	—	—	—
Hardman Johnston Int'l equity fund II	2,700,962	2,700,962	—	—	—
Industry Ventures Secondary IX LP	1,982,987	1,982,987	—	—	—
Ir&m core bond fund	2,656,237	2,656,237	—	—	—
Klep Offshore fund	1,082,865	1,082,865	—	—	—
Klep Offshore fund III LP	432,676	432,676	—	—	—
Nepc Emerging Market Equity Series	5,473,413	5,473,413	—	—	—
Nepc Global Equity Series Class A	6,552,368	6,552,368	—	—	—
Newbury Equity Partners V LP	1,520,632	1,520,632	—	—	—
Thoma Bravo Fund Xv-A LP	617,509	617,509	—	—	—
Vwh Offshore Fund III LP	423,753	423,753	—	—	—
Windrose Health Investors VI LP	339,798	339,798	—	—	—
Arena Capital Short Duration High Yield Fu	618,624	618,624	—	—	—
Global Alpha Int'l Small Cap Fund LP	767,471	767,471	—	—	—
IPI Partners III A	427,498	427,498	—	—	—
Metis Real Asset Index	634,394	634,394	—	—	—
Orchard Landmark Limited	1,168,702	1,168,702	—	—	—
TA Realty Core Property Fund LP	1,736,472	1,736,472	—	—	—
	\$ 70,445,261	\$ 70,445,261	\$ —	\$ —	\$ —

Interest Rate Risk - 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.

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

At June 30, 2024 and 2023, the Foundation's fixed income investments are all comprised of assets invested in mutual funds and other types of funds, to which no specific quality rating was available for the individual securities held by the Foundation.

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Foundation's investment policy does not address custodial credit risk.

Concentration of Credit Risk - 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.

At June 30, 2024 and 2023, the Foundation did not hold any fixed income investments that were greater than 5% of the Foundation's total investment portfolio.

Summary Of Carrying Values

The carrying value of deposits and investments included in the Statement of Net Position as follows at June 30:

	<u>2024</u>	<u>2023</u>
Cash	\$ 311,458	\$ 419,856
Short-term investments	5,838,949	6,353,132
Investments	72,240,239	64,092,129
	<u>\$ 78,390,646</u>	<u>\$ 70,865,117</u>

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Investment Income (Losses)

Investment income for the years ended June 30, 2024 and 2023 consists of:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 2,953,553	\$ 703,383
Net realized and unrealized gains (losses) on investments	<u>5,957,821</u>	<u>4,606,290</u>
	<u>\$ 8,911,374</u>	<u>\$ 5,309,673</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 Foundation has 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 Foundation's 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 Foundation's own data.

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

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

The 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, 2024, the 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 mutual funds	6,217,552	6,217,552	—	—
Equity mutual funds	19,812,510	19,812,510	—	—
All asset mutual funds	2,153,384	2,153,384	—	—
Limited partnerships and LLC's 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	—	—	—
Klep Offshore fund	798,115	—	—	—
Klep 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	—	—	—
	\$ 78,079,188	\$ 35,858,556	\$ —	\$ —

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

At June 30, 2023, the Foundation's investments were classified as follows:

Type	Fair Value	Fair Value Level		
		1	2	3
Cash equivalents	\$ 6,647,704	\$ 6,647,704	\$ —	\$ —
Fixed income mutual funds	7,144,090	7,144,090	—	—
Equity mutual funds	24,875,009	24,875,009	—	—
All asset mutual funds	2,003,786	2,003,786	—	—
Limited partnerships and LLC's Reported at Net Asset Value				
Dalfen Last Mile Industrial Fund V LP	638,311	—	—	—
Hardman Johnston Int'l equity fund II	2,700,962	—	—	—
Industry Ventures Secondary IX LP	1,982,987	—	—	—
Ir&m core bond fund	2,656,237	—	—	—
Klep Offshore fund	1,082,865	—	—	—
Klep Offshore fund III LP	432,676	—	—	—
Nepc Emerging Market Equity Series	5,473,413	—	—	—
Nepc Global Equity Series Class A	6,552,368	—	—	—
Newbury Equity Partners V LP	1,520,632	—	—	—
Thoma Bravo Fund Xv-A LP	617,509	—	—	—
Vwh Offshore Fund III LP	423,753	—	—	—
Windrose Health Investors VI LP	339,798	—	—	—
Arena Short Duration High Yiefl Fund LP	618,624	—	—	—
Global Alpha Int'l Small Cap Fund LP	767,471	—	—	—
IPI Partners III A	427,498	—	—	—
Metis Real Asset Index	634,394	—	—	—
Orchard Landmark Limited	1,168,702	—	—	—
TA Realty Core Property Fund LP	1,736,472	—	—	—
	\$ 70,445,261	\$ 40,670,589	\$ —	\$ —

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF 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, 2024.

Type	Investment Strategy	Redemption Rights	Unfunded Commitments
Dalfen Last Mile Industrial Fund V	The Fund provides opportunistic exposure to the industrial real estate market.	Illiquid (a) \$	400,000
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)	197,822
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)	70,814
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)	291,313
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 FOUNDATION
A COMPONENT UNIT OF 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) \$	480,000
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)	336,003
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)	417,788
Windrose Health Investors VII 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)	491,830
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	—
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)	723,777

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF 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	—
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 (g)	—
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)	850,000
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	—

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

Several of the investments noted above include certain additional provisions related to redemption, which are described below and correspond to the references (a) through (g) in the table above:

- (a) The Fund does not currently allow for any voluntary redemptions. The Foundation does not have a current estimate on when this fund may become liquid.
- (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) Withdrawals are not available within the first 6 months following the investment of capital in the fund. Thereafter, withdrawals may be made at the end of each calendar month, or at other times as permitted by the general partner.
- (e) In the event of a full redemption, the general partner may withhold up to 5% of the withdrawal amount, which would be payable as soon as deemed practical by the general partner.

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

- (f) Shareholders generally can redeem up to 25% of their shareholding at the end of each calendar quarter following each third year anniversary of the date such Shares are first subscribed, subject to 90 days' prior written notice and the discretion of the Directors to permit redemptions at other times. In the event that redemption requests received aggregate more than 15% of the net assets of the Fund, the Fund may reduce the requests ratably and pro rata amongst all shareholders seeking to redeem shares on the relevant redemption date such that the aggregate redemption amount does not exceed 15% of the then net assets of the Fund. Any unredeemed balance will be carried forward to the next redemption date (subject to further deferral if the unredeemed requests themselves exceed 15% of the then net assets) and thereafter to successive redemption dates until fully redeemed, subject to a maximum deferral of four quarters.
- (g) 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 thirty-nine outstanding redemption requests totaling \$363,666,126 for the Fund as of December 31, 2023. These redemption requests were approximately 10% of the Fund's net assets as of December 31, 2023).

3. Beneficial Interest In Trust

The Foundation is the beneficiary of a perpetual trust. The income earned by the Foundation from this trust was \$128,350 and \$123,588 during the years ended June 30, 2024 and 2023, respectively. As the Foundation's beneficial interest in this trust is subject to a time requirement, the present value of future distributions from this trust agreement is not presented as an asset on the Statement of Net Position by the Foundation, pursuant to the provisions of GASB 33 - *Accounting and Financial Reporting for Nonexchange Transactions*.

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

4. Long-Term Liabilities

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

	<u>Beginning</u>			<u>Change</u>	<u>Ending</u>	<u>Current</u>
	<u>Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>In Value</u>	<u>Balance</u>	<u>Portion</u>
<u>Annuities and trusts payable</u>	<u>\$ 455,510</u>	<u>\$ —</u>	<u>\$ (71,989)</u>	<u>\$ 50,215</u>	<u>\$ 433,736</u>	<u>\$ 71,988</u>

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, 2024 and 2023 of \$433,736 and \$455,510, respectively, which represents the present value of the future annuity obligations. The liability has been determined using discount rates ranging from approximately 1% to 6.2%. The Foundation has segregated assets in custodial investment accounts to fund these obligations. At June 30, 2024 and 2023, the market value of these investments was \$1,024,565 and \$1,042,979, respectively.

5. Endowments And Similar Funds

The Board of Directors 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. The Board of Directors' spending policy for endowed funds is 4.5% of a three-year moving market average. This policy does not apply to external trust accounts. This amount is reported in expendable restricted net position on the statement of net position.

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.

TRUMAN STATE UNIVERSITY FOUNDATION
A COMPONENT UNIT OF TRUMAN STATE UNIVERSITY

Notes To Financial Statements (*Continued*)

6. Related Party Transactions

The Foundation and the University are related parties that are financially-interrelated organizations. The University authorizes the Foundation to solicit contributions on its behalf. In the absence of donor restrictions, the Foundation has discretionary control over the amounts and timing of its distributions to the University.

The Foundation has no employees of its own, but receives administrative support from the University. The Foundation also transferred \$1,902,481 and \$998,652 in equipment, cash and other assets to the University during the years ended June 30, 2024 and 2023, respectively. The Foundation had \$16,356 and \$50,170 in amounts due to the University at June 30, 2024 and 2023, respectively, which was included in accounts payable.

In 1985, the University's Board of Governors authorized the transfer of its endowment fund to the Foundation for management purposes. All investment earnings from these funds have been recorded in the accounting records of the Foundation. All endowment additions since 1985, including gifts and other income, have been recorded in the Foundation accounting records. The total fair value of the endowment fund managed by the Foundation at June 30, 2024 and 2023 was \$70,189,425 and \$68,741, 839, respectively.

**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 Directors and Audit Committee
Truman State University Foundation
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, the financial statements of the business-type activities of Truman State University Foundation (the Foundation), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated October 29, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation'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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation'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 may exist that have not been identified.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Foundation'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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

October 30, 2024