

Midwestern State University Board of Regents Meetings



February 12 & 13, 2015

President's Office
Permanent Copy

Midwestern State University

Board of Regents Meetings

Schedule

Thursday, February 12, 2015

1:30 p.m. Board of Regents Meeting
 Committee of the Whole
 Executive Committee
 Academic and Student Affairs Committee
 Finance Committee
 Audit, Compliance, and Management Review

Friday, February 13, 2015

9:00 a.m. Board of Regents Meeting

**MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

Shawn G. Hessing, Chairman
Michael Bernhardt, Vice Chairman
J. Kenneth Bryant, Secretary
Tiffany D. Burks
R. Caven Crosnoe
F. Lynwood Givens, Ph.D.
Jeff Gregg
Nancy Marks
Samuel M. Sanchez
Jesse Brown, Student Regent

Midwestern State University Administration

Dr. Jesse W. Rogers, President

Ms. Debbie Barrow, Director, Board and Government Relations

Dr. Francine Carraro, Director, Museum

Mr. Barry Macha, General Counsel

Mr. Mike Taylor, Internal Auditor

Dr. Betty H. Stewart, Provost and Vice President for Academic Affairs

Dr. Martin Camacho, Dean, Lamar D. Fain College of Fine Arts

Dr. Matthew Capps, Dean, Gordon T. and Ellen West College of Education

Dr. Rodney Cate, Interim Dean, College of Science and Mathematics

Ms. Naoma Clark, Director, Academic Success Center

Ms. Darla English, Registrar

Dr. James Johnston, Dean, Robert D. and Carol Gunn College of Health Sciences and Human Services

Dr. Terry Patton, Dean, Dillard College of Business Administration

Dr. Samuel E. Watson, III, Dean, Prothro-Yeager College of Humanities and Social Sciences

Dr. Larry Williams, Director, International Programs

Dr. Deborah R. Garrison, Associate Vice President for Academic Affairs & Dean, Graduate School

Dr. Clara Latham, University Librarian

Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance

Ms. Dawn Fisher, Director, Human Resources

Ms. Valarie Maxwell, Director, Budget and Management

Mr. Kyle Owen, Associate Vice President for Facilities Services

Ms. Kathy Rice, Director, Payroll

Mr. Stephen Shelley, Director, Purchasing

Mr. Chris Stovall, Controller

Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management

Dr. Randy Glean, Director, International Services

Ms. Leah Hickman, Interim Director, Admissions

Ms. Kathy Pennartz-Browning, Director, Student Financial Aid

Mr. Dan Williams, Chief, University Police

Mr. Matthew Park, Associate Vice President for Student Affairs & Dean of Students

Ms. Cammie Dean, Director of Student Development and Orientation

Dr. Joey Greenwood, Director of Recreational Sports/Wellness Center

Ms. Debra Higginbotham, Director, Disability Support Services

Dr. Pam Midgett, Director, Counseling Center

Dr. Michael Mills, Director, Housing and Dining Services

Mr. Dail Neely, Director, Student Conduct & Clark Student Center

Mr. Dirk Welch, Director, Career Management and Testing Services

Dr. Keith Williamson, Medical Director, Vinson Health Center

Dr. Robert E. Clark, Vice President for Administration and Institutional Effectiveness
Mr. Randy Kirkpatrick, Chief Information Officer
Mr. Mark McClendon, Director, Institutional Research and Assessment
Dr. Pam Morgan, Director, Center for Continuing, Professional, and Distance Education

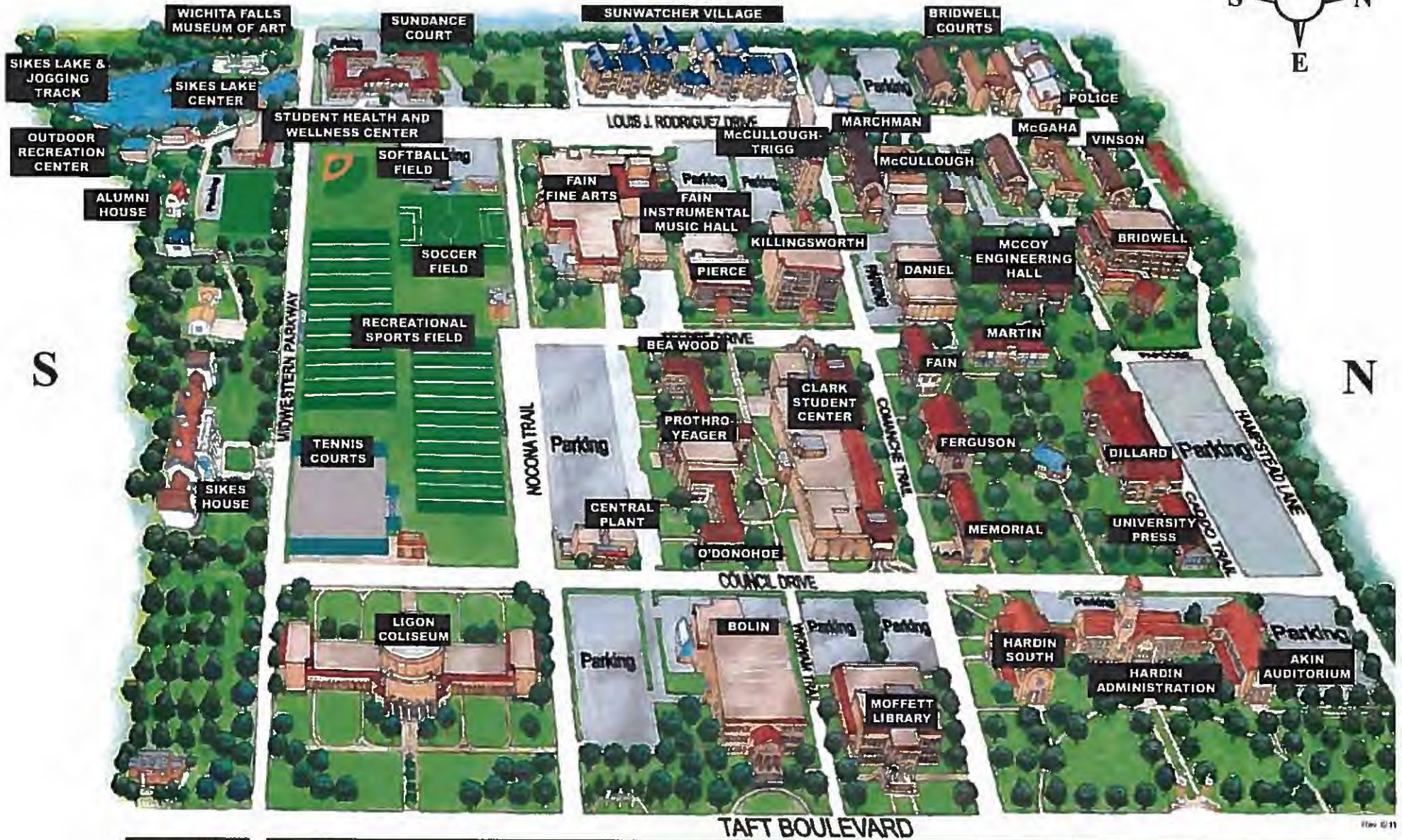
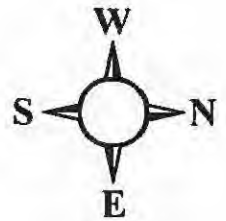
Dr. Howard Farrell, Vice President for University Advancement and Public Affairs
Ms. Julie Gaynor, Director, Marketing and Public Information
Ms. Leslee Ponder, Director, Alumni Relations
Mr. Steve Shipp, Director, University Development

Mr. Charlie Carr, Director of Athletics
Mr. Damian Clarke, Head Women's Soccer Coach
Mr. Doug Elder, Head Men's Soccer Coach
Ms. Venera Flores-Stafford, Associate Director of Athletics/Senior Woman Administrator
Mr. Nelson Haggerty, Head Men's Basketball Coach
Ms. Noel Johnson, Head Women's Basketball Coach
Mr. Scott Linn, Head Tennis Coach
Mr. Bill Maskill, Head Football Coach
Mr. Kurt Portmann, Executive Associate Director of Athletics
Mr. Bill Powers, Assistant Athletic Director for Marketing, Promotions, and Public Relations
Mr. Jeff Ray, Head Golf Coach and Coordinator, Champs Life Skills Program
Mr. Trey Reed, Assistant Director of Athletics for Sports Information
Mr. Koby Styles, Head Women's Cross Country and Track Coach
Mr. Brady Tigert, Head Softball Coach
Mr. Kyle Williams, Associate Director of Athletics, Development

Dr. David Carlston, Chairman, MSU Faculty Senate
Mr. Dirk Welch, Chairman, MSU Staff Senate
Ms. Rebecca Stogner, President, MSU Student Government Association

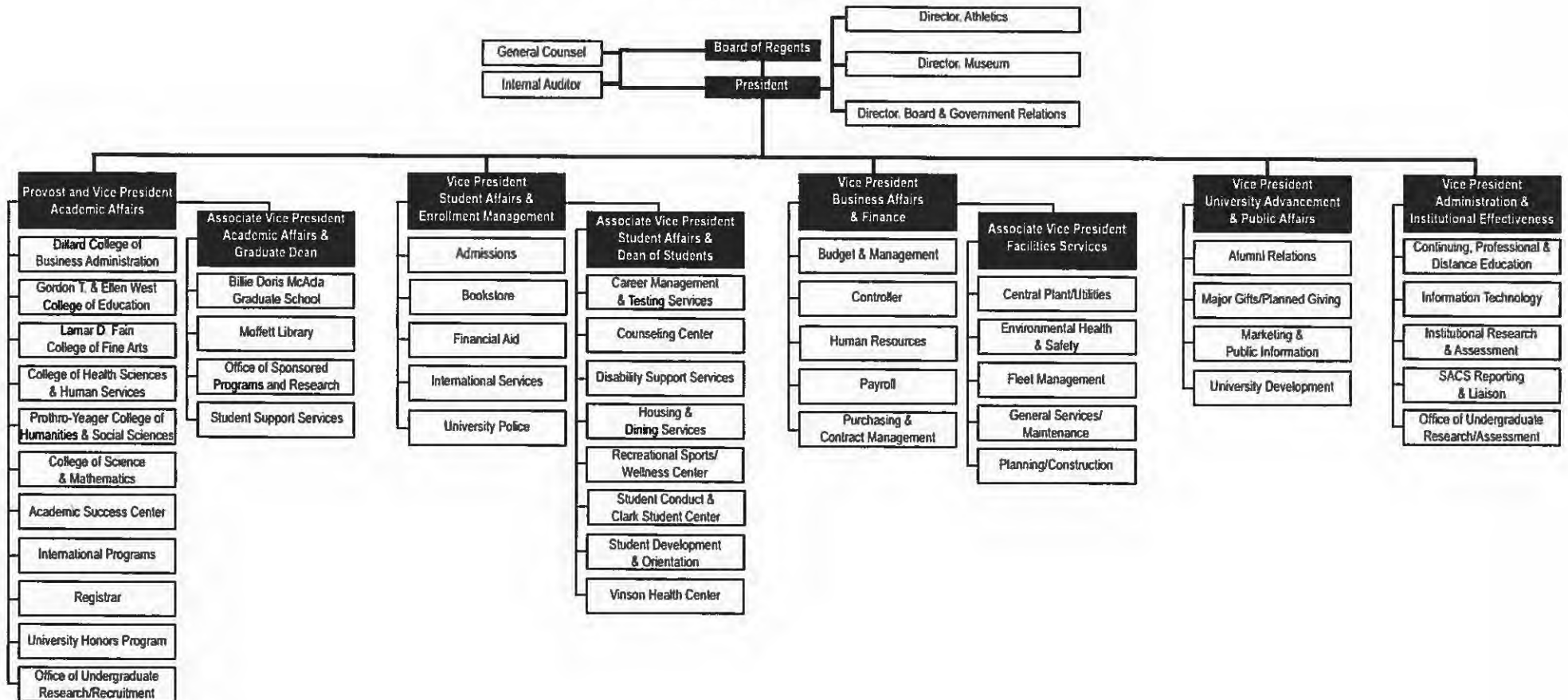
Midwestern State University

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Midwestern State University Organization Chart



Midwestern State University Dashboard Indicator and Projections

November 2014 Board of Regents Meeting

| | | Annual Performance | | | | Target |
|------------------------------|--|-----------------------|--------------|--------------|-----------|--------------|
| 1. Student Access | | Base Year (2008-2009) | 2012-2013 | 2013-2014 | 2014-2015 | 2018-19 |
| 1.a | Total Enrollment (Headcount) | 6,093 | 5,916 | 5,870 | 5,874 | 6,230 |
| 1.b | FTE Enrollment (based on FT +1/3 PT) | 4,819 | 4,618 | 4,605 | 4,653 | 4,922 |
| 1.c | Number of Beginning Freshmen (Fall) (Registrar Number, FT + PT) | 675 | 612 | 817 | 813 | 900 |
| 1.d | Average Course Load of FT UG | 13.85 | 13.95 | 14.06 | 13.92 | 13.97 |
| 1.e | Percent of Students Receiving Pell Grant (UG Fall) | 24.6% | 32.30% | 37.16% | 37.90% | 41.72% |
| 1.f | Number of Community College Transfer Students Enrolled | 1952 | 2237 | 2207 | 1950 | 2,000 |
| 1.g | Percentage of Hispanic students enrolled (enr/%) | 9.20% | 12.30% | 13.90% | 14.00% | 20.00% |
| 1.h | Percentage of African American students enrolled (enr/%) | 12.70% | 12.20% | 12.90% | 14.10% | 14.50% |
| 1.i | Online and Distance Education (courses offered per year) | 367 | 538 | 637 | | 968 |
| 1.j | Distance Education Only (Fall)(var-distd2) | 777 | 951 | 967 | 950 | 1075 |
| 2. Student Success | | Base Year (2008-2009) | 2012-2013 | 2013-2014 | 2014-2015 | 2018-19 |
| 2.a | First Time Student Retention Rate (First year) | 74.90% | 71.00% | 68.28% | 72.85% | 75.00% |
| 2.b | First Time Student Retention Rate (Second year) | 61.00% | 54.18% | 56.40% | 53.21% | 55.00% |
| 2.c | Transfer Student Retention Rate (First Year) | 73.10% | 67.60% | 68.30% | 69.62% | 72.00% |
| 2.d | Degree Efficiency Attainment ((AA*2+BA*4)/Fall UG FTE) | 92.61% | 95.82% | 97.79% | | 95.00% |
| 2.e | First Time Student Graduation Rate (Four Year, Based on 4 year Cohort) | 11.80% | 21.39% | 20.64% | | 32.15% |
| 2.f | First Time Student Graduation Rate (Six Year) (First Time Fulltime Cohort) | 30.60% | 44.49% | 45.47% | | 52.00% |
| 2.g | Transfer Student Graduation Rate (Four Year) | 50.80% | 49.03% | 46.41% | | 51.29% |
| 2.h | Pass Rate on Certification Exam - Education | 87.60% | 94.00% | 97.00% | | 95.00% |
| 2.i | Pass Rate on Certification Exam - Nursing | 73.48% | 83.57% | 75.50% | | 85.00% |
| 2.j | Number of Degrees Awarded to At-Risk Students | 814 | 959 | 877 | | 958 |
| 2.k | Number of Degrees Awarded in STEM Fields | 91 | 102 | 115 | | 126 |
| 2.l | Number of Degrees Awarded in Health Science Fields | 371 | 428 | 396 | | 446 |
| 2.m | Total Degrees Awarded (Total) | 1220 | 1303 | 1270 | | 1300 |
| 3. Operational Effectiveness | | Base Year (2008-2009) | 2012-2013 | 2013-2014 | 2014-2015 | 2018-19 |
| 3.a | State Appropriations per FTE Student | \$4,934.68 | \$4,581.03 | \$4,764.56 | | \$5,225.26 |
| 3.b | Total Expenditures per FTE Student | \$15,860.17 | \$19,308.83 | \$20,679.75 | | \$26,640.33 |
| 3.c | Student /Faculty Ratio (Using CDS FTE/Faculty FTE for Fall) | 19.0 | 16.8 | 17.0 | | 19.0 |
| 3.d | Administrative Cost Rate (as percent of operating budget) | 10.33% | 10.44% | 10.51% | | 10.00% |
| 3.e | Average SCH to Bachelor's degree | 146.87 | 145.5 | 145.7 | | 140 |
| 4. Competitive Resources | | Base Year (2008-2009) | 2012-2013 | 2013-2014 | 2014-2015 | 2018-19 |
| 4.a | Total Annual Giving (AFR reported) | \$14,010,481 | \$9,749,807 | \$16,986,200 | | \$10,000,000 |
| 4.b | Total Endowment (university-held, Foundation, Charitable Trust) | \$44,588,397 | \$63,582,196 | \$73,514,557 | | \$80,087,716 |
| 4.c | Alumni Giving Rate | 8% | 6.60% | 5.30% | | 6.00% |

Gray shaded areas will not be updated until the end of FY 15


Target estimates are shown in beige

Financial Certification

We certify that financial transactions included in this report are correct to the best of our knowledge, and we further certify that funds to cover allocations listed in this report are available subject to realization of estimated income as budgeted.



Jesse Rogers, President



Marilyn Fowlé, Vice President for
Business Affairs and Finance

January 28, 2015
Date

COMMITTEE OF THE WHOLE

Board of Regents Meeting
February 12, 2015
1:30 p.m.

Meeting Location: MSU Campus – 3410 Taft Boulevard
Hardin Administration Building - J. S. Bridwell Board Room

The Board of Regents of Midwestern State University (MSU) may deliberate and take action regarding any item on this agenda. This meeting will be continuous in that the Board reserves the right to take any agenda item out of the order or sequence that is listed below. The Board reserves the right to discuss any properly posted items in Executive Session whenever legally justified in accordance with the Texas Government Code Chapter 551.

The meeting will be streamed live at <http://www.mwsu.edu/welcome/president/regents-minutes>.

Call to Order

Introduction of Visitors

Opening Comments

Public Comment

A public comment period will be provided in accordance with MSU Policy 2.22.

MSU Organization Chart

15-50. An updated organization chart is included in the agenda document. The Office of Undergraduate Research reports to both the Provost and Vice President for Academic Affairs and to the Vice President for Administration and Institutional Effectiveness. Changes were made to the chart to reflect this reporting structure

Discussion of Higher Education Issues

15-51. The Board of Regents will have an opportunity to discuss current issues in higher education to include state and national trends and challenges.

MSU Priorities

15-52. In November, Dr. Rogers presented information regarding the university's top ten priorities. Updated information regarding each of these items is shown in Attachment 15-52.

Real Property

15-53. The Board of Regents may deliberate regarding the purchase, exchange, lease, or value of real property in closed session as allowed by Texas Government Code, Chapter 551.072.

Presidential Search

15-54. The Board of Regents will discuss the Presidential Search. This discussion may be held in closed session as allowed by Texas Government Code, Chapter 551.074, Personnel Matters.

Executive Session

15-55. The Board may convene in Executive Session as necessary to consider the matters permissible under Chapter 551 of the Texas Government Code, including:

- a. Government Code, Chapter 551, Section .071 – Consultation with Attorneys Regarding Legal Matters, Pending and/or Contemplated Litigation, or Settlement Offers, or on a Matter in which the Duty of the Attorney to the Governmental Body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly Conflicts with Chapter 551 of the Texas Government Code.
- b. Government Code, Chapter 551, Section .072 - Deliberations Regarding the Purchase, Exchange, Lease, or Value of Real Property.
- c. Government Code, Chapter 551, Section .073 - Deliberations Regarding a Negotiated Contract for a Prospective Gift or Donation.
- d. Government Code, Chapter 551, Section .074 – Personnel Matters Relating to the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of Officers or Employees, or to Hear a Complaint or Charge Against an Officer or Employee.

COMMITTEE OF THE WHOLE
ATTACHMENT

**MSU Priorities Update
February, 2015**

- 1) Campus Master Plan – information will be presented as part of agenda item 15-57.
- 2) Parking – the administration continues to work to develop an interim parking plan for 2015-2016 and will make necessary recommendations in May.
- 3) Enrollment – a spring enrollment report and update will be presented as part of agenda item 15-69.
- 4) Interdisciplinary Academic Programs – the following efforts are underway.
 - a. The Dillard Center for Energy Management will attract students from business, geology and engineering who are interested in obtaining a Master of Business Administration (MBA) with an energy (oil and gas) concentration.
 - b. The geosciences department plans to offer a Bachelor of Science/Master of Science (BS/MS) degree as well as a MS in petroleum geology. Proposals for these programs have been approved by the Texas Higher Education Coordinating Board (THECB). The planned start date for these programs is fall, 2015.
 - c. The engineering program is offering a certificate program in petroleum engineering for students who have obtained a bachelor's degree in engineering or geosciences.
 - d. The College of Health Sciences is working on developing the following:
 - a) A new minor – Spanish for the Professions (collaborative effort between Health Sciences (HS) and the Spanish department). This minor can be tailored toward business students as well as HS students (see item 15-71).
 - b) A new major – Healthcare Administration (collaborative effort between HS and business, to be housed in the Dillard College of Business Administration).
 - c) A new graduate program – Healthcare Education (HS and West College of Education collaboration).
 - e. STEM opportunities are also being considered – Computational Sciences (collaboration between computer science and biology or chemistry).
- 5) Distance Learning – a report of distance education costs was previously forwarded to the board as shown in Attachment 15-52(5). No additional courses or programs have been added to the offerings at this time.
- 6) Student Engagement and Retention
 - a. Freshman learning communities were begun in fall 2014, with plans to continue and expand in the fall 2015.
 - b. Dr. John Gardner, nationally recognized authority on student engagement and success, including the first-year experience, will visit MSU this spring to meet with faculty and administration.

- c. The administration is exploring whether to require a freshman seminar for entering students.
 - d. Planning for the new residence hall includes efforts to address student engagement and retention.
- 7) Athletics/Lone Star Conference – information will be presented as part of agenda item 15-68.
- 8) Branding of MSU – the administration submitted a Request for Qualifications (RFQ) in FY 14 for firms interested in providing a brand awareness/marketing campaign for the university. Eighteen responses to the RFQ were received and a committee of 14 individuals from throughout the campus evaluated the companies. The process was put on hold until funding could be secured to proceed. Funding in the amount of \$50,000 has been made available through an undesignated gift and the administration will proceed with interviewing the top firms and seeking proposals. The overall goal is to seek the services and assistance of a firm with brand development, marketing, and communications experience to identify effective strategies to enhance MSU's reputation and identity in the minds of audiences locally, regionally, and nationally.
- 9) Financial Planning and Budgeting – the administration will continue monitoring action by the Texas Legislature with regard to funding. Tuition and fee recommendations will be made to the board in May and the FY 16 budget will be recommended for approval in August. Additional information will be provided as part of item 15-85.
- 10) Information Technology – a report of information technology needs was previously forwarded to the board (see Attachment 15-52(10)). These needs were included in FY 16 budget requests being considered by the administration, with classroom technology upgrades included in a five-year HEAF plan.

Midwestern State University
Undergraduate Texas Resident Tuition and Fee Schedule - 12 Hours
Comparing On-campus to Distance Only Student

| | <u>On-campus</u> | <u>Distance</u> |
|--------------------------------------|--------------------|--------------------|
| State Tuition | \$ 600.00 | \$ 600.00 |
| University Designated Tuition - avg | 1,398.00 | 1,398.00 |
| Student Union/Center Fee | 55.00 | - |
| Recreational Center Fee | 120.00 | - |
| Distance Learning Fee | - | 600.00 |
| Student Service Fee | 186.00 | 186.00 |
| Athletic Fee | 120.00 | 120.00 |
| Instructional Enhancement Fees - avg | 169.50 | 169.50 |
| University Services Fee | 651.00 | 651.00 |
| Total for 12 SCH | <u>\$ 3,299.50</u> | <u>\$ 3,724.50</u> |
| Additional Expense | | \$ 425.00 |

Current Distance Education/Learning Fee Per SCH

| | |
|--------------------|-----------------|
| UT Tyler | \$ 14.00 |
| Stephen F. Austin | 25.00 |
| West Texas A&M | 40.00 |
| Midwestern State | 50.00 |
| Texas A&M Commerce | 50.00 |
| Angelo State | 50.00 |
| Sam Houston | 101.00 |
| UT Dallas | 25.00 - 80.00 |
| Tarleton | 100.00 - 120.00 |

University of North TX charges a different "Distributed Learning Fee" per program

TWU changed to Program Fee and Instructional Enhancement and it can't be clearly evaluated

| | <u>MSU Revenues</u> | <u>% increase</u> |
|---------------|---------------------|-------------------|
| Budgeted 2015 | \$ 1,265,000 | |
| FY 2014 | 1,364,857 | 15.48% |
| FY 2013 | 1,181,948 | 52.62% |
| FY 2012 | 774,432 | 13.27% |
| FY 2011 | 683,724 | 6.00% |
| FY 2010 | 645,045 | 10.77% |
| FY 2009 | 582,352 | |

| | <u>FY 2014</u> | <u>FY 2013</u> | <u>FY 2012</u> | <u>FY 2011</u> | <u>FY 2010</u> | <u>FY 2009</u> |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Estimated Distance SCH | 28,423 | 24,512 | 25,244 | 22,309 | 20,904 | 18,966 |
| Distance SCH % Growth | 15.96% | -2.90% | 13.16% | 6.72% | 10.22% | 3.39% |
| Total SCH | 146,131 | 143,929 | 152,732 | 161,573 | 159,112 | 153,565 |
| Distance SCH to Total | 19.45% | 17.03% | 16.53% | 13.81% | 13.14% | 12.35% |

IT Staffing Needs

To meet the growing need for IT services and the increasing time needed to keep our network and data secure, we need to make changes to our IT Staff structure. Below you will find our current IT organization chart and the proposed chart.

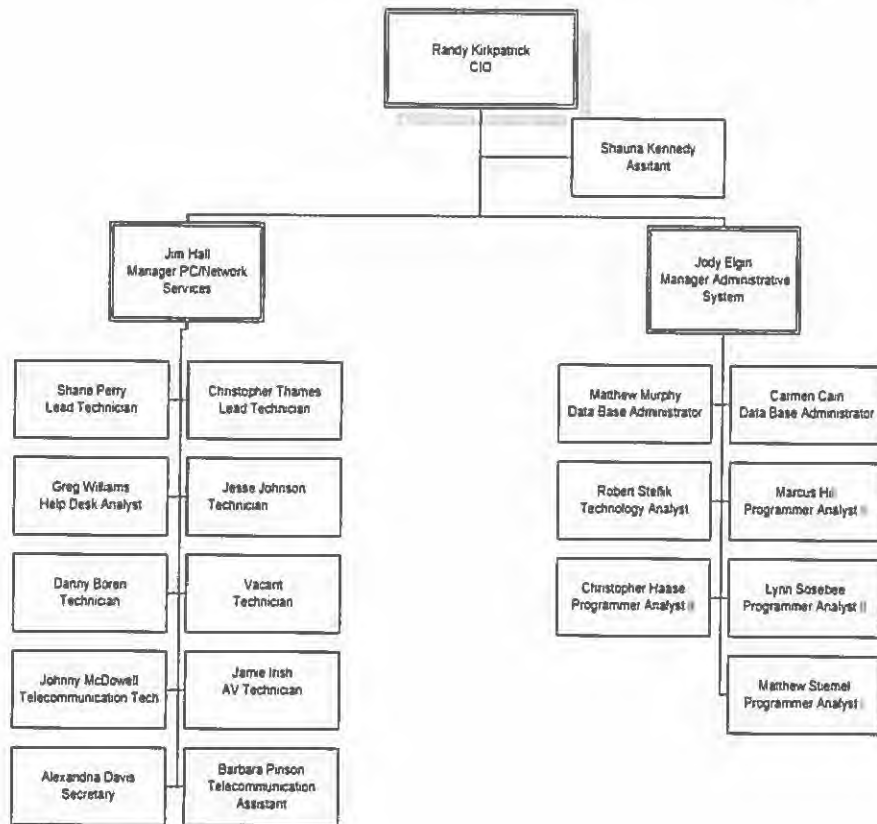
In the area of Networking Services, we need to take our Lead Technician position and split it into 2 positions, Lead Technician I and Lead Technician II. This will provide advancement opportunities in this area. We need to take our current Lead Technicians, where we currently have 2, and promote them to Lead Technician II. We need to hire one new Lead Technician I. The goal is to provide better service in the most highly technical areas and provide relief and cross training (redundancy) for the Networking Services Manager. We also need to increase the salary of our regular PC/Technicians by 5%. We recently lost a PC/Technician to the Wichita Falls ISD solely because of salary disparity for the same position.

In the area of Administrative Systems, we need to budget for a part-time consultant. This consultant would be used for Oracle Database Administration tasks. This is needed in order to complete the Banner to Banner XE conversion.

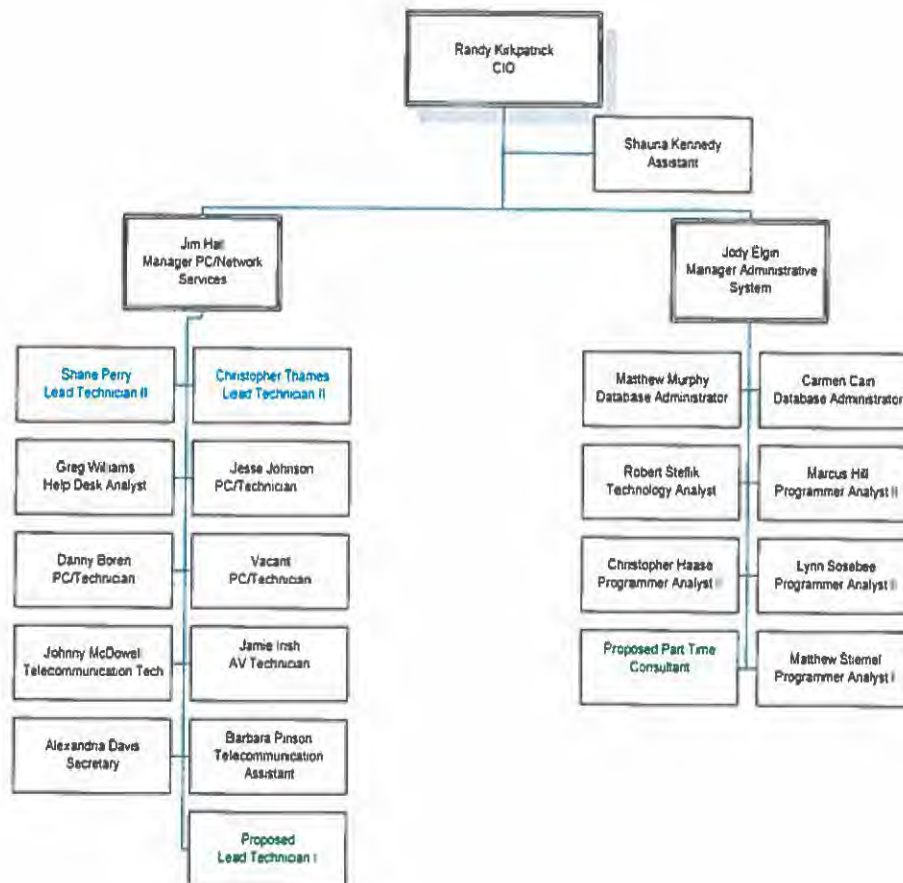
We also want to add student workers in several areas to aid in the relief of tasks which can be handled by this level of worker. Our goal is to hire students under the Federal Work Study Program, where possible, to save costs.

In summary, we need to promote our Lead Technicians to Lead Technician II and hire a new employee for the Lead Technician I position. We need to hire a part-time consultant for Oracle Database Administration work and add several student workers. To accomplish these changes, we are requesting an additional \$120,000 per year.

Current IT Org Chart



Proposed IT Org Chart



Classroom Teaching Technology

| Building/College | Remaining classroom/labs | Est. Cost | Total |
|------------------------------------|-----------------------------|--------------|-------------------|
| Bolin Science Hall | 19 | 30000.00 | 570000.00 |
| Bridwell Hall/Ligon/Martin | 7 | 30000.00 | 210000.00 |
| Prothro/Yeager | 8 | 30000.00 | 240000.00 |
| Fain | 8 | 30000.00 | 240000.00 |
| Dillard (refresh of very old gear) | 1 | 438000.00 | 438000.00 |
| | | Grand | |
| | | Total | 1698000.00 |

| Dillard Breakdown | |
|-------------------------|------------------|
| Single Proj. Subsequent | 163900.00 |
| Single Proj. First | 16500.00 |
| Dual Proj. Subsequent | 134900.00 |
| Dual Proj. First | 18500.00 |
| Dillard 101 Custom | 27200.00 |
| APs | 13000.00 |
| Podium Switch | 3400.00 |
| Proj. Mounts | 2600.00 |
| Document Cameras | 53000.00 |
| Podium Monitors | 5000.00 |
| Dillard | |
| Total | 438000.00 |

Portal Information

- COMMUNITIES

The portal currently consists of 95 communities. These range from large type specific communities such as "Student" or "Employee" all the way down to communities run by specific professors for their classes.

- USER GROUPS

User Groups allow us to target information and alerts to specific users based on their active directory memberships. Here are a few user group totals...

All Users = 10,900

Students = 8,400

Currently Enrolled Students = 6,923

Faculty = 404

Staff = 400

- Web Content Stats

Each piece of information in the portal can be reused on various pages. Web Content can also be scheduled to hide/show on certain dates or only be visible to certain user groups. There are currently 1,005 pieces of web content in the Portal.

- Document Library

The portal allows users to easily upload documents they wish to share with select individuals or groups. There are currently 792 documents being managed inside the Portal.

= INFORMATION FROM GOOGLE ANALYTICS =

In an average month there are 95,000 logins ranging from 1,600 on the weekend to an average of 3,500 each day (Monday-Friday).

= LOGIN ISSUES =

There are several pages of information in the portal explaining to users HOW usernames and passwords are created. Most users do not read the instructions. To reduce frustration on users and staff the Portal Administrator (PA) created an automated form that students use to figure out their username/password. After answering a few questions, it will show them what their username and password should be. If they try this and it still does not work they can press a button to send this information to the PA for resolution.

After receiving this information, the PA determines the issue the student is facing. It typically breaks down into three possibilities.

1. **STUDENT USING WRONG PASSWORD.** The student is using the correct username, but is not using the correct password. A confirmation is sent to the student to let she/he know they ARE using the correct username and reminding them how the password is determined so they can try again.

2. STUDENT USERNAME DOES NOT EXIST. This occurs when a new student tries to access the Portal before she/he is fully accepted OR when a returning student or Alum attempts to access the Portal (non-current students do not have Portal logins). In this situation, the corrective action is to direct the student to a WebWorld login where she/he can access the information needed without accessing the Portal.

3. STUDENT IS USING THE WRONG USERNAME. In a few situations students may not be able to get the correct username using the instructions available on the Portal. This usually occurs when they have long names that contain spaces, hyphens, etc. In this situation the PA looks up the correct username and sends it back to the student.

Below is a breakdown of each issue with number of occurrences over the last three months. (December is not listed because it was not a full month).

NOV 2014

- 11 students using wrong password
- 14 students where username does not exist
- 2 students using the incorrect username

OCT 2014

- 8 students using wrong password
- 11 students where username does not exist
- 1 student using the incorrect username

SEP 2014

- 15 students using wrong password
- 9 students where username does not exist
- 1 student using the incorrect username

In Feb/Mar 2015 the Portal Platform will be updated to version 7.2 (LookingGlass). Some of the key functionality that LookingGlass will be releasing in 2015 includes: enhanced WCMS(web content management system), intranet, enterprise IM, federated calendar, parent portal, alumni portal, prospective student portal, groups for student life and departments, emergency alerts and cloud auto-scaling.

In 2015 the new Portal (LookingGlass) will move to Amazon Cloud Services for hosting. This solution will improve quality of service, especially uptime, availability and scalability.

EXECUTIVE COMMITTEE

Executive Committee

Membership

Shawn Hessing, Chairman

Mike Bernhardt, Vice Chairman

Kenny Bryant, Secretary

Tiffany Burks, Member-At-Large

Reading and Approval of Minutes

15-56. The minutes of the Executive Committee meeting November 6, 2014, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 15-56.

Campus Master Plan and Construction Update

15-57. An update on the Campus Master Plan and information regarding current construction projects will be presented (see Attachment 15-57).

Mass Communication Project - Architect Selection

15-58. Following the board's approval of the Mass Communication addition project, MSU's General Counsel determined that a Request for Qualifications process should be initiated for the selection of an architectural firm to design the extension to the Fain Fine Arts Building. A four person committee of faculty and staff personnel reviewed the six submissions and recommended Rees Associates from Dallas for this project owing to their extensive experience in designing television studios and journalism labs. The administration requests approval of Rees Associates to provide the design at a cost not to exceed \$450,000.

Student Housing Project Site Work

15-59. The student housing project has a very aggressive construction schedule necessary to meet a completion date of August 1, 2016. In order to begin construction efforts as soon as the semester ends in May, the administration requests authorization to issue a contract with Buford Thompson Company for site work and framing in preparation for the new student housing project at a Guaranteed Maximum Price not to exceed \$4.5 million.

Student Housing and Mass Communication Projects - Financing

15-60. Following the December, 2014, special Board of Regents meeting and the board's approval of resolutions allowing for bonding up to \$38.25 million for the new residence hall and the mass communication addition projects, the administration pursued the option of short-term, variable rate financing during the construction phase of the project. By using a short-term, variable rate option, the institution could save \$1.3 million in capitalized interest versus bonding the full amount at the start of construction (variable rates are currently at 15 bp versus 4% for 30-year bond rates). Outside of university system-run commercial paper operations (e.g. the University of Texas System and the Texas A&M University System), MSU and many other universities in the state have been limited in short-term financing options. At the time of this agenda's publication, the university is working with the Texas Public Finance Authority (TPFA) to receive proposals from several large financial institutions on short-term variable interest-rate options that could then be converted to

long-term, fixed-rate interest vehicles. Another option being explored is the possibility of borrowing funds through Texas A&M University System's commercial paper program. The administration will provide information regarding the status of options available to the university and will recommend approval of resolutions that may be necessary to take advantage of a funding option.

Roofing Project

15-61. A roofing design consultant is 30% complete on the development of bid documents for roofing repairs related to a May, 2013, hail storm. It is anticipated the documents will be ready to bid by early March and bids will be received by mid-April. To better ensure contractors can optimize the use of the summer months for repairs by issuing purchase orders in April, the administration requests authorization for the president to approve and sign contracts with roofing contractors as long as the overall costs do not exceed the State Office of Risk Management's project total (and reimbursement amount) of \$2,554,209, plus \$150,000 in Higher Education Assistance Fund (HEAF) expenses (deductible).

Wichita Falls Museum of Art at Midwestern State University Strategic and Tactical Plan FY 15

15-62. The administration will recommend approval of the Museum's Strategic and Tactical Plan for FY 15 as shown in Attachment 15-62. This action is required by the American Alliance of Museums, the museum's accrediting body.

Wichita Falls Museum of Art at Midwestern State University - Ratification of Accessioned Artworks

15-63. In compliance with the Museum's Collections Management Policy, the Museum Director and Curator have recommended certain acquired artworks for accession into the Museum's Permanent Collection. All of the artworks under consideration were gifts to the Museum's Permanent Collection and no state funds were used to purchase the artworks. The administration will recommend ratification of the accession of the items shown in Attachment 15-63.

EXECUTIVE COMMITTEE ATTACHMENTS

Campus Facilities Implementation Plan Update – February 2015

I. Projects Underway and Near Term Implementation Plan

- a. Capital construction funding request for new College of Health Science and Human Services Building and HSHS Annex located west of Ligon – request pending before Texas Legislature.
- b. Moffett Library Program Study – completed. The entrance area has been updated with new carpet, paint, furniture. Additional updating will be scheduled as funding becomes available.
- c. Football coaches offices in West Campus Annex – construction completed on schedule. Anticipated March move-in date.
- d. Sunwatcher Plaza/Mustangs Walk – Construction complete with the exception of the application of sealant which requires warmer temperatures.
- e. Student Housing and Mass Communication Project – approval timeline shown below – action items included later in agenda.

STUDENT HOUSING - MASS COMM BOR APPROVAL TIMELINE

| | Student Housing | Mass Comm |
|---|--------------------------|-------------------------|
| Architect selection approval | 8/8/2014 | <i>2/13/2015</i> |
| Bonding authority approval, \$30 MM | 8/8/2014 | - |
| Maximum budget approval | 11/7/2014, \$33.25 MM | 11/7/2014, \$5 MM |
| Reimbursement and Bond Resolution | 12/1/2014 | 12/1/2014 |
| CMAR selection approval | 11/7/2014 | 11/7/2014 |
| Guaranteed Maximum Price (GMP) for site work approval | <i>2/13/2015</i> | - |
| GMP for Student Housing building less site work | <i>5/15/2015</i> | - |
| GMP Mass Communication building* | - | <i>8/7/2015</i> |

Notes:

- ***Bold italicized items are future approvals.***

* GMP for Mass Comm will include site work AND building in one number.

- f. Parking Master Plan Study complete - the administration continues to work to develop an interim parking plan for 2015-2016 and will make necessary recommendations in May. Future parking issues will be considered pending funding action by the Texas Legislature

II. Long-Term University Improvements

- a. Academic Growth Renovation Projects
 - 1. Bolin – Science and Mathematics
 - 2. Education
 - 3. Library
- b. Soccer stadium relocation to South Campus and turf field
- c. Expansion of Central Plant
- d. Additional Dining Hall space
- e. Parking garage/options

III. Additional Future Options

- a. Additional Student Housing
- b. New Student Center (possible Daniel Building location)
- c. New location for Facilities Services and Purchasing
- d. Closure of Comanche Trail and possibly other internal streets
- e. Continued academic building growth as needed
- f. Softball stadium relocation to South Campus
- g. Tennis relocation to South Campus
- h. Wellness Center expansion
- i. Mustangs Football Stadium

IV. Recommendations to work toward a Comprehensive Master Plan

- a. Greek Life/Greek Village Program and Site Concept
- b. MEP, Civil & IT/Infrastructure (Central Plan & IT expansion)
- c. Architectural Guidelines Document
- d. Landscape Master Plan & Guidelines Document

Projects Status

| ID | Task Name | Start | Finish | 2013 | 2014 | 2015 | 2016 |
|----|---|--------------|--------------|---|------|------|------|
| | | | | JFMAMJJASONDJFMAMJJASONDJFMAMJJASONDJFMAMJJASONDJFM | | | |
| 1 | Museum Renovation | Fri 2/15/13 | Mon 10/13/14 | | | | |
| 2 | Design | Fri 2/15/13 | Mon 4/22/13 | 100% | | | |
| 3 | Construction | Wed 5/15/13 | Fri 8/2/13 | 100% | | | |
| 4 | Misc (furniture, scissor lift, scrubber, appliances) | Mon 6/3/13 | Fri 1/3/14 | 100% | | | |
| 5 | Hardware | Mon 5/12/14 | Mon 10/13/14 | | 100% | | |
| 6 | | | | | | | |
| 7 | Joe B. Hood Research Lab at Dalquest | Thu 10/10/13 | Fri 5/22/15 | | | | |
| 8 | Phase 1 - Small building & infrastructure | Thu 10/10/13 | Fri 11/28/14 | | | | |
| 9 | RFQ development, firm selection, proposal | Thu 10/10/13 | Fri 2/21/14 | 100% | | | |
| 10 | Design (Original completion=6/9/14) | Mon 2/24/14 | Tue 6/24/14 | | 100% | | |
| 11 | Construction (Original completion=10/27/14) | Wed 6/25/14 | Fri 11/28/14 | | | 90% | |
| 12 | Phase 2 - Large building | Mon 9/15/14 | Fri 5/22/15 | | | | |
| 13 | Construction | Mon 9/15/14 | Fri 5/22/15 | | | 50% | |
| 14 | | | | | | | |
| 15 | Museum External Improvements | Mon 3/3/14 | Thu 4/30/15 | | | | |
| 16 | Pavilion | Mon 3/3/14 | Thu 4/30/15 | | | | |
| 17 | Design (Original completion=6/20/14) | Mon 3/3/14 | Wed 7/30/14 | | 100% | | |
| 18 | Bid (Original completion=8/15/14) | Thu 7/31/14 | Wed 9/10/14 | | 100% | | |
| 19 | Construction (Original completion=3/3/15; +22 weather days; +20 days CO #1 for Terrace) | Thu 9/11/14 | Thu 4/30/15 | | | 55% | |
| 20 | | | | | | | |
| 21 | Landscape Improvements (Mustangs Walk) | Mon 3/17/14 | Fri 2/13/15 | | | | |
| 22 | Design, master planning, civil design, bid | Mon 3/17/14 | Fri 9/12/14 | | 100% | | |
| 23 | Construction (Original completion=1/30/15; 6+ weeks weather days) | Mon 9/15/14 | Fri 2/13/15 | | | 90% | |
| 24 | | | | | | | |
| 25 | Football Administration | Mon 4/21/14 | Mon 12/1/14 | | | | |
| 26 | Abatement | Mon 4/21/14 | Fri 5/2/14 | 100% | | | |
| 27 | Design (Original completion=6/20/14; location changed) | Mon 5/5/14 | Fri 8/1/14 | | 100% | | |
| 28 | Bid | Mon 8/4/14 | Fri 10/3/14 | | 100% | | |
| 29 | Construction | Tue 9/2/14 | Mon 12/1/14 | | 100% | | |
| 30 | | | | | | | |
| 31 | Student Housing Project | Mon 8/18/14 | Mon 8/1/16 | | | | |
| 32 | Design | Mon 8/18/14 | Mon 5/18/15 | | | 55% | |
| 33 | Bid - Site Package | Fri 4/10/15 | Fri 5/15/15 | | | 0% | |
| 34 | Bid - Building Package | Mon 5/18/15 | Fri 6/5/15 | | | 0% | |
| 35 | Construction | Mon 5/18/15 | Mon 8/1/16 | | | | 0% |
| 36 | | | | | | | |
| 37 | Mass Communications Extension to Fain Fine Arts | Mon 2/16/15 | Fri 11/11/16 | | | | |
| 38 | Design | Mon 2/16/15 | Fri 7/3/15 | | | 0% | |
| 39 | Bid | Mon 7/6/15 | Fri 8/21/15 | | | 0% | |
| 40 | Construction | Mon 8/24/15 | Fri 11/11/16 | | | | 0% |

Status of Board-Approved Construction Projects

| Project | BOR Project Approval Date | Architect/Engineering Firm Approved | BOR Approved Project Budget | Encumbered/Spent Dollars | Additional Projected Costs | Total Project Cost | Over/Under Budget |
|--------------------------------------|---------------------------|---|-----------------------------|--------------------------|----------------------------|--------------------|-------------------|
| Museum Renovation | 2/15/2013 | 1/17/2006 Bundy, Young, Sims, & Potter Local Vendor | \$755,440 | \$745,519 | \$0 | \$745,519 | \$9,921 |
| Joe B. Hood Research Lab at Dalquest | 2/15/2013, 2/14/2014 | 2/14/2014 Antila & Bundy, Young, Sims, Potter Regional Vendor Teamed With Local | \$850,000 | \$790,489 | \$59,511 | \$850,000 | \$0 |
| Museum External Improvements | 2/14/2014 | 1/17/2006 Bundy, Young, Sims, & Potter Local Vendor | \$850,000 | \$899,646 | \$0 | \$899,646 | -\$49,646 |
| Football Administration | 5/9/2014 | MSU Facilities Services | \$350,000 | \$323,112 | \$26,888 | \$350,000 | \$0 |
| Student Housing Project | 11/7/2014 | 8/8/2014 Trearor Architects | \$33,250,000 | \$26,693,157 | \$6,556,843 | \$6,556,843 | \$0 |
| Mass Comm Extension | 11/7/2014 | - | \$5,000,000 | \$461,643 | \$4,538,357 | \$4,538,357 | \$0 |

(1) Added Terrace alternate for \$91,648 via gift funds.



Facilities Services

3410 Taft Boulevard Wichita Falls, Texas 76308-2099
o 940.397.4648 f 940.397.4859

Construction Projects Status Report – Item 15-57

Projects completed since November 2014 Board of Regents meeting include:

1. AKIN AUDITORIUM BACKSTAGE DRESSING ROOM REFURBISHMENT (\$34k).
2. REPLACED FLOORING IN BEAWOOD 216 AND O'DONOHUE 122 (\$3k).

Ongoing projects:

FAIN FINE ARTS THEATER DIMMING SYSTEM REPLACEMENT: - \$250k

- Obsolete lighting control system in the auditorium being replaced.
- Construction bids due in late January; construction during the summer.

MUSTANGS WALK: - \$329k

- Lost 6+ weeks of work due to temperatures below 40 F and rain.
- Opened for classes, will not be 100% complete until mid-February.

WIGWAM TRAIL RECONSTRUCTION & DRAINAGE IMPROVEMENTS: - \$185k

- Remove and replace roadway surface on Wigwam Trail between Moffett and Bolin.
- Improve drainage in area.
- Design to be completed by the end of February, bid in spring, construction during the summer.

EXTERIOR STAIRCASE REPLACEMENTS AT PROTHRO-YEAGER: - \$170k

- All four staircases have significant corrosion and need to be replaced to ensure the safety of the users.
- Design in progress, bid in spring, construction during the summer.

HARDIN PHONE SWITCH GENERATOR & SWITCHGEAR INSTALLATION: - \$150k

- Provide backup power to the campus phone system; would fail in a power outage.
- Replace antiquated electrical switchgear feeding power to the building.
- Scheduled for installation during spring break 2015.
- Prep work in progress; equipment on order.

ROOF REPAIRS DESIGN: - \$100k

- May 2013 hail storm damaged most campus roofs at a cost of \$2.5 MM.
- State Office of Risk Management has issued a report and began forwarding disbursements for the claim.
- Design 30% complete, bid in spring, and begin construction in the summer.

ELECTRIC METERS AND MONITORING SOFTWARE INSTALLATION: - \$60k

- Installation of hardware to continuously monitor the electrical energy use in the following buildings: Dillard, Moffett, Bolin, Bridwell, Central Plant, Hardin, Ligon, McCoy, Prothro-Yeager, Fain Fine Arts, Clark Student Center, Killingsworth/Pierce, McCullough-Trigg, Fain Hall.
- Installation of meters is ~80% complete; installing fiber connections followed by monitoring software.

**WICHITA FALLS MUSEUM OF ART
At Midwestern State University**

**STRATEGIC AND TACTICAL PLAN
FISCAL YEAR 2014-2015**

**Recommended
By the Museum Advisory Board November 4, 2014
and
To Be Approved and Ratified
By the MSU Board of Regents
February 12, 2015**

THE WFMA at MSU STRATEGIC AND TACTICAL PLAN

The WFMA's on-going process of strategic planning to ensure continuous improvement includes updating the Strategic Imperatives and Long Range Plan, drafting and approving an annual Tactical Plan and Operating Budget, and using those plans as management tools to ensure that the museum's mission is fulfilled. The WFMA's Plan and Goals are integrated with MSU's Goals to ensure institutional effectiveness and relevancy, and to strengthen the Museum's ability to serve the university faculty, staff and students, as well as to be a resource for the community of Wichita Falls and the region.

WFMA at MSU STRATEGIC PLANNING PROCESS

The Strategic Planning Process for the benefit of the Wichita Falls Museum of Art at MSU began anew with the merger of the museum and the university in 2005. Two museum consultants were hired to meet with university administration, the revised Museum Advisory Board, and Museum staff to conduct a retreat workshop and assist in the construction of a long range plan. That plan provided the framework and guidelines for the new partnership of the Museum and the University.

Midwestern State University, through the Department of Institutional, Research, Planning and Advancement, produces an annually revised update of MSU's Strategic Master Plan, not only to serve to establish and meet institutional goals, but also to meet Southern Association of Colleges and Schools (SACS) requirements for university accreditation. From 2005 until 2012 the two succeeding Museum Directors integrated the Museum's goals and plans with University's plan, utilizing the structure and format of MSU's strategic planning computer system. Neither the Museum Advisory Board nor the MSU Board of Regents were consulted or approved the goals and tactics for the Museum as outlined in the MSU Strategic Master Plan; however, the Board of Regents annual reviewed and approved the university's master plan.

In 2012 a new Museum Director reinstated the engagement of the Museum Advisory Board in the construction of an annual Tactical/Action Plan and worked with MSU administration to ensure that the Museum's Plan would be reviewed and approved by the Board of Regents. A new process was instituted with a series of workshops and discussions culminating in a succinct working document that is created by consensus, reviewed and updated annually. The Museum's Long Range Plan projects and anticipates major goals for the next three years. The annual Tactical Plan includes goals, objectives, tactics, responsibilities, timeline, and budgetary impact. The drafting, approving and implementing the Museum's annual Tactical Plan coincides with the production and implementation of the Museum's annual budget. The Long Range Plan and the annual Tactical Plans are used as management tools to ensure that the museum's mission is fulfilled and as a road map to ensure the Museum is achieving agreed-upon goals, objectives, and strategic imperatives. The Museum's Long Range Plan and annual

Tactical/Action Plans are aligned with the MSU Master Plan, as well as the SACS Assessment Cycle and the MSU Budget Cycle.

A Long Range Strategic Planning Workshop for the Museum was held on October 12, 2012, with members of the Museum Advisory Board and Museum staff in attendance to identify strategic imperatives and examine mission. Prior to the meeting, the Museum Director had conducted an extensive survey to gather input from Museum members, donors and stakeholders, university administration, and community leaders, concerning image and perceptions of the Museum, and these findings were presented and discussed at the workshop.

On March 11, 2013, a workshop for Museum staff, Museum Advisory Board, and invited members of MSU Administration was held on the topic “M A P to the Future: Mastery, Autonomy, Purpose.” The workshop not only updated stakeholders on the progress in meeting the goals of the 2013-2014 Tactical Plan, but also was in preparation for completing an AAM MAP study.

At that workshop the Museum Director reported that the WFMA had made progress in rebuilding bridges with the university, with the community, and with the past. The WFMA is building new bridges to the future – to financial sustainability, to becoming a community gathering place, to revitalizing the image and brand of the Museum, to stepping into the next phase of updating and renovating the facility, and most importantly to determining future policies and procedures related to stewardship of the permanent collection.

“Let’s DREAM Together,” a strategic planning workshop was held at the Museum in October 2013. Discussions opened with DREAM Exercise to Discover how the purpose of the WFMA impacts lives. Each participant shared meaningful stories of their association with the museum, revealing that indeed generations have greatly benefited from the museum and that it has in the past and is continuing today to change lives and enhance the quality of life in Wichita Falls. A list of hopes and dreams for the future was constructed for use as a guide to ensure that as we develop our strategic imperatives, our major goals and objectives that elements on this list are included. The Museum’s mission was reviewed and participants agreed that the current statement has all the right elements, but it is a bit too academic and not easily comprehended. SWOT Analysis exercise was conducted to identify issues, concerns, aspirations, and objectives to be refined in the annual Tactical Plan.

At subsequent quarterly meetings of the Museum Advisory Board, the WFMA Strategic Plan has been updated. The Museum Director continues to orchestrate updates and discussions to manage the Museum’s current annual Tactical Plan and to usher the approvals of the Museum’s Plan through proper Museum and University channels. The Museum Director is responsible for ushering the Museum’s strategic plan for approval of the Board of regents, and for entering the data in the MSU strategic planning software to be integrated into the university’s system.

The three major Goals of the WFMA at MSU not only propel and motivate an excellent Museum, but also serve to enhance the reputation and desirability of MSU as a premier educational institution:

GOAL I, Maintain Financial Stability, Sustainability, and Seek Ways and Means of Financial Growth to support the Museum's Operating Budget.

GOAL II, Identify and create The WFMA as a center for the exhibition and study of art.

GOAL III, Ensure the Future of the Museum and the facility.

STRATEGIC MASTER PLAN OF MIDWESTERN STATE UNIVERSITY

Through a prescribed process MSU's Master Plan is annually reviewed and revised. Each year long-term goals and a detailed strategic plan are produced. In April 2014, MSU's long-term goals were updated from the previous year, and the five goals approved by the MSU Board of Regents are:

Goal 1: Increase Enrollment and Enhance the Student Experience

Goal 2: Strengthen Academic Quality and Reputation.

Goal 3: Expand, Diversify, and Maximize University Resources.

Goal 4: Recruit and retain high quality faculty and staff.

Goal 5: Increase the university's visibility and enhance outreach and engagement with constituents and local, regional, and state communities

RELATIONSHIP OF THE MSU STRATEGIC MASTER PLAN AND THE WFMA STRATEGIC AND TACTICAL PLAN

Of the Current Goals for MSU, Goals 3 and 5 relate directly to the WFMA at MSU. As the WFMA is appreciated and utilized as an educational resource for the university, that the university's visibility, reputation and engagement with local, regional and statewide communities will be greatly enhanced.

The WFMA's Plan and Goals stated in the WFMA Strategic Plan for 2013- 2014, are integrated with MSU's Goals to ensure institutional effectiveness and relevancy, and to strengthen the Museum's ability to serve the university community as well as to be a resource for the community of Wichita Falls and the region. The Museum's Strategic Imperatives directly relate to the MSU Master Plan including:

-- Frame the identity of the WFMA as the premier cultural institution in the region and an important museum in the state.

-- Establishing the WFMA as a recognized and respected center for ongoing educational opportunities serving the region to increase attendance and awareness.

-- Continue to utilize expertise and facilities to engage locals and create a community gathering place.

- Broaden and expand programming to increase target audiences and general visibility, and add intellectual value to the collection, and increase the credibility of the institution.
- Provide enriching, life-long educational opportunities for all visitors through public programs that interpret the permanent collection and temporary exhibitions while opening new horizons.
- Enhance the Museum facility and campus to better serve the university and the community.
- Continue to strengthen ties with art collectors across Texas and the nation and position The WFMA as a repository for important collections.
- Seek and secure acquisition funds to increase the quality and quantity of art works in the permanent collection.
- Expand and strengthen Partnerships with other arts and cultural organizations in Wichita Falls and across the state to leverage collections, programs, and activities.
- Curate and create temporary exhibitions based on a strategic schedule, cognizant of the strengths of the collection.
- Ensure the highest standards of collections, management, acquisitions, accessions and de-accessions and ensure the care of the permanent collections.
- Understand the comprehensive needs of the collections including: issues related to capitalizing the collection; conservation issues; the ethical and practical treatment of artworks; the relationship of the WFMA's permanent collection with the acquisition of artworks for the university; and issues related to the care of all artworks owned by the university and the museum.
- Understand the importance of technology and interactivity in the educative experience.

STATEMENT OF SUPPORT

**By the MSU Board of Regents, the Parent Organization of
The Wichita Falls Museum of Art at Midwestern State University
Approved November 2013**

Midwestern State University (MSU) is the parent organization of the Wichita Falls Museum of Art at Midwestern State University (WFMA), which serves the students and faculty of the University and the community of Wichita Falls. The governing authority for WFMA is the MSU Board of Regents that includes one representative member from the WFMA Advisory Board as a liaison. The partnership fulfills and complements the respective institutional missions and contributes to the intellectual value and community outreach of both the Museum and the University. Under the auspices of and in partnership with MSU, the WFMA endeavors to deliver exceptional visitor experience and educational value, maintaining both short term and long term financial stability and sustainability and providing exemplary stewardship of the collections and care of the Museum facility. With a significant collection of American art and quality exhibitions and programs, the WFMA is an essential educational and intellectual resource for MSU, and the University is committed to dedicating resources of staff, facility, maintenance, and funding to the support the Museum and its mission and to protect the Museum's tangible and intangible assets held in public trust.

The WFMA at MSU

Long Range Plan 2013-2017

(Updated May 2014)

Strategic Imperatives (not in order of priority)

Resources

- Achieve financial stability and maintain financial sustainability to ensure the museum can fulfill its mission by increasing the endowment and diversifying the sources of earned income to maintain a balanced operating budget and ensure growth.
- Ensure the future of the museum through strong governance, effective leadership, professional staff, and an active volunteer corps.
- Design and implement earned income vehicles that relate to mission and will support operations.
- Promote and implement a rental program of the facility to earn income.

Image and Identity

- Seek AAM accreditation to ensure the practice of the highest industry standards.
- Establish The WFMA as a center for excellence in museum art education for children and adults, university students, and families.
- Frame the identity of the WFMA as the premier cultural institution in the region and an important museum in the state.
- Continue to collect important art based on a Collection Development Plan that builds on the current collection.
- Establish and utilize a marketing and branding campaign that solidifies the image and identity of The WFMA.

Attendance and Awareness

- Identify and create The WFMA as a center for museum education in the region to increase attendance and awareness.
- Continue to utilize expertise and facilities to engage locals and create a community-gathering place.
- Broaden and expand programming to increase target audiences and general visibility, and add intellectual value to the collection, and increase the credibility of the institution.

- Provide enriching, life-long educational opportunities for all visitors through public programs that interpret the permanent collection and temporary exhibitions while opening new horizons.

Facility

- Maintain and enhance the future of the museum facility through management of adequate financial resources and vigilant up-keep.
- Identify projects and the ways and means to accomplish projects that enhance the facility.
- Enhance the Museum facility and campus to better serve the university and the community.

Collections and Educational Programming

- Continue to strengthen ties with art collectors across Texas and the nation and position The WFMA as a repository for important collections.
- Seek and secure acquisition funds to increase the quality and quantity of art works in the permanent collection.
- Expand and strengthen Partnerships with other arts and cultural organizations in Wichita Falls and across the state to leverage collections, programs, and activities.
- Curate and create temporary exhibitions based on a strategic schedule, cognizant of the strengths of the collection.
- Ensure the highest standards of collections, management, acquisitions, accessions and de-accessions and ensure the care of the permanent collections.
- Understand the comprehensive needs of the collections including: issues related to capitalizing the collection; conservation issues; the ethical and practical treatment of artworks; the relationship of the WFMA's permanent collection with the acquisition of artworks for the university; and issues related to the care of all artworks owned by the university and the museum.
- Understand the importance of technology and interactivity in the educative experience.

The WFMA@ MSU
Action Plan for Fiscal Year 2014 – 2015
September 1, 2014 through August 31, 2015

GOAL I Maintain Financial Stability, Sustainability, and Seek Ways and Means of Financial Growth to support the Museum's Operating Budget.

Objective 1. Create and implement new fundraising mechanisms to increase revenue generation and to enlarge donor base.

- 1A. **Tactic:** Produce the third annual "Valentine Luncheon" with Neiman Marcus Dallas as partner.
 Timeline: event date February 13, 2015
 Measure of Success: successful event
 Budget Impact: potential net gain of \$ 6,500
 Responsibility: Director, Director of Public Programs, selected Event Chair
- 1B. **Tactic:** Produce a spring or summer family fun fundraiser in 2015.
 Timeline: theme and event date to be determined
 Measure of Success: successful event
 Budget Impact: potential net gain of \$ 6,000
 Responsibility: Director, Director of Public Programs, selected Event Chair
- 1C. **Tactic:** Produce in conjunction with the MSU Development Department the 2014 Annual Appeal campaign.
 Timeline: complete & mail materials by November 1st
 Measure of Success: receive \$20,000 in donations
 Budget Impact: potential gain of \$20,000 to operations
 Responsibility: Director, Director of Public Programs, Director of MSU Development
- 1D. **Tactic:** Promote, market and secure rentals of the Museum Facility.
 Timeline: on going
 Measure of Success: increase earned income
 Budget Impact: potential gain to operations
 Responsibility: Director, Assistant Director, Director of Public Programs, Events Assistant

Objective 2. Seek and secure outside funding for exhibitions and programs well in advance.

2A. Tactic: Continue to seek and secure sponsorships and/or grants for future exhibitions for the next three years.

Timeline: On-going, seek funding 1 year in advance of each exhibition

Measure of Success: Increased number of exhibitions funded from outside and/or new sources

Budget Impact: operating budget relieving

Responsibility: Director, Curator of Collections and Exhibitions, and MSU Sponsored Project Office, with advice from Museum Advisory Board

Objective 3. Seek and secure means to increase funding for art acquisitions.

3A. Tactic: Continue to promote and increase membership in the Collectors Circle and produce the annual event to acquire works for the collection.

Timeline: event set for November 20, 2014

Measure of Success: at least 30 members of the CC, enhancement of the permanent collection, and good PR that no MSU funds are used for this program

Budget Impact: funds dedicated to art collection and not operations

Responsibility: Director, Curator of Collections and Exhibitions, Director of Public Programs

3B. Tactic: Plan and implement de-accession of inappropriate artworks and objects to secure funds to acquire desirable art works and objects. Funds garnered from sales will go to a special fund to support acquisitions.

Timeline: develop plan and identify artworks and objects by May 2015

Measure of Success: creation of a good plan and implementation of the de-accession process to garner acquisition funds

Budget Impact: does not affect operating budget

Responsibility: Museum Director, Curator of Collections and Exhibitions

- 3C. Tactic: Maintain policies and procedures of the Collections Management Plan to ensure that the permanent collection is protected and, although it is capitalized, it will never be liquidated for operating funds.
- Timeline: include in MAP 2 and AAM Accreditation
- Measure of Success: creation of a good plan and implementation to protect the permanent collection
- Budget Impact: does not affect operating budget
- Responsibility: Museum Director, Curator of Collections and Exhibitions, Assistant Director

Objective 4. Establish and maintain a routine internal monthly monitoring of expenses and confirmation of correct accounting designations to ensure that the museum maintains a balanced budget.

- 4A. Tactic: Produce monthly reports to monitor budget controls.
- Timeline: on going
- Measure of Success: balanced budget
- Budget Impact: no cost
- Responsibility: Director, Assistant Director, Business Manager

GOAL II Identify and create The WFMA as a center for the exhibition and study of art and educational programming.

Objective 1. Enhance the quality of the art collection.

- 1A. Tactic: Create and Publish Collection Development Plan.
- Timeline: Complete plan by February 1, 2015
- Measure of Success: completion and implementation of plan
- Budget Impact: no cost for planning
- Responsibility: Curator of Collections and Exhibitions, and Museum Director
- 1B. Tactic: Construct a traveling touring exhibition program of works from the permanent collection.
- Timeline: Produce marketing materials and begin marketing campaign by June 2015.
Complete touring exhibitions as we receive reservations.
- Measure of Success: reservations for rentals secured
- Budget Impact: potential for revenues in rental fees to offset costs of touring program
- Responsibility: Museum Director and Curator of Collections and Exhibitions

Objective 2. Enhance the Education and Public Programming.
 2A. Tactic: Orchestrate major free public program in partnership with other arts organizations to celebrate the opening of the new amphitheater, pavilion and terrace.
 Timeline: event date May 9 – 10, 2015
 Measure of Success: high attendance and galvanizing partnerships
 Budget Impact: contingent upon grant funding
 Responsibility: Director, Assistant Director, Public Programs Director

Objective 3. Refine the image and brand of the WFMA.
 3A. Tactic: Implement the recommendations of the 2013 marketing plan for the WFMA.
 Timeline: on going
 Measure of Success: increased attendance and participation in Museum events
 Budget Impact: advertising costs
 Responsibility: Director, Management Team and contact at Dillard School

GOAL III Ensure the Future of the Museum and the facility.

Objective 1. Enhance the effectiveness of the building to serve MSU students and the community.
 1A. Tactic: Install security cameras through facility.
 Timeline: complete project by May 2015
 Measure of Success: completed project
 Budget Impact: cost TBD
 Responsibility: Museum Assistant Director
 1B. Tactic: Complete the 2014 External Improvements project to add a terrace, new road, a permanent pavilion, amphitheater, and parking.
 Timeline: construction completed by March 2015
 Measure of Success: completed project
 Budget Impact: Funded by The Priddy Foundation and private donors
 Responsibility: Director, Director of Museum Facility, MSU Facilities staff, Architect, and Contractors
Objective 2. Complete Process to Apply for accreditation with the American Alliance of Museums (AAM).

2A. Tactic: Complete and Follow recommendations of the 2014 MAP Study.

Timeline: complete self study by December 15, 2014.

Measure of Success: completed project

Budget Impact: no cost for planning

Responsibility: Museum director, Curator, Collections Manager, Assistant Museum Director

2B. Tactic: Complete and Follow AAM Accreditation process.

Timeline: follow AAM process

Measure of Success: Accreditation received by June 2015

Budget Impact: cost TBD

Responsibility: Museum Director, Museum Advisory Board, Museum staff, MSU Administration, MSU Board of Regents

Wichita Falls Museum of Art at MSU
2 Eureka Cir | Wichita Falls, TX 76308
(940) 397-8900



Approved Accessions For Ratification by the MSU Board of Regents

NOTE: In compliance with the approved Collections Management Policy of the WFMA at MSU, the following acquired artworks were recommended by the Museum Director and Curator for accession into the Permanent Collection, and approved by the Museum Advisory Board on November 4, 2014. The artworks are consistent with the Museum's mission, scope of collection, and code of ethics. All of the artworks under consideration were gifts to the Museum's Permanent Collection and no state funds were used to purchase the artworks. Upon the ratification of the MSU Board of Regents, the art will be formally accessioned into the Museum's Permanent Collection in a timely manner, the donors will be thanked, and the artworks properly cared for.



Artwork: Wichita Falls Community Quilts, 2014, four quilts approx. 72 x 106 each

Donor: Organized by the WFMA and paid for by the Priddy Foundation

Date Donated: October 2014



Artwork: Senior Citizen Activity Center, Quilt, 1982, 96 x 72

Donor: Jo Glidewell

Date Donated: October 21, 2014



Artwork: Wayne Kimball, *Small Proud Estuscan*, 1987, lithograph

Donor: 2010 WFMA Collectors Circle

Date Donated: 2011



Artwork: Mark Hosford, *The Waiting Game*, 2007, Screenprint, 13.5 x 21

Donor: 2010 WFMA Collectors Circle

Date Donated: 2011



Artwork: Walter Askin, *Sampath*, 2001, Lithograph, 22 x 15

Donor: 2010 WFMA Collectors Circle

Date Donated: 2011



Artwork: Yuji Hiratsuka, *V's Secret*, 2000, Lithograph, 24 x 18

Donor: 2010 WFMA Collectors Circle

Date Donated: 2011



Artwork: Jane Goldman, *Sumac*, 1993, Lithograph, 18.5 x 22.5

Donor: 2010 WFMA Collectors Circle

Date Donated: 2011



Artwork: Thom Seawell, *Variations on Themes of Jacques Callot*, 1989, Screenprint, 16 x 28

Donor: 2010 WFMA Collectors Circle

Date Donated: 2011



Artwork: Richard Black, *Genesis Two: Adam/Man*, 1997, Lithograph, 24 x 19

Donor: 2010 WFMA Collectors Circle

Date Donated: 2011



Artwork: David Morrison, *Penland Spirit At Dallas*, 1998, Lithograph, 24 x 19

Donor: 2010 WFMA Collectors Circle

Date Donated: 2011



Artwork: Maurice Gray, *Transient Relationship #30*, 1986, Lithograph, 22.5 x 30

Donor: 2010 WFMA Collectors Circle

Date Donated: 2011



Artwork: Carol Wax, *Sk-Eight Key*, 2003, Mezzotint, 15.5 x 11.5

Donor: 2010 WFMA Collectors Circle

Date Donated: 2011



Artwork: Karen Kunc, *Crosscut Watershed*, 1988, relief, 16 x 27

Donor: 2010 WFMA Collectors Circle

Date Donated: 2011



Artwork: Jim Burpee, *On the Edge of a Shadow of a Cloud*, 1959, Oil on canvas, 36 x 31

Donor: Richard Ash, The Juanita and Ralph Harvey School of Visual Arts at MSU

Date Donated: 2011



Artwork: Jon Bodkin, Untitled, Oil on paper, 8.5 x 11

Donor: Richard Ash, The Juanita and Ralph Harvey School of Visual Arts at MSU

Date Donated: 2011



Artwork: Hubertus "Hugh" Trabandt, *Wounded Leader*, 1978, bronze, No. 8 and 9 in a series of 10, 46 x 14.5 x 12.5

Donor: Ann Thompson

Date Donated: 2011

**ACADEMIC AND STUDENT
AFFAIRS COMMITTEE**

Academic and Student Affairs Committee

Membership

Lynwood Givens, Chairman
Kenny Bryant
Tiffany Burks
Sam Sanchez

Reading and Approval of Minutes

15-64. The minutes of the Academic and Student Affairs Committee meeting November 6, 2014, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 15-64.

Faculty Report

15-65. Dr. David Carlston, Faculty Senate Chairman, will provide a report on behalf of the MSU Faculty Senate. Additionally, Dr. Jeff Killion, Associate Professor and Chair of Radiologic Sciences, will visit with the board regarding his teaching and research activities and interests.

Staff Report

15-66. Mr. Dirk Welch, Staff Senate Chairman, will provide a report on behalf of the MSU Staff Senate.

Student Government Report

15-67. Ms. Rebecca Stogner, President of the MSU Student Government Association, will provide an update on Student Government.

Athletics Report

15-68. Mr. Charlie Carr, Director of Athletics, will provide information concerning athletics at Midwestern State University. Additionally, Dr. Rogers will present information regarding the Lone Star Conference.

Enrollment Report – Spring 2015

15-69. Information regarding enrollment for the spring, 2015, semester will be presented.

Petition for Bachelor of Science Degree in Chemistry

15-70. Dr. Jesus Espino-Tonche has petitioned the university to grant him a Bachelor of Science degree with a major in Chemistry. Dr. Espino-Tonche was enrolled at MSU from 1999 to 2002 working toward the B.S. degree with a major in Chemistry and a minor in Biology. Dr. Espino-Tonche received an early acceptance into the University of Texas Health Science Center at San Antonio (UTHSCA) Dental School and did not complete his last year at MSU. Dr. Espino-Tonche was granted a D.D.S degree from UTHSCSA in May 2006.

Beginning in 2006, MSU established a 3+4 Dual Degree Dental Early Admissions Program with UTHSCA. Through this program, students who are accepted to dental school prior to the completion of a baccalaureate degree may transfer credit to MSU upon the successful completion of the first year of dental school.

The administration will recommend the granting of this degree as recommended and approved by the Department of Chemistry faculty and the Academic Council.

Addition of Minor in Foreign Languages – Spanish for the Professions

15-71. The administration will recommend the addition of a new minor, Spanish for the Professions, beginning in the fall, 2015, semester (see Attachment 15-71).

Addition of Interdisciplinary Minor in Political Science – Women's and Gender Studies

15-72. The administration will recommend the addition of a new interdisciplinary minor, Women's and Gender Studies, beginning in the fall, 2015, semester (see Attachment 15-72).

Core Curriculum

15-73. The faculty and administration continue to review and develop courses for inclusion in the university's 42-hour Core Curriculum. The university's Core Curriculum Committee recommended and the Academic Council approved the following recommendations in an effort to increase and provide appropriate student options for selection of classes in various disciplines.

- a. Addition of the following course options:

Under Foundational Component Area (FCA) Language, Philosophy, & Culture and Component Area Option (CAO) Undergraduate Inquiry & Creativity

COUN 2143 Human Diversity

Under FCA Communication

ENGL 2203 Introduction to Professional Writing

FCA Language, Philosophy, & Culture

ENGL 2423 World Literature

ENGL 2813 Survey of English Literature

ENGL 2823 Survey of English Literature

HUMN 2043 Mid-19th through 20th Centuries

CAO Cultural & Global Understanding

HUMN 2043 Mid-19th through 20th Centuries

INTS 2503 Introduction to Global Studies

CAO Undergraduate Inquiry & Creativity

MWSU 2003 Creative Inquiry: Interdisciplinary Thinking

SOCL 1143 Sociological Inquiry

THEA 2103 Playwrights & Scientists: Interesting Bedfellows

- b. Removal of SOCL 1133 Introductory Sociology as a course option under the CAO Undergraduate Inquiry and Creativity.

- c. Modified structure for FCA Communication (see Attachment 15-73)

The administration will recommend approval of these items as presented.

Dining Services Contract

15-74. Midwestern State University has contracted with Aramark to operate its on-campus dining operations for the past 19 years and the current contract expires July 31, 2015. As such, a Request for Proposals for on-campus dining operations was issued. Three companies submitted proposals: Aramark, Chartwells, and Sodexo. A nine-member committee (including students and academic, business affairs, and student affairs administrators) evaluated the initial proposals and the three companies were invited to campus for presentations and interviews. The firms were evaluated on experience (25%), quality (25%), financial costs and incentives (25%), their ability to provide other services in the future (10%), understanding of MSU mission and goals (10%), and prior favorable services/relationships with MSU (5%). The committee recommended that Chartwells be engaged based on the following:

- a. Chartwells operates on 270 higher education campuses in the United States. Chartwells is a division of the Compass Group, the world's largest provider of food services, with North American revenues in excess of \$13.6 billion annually. The global expertise and resources of the company is important as MSU evolves its dining service program.
- b. Chartwells proposed a structure and price-point that provides value and flexibility to students as well as a renovated Mesquite Dining Hall and the introduction of national brands.
- c. Chartwells' financial package, before commissions, to MSU is \$5,195,000 over a ten-year contract. This financial package will allow adequate capital to renovate existing facilities and develop additional on-campus dining concepts, including future concepts as MSU's residential population grows

The administration recommends that Chartwells be engaged to provide on-campus dining operations beginning on or before August 1, 2015.

MSU Policies and Procedures Manual Changes

15-75. Changes to the *MSU Policies and Procedures Manual* will be recommended for approval as summarized below.

- a. Policy 2.393, Staff Senate Purpose and Constitution – modifications will be recommended related to the EEO job classification categories and vacancies occurring on the Staff Senate (see Attachment 15-75a).
- b. Policy 3.146, Graduate Faculty Requirements and Procedures– modifications will be recommended to reflect current procedures. The changes have been reviewed and approved by the Graduate Council, the Faculty Senate, and the Academic Council (see Attachment 15-75b).

ACADEMIC AND STUDENT
AFFAIRS COMMITTEE
ATTACHMENTS

Creation of a Minor in Foreign Languages

The Department of Foreign Languages requests approval of a new minor, **Spanish for the Professions**, beginning in the fall 2015 semester. This request was approved by the Academic Council.

Justification

In a world that is becoming more and more global, the demand for bilingual and bicultural graduates is steadily increasing as the study of foreign languages and cultures helps to bridge the gap between professional competency and interpersonal skills. As the Washington D.C.-based Committee for Economic Development has affirmed: "American companies lose about \$2 billion each year because they lack adequate cross-cultural skills." Businesses understand that more than 54 million Hispanics currently reside in the United States (20% of the population) - with an annual growth rate of 2.1%. Additionally, there are some 22 million persons living in the U.S. who do not speak English, the vast majority being Spanish-speakers. On a more local level, the Census Bureau reports that 12.31% of the people living in Texas "speak only Spanish" and that 14% of Wichita Falls residents are Hispanic. Study of a foreign language and culture, then, is important for business, personal, economic, and cultural reasons.

At MSU there has been a substantial growth in the number of students studying Spanish in recent years. For example, from fall 2013 to fall 2014 alone, student credit hour (SCH) enrollment in Spanish is up 13% (from 1186 to 1341). These students come from many colleges, not just the Prothro-Yeager College of Humanities and Social Sciences (PYCHSS). In fact, some 12% of MSU's Spanish majors are double-majors, with their other concentration of study involving a field in another college. This MSU data mirrors the national norm. According to the Teagle Report, the most common major for students who double major is a foreign language.

In order to meet this need of professionals able to communicate in Spanish in a variety of settings, this minor, which focuses more extensively on linguistic abilities and biculturalism, is proposed. This proposed minor is for students whose major is outside of the Prothro-Yeager College of Humanities and Social Sciences who need a more skills-based knowledge of Spanish in which the development of professional and conversational language skills in Spanish are more important. By having on their transcripts a declared "Spanish for the Professions" minor, these students will be able to demonstrate that they have completed formal studies in the language and are, to a certain degree, both bilingual and bicultural. Students in PYCHSS will continue to declare the more humanities-based minor in Spanish.

Description

Credits: 18 credits total

- A. 6 credits (2nd-year Spanish)
- B. 6 credits of advanced language courses
 - SPAN 3333 Conversation and Composition, and either SPAN 4133 Advanced Oral Expression or SPAN 4233 Advanced Grammar and Composition
- C. 3 credits of culture

- Either SPAN 3023 Spanish-American Civilization or SPAN 3013 Spanish Civilization
- D. 3 credits of advanced electives
- Options: a "Spanish professions" course [e.g., Medical Spanish, Business Spanish, etc.], an internship in Spanish, or any one of the other advanced courses offered in the foreign language department

All of the courses already exist, except for the specific professions courses and the internship mentioned in section D, above. A general "Spanish for the Professions" course will be developed and additional more specific courses such as "Medical Spanish," "Business Spanish," "Law Enforcement Spanish," etc. may be added in the future depending on enrollment demands. Additionally, an "Internship in Spanish" course will be added. Additionally, a student could take the advanced electives course (section D, above) from another institution or through a study abroad experience (the current MSU Study Abroad program in Granada, Spain, for example, offers these courses as part of its curriculum).

Additional Faculty or Budgetary Requirements

Initially, the proposed new minor program will not require additional faculty members. However, because of the growing importance of the Spanish-speaking community, it is possible that this minor will quickly become a high-enrollment area. If such occurs, and this program's classes are continually "maxed out," the hiring of at least one more faculty member within a relatively short time will be necessary in order to offer adequate sections of the courses with a pedagogically appropriate enrollment cap. The additional faculty member (preferably a specialist in Spanish for the Professions) would allow the university to continue strengthening the academic foundation of the program while being proactive in meeting the needs arising from future student growth. Recruitment of a new faculty member as enrollments increase is especially important because of the department's commitment to close monitoring of students by faculty members, a feature of the program that is one of its salient strengths.

Contact Person

| | |
|--|---|
| Name: Jeffrey Oxford | Title: Chair, Department of Foreign Languages |
| E-mail: jeffrey.oxford@mwsu.edu | Phone: 940-397-4144 |

Creation of an Interdisciplinary Minor in Political Science

The Department of Political Science requests approval of a new interdisciplinary minor, **Women's and Gender Studies**, beginning in the fall 2015 semester. This request was approved by the Academic Council.

Justification

Midwestern State University is the only university in Texas to be accepted to membership in the Council of Public Liberal Arts Colleges (COPLAC), and is designated as a public liberal arts university for Texas in the Texas Education Code. Additionally, MSU's Quality Enhancement Plan, as part of the Southern Association of Colleges and Schools (SACS) accreditation, calls for an emphasis on undergraduate research and creative activities. Both of these missions could be furthered with the addition of an interdisciplinary minor in Women's and Gender Studies.

Programs in Women's and Gender Studies (WGST) are found at higher education institutions throughout the United States, including undergraduate majors and graduate programs. The most common type of women's and gender studies program are undergraduate minors. Undergraduate minors in women's and gender studies are typically set up as either stand-alone minors or as interdisciplinary programs.

Peer institutions with WGST programs

Women's and gender studies programs are found in the majority of COPLAC institutions. Out of the total of 28 COPLAC institutions, 24 have programs in Women's and Gender Studies in which an interdisciplinary minor, a stand-alone minor, or major are available.

COPLAC institutions with programs in Women's and Gender Studies:

- Eastern Connecticut State University
- Ft. Lewis College
- Georgia College
- Henderson State University
- Keene State University
- Massachusetts College of Liberal Arts
- New College of Florida
- Ramapo College of New Jersey
- Shepherd University
- Sonoma State University
- Southern Oregon University
- Southern Utah University
- St. Mary's College of Maryland
- SUNY Geneseo Approved by the
- The Evergreen State University
- The University of Virginia College at Wise
- Truman State University
- University of Illinois Springfield

University of Maine at Farmington
University of Mary Washington
University of Minnesota Morris
University of North Carolina Asheville
University of South Carolina Aiken
University of Wisconsin Superior

Description

Credits: 18 credit hours

WGST 2503: Introduction to Women's and Gender Studies
15 gender-focused courses, 12 of which are advanced hours.

Examples of gender-focused courses currently offered at MSU

CRJU 4143: Family Law
HIST 4673: History of Women in the US and Great Britain
NURS 4013: Nursing of the Childbearing Family
PHIL 2223: Feminist Philosophy
SOCL 3433: The Family
SOCL 4233: Gender in Society
SOCL 4633: The Sociology of Family Violence
POLS 4543: Feminist Political Thought
PSYC/SOCL 3023: Human Sexuality
English Special Topics courses when they are gender-focused:
ENGL 3713: Special Topics in American Literature and Life
ENGL 3723: Special Topics in Literature
ENGL 4543: Special Topics in Film Narration
ENGL 4553 Rhetorical Theory and Criticism

WGST 2503 would be the only required course in the minor. WGST 2503 is an established part of the Core Curriculum in two categories: Language, Philosophy, and Culture category and Cultural and Global Understanding.

At MSU, WGST 2503: Introduction to Women's and Gender Studies could continue to fulfill its role as part of the core curriculum, but also serve as the required course to anchor the proposed 18-credit minor. Students would take WGST 2503 and then be required to take gender-focused courses to fulfill the remaining 15-credit hours, 12 of which must be advanced hours. Students with an interest in gender will be able to pursue coursework in a variety of disciplines at MSU, enabling them to make connections between different fields and fostering interdisciplinary collaboration on the campus.

Courses necessary to complete the credit hour requirement for the minor are already available in multiple departments. As courses are developed as part of the new core curriculum or by departments, courses can be counted towards the Women's and Gender Studies minor if they are primarily gender-focused.

The 18 credit hour minor in Women's and Gender Studies would conform to other academic minors found at Midwestern State University and to other gender studies programs in Texas. For example, the Stephen F. Austin University, University of Houston, University of North Texas, and Texas Woman's University all have 18 hour minors available to undergraduates in women's and gender studies. The University of Houston began its program with a core course of Introduction to Women's Studies. With this as the required course, additional courses to fulfill the minor were drawn from gender-focused courses in academic departments and affiliated faculty who developed gender-focused courses that could add to the minor as they developed courses that also fulfilled the needs of their respective departments.

Students can petition to have additional courses count towards the minor if 1) the course includes a significant portion of material focused on gender and 2) the student's work in the course, such as a research project, has been gender-focused.

Additional Faculty or Budgetary Requirements

The proposal is resource neutral. WGST 2503, the proposed required course, is already an approved course in the core curriculum and offered at least once per academic year. The additional courses for the minor are drawn from courses already available at MSU. Thus, no new faculty or budgetary resources are requested.

Contact Person

Name: Linda Veazey

E-mail: linda.veazey@mwsu.edu

Title: Assistant Professor of Political Science

Phone: 940-397-4750

Academic Affairs

Office of the Provost and
Vice President for Academic Affairs



Core Curriculum

| Current 42 semester credit hour core courses approved by the Texas Higher Education Coordinating Board | Proposed Additions to Component Area |
|--|---|
| Communication - 6 sch ENGL 1103 (Hybrid) Introduction to Communication SPCH 1103 (Hybrid) Introduction to Communication ENGL 1123 Rhetoric and Composition | Communication - 6 sch 3 sch from ENGL 1103 Introduction to Communication SPCH 1103 Introduction to Communication ENGL 1123 Rhetoric and Composition ENGL 1143 Academic Research & Writing 3 sch from ENGL 1153 Intro to Reading and Writing about Literature ENGL 2123 Rhetoric, Visuals and Infographics ENGL 2203 Introduction to Professional Writing MCOM 1243 Media Writing & Reporting MCOM 2403 Social Media SPCH 1133 Fundamentals of Speech Communication SPCH 2423 Interpersonal Communication THEA 1233 Voice for Theatre |

2.393 Staff Senate

STAFF SENATE PURPOSE AND CONSTITUTION

Date Adopted/Most Recent Revision: 05/10/2013

Article II

A. Membership Representation

The number of senate seats shall be allocated according to the number of budgeted staff positions within each EEO job classification category on record with and provided by the Director of Human Resources.

1. EEO Job Classification Categories:

- a. EEO1 Officials and Administrators (Excluding president, vice presidents, provost, and associate vice presidents)
- b. EEO3 Non-faculty Professional
- c. EEO4 Administrative Support
- d. EEO5 Technicians and Paraprofessionals
- e. EEO6 Skilled Craft Workers
- f. EEO7 Service and Maintenance

Article III

A. Elections

Elections will be held each April to fill seats which will be vacant on the following September 1. The nomination process will be held during the month of March. Eligible staff may self-nominate if they have an interest and desire to serve. The senate will determine the deadline for nominations, conduct the election through secret ballot, and notify the nominees. All benefits-eligible, non-faculty staff members are eligible to vote for nominees within their respective EEO classification. In the event of a tie, a run-off election will be held. The election results will be published within ten working days after the election. In the event of a vacancy occurring prior to a regular election, and an alternate is not available, a special election may be called.

B. Vacancies

Senate seats which become vacant prior to a regular election shall be filled by alternates from the respective EEO job classification, in succession beginning with the alternate receiving the highest number of votes in the most recent election. Alternates will serve until the next regular election and time served as an alternate will not be counted against the term limits. If no alternate from the respective classification is available to serve at the time the vacancy occurs, the seat may be filled through a special election or the seat may remain unfilled until the next regular election.

3.147 Provost and Vice President for Academic Affairs
GRADUATE FACULTY REQUIREMENTS AND PROCEDURES
Date Adopted/Most Recent Revision: 11/06/2009

A. General

Graduate faculty members are expected to establish and maintain a record of scholarly productivity, teaching excellence, and exemplary individual work with graduate students. **The accomplishments of faculty who are teaching in the graduate programs at MSU are reviewed regularly to evaluate the effectiveness of each faculty member in accord with published criteria, regardless of contractual or tenured status (SACSCOC 3.72).** Evidence of such faculty performance should be included in the graduate faculty member's annual personnel report **as well as on the faculty member's curriculum vitae (CV).** For those holding graduate faculty status, the faculty member's performance as a member of the graduate faculty is evaluated by the faculty member, department chair and dean during annual performance review. If the faculty member's scholarship, teaching or independent work with graduate students does not meet the guidelines or standards established by the department, college and the graduate council, the faculty member's **graduate faculty appointment may be denied or reduced, which will result in the creation of a developmental plan.** ~~the chair and the dean will develop a plan that they believe will result in the faculty member meeting those guidelines or standards. This plan will include actions to be undertaken by the faculty member, a timeline for those actions, and the support provided by the college for the faculty member's successful and timely completion of those planned actions. The effectiveness of this plan will be a part of the faculty member's next annual performance review.~~ The performance of the faculty member as a member of the graduate faculty should have a substantial impact on the faculty member's annual performance evaluation and on the **academic dean's** and chair's recommendation for merit, tenure, or promotion.

B. Graduate Faculty Status

1. Full graduate faculty status

- a. Criteria for full graduate faculty status:
 - i. Hold a **full-time** faculty appointment at MSU.
 - ii. Hold a terminal degree in the discipline or a related field; or provide clear evidence of exceptional scholarly achievement that obviates this requirement.
 - iii. Demonstrate an ongoing record of a variety of scholarly activities as described in the research and scholarly activities sections of the Tenure and Promotion Policy defined by the faculty member's college and department.
 - iv. Demonstrate successful graduate teaching and effective individual work with graduate students.
 - v. Be recommended by the faculty member's college.
- b. ~~Responsibilities~~ **Qualified to:**
 - i. Teach graduate courses
 - ii. Serve on **Ggraduate Advisory (Thesis), Research Paper, and other Graduate**
Committees
 - iii. Chair **Ggraduate Advisory (Thesis), Research Paper, and other Graduate**
Committees.
 - iv. ~~Direct Research papers and theses~~ **Eligible for appointment as a Graduate**
Coordinator for the program
- c. Term: Full graduate faculty are appointed for a five year term and must reapply at the end of their appointed term.

2. Associate Graduate Faculty status

- a. Criteria for associate graduate faculty status:
 - i. Hold a full-time or part-time faculty appointment at MSU. (Graduate faculty members of other accredited universities who meet the MSU criteria for appointment as graduate faculty may, with the recommendation of the graduate program coordinator and through the Graduate Faculty approval process, be appointed as associate graduate faculty.)
 - ii. Hold, or be actively pursuing, a terminal degree in the discipline or a related field; or provide clear evidence of exceptional scholarly achievement that obviates this requirement.
 - iii. Begin and continue a record of scholarly activity.
 - iv. Be recommended by the faculty member's college.
- b. Responsibilities Qualified to:
 - i. Teach graduate courses
 - ii. Serve on Graduate Advisory (Thesis), Research Paper, and other Graduate Committees
 - iii. Chair Research Paper and other non-thesis committees
 - iv. Direct-research papers MSU faculty holding a full-time appointment are eligible for appointment as a Graduate Coordinator for the program
- c. Term: Associate graduate faculty are appointed for a three year term and must reapply at the end of their appointed term.

3. Adjunct graduate faculty

- a. Criteria for adjunct graduate faculty status:
 - i. Hold an adjunct faculty appointment at MSU.
 - ii. Hold or be actively pursuing a terminal degree in the discipline or a related field; or provide clear evidence of exceptional professional qualifications and experience.
- b. Responsibilities Qualified to:
 - i. Teach graduate courses
 - ii. Serve on graduate committees
- c. Term: 1 year

C. Procedures for appointment as graduate faculty

1. Each College and Department will develop guidelines for the evaluation of satisfactory performance. Although these guidelines will reflect the individual nature of each graduate program, they will be consistent with the general guidelines for graduate faculty status outlined in this policy.
2. ~~Faculty who wish to be considered for appointment as graduate faculty must apply and submit a current curriculum vitae (CV) to the department chair. Having considered the advice of the graduate coordinator, the department chair will review faculty performance and provide a written recommendation to the college dean, either opposing or supporting the faculty member's appointment to the graduate faculty.~~ MSU full-time, part-time, or adjunct faculty who are being considered for an assignment to teach graduate courses as the faculty of record must be reviewed for appointment as graduate faculty at the rank of adjunct, associate, or full graduate faculty prior to the semester in which the first graduate course is slated to be taught. The process is as follows:
 - a. A current curriculum vitae (CV) is supplied to the department chair by the faculty member.
 - b. A letter of recommendation is written by the department chair to the Associate Vice President for Academic Affairs (AVPAA) and Dean of the McAda Graduate School.

- c. The Graduate Faculty Status Recommendation form is completed and signed by department chair and graduate coordinator.
- d. The recommendation is reviewed by the academic dean of the college using the appropriate college and departmental guidelines for evaluation of satisfactory performance. When in agreement that the faculty member is eligible for consideration for graduate faculty status, the dean will sign, and annotate if desired, the Graduate Faculty Status Recommendation form and sent forward to the AVPAA/Dean of the McAda Graduate School.
- e. The AVPAA/Dean of the McAda Graduate School will review the recommendation of the college for the faculty member's appointment to the recommended status, assuring alignment of the faculty member's expertise and experience with guidance presented in this policy, making a recommendation to the Provost and Vice President for Academic Affairs, with whom the final decision rests. The full recommendation documentation, including department chair letter, faculty CV, and recommendation form with annotations will be provided to the Provost.
- f. The recommendation at the academic dean's or graduate dean's, level may include approval as submitted, approval at an altered status, or denial. Recommendations for alteration or denial must include annotation regarding rationale for such recommendation.
- g. The decision at the provost's level may include approval as submitted, approval at an altered status, or denial.
- h. Should the appointment be denied, a written explanation of the decision shall be provided by the Dean of the McAda Graduate School, indicating specific aspects or deficits of scholarship, experience, or performance disqualifying the faculty from appointment.
- i. If a denial is issued, future efforts to achieve graduate faculty status will benefit from a personal statement from the faculty describing efforts to address any noted areas of deficit in scholarship, experience, or performance.

3. New faculty joining MSU in a faculty position that includes teaching as a faculty of record for a graduate course must meet the requirements for graduate faculty status. When hiring documents are sent forward to the Office of the Provost, the Graduate Faculty Status Recommendation Form should be sent simultaneously to the Dean of the McAda Graduate School.

~~3. The academic dean of the college, using the appropriate college and department guidelines for the evaluation of satisfactory performance, will determine if the faculty member is eligible for consideration for graduate faculty status and, if so, forward the faculty member's application and CV, along with a written recommendation, to the Dean of the Graduate School.~~

~~4. For all appointed faculty, the written recommendation of the college, faculty member's CV, and verification of appointment will be provided for final approval to the Provost and Vice President for Academic Affairs, who will monitor that all graduate courses are taught by approved graduate faculty at the appropriate level and then track terms and renewals.~~

D. Procedures for advancement within the graduate faculty (i.e. from adjunct to associate or associate to full graduate status)

- 1. Faculty who wish to be considered for advancement within the graduate faculty must apply and submit a current CV to the department chair. Having considered the advice of the graduate coordinator, the department chair will review faculty performance and provide a written recommendation to the college dean.
- 2. **The recommendation will proceed as outlined in section C.2 above. The dean of the college, using the appropriate college and department guidelines for the evaluation of satisfactory**

performance, will determine if the faculty member is eligible for advancement and, if so, forward the faculty member's application and CV, along with a recommendation, to the Dean of the Graduate School.

3. ~~The Dean of the Graduate School will review the recommendation of the college and either recommend advancement of the faculty member to the appropriate graduate faculty status or deny the advancement. Should the advancement be denied, the Dean of the Graduate School will provide a written explanation of the decision to the college dean, indicating specific aspects of performance disqualifying the faculty from advancement.~~
4. ~~For all advanced faculty, the written recommendation of the college, faculty member's CV, and verification of advancement will be provided to the Provost and Vice President for Academic Affairs for ratification and tracking.~~

E. Procedures for renewal of graduate faculty status

1. Faculty who wish to be considered for continued status within the graduate faculty must submit a request with ~~apply and submit~~ a current CV to the department chair. Having considered the advice of the graduate coordinator, the department chair will review faculty performance and provide the Dean of the Graduate School with a written recommendation for the faculty member's continued standing.
2. ~~The recommendation will proceed as outlined in section C.2 above. The dean of the college, using the appropriate college and department guidelines for the evaluation of satisfactory performance, will determine if the faculty member is eligible for continued standing and, if so, forward the faculty member's application and CV, along with a recommendation, to the Dean of the Graduate School.~~
3. ~~The Dean of the Graduate School will review the recommendation of the college and either recommend renewal of the faculty member's appropriate graduate faculty status or deny the renewal. Should the renewal be denied, the Dean of the Graduate School will provide a written explanation of the decision to the college dean, indicating specific aspects of performance in need of development.~~
4. ~~For all advanced faculty, the written recommendation of the college, faculty member's CV, and verification of advancement will be provided to the Provost and Vice President for Academic Affairs for ratification and tracking.~~

F. Procedures for remediation Development of graduate faculty

If the faculty member's scholarship, teaching, or independent work with graduate students does not meet the guidelines or standards established by the department and college, the faculty member, the chair and the dean will develop a plan that they believe will result in the faculty member's meeting those guidelines or standards. This plan will include actions to be undertaken by the faculty member and the support provided by the college for the faculty member's successful and timely completion of those planned actions. (Graduate faculty status during the development period will be determined by the Dean of the Graduate School, based on the recommendations of the college dean.) The results of the plan will be a part of the faculty member's next annual performance review.

G. Procedures for Approval for Associate Graduate Faculty Members to Chair a Graduate Advisory Committee to Direct Thesis

1. The Graduate Coordinator, in collaboration with the Department Chair, may recommend to the Academic Dean that a faculty member holding both a full-time appointment to the faculty at MSU and Associate Graduate Faculty Status may be approved to chair a student's Graduate Advisory Committee based upon alignment of the Associate Graduate Faculty Member's specialized knowledge in a particular area of study.

2. The College will recommend the appointment through completion of the Graduate Advisory Committee Chair for One-Time Thesis Appointment form, providing ample rationale to support the appropriateness of, and need for, such an appointment.
3. The designated form, faculty member's CV, a detailed letter, and a plan for mentorship by a faculty member holding Full Graduate Faculty Status shall be sent forward to the Graduate Dean's Office for recommendation to the Provost and Vice President for Academic Affairs, who holds final authority for approval.
4. This process is to be used only for a singular appointment on a case-by-case basis, as its rationale resides with the faculty member's expertise to a singular thesis.

H. Procedures for Monitoring Graduate Faculty Appointment of those Teaching Courses for which Graduate Credit is Awarded

1. The Associate Vice President for Academic Affairs and Dean of the Billie Doris McAda Graduate School will monitor graduate faculty status, assuring that faculty appointments are congruent with teaching assignments, graduate advisory committee roles, and research paper roles in compliance with authorized graduate faculty responsibilities.
2. The process is as follows:
 - a. The roster of graduate classes, 3000-4000 courses taken for graduate credit, dual-listed courses, and thesis sections will be reviewed to assure that the faculty of record holds the required graduate faculty status. This review occurs each semester.
 - b. If there are any discrepancies, the Dean of the Graduate School will follow up with the appropriate graduate coordinator, department chair, and academic dean to assure that proper action is taken, including either seeking graduate faculty status for the faculty of record or changing teaching assignments.
3. The outcomes of this review process will be communicated to the Provost and Vice President for Academic Affairs.

FINANCE COMMITTEE

Finance Committee

Membership

Mike Bernhardt, Chairman
Caven Crosnoe
Lynwood Givens
Jeff Gregg

Reading and Approval of Minutes

15-76. The minutes of the Finance Committee meeting November 6, 2014, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 15-76.

Summary of Financial Support 9/1/14 – 1/15/15

15-77. This report is shown as Attachment 15-77 and will be presented as information only.

Review and Acceptance of Financial Reports

15-78. The administration will recommend the FY 2014 Annual Financial Report and the September, October, November, and December, 2014, Financial Reports for acceptance, as shown as Attachment 15-78.

Investment Report

15-79. The administration will recommend the first quarter FY 2015 investment report for acceptance as shown as Attachment 15-79.

Review of MSU's Endowment Pool Investment

15-80. At the November, 2014, Board of Regents meeting, the board requested the administration review the current investment distribution and returns on the university's general endowment pool to that of the Texas A&M University System's endowment pool investments. Attachment 15-80 provides a comparison based on the last five years of the current investment returns and distribution versus the results if the same funds had been invested in the Texas A&M University System endowment pool. As a result of this comparison, the administration recommends that any new university endowments created in the future be invested with Texas A&M University System. No change is recommended regarding the investment of the currently held endowments.

Approval of Brokers/Dealers

15-81. The administration will recommend approval of the following list of brokers/dealers for Fiscal Year 15. The proposed brokers/dealers have filed certifications acknowledging the university's investment policy as required.

First Southwest Company, Austin
JP Morgan Securities, Inc., Houston
LF Rothschild/RBC Dain Raymond James
Vining-Sparks, IBG, Austin
Wells Fargo, Dallas

FY 2014-2015 Items \$50,000 & Under

15-82. In accordance with Board policy, the president authorized the following increases to the current budget. The administration will recommend ratification of these budget changes.

From Account:To Account:

| <u>Number</u> | <u>Title</u> | <u>Number</u> | <u>Title</u> | <u>Purpose</u> | <u>Amount</u> |
|----------------|--|----------------|----------------------------------|--|-----------------|
| 26000 23260 | Unallocated Student Service Fees | 24826 4820 | Cheerleaders | 2015 Universal Collegiate Cheerleading Nationals. | \$17,680 |
| 11110 13051 | HEAF Reserves | 11110 13350 | HEAF Facilities | Prothro-Yeager 201 Renovation | 31,900 |
| 81000 83003 | Unexpended Plant Funds | 23310 3300 | Bus Services | Move proceeds from sale of bus into Bus Services | 7,200 |
| 23011 3000 | Rec Center Renewal and Replacement | 24703 4700 | Wellness Center Operations | Replace two compressors. | 18,520 |
| Total | | | | | \$75,300 |

Review of Personnel Reports and Salary/Title/Position Changes in 2014-2015 Budget

15-83. The report of personnel changes in September, October, November, and December, 2014, will be presented for information as shown in Attachment 15-83. Additionally, a salary and position change approved by the president will be presented for ratification as shown below.

| <u>Current Position</u> | <u>Action</u> | <u>Additional Funding</u> | <u>Annual Budget Increase (Decrease)</u> | <u>Net Current FY Actual Cost(Savings)</u> |
|-------------------------|---|---------------------------|--|--|
| One staff position | Filled position \$1,774 below budget. | | (1,774) | (8,956) |
| Total | | | (\$1,774) | (\$8,956) |

Returned Check Charge

15-84. The administration requests authorization to increase the returned check charge from \$15 to \$30, effective immediately. The current rate of \$15 was initiated in 1990 and has not increased since that time. A survey of other institutions shows the majority charge in the \$25-30 range.

Budget Planning

15-85. Information will be presented concerning budget planning for 2015-2016 (see Attachment 15-85).

FINANCE COMMITTEE ATTACHMENTS

**Summary of Financial Support
Midwestern State University, MSU Foundation
and MSU Charitable Trust**

| | 9/1/2014 10/14/2014 | 10/15/2014 1/15/2015 | Total Year to Date |
|---|------------------------|-------------------------|-----------------------|
| University Development- Scholarships, Donations..... | \$ 32,274 | \$ 650,814 | \$ 683,088 |
| Gifts in Kind | \$ 1,049,307 | | \$ 1,049,307 |
| MSU Endowments | \$ 75 | \$ 362,390 | \$ 362,465 |
| | | | |
| Contributions to Foundation | \$ 5,250 | \$ 16,890 | \$ 22,140 |
| | | | |
| President's Excellence Circle | | | |
| 2013-2014 | \$ 17,000 | | \$ 17,000 |
| 2014-2015 | \$ 13,594 | \$ 139,381 | \$ 152,975 |
| 2015-2016 | | \$ 1,000 | \$ 1,000 |
| | | | |
| Wichita Falls Museum of Art | \$ 62,830 | \$ 38,910 | \$ 101,740 |
| | | | |
| Annual Fund | \$ 90,657 | \$ 161,331 | \$ 251,988 |
| | | | |
| Alumni Association | | | |
| (2014-2015 memberships) | \$ 3,600 | \$ 3,985 | \$ 7,585 |
| (668 lifetime members) | \$ 1,500 | \$ 2,300 | \$ 3,800 |
| | | | |
| Mustangs Athletic Club | | | |
| Cash | \$ 25,510 | \$ 196,960 | \$ 222,470 |
| | | | |
| Corporate Sponsors - Athletics | | | |
| Cash | \$ 31,125 | \$ 16,263 | \$ 47,388 |
| Contributed Services | | \$ 5,800 | \$ 5,800 |
| | | | |
| Fantasy of Lights | \$ 20,095 | \$ 29,394 | \$ 49,489 |
| Contributed Services | | \$ 3,500 | \$ 3,500 |
| | | | |
| Scholarship Funds from Outside Sources | \$ 130,498 | \$ 123,637 | \$ 254,135 |
| | | | |
| TOTAL | \$ 1,483,314 | \$ 1,752,555 | \$ 3,235,869 |



Midwestern State University

**Financial Report
(Unaudited)
For The Year Ended
August 31, 2014**

Midwestern State University

Table of Contents

| | |
|--|-------|
| Letter to Oversight Agencies..... | 1 |
| Letter of Transmittal | 2 |
| Organizational Data | 3 |
| Management's Discussion & Analysis..... | 4-13 |
| Basic Financial Statements: | |
| • Exhibit I - Comparative Statement of Net Position | 14 |
| • Exhibit II - Comparative Statement of Revenues, Expenses, and Changes in Net Position..... | 16 |
| • Matrix of Operating Expenses Reported by Function | 18 |
| • Exhibit III - Statement of Cash Flows | 20 |
| Notes to the Financial Statements | 22-45 |
| Schedules: | |
| • Schedule 1A - Schedule of Expenditures of Federal Awards | 46-48 |
| • Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies | 49 |
| • Schedule 2A - Miscellaneous Bond Information | 51 |
| • Schedule 2B - Changes in Bonded Indebtedness | 52 |
| • Schedule 2C - Debt Service Requirements | 54 |
| • Schedule 2D - Analysis of Funds Available for Debt Service..... | 56 |
| • Schedule 2E - Defeased Bonds Outstanding | 57 |
| • Schedule 2F - Early Extinguishment and Refunding | 58 |
| • Schedule 3 - Reconciliation of Cash in State Treasury..... | 59 |



Office of the President
3410 Taft Boulevard Wichita Falls, Texas 76308-2099
o 940.397.4211 f 940.397.4010

November 18, 2014

Honorable Rick Perry, Governor
Honorable Susan Combs, State Comptroller
Ursula Parks, Director, Legislative Budget Board
John Keel, CPA, State Auditor

Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of Midwestern State University for the year ended August 31, 2014, in compliance with TEX. GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the significant changes related to Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to be in compliance with GAAP. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Mr. Chris Stovall at (940) 397-4273

Sincerely,

Jesse W. Rogers
President

mwsu.edu

An Equal Opportunity/Affirmative Action Employer and Educator



Business Affairs and Finance
3410 Talt Boulevard Wichita Falls, Texas 76308-2099
o 940.397.4117 f 940.397.4302

November 18, 2014

Dr. Jesse Rogers, President
Midwestern State University
Wichita Falls, TX 76308

Dear Dr. Rogers,

Submitted herein is the Annual Financial Report of Midwestern State University for the fiscal year ended August 31, 2014.

The financial statements in this report have been prepared in conformity with the General Provisions of the Appropriations Act, Article IX, and in accordance with the requirements established by the Comptroller of Public Accounts.

The accompanying Annual Financial Report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report (CAFR); therefore, an opinion has not been expressed on the statements and related information contained in this report.

We are prepared to answer any questions you may have about the Annual Financial Report or the schedule of Expenditures of Federal Awards.

Respectfully Submitted,

Chris Stovall
Controller

Approved:

Marilyn Fowlé, Vice President
Business Affairs and Finance

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Midwestern State University

ORGANIZATIONAL DATA August 31, 2014

THE BOARD OF REGENTS

Term Expires May 31, 2015

| | |
|---------------------------------|---------------|
| Mr. Jesse Brown, Student Regent | Wichita Falls |
|---------------------------------|---------------|

Term Expires February 25, 2016

| | |
|-----------------------|---------------|
| Mr. Michael Bernhardt | Wichita Falls |
| Mr. J. Kenneth Bryant | Wichita Falls |
| Ms. Tiffany D. Burks | Grand Prairie |

Term Expires February 25, 2018

| | |
|-----------------------|---------|
| Dr. F. Lynwood Givens | Plano |
| Mr. Jeff Gregg | Seymour |
| Mr. Samuel M. Sanchez | Keller |

Term Expires February 25, 2020

| | |
|----------------------|---------------|
| Mr. R. Caven Crosnoe | Wichita Falls |
| Mr. Shawn G. Hessing | Fort Worth |
| Ms. Nancy Marks | Wichita Falls |

Ms. Kathryn A. Yeager, Regent Emeritus
Mr. Mac Cannedy, Jr., Regent Emeritus

PRESIDENT

Dr. Jesse W. Rogers

UNIVERSITY FISCAL OFFICERS

| | |
|-------------------|---|
| Dr. Marilyn Fowlé | Vice President for Business Affairs & Finance |
| Mr. Chris Stovall | Controller |

Midwestern State University

Management's Discussion & Analysis - Unaudited

The objective of Management's Discussion and Analysis is to help readers of Midwestern State University's financial statements better understand the financial position and operating activities of the university for the fiscal years ended August 31, 2014 and 2013.

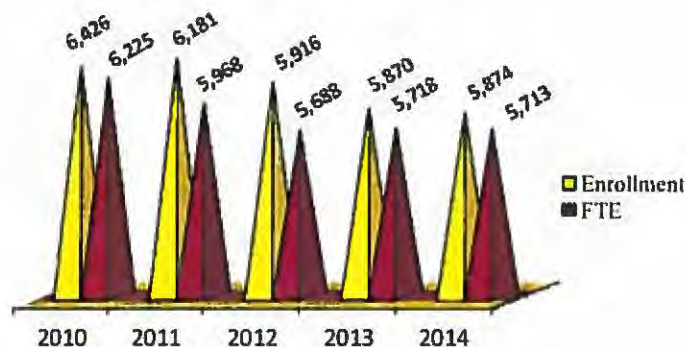
Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the university administration.

The following discussion should be read in conjunction with the accompanying transmittal letter, financial statements, and note disclosures.

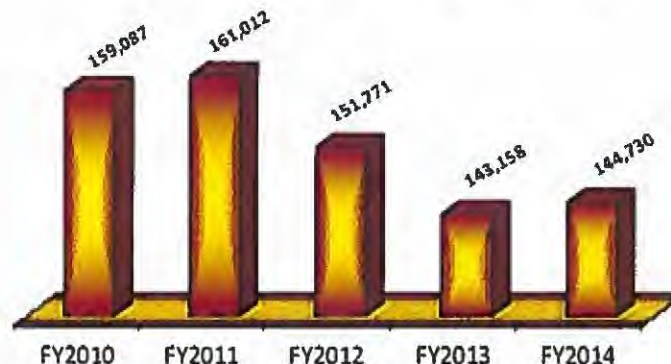
The following graph illustrates the comparison and movement of total student enrollment and full time equivalent (FTE) student growth since 2010. Increased academic standards, a decline in local college age population, and a statewide consistent pattern of very flat student enrollment explain this variance.

Beginning in 2006, and again in 2011, the university changed its academic standards to ensure students were prepared to pursue higher education. The increase in standards has created growth in student retention as more of our freshmen are better prepared for college which also improves graduation rates. Graduation rates may become financially important to the university as future state appropriations are contingent on such successful outcomes. In addition, the university is one of the few institutions in Texas capable of offering in-state tuition rates plus a \$65.00/semester credit hour assessment to all US citizens, which is a great positive impact on future enrollment.

Fall Headcount vs FTE

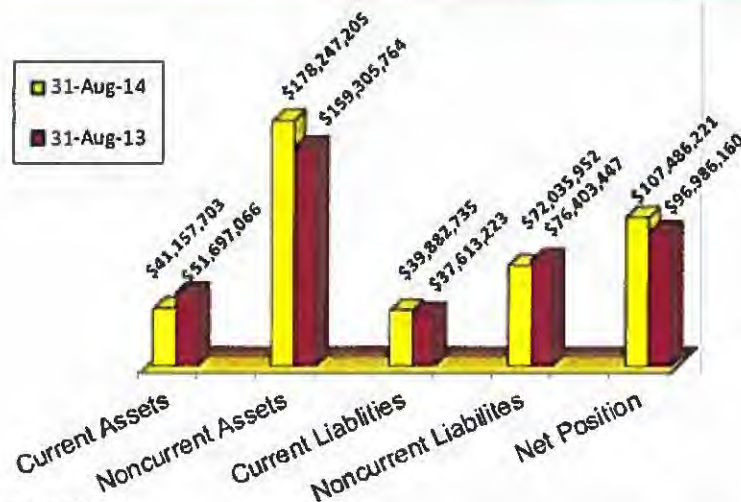


Total Enrolled Semester Credit Hours



Midwestern State University

Management's Discussion & Analysis - Unaudited



The Statement of Net Position

By reporting information on the university as a whole, these comparative statements highlight for the reader whether or not the year's activities strengthened or weakened the university's financial position. When revenues and other support exceed expenses, the result is an increase in net position. The relationship between revenues and expenses may be thought of as the university's operating results.

These comparative statements report the current status and changes to the university's net position. Net position, the difference between assets and liabilities, is one way to measure the university's financial position. Increases in net position show an improvement in financial health while decreases often indicate declining financial stability. However, many other non-financial factors, such as the trend in admission applicants, enrollment, student retention, and condition of the buildings must be considered to accurately assess the overall health of the university.

| | <u>2014</u> | <u>2013</u> <u>Restated</u> |
|---|-------------------------|--------------------------------|
| Current Assets | \$ 41,157,702.66 | \$ 51,697,065.64 |
| Noncurrent Assets: | | |
| Capital Assets | 128,809,959.12 | 128,421,381.90 |
| Other | 49,437,246.25 | 30,884,381.95 |
| Total Assets | <u>\$219,404,908.03</u> | <u>\$211,002,829.49</u> |
| Current Liabilities | \$ 39,882,734.79 | \$ 37,613,222.60 |
| Noncurrent Liabilities | 72,035,952.40 | 76,403,446.85 |
| Total Liabilities | <u>111,918,687.19</u> | <u>114,016,669.45</u> |
| Net Position: | | |
| Invested in Capital Assets | 54,838,878.39 | 48,917,220.70 |
| Restricted for: | | |
| Debt Retirement | | |
| Nonexpendable | 4,375,727.45 | 4,071,779.08 |
| Expendable: | | |
| Capital Projects | 1,842,365.98 | 4,558,695.81 |
| Restricted by Contributor | 12,880,943.23 | 10,605,445.99 |
| Unrestricted | 33,548,305.79 | 28,833,018.46 |
| Total Net Position | <u>107,486,220.84</u> | <u>96,986,160.04</u> |
| Total Liabilities and Net Position | <u>\$219,404,908.03</u> | <u>\$211,002,829.49</u> |

Midwestern State University

Management's Discussion & Analysis - Unaudited

The following charts indicate the changes in net position for the year ended August 31, 2014 as compared to the previous year.

Net Position - August 31, 2014

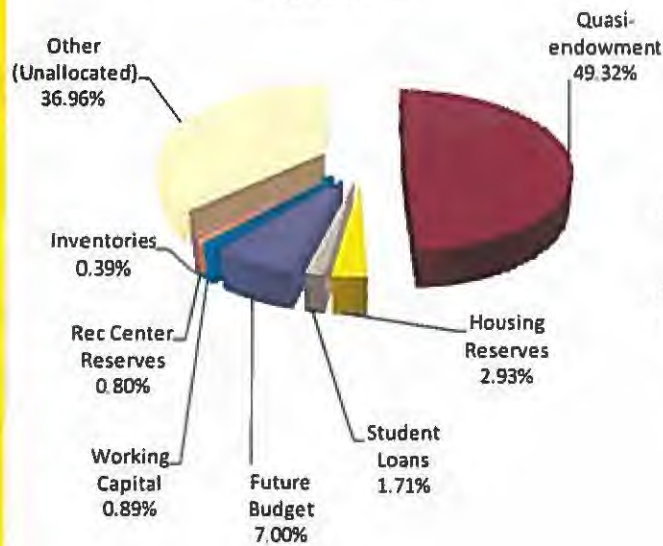


Net Position - August 31, 2013

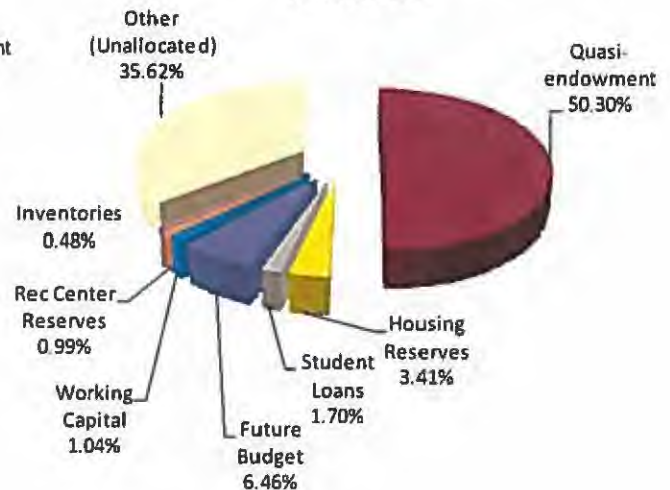


The university reports unrestricted net position of 31.21% of total net position for the year ended August 31, 2014 and 29.73% for the prior year. Although unrestricted, most of these funds have been designated for specific purposes. The following charts show how funds have been allocated:

**Allocation of Unrestricted Net Position
August 31, 2014**



**Allocation of Unrestricted Net Position
August 31, 2013**



Midwestern State University

Management's Discussion & Analysis - Unaudited

The University's Results of Operations

The statement of revenues, expenses, and changes in net position reflects the university's operating results for the fiscal years ended August 31, 2014 and 2013. The comprehensive statements indicate the financial condition of the university, and comparatively analyze in what direction the university is moving. The following statements reveal the operating results of the university, as well as the non-operating revenues and expenditures. Operating revenues include all transactions that result in the sales and/or receipts from goods and services such as tuition and fees, housing, and food services. Certain federal, state, and private grants are considered operating revenues if they are not for capital purposes and are considered a contract for services. Annual state appropriations, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles.

The statement below compares the operating results of the university for the years ended August 31, 2014 and 2013.

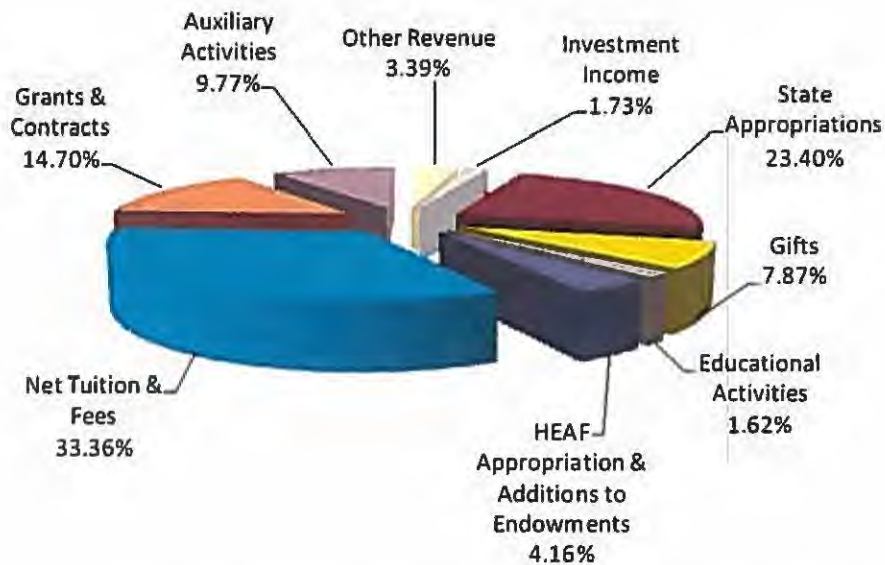
| | <u>2014</u> | <u>2013</u> <u>Restated</u> |
|---|--------------------------|--------------------------------|
| Operating Revenue: | | |
| Net tuition and fees | \$ 31,281,819.39 | \$ 31,369,150.56 |
| Grants and contracts | 5,189,141.94 | 4,696,721.58 |
| Sales and Service of Educational Activities | 1,517,370.52 | 1,218,120.57 |
| Sales and Services of Auxiliary Enterprises | 9,165,772.35 | 8,511,928.88 |
| Other | 1,413,256.24 | 1,544,533.19 |
| Total Operating Revenue | <u>48,567,360.44</u> | <u>47,340,454.78</u> |
| Total Operating Expenses | <u>(91,816,157.83)</u> | <u>(84,907,974.91)</u> |
| Operating Loss | <u>(43,248,797.39)</u> | <u>(37,567,520.13)</u> |
| Nonoperating Revenues (Expenses): | | |
| State Appropriations | 17,039,451.35 | 16,619,208.00 |
| Other State Appropriations | 4,901,343.38 | 4,535,980.58 |
| Federal Grants | 8,316,438.01 | 8,014,771.20 |
| Federal Pass-Through Grants | 2,000.00 | |
| State Pass-Through Grants from Other Agencies | 270,071.00 | |
| Gifts | 7,380,693.44 | 8,829,212.02 |
| Insurance Recovery in Subsequent Year | 1,795,531.14 | |
| Other Nonoperating Revenues (Expenses) | (15,357.50) | 5,543.41 |
| Investment Income | 1,618,380.81 | 684,673.14 |
| Net Increase (Decrease) in Fair Value of Investments | 3,434,194.59 | 567,653.01 |
| Net Book Value of Capital Asset Disposals | (134,005.13) | (385,589.60) |
| Interest Expense on Capital Asset Financing | (3,247,235.29) | (3,701,517.09) |
| Total Nonoperating Revenue (Expense) | <u>41,361,505.80</u> | <u>35,169,934.67</u> |
| Income (Loss) Before Capital Contributions, Additions to Endowments, and Special Items | <u>(1,887,291.59)</u> | <u>(2,397,585.46)</u> |
| Capital Contributions, Additions to Endowments, & Special Items | | |
| Capital Contributions | 9,268,395.65 | 755,000.00 |
| HEAF Appropriation | 3,559,433.00 | 3,559,433.00 |
| Additions to Endowments | 337,110.60 | 165,595.50 |
| Transfers In | 0.99 | 1,747.95 |
| Transfers Out | (777,587.85) | (945,166.41) |
| Increase (Decrease) in Net Position | <u>10,500,060.80</u> | <u>1,139,024.58</u> |
| Net Position, Beginning of Year | 97,003,660.04 | 95,864,635.46 |
| Restatements | (17,500.00) | |
| Net Position, Beginning of Year, Restated | 96,986,160.04 | |
| Net Position, End of Year | <u>\$ 107,486,220.84</u> | <u>\$ 97,003,660.04</u> |

Midwestern State University

Management's Discussion & Analysis - Unaudited

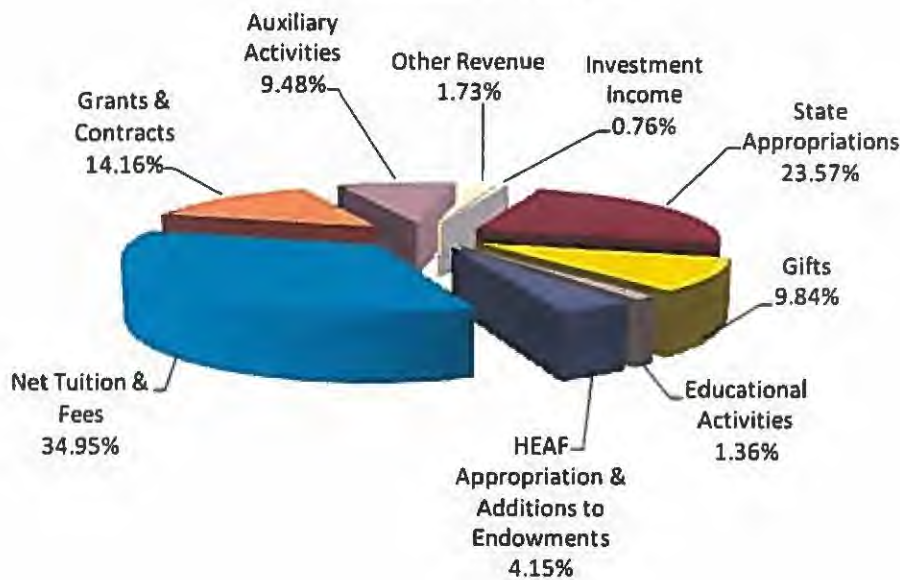
This chart identifies the components of total revenue for the year ended August 31, 2014.

Total Revenue - August 31, 2014



This chart reflects the same information for the year ended August 31, 2013.

Total Revenue - August 31, 2013

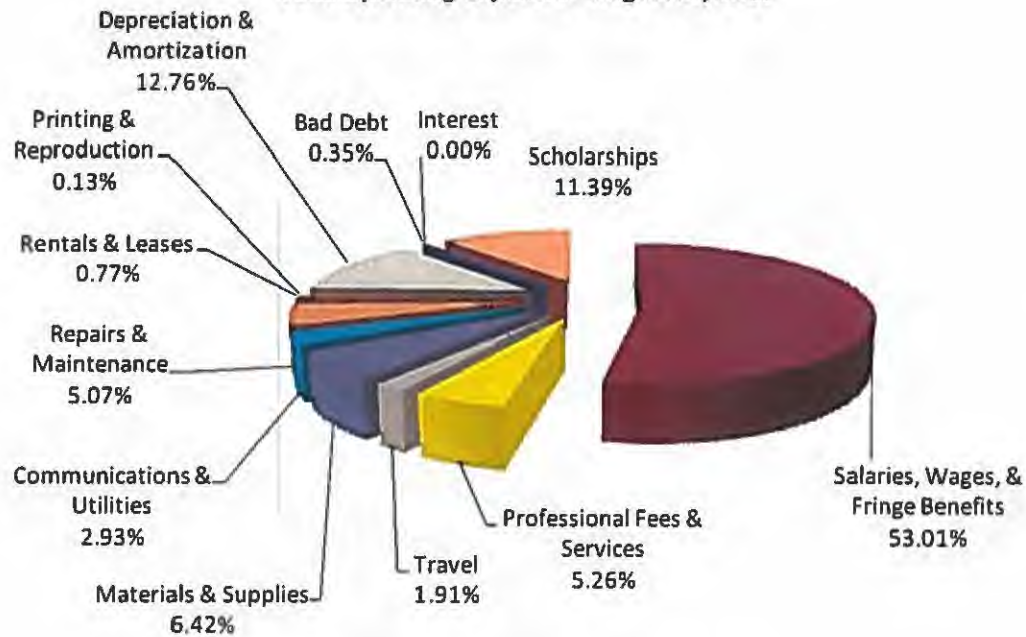


Midwestern State University

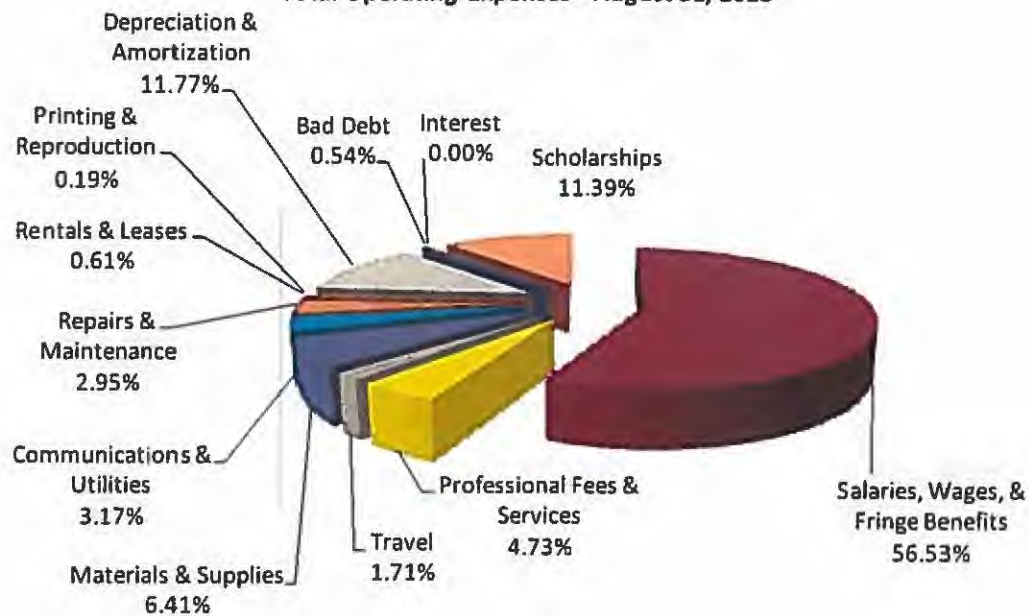
Management's Discussion & Analysis - Unaudited

Total operating expenses for the year ended August 31, 2014 were \$91,816,157.83 as compared to \$84,907,974.91 for the previous year. The following charts compare the distribution of operating expenses between fiscal year 2014 and fiscal year 2013.

Total Operating Expenses - August 31, 2014



Total Operating Expenses - August 31, 2013



Midwestern State University

Management's Discussion & Analysis - Unaudited

The University's Cash Flows

The Statement of Cash Flows represents the university's significant sources and uses of cash. It is designed to help users assess the university's ability to generate future cash flows, its ability to meet obligations as they come due, and its need for external financing.

| | <u>Cash Flows</u> | |
|--|------------------------|--------------------------------|
| | <u>2014</u> | <u>2013</u> <u>Restated</u> |
| Cash provided (used) by: | | |
| Operating activities | \$(30,362,385.42) | \$ (26,869,460.32) |
| Noncapital financing activities | 38,494,348.79 | 36,950,384.30 |
| Capital and related financing activities | (7,854,099.85) | (9,231,970.99) |
| Investing activities | <u>(1,056,488.65)</u> | <u>299,695.68</u> |
| Net increase (decrease) in cash | <u>(778,625.13)</u> | <u>1,148,648.67</u> |
| Cash – Beginning of year | <u>7,985,250.87</u> | <u>6,836,602.20</u> |
| Cash – End of year | <u>\$ 7,206,625.74</u> | <u>\$ 7,985,250.87</u> |

There was a net decrease in cash of \$778,625.13.

Exhibit III, the Statement of Cash Flows, shows that the major sources of funds for operating activities are from student tuition and fees, grants and auxiliary enterprises. Tuition and fees accounted for \$29.9 million, grants accounted for \$5.87 million, and auxiliary enterprises, including housing and dining, accounted for \$9.6 million.

State appropriations in the amount of \$20.7 million were the primary sources of non-capital financing. Although the university is dependent on these appropriations to continue the current level of operations, accounting standards require that this source of funding be reflected as non-operating. Other non-capital financing activities include gifts in the amount of \$7.9 million, additions to endowments in the amount of \$337 thousand, and \$8.6 million in Federal non-operating grants.

The main uses of capital and related financing activities came from the expansion of the McCoy School of Engineering, renovation to the Wichita Falls Museum of Art at Midwestern State University, and construction of the Dalquest Desert Research Station. Cash was used to purchase capital assets in the amount of \$3.1 million and for the payment of principal and interest on capital debt in the amount of \$8.9 million.

Midwestern State University

Management's Discussion & Analysis - Unaudited

Capital Assets and Debt Administration

Capital Assets

As of August 31, 2014, the university had \$128.8 million invested in capital assets. This figure is net of accumulated depreciation and amortization of \$128 million. Depreciation and amortization charges totaled \$11.7 million for the current fiscal year. The category of other capital assets includes library holdings, artwork, and collections. Assets by classification are shown below:

Capital Assets Before Accumulated Depreciation and Amortization

| | <u>2014</u> | <u>2013</u> |
|-------------------------------------|--------------------------------|--------------------------------|
| Land and Land Improvements | \$ 5,919,952.66 | \$ 5,434,952.66 |
| Construction in Progress | 479,967.98 | 842,447.77 |
| Buildings and Building Improvements | 189,483,965.51 | 187,171,528.01 |
| Infrastructure | 12,823,874.86 | 12,823,874.86 |
| Facilities Improvements | 7,341,589.58 | 7,227,418.61 |
| Furniture and Equipment | 12,770,561.16 | 12,317,951.24 |
| Vehicles | 1,966,127.79 | 1,718,379.79 |
| Computer Software | 10,730,009.48 | 2,165,668.83 |
| Other Capital Assets | <u>15,376,381.22</u> | <u>15,394,522.21</u> |
| Total | <u>\$256,892,430.24</u> | <u>\$245,096,743.98</u> |

Additions to assets of \$12.1 million during fiscal year 2013-2014 included: completion of the renovations to the McCoy School of Engineering and the Wichita Falls Museum of Art at MSU, the significant donation of computer software for the new petroleum geology program, and a gift of land to the university.

The construction in progress at the end of the year includes exterior renovations of the Wichita Falls Museum of Art at MSU, the West Campus Annex Project, and additions to the Dalquest Research Station.

Further financial information about the university's capital assets is presented in Note 2 of the notes to the financial statements.

Debt

At year-end, the university had \$106.2 million in outstanding debt. Outstanding debt for the year ended August 31, 2013 was \$114.8 million. The table below summarizes the amount of outstanding debt by type of instrument for the year ended August 31, 2014 compared with August 31, 2013.

| | <u>2014</u> | <u>2013</u> |
|---|--------------------------------|--------------------------------|
| Revenue Bonds | \$ 73,124,784.49 | \$ 77,064,754.04 |
| General Obligation Bonds (HEAF) | | 1,455,000.00 |
| Accrued long term interest payable on bonds | <u>33,174,046.66</u> | <u>36,357,151.57</u> |
| Total | <u>\$106,298,831.15</u> | <u>\$114,876,905.61</u> |

Debt repayments made during the year included principal in the amount of \$5,510,000.00 and interest in the amount of \$3,183,104.91.

Moody's Investor Services has assigned an A1 bond rating to the university's bonds, and Fitch has assigned an AA- rating. More detailed bond information is disclosed in Schedule 2A, 2B, 2C, 2D, and 2E.

Midwestern State University

Management's Discussion & Analysis - Unaudited

Factors Affecting the Future of Midwestern State University

Midwestern State University (MSU), like universities throughout the United States, faces numerous future challenges. MSU has developed a strategic plan to provide a framework to address these challenges with an eye to the long-term prosperity of the university.

INTERNAL STRENGTHS

The following are areas of strength that MSU can use to advance itself toward its goals.

Positive reputation – MSU has a positive reputation and a loyal base of donors. This strength enhances the ability to recruit students and benefit from external gifts. MSU has received substantial gifts from members of the local community.

Council of Public Liberal Arts Colleges (COPLAC) membership – MSU is a member of COPLAC, which complements the university's standing as a public liberal arts institution. MSU is committed to a strong liberal arts experience for students in all majors. COPLAC values interdisciplinary opportunities, close faculty and student interactions, and opportunities for faculty-supervised research.

Educational value – MSU, given its student orientation and highly qualified faculty, is able to provide excellent educational outcomes at a moderate price. In 2013, MSU was ranked a top college in Texas for greatest lifetime return on investment by AffordableCollegesOnline.org (AC Online). The ranking identified the 49 colleges in Texas where degrees pay off the most and MSU ranked No. 15 on the list.

EXTERNAL ENVIRONMENT

A number of patterns in the operating environment will affect MSU in the future.

LOCAL AND STATE DEMOGRAPHICS

The local area's population growth is expected to remain flat during the next 10 years.

The proportion of the local population that will be college age in the next decade is declining. Census data from 2000 and 2010 indicate that the number of 10- to 14-year-olds dropped from just more than 9,000 to just more than 8,000, and the number of 15- to 19-year-olds declined from approximately 12,000 to approximately 10,500.

Texas state population will continue to grow into the next decade. The rate of growth may be slightly lower than in the past, but it will remain robust. Much of the population growth will occur in Texas' metropolitan areas including Dallas/Fort Worth, Austin, San Antonio, and Houston.

PREPARATION OF STUDENTS

A sizable proportion of students seeking admission to MSU will continue to be under-prepared for college-level work. Texas ranks in the middle of states on measures of math and reading proficiency for fourth- and eighth-graders and mean SAT scores for Texas indicate that Texas students are under-performing compared to students throughout the United States.

Students admitted to MSU will continue to be from groups for which retention is challenging, including first-generation college students, students from low-wage families, and students with outside employment.

TECHNOLOGY

Technological change will continue to be very rapid, requiring frequent updates and additions to keep pace with technological applications outside of the university.

Entering students will expect the use of technology such as social networking, computer-based interactive educational programs, webinars, and learning modules that can be downloaded to smart phones. Required investments in technology will not only be for discipline-specific purposes, but also for all areas of instruction.

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Midwestern State University

Management's Discussion & Analysis - Unaudited

FINANCIAL

MSU continues to receive less than 25% of its funding from the State of Texas, while costs increase. Capital investment to keep pace with technology is needed and, as federal financial aid dollars are diminished, the demand for university financial aid support increases.

Midwestern State University continues to seek private funding to supplement tuition and fees and state funding in order to provide the rigorous education that will allow students to compete in an ever increasingly competitive job environment.

ENROLLMENT

Fall 2014 enrollment is essentially the same as Fall 2013, with a student headcount of 5,874. Please consider the following:

The beginning freshman class is within four students of the record 2013 beginning freshman class.

The geographic distribution of the beginning freshman class is similar to that of 2014, with some 34% from the Dallas/Fort Worth metropolitan area.

The two large beginning freshman classes of 2013 and 2014 who will live on campus have resulted in university housing being oversubscribed by 200 students.

The Fall 2014 class' academic records are similar to Fall 2013.

Fall-to-Fall retention for the Fall 2013 beginning freshman class increased some five percentage points as compared to the Fall 2012 cohort.

MSU experienced a decline of some 67 transfer students in the Fall 2014, as compared to Fall 2013. The decline in transfer students is the chief reason university enrollment did not increase.

We are pleased that the large beginning freshman class of 2013 replicated for the Fall 2014, and we are confident in this trend. Additional resources are being allocated to address transfer students and distance education courses. Moving forward, we expect to see a growth in enrollment given three broad conditions:

1. The trend of large beginning freshman classes continues.
2. The smaller beginning freshman classes through the Fall 2012 will continue to move through the classification levels.
3. Additional resources and effort dedicated to transfer and distance education enrollment.

Midwestern State University

Unaudited

Midwestern State University
Exhibit I
Comparative Statement of Net Position
August 31

| ASSETS | | 2014 | 2013 |
|--|----|-----------------------|--------------------------|
| Current Assets: | | | <u>Restated</u> |
| <u>Cash and Cash Equivalents:</u> | | | |
| Cash on Hand | \$ | 16,300.00 | \$ 16,300.00 |
| Cash in Bank | | 8,310,466.68 | 3,596,414.58 |
| Cash in State Treasury | | 4,394,330.56 | 4,508,478.78 |
| Short-term Investments | | 9,990,287.80 | 23,061,587.32 |
| State Appropriations | | 2,233,497.01 | 970,442.50 |
| <u>Restricted:</u> | | | |
| Cash and Cash Equivalents: | | | |
| Cash in Bank | | (5,514,471.50) | (135,942.49) |
| Notes and Loans Receivable | | 10,097.79 | 4,441.39 |
| <u>Net Receivables:</u> | | | |
| Student Receivables | | 8,190,492.17 | 6,186,514.12 |
| Federal Receivables | | 241,709.18 | 133,953.56 * |
| Other Intergovernmental Receivables | | 0.99 | 0.99 |
| Interest and Dividends | | 41,022.14 | 39,288.89 |
| Other Receivables | | 1,473,851.24 | 1,534,296.98 |
| Pledges Receivable | | 2,146,500.55 | 2,895,644.33 |
| Consumable Inventories | | 237,954.62 | 266,415.82 |
| Prepaid Expenses | | 9,385,663.43 | 8,619,228.87 * |
| Total Current Assets | | <u>41,157,702.66</u> | <u>51,697,065.64</u> |
| Noncurrent Assets: | | | |
| <u>Restricted:</u> | | | |
| Short-term Investments | | (35,068.37) | |
| Investments | | 7,042,125.19 | 5,018,972.21 |
| Loans and Contracts | | 48,219.30 | 63,973.49 |
| Other Long-term Investments | | 40,495,803.59 | 23,317,809.04 |
| Pledges Receivable | | 840,892.67 | 1,383,332.00 |
| Deferred Financing Costs | | 1,045,273.87 | 1,100,295.21 |
| <u>Capital Assets, Non-depreciable:</u> | | | |
| Land and Land Improvements | \$ | 5,919,952.66 | \$ 5,434,952.66 |
| Construction in Progress | | 479,967.98 | 842,447.77 |
| Other Capital Assets | | 3,533,965.30 | 3,549,965.30 |
| <u>Capital Assets, Depreciable:</u> | | | |
| Buildings & Building Improvements | | 189,483,965.51 | 187,171,528.01 |
| Less Accumulated Depreciation | | (93,397,355.95) | (85,602,208.51) |
| Infrastructure | | 12,823,874.86 | 12,823,874.86 |
| Less Accumulated Depreciation | | (5,885,639.56) | (5,440,981.36) |
| Facilities and Other Improvements | | 7,341,589.58 | 7,227,418.61 |
| Less Accumulated Depreciation | | (4,313,001.82) | (3,972,930.76) |
| Furniture and Equipment | | 12,770,561.16 | 12,317,951.24 |
| Less Accumulated Depreciation | | (10,197,189.31) | (9,232,470.07) |
| Vehicles | | 1,966,127.79 | 1,718,379.79 |
| Less Accumulated Depreciation | | (1,007,847.06) | (903,263.74) |
| Other Capital Assets | | 11,842,415.92 | 11,844,556.91 |
| Less Accumulated Depreciation | | (10,161,577.84) | (10,040,140.97) |
| <u>Intangible Capital Assets, Amortizable:</u> | | | |
| Computer Software | | 10,730,009.48 | 2,165,668.83 |
| Less Accumulated Amortization | | (3,119,859.58) | (1,483,366.67) |
| Total Noncurrent Assets | | <u>178,247,205.37</u> | <u>159,305,763.85</u> |
| Total Assets | \$ | <u>219,404,908.03</u> | <u>\$ 211,002,829.49</u> |

Year
Ended
8-31-2014
(UNAUDITED)

| | LIABILITIES | |
|---|---------------------------------|---------------------------------|
| | <u>2014</u> | <u>2013</u> |
| Current Liabilities: | | <u>Restated</u> |
| Accounts Payable | \$ 4,659,516.93 | \$ 2,400,112.60 |
| Accrued Payroll Payable | 4,242,984.03 | 5,076,237.33 |
| Employees' Compensable Leave | 163,730.88 | 156,550.12 |
| Room/Property Deposits | 64,470.14 | 70,589.27 |
| Unearned Revenues | 26,003,261.97 | 23,937,153.67 |
| Retainages and Contracts | 7,447.14 | 27,554.00 |
| Funds Held for Others | 116,199.25 | 100,504.75 |
| Capital Lease | 74,460.92 | 20,576.95 |
| Due to Other Agencies (SECO Loan) | 261,551.13 | 256,384.84 |
| Unamortized Discount on 2007 Rev Bonds | (12,344.13) | (12,344.13) |
| Unamortized Premium on 2008 Rev Bonds | 86,456.53 | 69,903.20 |
| Revenue Bonds Payable | 4,215,000.00 | 4,055,000.00 |
| Constitutional Appropriation Bonds | | 1,455,000.00 |
| Total Current Liabilities | <u>39,882,734.79</u> | <u>37,613,222.60</u> |
| Noncurrent Liabilities: | | |
| Employees' Compensable Leave | 1,454,626.85 | 1,309,974.92 |
| Room/Property Deposits | 190,095.40 | 192,147.78 |
| Capital Lease | | 74,460.92 |
| Due to Other Agencies (SECO Loan) | 1,523,802.46 | 1,785,353.59 |
| Unamortized Discount on 2007 Rev Bonds | (209,533.69) | (221,877.82) |
| Unamortized Premium on 2008 Rev Bonds | 167,176.89 | 253,633.42 |
| Revenue Bonds Payable | 68,909,784.49 | 73,009,754.04 |
| Total Noncurrent Liabilities | <u>72,035,952.40</u> | <u>76,403,446.85</u> |
| Total Liabilities | <u>111,918,687.19</u> | <u>114,016,669.45</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 54,838,878.39 | 48,917,220.70 |
| Restricted for: | | |
| Debt Retirement | | |
| Nonexpendable | 4,375,727.45 | 4,071,779.08 |
| Expendable: | | |
| Capital Projects | 1,842,365.98 | 4,558,695.81 |
| Restricted by Contributor | 12,880,943.23 | 10,605,445.99 |
| Unrestricted | 33,548,305.79 | 28,833,018.46 |
| Total Net Position | <u>107,486,220.84</u> | <u>96,986,160.04</u> |
| Total Liabilities and Net Position | <u>\$ 219,404,908.03</u> | <u>\$ 211,002,829.49</u> |

*Restated Federal Pell, SEOG, and TEACH grant revenues and expenditures to match award year, which resulted in restatements to related federal receivables and prepaid scholarships.

The accompanying Notes to the Financial Statements are an integral part of this statement.

Midwestern State University

Unaudited

Midwestern State University
Exhibit II
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31

2014

2013
Restated

ANNUAL FINANCIAL REPORT

Operating Revenues:

Student Tuition and Fees (net of scholarship allowances of \$10,812,823.65 and \$9,889,867.16, respectively)

\$ 31,281,819.39 \$ 31,369,150.56

Federal Grants

533,422.28 701,779.95 *

Federal Pass-Through Grants

127,044.31 106,468.65

State Pass-Through Grants from Other State Agencies

3,552,864.18 3,113,927.27

Other Grants and Contracts

975,811.17 774,545.71

Sales and Services of Educational Activities

1,517,370.52 1,218,120.57

Sales and Services of Auxiliary Enterprises

9,165,772.35 8,511,928.88

Other Operating Revenue

1,413,256.24 1,544,533.19 *

Total Operating Revenues

48,567,360.44 47,340,454.78

Operating Expenses:

Salaries and Wages

37,387,992.74 37,531,979.16

Payroll Related Costs

11,283,877.96 10,468,569.45

Professional Fees and Services

4,831,819.16 4,014,944.70

Travel

1,742,968.00 1,455,146.53

Materials and Supplies

5,894,134.71 5,441,691.94

Communications and Utilities

2,692,743.63 2,690,544.13

Repairs and Maintenance

4,651,994.95 2,507,546.87

Rentals and Leases

707,362.64 521,174.59

Printing and Reproduction

121,852.08 161,578.65

Depreciation and Amortization

11,717,162.53 9,995,431.04

Bad Debt Expense

324,984.94 454,862.25

Interest

1,331.88 1,756.05

Scholarships

10,457,932.61 9,662,749.55 *

Total Operating Expenses

91,816,157.83 84,907,974.91

Operating Loss

(43,248,797.39) (37,567,520.13)

Nonoperating Revenues (Expenses):

State Appropriations

17,039,451.35 16,619,208.00

Additional State Appropriations

4,901,343.38 4,535,980.58

Federal Grants

8,316,438.01 8,014,771.20 *

Federal Pass-Through Grants

2,000.00

State Pass-Through Grants from Other State Agencies

270,071.00

Gifts

7,380,693.44 8,829,212.02

Insurance Recovery in Subsequent Year

1,795,531.14

Other Nonoperating revenues (expenses)

(15,357.50) 5,543.41

Investment Income

1,618,380.81 684,673.14

Net Increase (Decrease) in Fair Value of Investments

3,434,194.59 567,653.01

Net Book Value of Capital Asset Disposals

(134,005.13) (385,589.60)

Interest Expense on Capital Asset Financing

(3,247,235.29) (3,701,517.09)

Total Nonoperating Revenues (Expenses)

41,361,505.80 35,169,934.67

Income (Loss) Before Capital Contributions, Additions to Endowments, and Special Items

(1,887,291.59) (2,397,585.46)

Year Ended
8-31-2014
(UNAUDITED)

| | <u>2014</u> | <u>2013</u> <u>Restated</u> |
|--|--------------------------|--------------------------------|
| Capital Contributions | \$ 9,268,395.65 | \$ 755,000.00 |
| HEAF Appropriation | 3,559,433.00 | 3,559,433.00 |
| Additions to Endowments | 337,110.60 | 165,595.50 |
| Transfers In | 0.99 | 1,747.95 |
| Transfers Out | <u>(777,587.85)</u> | <u>(945,166.41)</u> |
| Increase (Decrease) in Net Position | 10,500,060.80 | 1,139,024.58 |
| Net Position, Beginning of Year | 97,003,660.04 | 95,864,635.46 |
| Restatements | (17,500.00) | |
| Net Position, Beginning of Year, Restated | 96,986,160.04 | |
| Net Position, End of Year | <u>\$ 107,486,220.84</u> | <u>\$ 97,003,660.04</u> |

*Restated Federal Pell, SEOG, and TEACH grant revenues and expenditures to match award year. Also restated Pell administrative overhead from federal non-operating grants to other operating income.

Midwestern State University

Unaudited

Midwestern State University Matrix of Operating Expenses Reported by Function For the Year Ended August 31, 2014

| A N N U A L F I N A N C I A L R E P O R T | | Total Operating Expenses | Instruction | Research | Public Service | Academic Support |
|---|--------------------------------|--------------------------------|------------------------|---------------------|----------------------|-----------------------|
| | | | | | | |
| | Salaries and Wages | \$37,387,992.74 | \$20,166,741.61 | \$ 228,652.51 | \$ 342,417.95 | \$2,771,908.72 |
| | Payroll Related Costs | 11,283,877.96 | 5,947,866.86 | 31,101.78 | 82,880.69 | 830,341.46 |
| | Professional Fees and Services | 4,831,819.16 | 627,247.01 | 13,247.32 | 146,929.74 | 1,056,339.70 |
| | Travel | 1,742,968.00 | 623,492.94 | 70,913.08 | 23,706.88 | 211,252.28 |
| | Materials and Supplies | 5,894,134.71 | 684,093.69 | 119,634.12 | 183,435.97 | 451,414.66 |
| | Communications and Utilities | 2,692,743.63 | 57,532.72 | 1,644.04 | 2,680.67 | 19,780.87 |
| | Repairs and Maintenance | 4,651,994.95 | 169,342.25 | 7,269.89 | 40,838.49 | 445,839.52 |
| | Rentals and Leases | 707,362.64 | 194,259.41 | 531.75 | 7,786.08 | 39,264.05 |
| | Printing and Reproduction | 121,852.08 | 46,075.36 | 6,948.03 | 9,493.46 | 31,985.02 |
| | Depreciation and Amortization | 11,717,162.53 | | | | |
| | Bad Debt Expense | 324,984.94 | | | | |
| | Interest | 1,331.88 | 0.77 | 23.55 | 7.36 | 108.48 |
| | Scholarships | 10,457,932.61 | | | | |
| | Total Operating Expenses | <u>\$91,816,157.83</u> | <u>\$28,516,652.62</u> | <u>\$479,966.07</u> | <u>\$ 840,177.29</u> | <u>\$5,858,234.76</u> |

Midwestern State University Matrix of Operating Expenses Reported by Function For the Year Ended August 31, 2013

| R E P O R T | | Total Operating Expenses | Instruction | Research | Public Service | Academic Support |
|----------------------------|--------------------------------|--------------------------------|------------------------|---------------------|----------------------|-----------------------|
| | | | | | | |
| | Salaries and Wages | \$37,531,979.16 | \$19,785,103.62 | \$ 351,300.66 | \$ 309,841.77 | \$2,843,606.03 |
| | Payroll Related Costs | 10,468,569.45 | 5,422,152.23 | 21,194.22 | 62,265.22 | 761,603.72 |
| | Professional Fees and Services | 4,014,944.70 | 665,219.17 | 20,155.97 | 58,656.42 | 1,037,007.23 |
| | Travel | 1,455,146.53 | 437,240.55 | 83,991.12 | 17,166.16 | 144,019.07 |
| | Materials and Supplies | 5,441,691.94 | 709,196.50 | 61,873.41 | 142,074.21 | 670,255.43 |
| | Communications and Utilities | 2,690,544.13 | 64,178.54 | 601.45 | 2,395.30 | 17,481.13 |
| | Repairs and Maintenance | 2,507,546.87 | 129,021.75 | 276.90 | 31,745.53 | 210,652.55 |
| | Rentals and Leases | 521,174.59 | 126,686.78 | 9,185.34 | 81,274.17 | 38,617.13 |
| | Printing and Reproduction | 161,578.65 | 47,436.15 | 2,145.41 | 11,644.78 | 62,226.44 |
| | Depreciation and Amortization | 9,995,431.04 | | | | |
| | Bad Debt Expense | 454,862.25 | | | | |
| | Interest | 1,756.05 | 24.33 | 15.52 | | 559.71 |
| | Scholarships | 9,662,749.55 | | | | |
| | Total Operating Expenses | <u>\$84,907,974.91</u> | <u>\$27,386,259.62</u> | <u>\$550,740.00</u> | <u>\$ 717,063.56</u> | <u>\$5,786,028.44</u> |

Year
Ended
8-31-2014
(UNAUDITED)

| <u>Student Services</u> | <u>Institutional Support</u> | <u>Operation & Maintenance</u> | <u>Scholarships</u> | <u>Auxiliary Enterprises</u> | <u>Depreciation</u> |
|-----------------------------|----------------------------------|--|------------------------|----------------------------------|------------------------|
| \$ 5,349,215.24 | \$ 4,811,183.51 | \$ 2,288,713.45 | | \$1,429,159.75 | |
| 1,602,525.84 | 1,379,752.49 | 1,030,015.06 | | 379,393.78 | |
| 2,029,849.66 | (55,441.87) | 410,251.16 | | 603,396.44 | |
| 653,332.13 | 128,767.13 | 5,026.53 | | 26,477.03 | |
| 954,138.66 | 732,267.60 | 646,128.03 | | 2,123,021.98 | |
| 186,991.77 | (16,816.20) | 1,622,949.68 | | 817,980.08 | |
| 205,694.73 | 713,975.83 | 2,623,065.51 | | 445,968.73 | |
| 220,248.68 | 42,841.21 | 9,481.80 | | 192,949.66 | |
| 109,041.75 | (109,480.91) | 1,416.61 | | 26,372.76 | |
| | | | | | \$11,717,162.53 |
| 324,984.94 | | | | | |
| 593.51 | 210.63 | 58.28 | | 329.30 | |
| | | | <u>\$10,457,932.61</u> | | |
| <u>\$ 11,636,616.91</u> | <u>\$ 7,627,259.42</u> | <u>\$ 8,637,106.11</u> | <u>\$10,457,932.61</u> | <u>\$ 6,045,049.51</u> | <u>\$11,717,162.53</u> |

| <u>Student Services</u> | <u>Institutional Support</u> | <u>Operation & Maintenance</u> | <u>Scholarships</u> | <u>Auxiliary Enterprises</u> | <u>Depreciation</u> |
|-----------------------------|----------------------------------|--|------------------------|----------------------------------|------------------------|
| \$ 5,404,269.19 | \$ 4,874,740.09 | \$ 2,482,754.57 | | \$1,480,363.23 | |
| 1,448,571.75 | 1,392,658.34 | 992,302.07 | | 367,821.90 | |
| 1,387,969.09 | (82,345.66) | 335,636.18 | | 592,646.30 | |
| 653,136.76 | 97,446.36 | 4,419.38 | | 17,727.13 | |
| 1,116,841.98 | 543,381.69 | 476,305.94 | | 1,721,762.78 | |
| 170,312.80 | (38,942.97) | 1,625,511.12 | | 849,006.76 | |
| 255,506.36 | 589,759.25 | 1,024,117.94 | | 266,466.59 | |
| 206,345.76 | 58,193.63 | 8,554.17 | | (7,682.39) | |
| 107,577.91 | (81,151.72) | 1,647.31 | | 10,052.37 | |
| | | | | | \$ 9,995,431.04 |
| 454,862.25 | | | | | |
| 393.98 | 194.28 | 427.03 | | 141.20 | |
| | | | <u>\$ 9,662,749.55</u> | | |
| <u>\$ 11,205,787.83</u> | <u>\$ 7,353,933.29</u> | <u>\$ 6,951,675.71</u> | <u>\$ 9,662,749.55</u> | <u>\$ 5,298,305.87</u> | <u>\$ 9,995,431.04</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Midwestern State University

Unaudited

Midwestern State University
Exhibit III
Statement of Cash Flows
For the Years Ended August 31

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| | <u>2014</u> | <u>2013</u> <u>Restated</u> |
|--|------------------------|--------------------------------|
| Cash Flows from Operating Activities: | | |
| Proceeds Received from Students | \$ 29,878,822.90 | \$30,458,616.63 |
| Proceeds Received for Sponsored Programs | 5,869,550.43 | 4,718,775.93 * |
| Proceeds Received from Auxiliary Enterprises | 9,608,124.78 | 9,059,166.39 |
| Proceeds From Loan Programs | 21,581.05 | 11,673.24 |
| Proceeds From Other Revenues | 2,930,626.76 | 2,762,653.76 * |
| Payments to Employees | (49,353,291.31) | (46,958,171.04) |
| Payments to Suppliers for Good and Services | (18,069,694.97) | (16,545,277.74) |
| Payments for Scholarships | (11,246,773.18) | (10,375,141.44) * |
| Payments for Interest | (1,331.88) | (1,756.05) |
| Net Cash Provided (Used) by Operating Activities | <u>(30,362,385.42)</u> | <u>(26,869,460.32)</u> |
| Cash Flows from Noncapital Financing Activities: | | |
| Proceeds from State Appropriations | 20,677,740.22 | 21,415,605.54 |
| Proceeds from Endowment Gifts | 337,110.60 | 165,595.50 |
| Proceeds from Gifts | 7,888,402.18 | 8,294,035.06 |
| Proceeds (Payments) from Other Noncapital Financing Activities | 1,780,173.64 | 5,543.41 |
| Proceeds from Nonoperating Grants | 8,588,509.01 | 8,014,771.20 * |
| Transfers in from Other Funds | 0.99 | |
| Transfers out to Other Funds | (777,587.85) | (945,166.41) |
| Net Cash Provided by Noncapital Financing Activities | <u>38,494,348.79</u> | <u>36,950,384.30</u> |
| Cash Flows from Capital and Related Financing Activities: | | |
| Proceeds from Capital Gifts | 736,294.33 | (262,816.00) |
| Proceeds from HEAF Appropriations | 3,559,433.00 | 3,559,433.00 |
| Proceeds From Interest on Capital Investments | 1,067.90 | 935.32 |
| Payments for Additions to Capital Assets | (3,165,204.23) | (3,745,696.45) |
| Principal Paid on Capital Related Debt | (5,729,490.41) | (5,019,930.97) |
| Interest Paid on Capital Related Debt | (3,256,200.44) | (3,763,895.89) |
| Net Cash Provided by Capital and Related Financing Activities | <u>(7,854,099.85)</u> | <u>(9,231,970.99)</u> |
| Cash Flows from Investing Activities: | | |
| Proceeds from Interest and Investment Income | 3,049,572.56 | 229,912.45 |
| Proceeds from Sales and Maturities of Investments | 39,835,240.97 | 8,806,693.55 |
| Payments to Acquire Investments | (43,941,302.18) | (8,736,910.32) |
| Net Cash Provided (Used) by Investing Activities | <u>(1,056,488.65)</u> | <u>299,695.68</u> |
| Increase (Decrease) in Cash and Cash Equivalents | (778,625.13) | 1,148,648.67 |
| Cash and Cash Equivalents, September 1, 2013 | <u>7,985,250.87</u> | <u>6,836,602.20</u> |
| Cash and Cash Equivalents, August 31, 2014 | <u>\$ 7,206,625.74</u> | <u>\$ 7,985,250.87</u> |

Year
Ended
8-31-2014
(UNAUDITED)

| | <u>2014</u> | <u>2013</u> <u>Restated</u> |
|---|--------------------------|--------------------------------|
| Reconciliation to Cash and Cash Equivalents as Displayed on the Statement of Net Position: | | |
| Current Assets: | | |
| Cash On Hand | \$ 16,300.00 | \$ 16,300.00 |
| Cash In Bank | 8,310,466.68 | 3,596,414.58 |
| Cash in State Treasury | 4,394,330.56 | 4,508,478.78 |
| Restricted: | | |
| Cash In Bank | (5,514,471.50) | (135,942.49) |
| | <u>\$ 7,206,625.74</u> | <u>\$ 7,985,250.87</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | |
| Operating Income (Loss) | \$(43,248,797.39) | \$(37,567,520.13) |
| Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities: | | |
| Depreciation and Amortization | 11,717,162.53 | 9,995,431.04 |
| Bad Debt Expense | 324,984.94 | 454,862.25 |
| Donations of Non-Capital Assets | 241,435.04 | |
| (Increase) Decrease in Receivables | (2,319,106.42) | (1,278,207.71) |
| (Increase) Decrease in Inventories | 28,461.20 | (9,408.41) |
| (Increase) Decrease in Prepaid Expenses | (796,363.56) | (734,649.51) |
| (Increase) Decrease in Loans | (5,656.40) | 12,602.90 |
| Increase (Decrease) in Payables | 1,461,859.15 | 1,354,061.40 |
| Increase (Decrease) in Unearned Revenues | 2,066,108.30 | 936,035.98 |
| Increase (Decrease) in Other Liabilities | 167,527.19 | (32,668.13) |
| Total Adjustments | <u>12,886,411.97</u> | <u>10,698,059.81</u> |
| Net Cash Used by Operating Activities | <u>\$(30,362,385.42)</u> | <u>\$(26,869,460.32)</u> |
| Non Cash Transactions | | |
| Net Increase (Decrease) in FMV of Investments | \$ 2,003,533.71 | \$ 567,653.01 |
| (Loss) Gain on Asset Disposals | (134,005.13) | (385,589.60) |
| Nonmonetary Gifts, Including Capital Assets | 9,315,975.69 | 745,000.00 |
| Transfer In on Master Lease Purchase | | 1,747.95 |

*Restated Federal Pell, SEOG, and TEACH grant revenues and expenditures to match award year. Also restated Pell administrative overhead from federal non-operating revenues to other operating revenues, which resulted in changes to cash flows previously reported for sponsored programs and related payments for scholarships.

Midwestern State University

Notes To The Financial Statements - Unaudited

Note 1: Summary of Significant Accounting Policies

Introduction

Midwestern State University is a public institution of higher education and is an agency of the State of Texas. The university's Board of Regents is appointed by the Governor of the State. Accordingly, the university's financial position is in the State of Texas' Consolidated Annual Financial Report. Transactions with the State relate primarily to appropriations for operations and capital improvements and grants from various state agencies.

Basis of Presentation

The financial statements of Midwestern State University have been prepared in accordance with the requirements established by the Comptroller of Public Accounts' Annual Financial Reporting Requirements. These requirements follow, as near as practicable, the generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued in June 1999, Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis of Public College and Universities* issued in November 1999, and Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* issued in June 2011. The financial statements also incorporate the requirements set forth in GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which was issued by the GASB on December 30, 2010 and significantly reduces the need to rely on sources outside of the GASB's literature to locate the necessary accounting guidance for the governmental environment. The university does not apply FASB pronouncements issued after November 30, 1989 in the preparation of the accompanying financial statements.

The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas' Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

The university follows the "business-type activities" reporting requirement of GASB Statement No. 34 that provides a comprehensive one-line look at the university's financial activities. Accordingly, the university's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting.

Basis of Accounting – Proprietary Fund Accounting

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial positions, and cash flows. The financial statements of the university have been prepared on the accrual basis. Accrual accounting attempts to record a transaction's financial effects in the period in which the transaction occurred, rather than when cash is received or paid. Revenues are recorded when they are earned or when the university has a right to receive the revenues. Expenses are recognized when they are incurred.

There are four essential elements of accrual accounting. They are:

- Deferral of expenditures and the subsequent amortization of the deferred costs.
- Deferral of revenues until they are earned.
- Capitalization of certain expenses and the subsequent depreciation of the capitalized costs.
- The accruals of revenues that have been earned and expenses that have been incurred.

Midwestern State University

Notes To The Financial Statements - Unaudited

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Proprietary funds use the flow of economic resources measurement focus, which is similar to the focus used by commercial entities. Proprietary funds focus on whether the enterprise is economically better off as a result of the events and transactions that occurred during the fiscal period reported. Transactions and events that improved an enterprise's financial position are reported as revenues or gains. Transactions and events that diminished the economic position of the enterprise are reported as expenses or losses. Both current and long-term assets and liabilities are shown on the statement of net position.

The proprietary statement of revenues, expenses, and changes in net position is segregated into operating and non-operating sections.

Generally, operating activities are those that directly result from the provision of goods and services to customers or are directly related to the principal and usual activity of an enterprise. GASB 34 indicates that a consideration for defining a proprietary fund's operating revenues and expenditures is how individual transactions would be classified for purposes of preparing a statement of cash flows according to GASB Statement No. 9.

Since certain grants are actually contracts for services, they are classified as operating activities. Although loan activity would normally be classified as an investing activity, lending activities in a university are directly related to the principal and usual activity of the university, and are classified as operating activities.

Net Position

GASB Statement No. 63 reports equity as "Net Position" rather than "Net Assets," as previously required under GASB Statement No. 34. Net position is classified according to external donor restrictions or availability of assets for satisfaction of university obligations.

Restricted Net Position represents amounts over which third parties have imposed restrictions that cannot be changed by the Board, including amounts that the Board has agreed to set aside under contractual agreements with third parties. Nonexpendable restricted net position includes gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net position represents funds that have been gifted for specific purposes. Restricted Net Position includes the university's permanent endowments and donor restricted funds.

Unrestricted Net Position are funds that are available for university use, and have been internally designated or reserved for specific purposes such as renewals and replacements, quasi-endowments, capital projects, student loans, budget commitments, and reserves for working capital.

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less at the time of purchase are considered cash and cash equivalents. Cash in the investment portfolio is not included in cash and cash equivalents as it is held for investing purposes.

Investments

The university reports investments at fair value in the Statement of Net Position.

Restricted Assets

Restricted assets are those assets that have third party restrictions or are restricted for specific uses by a contractual obligation. Restricted assets include donor restricted funds and proceeds from bond issuances that can only be used for capital projects.

Midwestern State University

Notes To The Financial Statements - Unaudited

Note 1: Continued

Inventories

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost and utilize the last-in, first-out method.

Capital Assets

Property, plant and equipment are recorded at cost, or, if acquired by gift, at the fair market value as of the date of the acquisition. Depreciation is provided on physical properties on a straight-line basis over the estimated useful life of the asset.

| Type of Capital Asset | Capitalization Threshold | Range of Useful Life (in months) |
|-------------------------------------|--------------------------|-------------------------------------|
| Land and Land Improvements | \$0 | 0 |
| Construction in Progress | \$0 | 0 |
| Buildings and Building Improvements | \$100,000 | 120-360 |
| Infrastructure, Depreciable | \$500,000 | 120-540 |
| Infrastructure, Non-Depreciable | \$0 | 0 |
| Facilities and Other Improvements | \$100,000 | 120-720 |
| Furniture and Equipment | \$5,000 | 36-180 |
| Vehicles, Boats, and Aircraft | \$5,000 | 60-120 |
| Other Capital Assets | \$100,000 | 0-180 |

Other Significant Accounting Policies

Other significant accounting policies are set forth in the financial statements and the notes thereto.

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Midwestern State University

Notes To The Financial Statements - Unaudited

NOTE 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2014, is presented below.

| BUSINESS-TYPE ACTIVITIES | | Balance 09/01/13 | Adjustment | Reclassifications Completed CIP |
|---|--|-------------------------|----------------------|---------------------------------------|
| A N N U A L F I N A N C I A L R E P O R T | <u>Non-depreciable or Non-Amortizable Assets:</u> | | | |
| | Land and Land Improvements | \$ 5,434,952.66 | | |
| | Construction in Progress | 859,947.77 | \$(17,500.00) | \$ (2,319,078.47) |
| | Other Tangible Capital Assets | 3,549,965.30 | | |
| | Total Non-depreciable Assets or Non-Amortizable Assets: | 9,844,865.73 | (17,500.00) | (2,319,078.47) |
| | <u>Depreciable Assets:</u> | | | |
| | Buildings and Building Improvements | 187,171,528.01 | | 2,204,907.50 |
| | Infrastructure | 12,823,874.86 | | |
| | Facilities and Other Improvements | 7,227,418.61 | | 114,170.97 |
| | Furniture and Equipment | 12,317,951.24 | | |
| | Vehicles | 1,718,379.79 | | |
| | Other Capital Assets | 11,844,556.91 | | |
| | Total Depreciable Assets: | 233,103,709.42 | 0.00 | 2,319,078.47 |
| | Less Accumulated Depreciation for: | | | |
| | Buildings and Building Improvements | (85,602,208.51) | | |
| | Infrastructure | (5,440,981.36) | | |
| | Facilities and Other Improvements | (3,972,930.76) | | |
| | Furniture and Equipment | (9,232,470.07) | | |
| | Vehicles | (903,263.74) | | |
| | Other Capital Assets | (10,040,140.97) | | |
| | Total Accumulated Depreciation | (115,191,995.41) | | |
| | Depreciable Assets, Net | 117,911,714.01 | 0.00 | 2,319,078.47 |
| | <u>Amortizable Assets - Intangible</u> | | | |
| | Computer Software | 2,165,668.83 | | |
| | Total Amortizable Assets - Intangible | 2,165,668.83 | 0.00 | 0.00 |
| | Less Accumulated Amortization for: | | | |
| | Computer Software | (1,483,366.67) | | |
| | Total Accumulated Amortization | (1,483,366.67) | 0.00 | 0.00 |
| | Amortizable Assets - Intangible, Net | 682,302.16 | 0.00 | 0.00 |
| | Business-Type Activities Capital Assets, Net | \$128,438,881.90 | \$(17,500.00) | \$ 0.00 |

Year
Ended
8-31-2014
(UNAUDITED)

| Additions | Deletions | Balance 08/31/14 |
|-----------------|----------------|---------------------|
| \$ 485,000.00 | | \$ 5,919,952.66 |
| 1,956,598.68 | | 479,967.98 |
| | \$ (16,000.00) | 3,533,965.30 |
| 2,441,598.68 | (16,000.00) | 9,933,885.94 |
| 107,530.00 | | 189,483,965.51 |
| | | 12,823,874.86 |
| | | 7,341,589.58 |
| 522,283.60 | (69,673.68) | 12,770,561.16 |
| 297,218.00 | (49,470.00) | 1,966,127.79 |
| 189,398.96 | (191,539.95) | 11,842,415.92 |
| 1,116,430.56 | (310,683.63) | 236,228,534.82 |
| (7,795,147.44) | | (93,397,355.95) |
| (444,658.20) | | (5,885,639.56) |
| (340,071.06) | | (4,313,001.82) |
| (1,033,762.78) | 69,043.54 | (10,197,189.31) |
| (154,053.32) | 49,470.00 | (1,007,847.06) |
| (312,976.82) | 191,539.95 | (10,161,577.84) |
| (10,080,669.62) | 310,053.49 | (124,962,611.54) |
| (8,964,239.06) | (630.14) | 111,265,923.28 |
| 8,564,340.65 | | 10,730,009.48 |
| 8,564,340.65 | 0.00 | 10,730,009.48 |
| (1,636,492.91) | | (3,119,859.58) |
| (1,636,492.91) | 0.00 | (3,119,859.58) |
| 6,927,847.74 | 0.00 | 7,610,149.90 |
| \$ 405,207.36 | \$ (16,630.14) | \$128,809,959.12 |

Midwestern State University

Notes To The Financial Statements - Unaudited

Note 3: Deposits, Investments and Repurchase Agreements

Authorized Investments

Midwestern State University is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Governmental Code). Such investments include:

1. Obligations of the United States or its agencies,
2. Direct obligations of the State of Texas or its agencies,
3. Obligations of political subdivisions rated not less than A by a national investment rating firm,
4. Certificates of deposit,
5. Investment pools managed by State of Texas universities exempt from this act (see additional disclosures), and
6. Other instruments and obligations authorized by statute.

The university also employs two investment managers to manage the assets of the university's endowments which total \$20,614,134.10 and are invested under a separate investment policy that permits equities as well as fixed income and alternative assets. Additionally, the university entered into a contract with the Texas A&M University System in September 2013 to manage university investments. The fair value of the investments managed by the Texas A&M University System at August 31, 2014 was \$20,885,258.26. Additional information about these investments is disclosed separately on pages 30-33.

Deposits of Cash in Bank

At August 31, the carrying amount of the university's deposits is presented below:

| | <u>2014</u> | <u>2013</u> |
|---|------------------------|------------------------|
| Cash on Hand | \$ 16,300.00 | \$ 16,300.00 |
| Cash in Bank | 2,795,995.18 | 3,460,472.09 |
| Cash in State Treasury | 4,394,330.56 | 4,508,478.78 |
| Total Cash and Cash Equivalents | <u>\$ 7,206,625.74</u> | <u>\$ 7,985,250.87</u> |
| Current Assets—Cash and Cash Equivalents | | |
| Cash on Hand | \$ 16,300.00 | \$ 16,300.00 |
| Cash in Bank | 8,310,466.68 | 3,596,414.58 |
| Cash in State Treasury | 4,394,330.56 | 4,508,478.78 |
| Current Assets—Restricted Cash and Cash Equivalents | | |
| Cash in Bank | <u>(5,514,471.50)</u> | <u>(135,942.49)</u> |
| Total Cash and Cash Equivalents | <u>\$ 7,206,625.74</u> | <u>\$ 7,985,250.87</u> |

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the university will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The university's policies and State Statute require the university's deposits be deposited into authorized commercial banks and savings and loan associations. State statutes also require that these financial institutions pledge securities as collateral to secure university deposits if they are not fully insured by FDIC.

The university's bank balance at August 31, 2014 was \$4,180,898.04. \$250,000 of this amount was covered by FDIC Insurance, and \$3,899,446.60 was collateralized with securities pledged by the bank granting the university a first priority security interest in the collateral which was held by the Federal Reserve Bank of New York acting as Custodian for the university and the bank (as defined above).

Midwestern State University

Notes To The Financial Statements - Unaudited

Investments

At August 31, the fair value of the university's investments is presented below:

| | <u>2014</u> | <u>2013</u> |
|--|------------------------|------------------------|
| U.S. Government Agency Obligations | \$5,994,155.58 | \$ 7,622,325.50 |
| Corporate Bonds | 2,093,482.10 | 2,103,117.25 |
| Municipal Bonds | | 278,532.00 |
| Equities | 14,426,387.89 | 15,426,042.36 |
| Other Fixed Income Mutual Funds | 3,518,790.73 | |
| Other Commingled Funds—Texas A&M System Investment Pool* | 20,885,258.26 | |
| Other Commingled Funds - Texpool | 3,001,080.35 | 8,093,228.96 |
| Other Commingled Funds - LOGIC | 6,001,425.05 | 3,489,600.50 |
| Other Commingled Funds - Goldman Sachs | 400,271.49 | 115,680.23 |
| Other Commingled Funds - Citibank | | 2,086,041.21 |
| Certificates of Deposit - First National Bank | | 6,293,978.30 |
| Certificates of Deposit - First United Bank | | 2,014,039.80 |
| Other Certificates of Deposit | 490,000.00 | 490,000.00 |
| Money Market - JP Morgan Chase | 10,662.41 | 1,006,475.14 |
| Money Market—First United Bank | | 2,001,939.26 |
| Other Money Market funds | 51,049.11 | 52,859.26 |
| Alternative Investments (including hedge funds) | 620,585.24 | 324,508.80 |
| Total Investments | <u>\$57,493,148.21</u> | <u>\$51,398,368.57</u> |
| Current Assets—Short-Term Investments | \$ 9,990,287.80 | \$23,061,587.32 |
| Non-Current Assets—Restricted Short Term Investments | (35,068.37) | 660,516.81 |
| Non-Current Assets—Restricted Investments | 7,042,125.19 | 4,358,455.40 |
| Non-Current Assets—Other Long Term Investments | 40,495,803.59 | 23,317,809.04 |
| Total Investments | <u>\$57,493,148.21</u> | <u>\$51,398,368.57</u> |

*See additional disclosures on pages 30-33 for investments managed by the Texas A&M University System.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of August 31, 2014, the university's credit quality distribution for securities with credit risk exposure was as follows:

| Investment Type | AAA | AA | A | BBB |
|---|----------------|----|-----------------|---------------|
| U.S. Government Agency Obligations (FNMA, FHLB, FFCB, FHLMC) | \$5,994,155.58 | | | |
| Corporate Bonds | | | \$ 1,278,994.20 | \$ 814,487.90 |
| Comingled Funds—Texpool & LOGIC | 9,002,505.40 | | | |

| Investment Type | BB | B | Collateralized | Not Rated |
|---|----|---|----------------|---------------|
| Other Comingled Funds—Goldman Sachs | | | | \$ 400,271.49 |
| Certificates of Deposit—Other | | | \$490,000.00 | |
| Money Market—JP Morgan | | | 10,662.41 | |
| Other Fixed Income Mutual Funds | | | | 3,518,790.73 |
| Other Money Market | | | | 51,049.11 |
| Equities | | | | 14,426,387.89 |
| Alternative Investments (including hedge funds) | | | | 620,585.24 |

Midwestern State University

Notes To The Financial Statements - Unaudited

Note 3: Continued

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2014, the university's concentration of credit risk is immaterial to any single issuer.

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a debt investment to changes arising from movements in interest rates. Duration is the weighted average maturity of an instrument's cash flows, where the present value of the cash flows serves as the weight. The duration of an instrument can be calculated by first multiplying the time until receipt of cash flow by the ratio of the present value of that cash flow to the instrument's total present value. The sum of these weighted time periods is the duration of the instrument. Modified duration estimates the sensitivity of the university's investments to changes in interest rates.

The university's investments exposed to interest rate risk as of August 31, 2014, were as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Modified Duration</u> |
|--|-------------------|--------------------------|
| U.S. Government Agency Obligations | \$ 5,994,155.58 | 3.98 |
| Corporate Bonds | \$ 2,093,482.10 | 3.41 |
| The Texas A&M University System—Investments for Midwestern State University | | |
| Investment Fair Value | | |
| U.S. Treasury Securities | | \$ 1,024,834.46 |
| U.S. Treasury Strips | | 37,103.34 |
| U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, etc.) | | 975,037.17 |
| Corporate Obligations | | 2,230,354.99 |
| Corporate Asset and Mortgage Backed Securities | | 867,738.53 |
| US Equity | | 4,080,676.93 |
| International Obligations (Govt and Corp) | | 1,197,567.51 |
| International Equity | | 2,001,205.28 |
| International Other Commingled Funds (Equity) | | 2,505,140.76 |
| Fixed Income Money Market and Bond Mutual Funds | | 307,104.15 |
| Derivatives | | 731.02 |
| Alternative Investments—Hedge Funds | | 4,608,379.84 |
| Miscellaneous | | |
| Political Subdivisions and other investments | | 5,262.39 |
| Bank Loans | | <u>1,044,121.89</u> |
| Total Investments | | \$20,885,258.26 |
| Net Accruals (interest, payables, pending purchases, pending sales, etc.) | | <u>6,545.10</u> |
| Net Investments | | \$20,891,803.36 |

Investments Exposed to Credit Risk

| <u>Investment Type</u> | <u>AAA</u> | <u>AA</u> | <u>A</u> | <u>BBB</u> |
|--|--------------|--------------|---------------|----------------|
| U.S. Government Agency Obligations | | \$975,037.17 | | |
| Corporate Obligations | | 41,620.22 | \$ 372,417.20 | \$1,310,588.96 |
| Corporate Asset & Mortgage Backed Securities | \$132,888.39 | 104,756.96 | 121,642.94 | 16,882.84 |
| International Obligations | 179,530.33 | 218,801.33 | 301,054.91 | 335,126.13 |
| Miscellaneous (municipals and bank loans) | | 5,262.39 | | |

Midwestern State University

Notes To The Financial Statements - Unaudited

| Investment Type | BB | B | CCC | Not Rated |
|--|--------------|-------------|------------|--------------|
| Corporate Obligations | \$366,984.69 | \$98,710.77 | \$5,007.59 | \$ 35,025.56 |
| Corporate Asset & Mortgage Backed Securities | 5,234.80 | 4,153.36 | 48,717.70 | 433,461.54 |
| International Obligations | 56,317.25 | 9,809.59 | | 96,927.97 |
| Miscellaneous (municipals and bank loans) | | | | 1,044,121.89 |
| Fixed Income Money Market & Bond Mutual Fund | | | | 307,104.15 |

Investments Exposed to Foreign Currency Risk

| Fund Type | GAAP Fund | Foreign Currency | International Obligation (Govt & Corp) | International Equity | International Other Commingled Funds (Equity) |
|-----------|-----------|--|--|----------------------|---|
| 05 | 9999 | U.S. Dollar Denominated Foreign Securities | \$ 992,634.87 | \$ 896,489.68 | \$ 2,505,140.76 |
| 05 | 9999 | Australian Dollar | 57,306.77 | | |
| 05 | 9999 | British Pound | 4,033.39 | 147,959.98 | |
| 05 | 9999 | Canadian Dollar | | 50,229.38 | |
| 05 | 9999 | Euro Currency Unit | 35,780.56 | 306,148.30 | |
| 05 | 9999 | Hong Kong Dollar | | 28,887.58 | |
| 05 | 9999 | Japanese Yen | | 355,077.63 | |
| 05 | 9999 | New Zealand | 89,196.58 | | |
| 05 | 9999 | Norwegian Krone | 18,615.34 | | |
| 05 | 9999 | Singapore Dollar | | 19,336.93 | |
| 05 | 9999 | South African Rand | | 15,012.34 | |
| 05 | 9999 | South Korean Won | | 11,438.10 | |
| 05 | 9999 | Swedish Krona | | 18,584.60 | |
| 05 | 9999 | Swiss Franc | | 142,038.96 | |
| 05 | 9999 | Thailand Baht | | 10,001.80 | |
| | | TOTAL | \$ 1,197,567.51 | \$2,001,205.28 | \$2,505,140.76 |

ANNUAL

FINANCIAL

REPORT

Midwestern State University

Notes To The Financial Statements - Unaudited

Note 3: Continued

Investments Exposed to Interest Rate Risk

| Investment Types | Effective Duration | Market Value |
|--|---------------------------|-----------------------|
| U.S. Treasury Securities | 3.915 | \$1,024,834.46 |
| U.S. Treasury Strip | 28.800 | 37,103.34 |
| U.S. Government Agency Obligations | | |
| Agencies and Other U.S. Government Obligations | 3.633 | 86,883.39 |
| CMO Government Agencies | 4.040 | 12,181.57 |
| U.S. Government Mortgages | 2.338 | 875,972.21 |
| Corporate Obligations | | |
| Corporate and Other Credit | 5.377 | 2,230,354.99 |
| Corporate Asset and Mortgage Backed Securities | | |
| CMBS and CMO Corporate | 3.559 | 570,707.49 |
| Asset Backed Securities | 2.049 | 297,031.04 |
| International Obligations | 3.852 | 1,197,567.51 |
| Miscellaneous | | |
| Political subdivision | 1.815 | 5,262.39 |
| Bank Loans | 0.100 | 1,044,121.89 |
| Total Fair Value | | \$7,382,020.28 |

Derivative Investing

Midwestern State University invests funds in The Texas A&M University System's (A&M System) investment pool, which includes investment derivatives in the form of forward currency exchange contracts used for the purchase or sale of a specific foreign currency at a fixed quantity and price on a future date as a hedge against either specific transactions or portfolio positions. Additional information on these contracts can be found in the A&M System's financial statement note disclosures.

The table below summarizes MSU's share of the pending foreign exchange contracts as of August 31, 2014.

| Currency | Sell | Buy | Unrealized Gain on Foreign Exchange Contract | Unrealized Loss on Foreign Exchange Contract |
|--------------------|---------------------|--------------------|---|---|
| Australian Dollar | \$88,756.07 | \$33,737.74 | \$ 76.17 | (501.35) |
| British Pound | 4,169.83 | | 45.73 | |
| Euro | 37,315.65 | | 1,094.54 | |
| Hong Kong Dollar | 1,191.14 | | | (0.02) |
| Japanese Yen | 6,182.70 | 4,334.20 | 7.73 | (15.32) |
| New Zealand Dollar | 86,669.78 | | 24.10 | |
| South Korean Won | | 1,313.07 | | (0.56) |
| | \$224,285.17 | \$39,385.01 | \$1,248.27 | \$(517.25) |

Midwestern State University

Notes To The Financial Statements - Unaudited

Midwestern State University's share of the fair value of open foreign currency exchange contracts as of August 31, 2014 was \$731.02, which is included in the net increase (decrease) in fair value of investments on the statement of revenues, expenses, and changes in net position.

The gross counter party exposure related to MSU's share of these contracts as of August 31, 2014 is as follows:

| Assets Notional | Liabilities Notional | Assets Fair Value | Liabilities Fair Value | Counterparty Rating |
|---------------------|-------------------------|----------------------|---------------------------|------------------------|
| \$ 7,373.84 | \$ 5,647.27 | \$ (7.55) | \$ 0.61 | A+ |
| 37,315.65 | | | (1,094.54) | A+ |
| 179,595.68 | 33,737.74 | 76.17 | 431.53 | AA- |
| <u>\$224,285.17</u> | <u>\$39,285.17</u> | <u>\$ 68.62</u> | <u>\$ (662.40)</u> | |

Note 4: Short-Term Debt

Not Applicable

Note 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2014, the following changes occurred in liabilities:

| | Balance 09-01-13 | Restatement | Additions | Reductions | Balance 08-31-14 | Amounts Due Within One Year |
|--|------------------------|---------------|---------------------|-----------------------|------------------------|-----------------------------------|
| Business-Type Activities | | | | | | |
| Revenue Bonds Payable | \$77,064,754.04 | | \$115,030.45 * | \$4,055,000.00 | \$73,124,784.49 | \$4,215,000.00 |
| Unamortized Premium on Revenue Bonds | 323,536.62 | | | 69,903.20 | 253,633.42 | 86,456.53 |
| Unamortized Discount on Revenue Bonds | (234,221.95) | | | (12,344.13) | (221,877.82) | (12,344.13) |
| Subtotal | 77,154,068.71 | | 115,030.45 | 4,112,559.07 | 73,156,540.09 | 4,289,112.40 |
| General Obligation Bond Payable | 1,455,000.00 | | | 1,455,000.00 | 0.00 | |
| Compensable Leave | 1,466,525.04 | | 250,388.55 | 98,555.86 | 1,618,357.73 | 163,730.88 |
| Capital Lease Obligations | 95,037.87 | | | 20,576.95 | 74,460.92 | |
| SECO Federal Revolving Loan | 2,041,738.43 | | | 256,384.84 | 1,785,353.59 | 261,551.13 |
| Total | <u>\$82,212,370.05</u> | <u>\$0.00</u> | <u>\$365,419.00</u> | <u>\$5,943,076.72</u> | <u>\$76,634,712.33</u> | <u>\$4,714,394.41</u> |

*See Note 6

Midwestern State University

Notes To The Financial Statements - Unaudited

Note 5: Continued

Employees' Compensable Leave

Benefit eligible staff and 12-month faculty members can earn annual leave from eight to twenty-one hours per month depending on the respective employee's years of state employment. The State's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum of hours up to 532 for those employees with thirty-five or more years of state service. A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, separation from State employment, or transfer to a position that no longer accrues vacation, provided the employee has had continuous employment with the State for six months. For proprietary fund types an expense and liability are recorded as the benefits accrue to the employee. The liability is determined through the summarization of each employee's annual leave balance multiplied by their respective salary rate. The estimated cumulative amount of this liability is \$1,618,357.73. The University made lump sum payments totaling \$98,555.86 for accrued vacation to employees who separated from state service during the fiscal year ended August 31, 2014, and payments of \$290,694.00 for August 31, 2013. The large increase in the lump sum payments in 2013 was due to the voluntary separation program that was offered to qualifying state employees.

The University has an undetermined and unrecorded liability for employee's earned sick leave. Sick leave accumulation of which is unlimited, is earned at the rate of eight hours per month and is paid only when an employee is absent due to illness or to the estate of an employee in the event of his/her death. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement or 336 hours, whichever is less. The University's policy is to recognize the cost of sick leave when paid. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Note 6: Bonded Indebtedness

Revenue Bonds Payable

Detailed supplemental bond information is disclosed in Schedule 2A-Miscellaneous Bond Information, Schedule 2B-Changes in Bonded Indebtedness, Schedule 2C-Debt Service Requirements, Schedule 2D-Analysis of Funds Available for Debt Service, Schedule 2E-Defeased Bonds Outstanding and Schedule 2F-Early Extinguishment and Refunding. General information related to Revenue Financing System bonds is summarized below and on the following pages:

Revenue Financing System Revenue Bonds, Series 2002

- Issued by the Texas Public Finance Authority (TPFA) on behalf of the University. To pay for campus improvements in heating, ventilating, and air conditioning systems; chilled water distribution; street drainage and paving; and other projects including Americans with Disabilities Act (ADA) accessibility, elevator improvements, safety, and security lighting
- Issued June 15, 2002
- \$8,965,000; all bonds authorized have been issued
- Revenue Bond
- Business-Type Activities
- Source of revenue for debt service – Pledged Revenues, consisting of unrestricted current funds revenues and unappropriated fund balances available, but not including remissions, governmental appropriations and gifts, grants and contracts, Higher Education Assistance Funds, student service fees, and private gifts
- \$4,600,000 of this 2002 series was refunded in October 2012 (see Series 2012A)
- Changes in Debt: Principal paid during Fiscal Year—\$465,000.00; Outstanding at Year End—\$0.00.

Midwestern State University

Notes To The Financial Statements - Unaudited

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Revenue and Refunding Bonds, Series 2003

- Issued by the Texas Public Finance Authority (TPFA) on behalf of the University. To pay for improving, enlarging and/or equipping university residence halls, including fire safety improvements and other general modernization improvements, and advance refunding Building Revenue and Refunding Bonds, Series 1996
- Issued August 1, 2003
- \$13,180,000; all bonds authorized have been issued
- Revenue Bond
- Business-Type Activities
- Source of Revenue for Debt Service – Pledged Revenues, consisting of unrestricted current funds revenues and unappropriated fund balances available, but not including remissions, governmental appropriations and gifts, grants and contracts, Higher Education Assistance Funds, student service fees, and private gifts
- \$4,945,000 of the 2003 Series was advance refunded in October 2012 (see Series 2012B)
- Changes in Debt: Principal paid during Fiscal Year—\$790,000.00; Outstanding at Year End—\$1,430,000.00.

Revenue and Refunding Bonds, Series 2007

- Issued by the Texas Public Finance Authority (TPFA) on behalf of the University.
- To pay for constructing, equipping and furnishing a student recreation and health facility; improving, renovating, enlarging and/or equipping Fowler Hall; improving, renovating, enlarging and/or equipping D.L. Ligon Coliseum; and refunding a portion of the outstanding Revenue Refunding and Improvement Bonds, Series 1998
- Issued August 1, 2007
- \$28,855,000; all bonds authorized have been issued
- Revenue Bond
- Business-Type Activities
- The discount on the bonds is being amortized on a straight-line basis over the life of the debt.
- Source of Revenue for Debt Service – Pledged Revenues, consisting of revenues, incomes, receipts, rentals, rates, charges, fees, and tuition levied or collected from any public or private source, including interest or other income from those funds and unrestricted fund and reserve balances available, but not including remissions, governmental appropriations and gifts, grants and contracts, Higher Education Assistance Funds, student service fees, and private gifts.
- Changes in Debt: Principal paid during Fiscal Year—\$1,350,000.00; Outstanding at Year End—\$21,965,000.00.

Revenue Financing System Revenue Bonds, Series 2008

- Issued by the Texas public Finance Authority (TPFA) on behalf of the University. To pay for constructing, equipping, and furnishing an additional student housing facility; purchasing an existing student housing facility; improving, renovating, enlarging, and/or equipping D.L. Ligon Coliseum; constructing, equipping and furnishing an instrumental music facility
- Issued July 1, 2009
- \$38,300,136; all bonds authorized have been issued
- Revenue Bond
- Business-Type Activities
- Source of Revenue for Debt Service – Pledged Revenues consisting of Unrestricted Current Funds Revenues but do not include: remissions, governmental appropriations and gifts, grants and contracts within the Educational and General Fund Group, Higher Education Assistance Funds, student service fees, and private gifts in the Auxiliary Fund Group
- The Bonds are issued in part as current interest bonds, \$37,955,000, and in part as premium capital appreciation bonds, \$345,136
- Changes in Debt: Principal paid during Fiscal Year—\$1,095,000.00; Outstanding at Year End—\$33,839,784.49.

Midwestern State University

Notes To The Financial Statements - Unaudited

Note 6: Continued

| <u>Premium Capital Appreciation Bonds</u> | | | <u>Unamortized Premium on CAB</u> | | | <u>Combined Totals</u> | |
|---|------|----------------|-----------------------------------|------|--------------|------------------------|--|
| Beginning Principal Amount | | (714,754.03) | Beginning Premium | | (323,536.63) | (1,038,290.66) | |
| Amortization Entries | FY14 | (115,030.45) | Amortization Entries | FY14 | 69,903.20 | (45,127.25) | |
| Balance at Year End | | (829,784.48) | Balance at Year End | | (253,633.43) | (1,083,417.91) | |
| Future Entries: | FY15 | (133,543.12) | Future Entries: | FY15 | 86,456.54 | (47,086.58) | |
| | FY16 | (155,035.16) | | FY16 | 105,902.49 | (49,132.67) | |
| | FY17 | (86,637.24) | | FY17 | 61,274.40 | (25,362.84) | |
| | | (375,215.52) | | | 253,633.43 | (121,582.09) | |
| Maturity Value | | (1,205,000.00) | | | 0.00 | (1,205,000.00) | |

Revenue Financing System Revenue Bonds, Series 2010

- Issued by the Texas public Finance Authority (TPFA) on behalf of the University. To pay for improving, renovating, enlarging, and/or equipping the University's existing D.L. Ligon Coliseum
- Issued April 1, 2010
- \$6,700,000; all bonds authorized have been issued
- Revenue Bond
- Business-Type Activities
- Source of Revenue for Debt Service – Pledged Revenues consisting of Unrestricted Current Funds Revenues, but do not include: remissions, governmental appropriations and gifts, grants and contracts within the Educational and General Fund Group, Higher Education Assistance Funds, student service fees, and private gifts in the Auxiliary Fund Group
- Changes in Debt: Principal paid during Fiscal Year—\$160,000.00; Outstanding at Year End—\$6,235,000.00.

Revenue Financing System Refunding Bonds, Series 2012A

- Issued by the Texas Public Finance Authority (TPFA) on behalf of the University. To finance the current refunding of \$4,600,000 of the MSU Building Revenue and Refunding Bonds, Series 2002, which were used to pay for campus improvements in heating, ventilating and air conditioning systems; chilled water distribution; street drainage and paving; and other projects including Americans with Disabilities Act (ADA) accessibility, elevator improvements, safety, and security lighting
- Issued September 15, 2012
- \$4,710,000; all bonds authorized have been issued
- Refunding Bond
- Business-Type Activities
- Source of Revenue for Debt Service – Pledged Revenues, consisting of unrestricted current funds revenues and unappropriated fund balances available, but not including remissions, governmental appropriations and gifts, grants and contracts, Higher Education Assistance Funds, student service fees, and private gifts
- Changes in Debt: Principal paid during Fiscal Year—\$125,000.00; Outstanding at Year End—\$4,430,000.00.

Midwestern State University

Notes To The Financial Statements - Unaudited

Revenue Financing System Refunding Bonds, Series 2012B

- Issued by the Texas Public Finance Authority (TPFA) on behalf of the University. To finance the advance refunding of \$4,945,000 of the MSU Building Revenue and Refunding Bonds, Series 2003, which were used to pay for improving, enlarging, and/or equipping university residence halls, including fire safety improvements and other general modernization improvements
- Issued September 15, 2012
- \$5,415,000; all bonds authorized have been issued
- Refunding Bond
- Business-Type Activities
- Source of Revenue for Debt Service – Pledged Revenues, consisting of unrestricted current funds revenues and unappropriated fund balances available, but not including remissions, governmental appropriations and gifts, grants and contracts, Higher Education Assistance Funds, student service fees, and private gifts
- Changes in Debt: Principal paid during Fiscal Year—\$70,000.00; Outstanding at Year End—\$5,225,000.00.

General information related to the Constitutional Appropriation bond is summarized below:

Constitutional Appropriation Bond, Series 2004

- Issued by the Board of Regents of Midwestern State University. The proceeds of the Bonds are to be used to construct a Business Administration classroom building for use by students of the University
- Issued August 1, 2004
- \$11,185,000; all bonds authorized have been issued
- General Obligation Bond
- Business-Type Activities
- Source of Revenue for Debt Service – Payable and secured solely from a first lien on and pledge of up to one-half of the annual appropriation for and on behalf of the University, from the State Treasury pursuant to the Constitutional Provision and "The Excellence in Higher Education Act"
- Changes in Debt: Principal paid during Fiscal Year—\$1,455,000.00; Outstanding at Year End—\$0.00.

Note 7: Derivative Instruments

Midwestern State University invests funds in The Texas A&M University System's (A&M System) investment pool, which includes investment derivatives in the form of forward currency exchange contracts used for the purchase or sale of a specific foreign currency at a fixed quantity and price on a future date as a hedge against either specific transactions or portfolio positions. Additional information on these contracts can be found in the A&M System's financial statement note disclosures.

The following disclosure summarizes MSU's share of the A&M System's derivative activity. Note 3 also discloses details about these investment derivatives.

| | Changes in Fair Value | | Fair Value as of 8/31/2014 | | |
|--------------------------|-----------------------|-----------|----------------------------|-----------|-----------------|
| | Classification | Amount | Classification | Amount | Notional Amount |
| Investment Derivatives | | | | | |
| Foreign Currency Forward | Investment Income | \$ 731.02 | Investment | \$ 731.02 | \$ 263,670.18 |

Midwestern State University

Notes To The Financial Statements - Unaudited

Note 8: Leases

Midwestern State University has entered into a long-term lease for financing the purchase of a capital asset. Such leases are classified as capital leases for accounting purposes; therefore, such leases are recorded at the present value of the future minimum lease payments at the inception of the lease. The following is the original capitalized cost of such property under lease in addition to the accumulated depreciation as of 8/31/14.

| Business-Type Activities Class of Property | Year Ended August 31, 2014 | | Total |
|---|-------------------------------|-----------------------------|-------------|
| | Assets under Capital Lease | Accumulated Depreciation | |
| Vehicles | \$128,586.10 | (\$62,582.08) | \$66,004.02 |

Future minimum lease payments under this capital lease, together with the present value of the net minimum lease payments at fiscal year-end, are as follows:

| Year | Principal | Interest | Total |
|---|-------------|------------|--------------------|
| 2015 | \$74,460.92 | \$2,078.84 | \$76,539.76 |
| Total Minimum Lease Payments | \$74,460.92 | \$2,078.84 | \$76,539.76 |
| Less: Amount Representing Interest at Various Rates | | | 2,078.84 |
| Present Value of Net Minimum Lease Payments | | | <u>\$74,460.92</u> |

Operating Leases

Future minimum lease rental payments under non-cancellable operating leases having an initial term in excess of one year are as follows:

| Year | Total |
|-------------------------------------|---------------------|
| 2015 | 143,112.90 |
| 2016 | 123,477.98 |
| 2017 | 106,143.90 |
| 2018 | 60,328.92 |
| 2019 | 19,703.93 |
| Total Future Minimum Lease Payments | <u>\$452,767.63</u> |

Midwestern State University

Notes To The Financial Statements - Unaudited

Note 9: Pension Plans

Teacher Retirement System Pension Plan

The State of Texas has joint contributory retirement plans for substantially all of its benefit eligible employees. One of the primary plans in which the University participates is a cost-sharing multiple-employer defined benefit pension plan administered by the Teacher Retirement System of Texas. Participating employers in the TRS Plan include public schools, service centers, charter schools, and colleges as well as the State of Texas, which covers employees of colleges, universities, medical schools, and certain other state agencies. Employees of the University are members of the TRS Plan if they are employed on a half-time or greater basis, unless they participate in the Optional Retirement Program, described below, or are students employed in a position that requires student status as a condition of employment.

Benefits under the TRS Plan are established or amended by the Texas Legislature in state law, as provided by the Texas Government Code, Chapter 824. Benefits include retirement and disability annuities and death survivor benefits. A member is vested after earning five years of creditable service. Eligibility for service retirement is determined by age and years of TRS service credit. The Teacher Retirement System issues a comprehensive annual financial report that includes the TRS Plan. That report may be obtained by writing to TRS at the Teacher Retirement System of Texas, 1000 Red River Street, Austin, Texas 78701-2698, or from the TRS Web site at www.trs.state.tx.us.

Contribution requirements for employees and employers are not actuarially determined but are established in the Texas Constitution and pursuant to state law passed by the Texas Legislature each biennium. The state constitution requires the legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation of all members of the system during the fiscal year. For the year ended August 31, 2014, the statutorily required contribution rate was 6.4% of annual compensation from active plan members and 6.8% of annual compensation from the University.

The Teacher Retirement System does not separately account for each of its component government agencies because the Teacher Retirement System itself bears sole responsibility for retirement commitments beyond contributions fixed by the State Legislature. Further information regarding actuarial assumptions and conclusions, together with audited financial statements, are included in the Teacher Retirement System's annual financial report.

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Midwestern State University

Notes To The Financial Statements - Unaudited

Note 9: Continued

Optional Retirement Program

The state has established an Optional Retirement Program (ORP) for institutions of higher education. Participation in ORP is in lieu of participation in the Teacher Retirement System and is available to certain eligible employees. The ORP is authorized by the Texas Government Code, Chapter 830, and is administered by the University, subject to policies, practices, and procedures developed by the Texas Higher Education Coordinating Board to provide greater uniformity in the administration of the program. The ORP provides for the purchase of annuity contracts and mutual funds. The contributory percentages of participant salaries provided by the State and by each participant enrolled in the plan on or before August 31, 1995, are 8.5% and 6.65%, respectively. The 8.5% is composed of 6.6% contributed by the State and an additional 1.9% contributed by the University. For participants who enrolled after September 1, 1995, State and participant contributions are 6.6%, and 6.65%, respectively. Because there are individual annuity contracts, the State has no additional or unfunded liability for this program, and the University bears no responsibility for retirement commitments beyond contributions.

The contributions made to the ORP by the plan members and employer for the fiscal year ended August 31, 2014 compared to the previous year, are shown below:

| | Year Ended August 31, 2014 | Year Ended August 31, 2013 |
|------------------------|-------------------------------|-------------------------------|
| Member Contributions | \$1,092,969.35 | \$1,078,889.68 |
| Employer Contributions | 1,205,946.26 | 1,148,237.73 |
| Total Remittance | <u>\$2,298,915.61</u> | <u>\$2,227,127.41</u> |

Note 10: Deferred Compensation

The university's Board of Regents approved a non-qualified deferred compensation plan which provided for \$3,750.00 per month to be set-aside for the President for twenty-four months beginning September 1, 2013 and ending August 31, 2015. The Board of Regents amended the monthly set-aside amount to \$5,125.00 beginning with the September 1, 2014 contribution.

University employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Texas Government Code, Sec 609.001. Deferred compensation plans are administered by the Employees Retirement System.

The State's 457 Plan complies with Internal Revenue Code, Section 457. This plan is referred to as the TexaSaver Deferred Compensation Plan and is available to all employees. Deductions, purchased investments, and earnings attributed to the 457 Plan are the property of the State and subject only to the claims of the State's general creditors. Participant rights under the plan are equal to those of the general creditors of the State in an amount equal to the fair market value of the 457 account for each participant. The State has no liability under the 457 Plan, and it is unlikely that plan assets will be used to satisfy the claims of general creditors in the future.

The University also administers a Tax-Deferred Account Program, created in accordance with Internal Revenue Code, Section 403(b). All eligible employees can participate. The Tax-Deferred Account Program is a private plan, and the deductions, purchased investments, and earnings attributed to each employee's 403(b) plan are held by vendors chosen by the employee. The vendors may be insurance companies, banks, or approved non-bank trustees such as mutual fund companies. The assets of this plan do not belong to the University, and thus it does not have a liability related to this plan.

Note 11: Postemployment Health Care and Life Insurance Benefits

Not Applicable.

Midwestern State University

Notes To The Financial Statements - Unaudited

Note 12: Interfund Activity and Transactions

University transactions with other state agencies are as follows:

| <u>Name of State Agency, Agency Number</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> | <u>Purpose</u> |
|---|---------------------------------|------------------------------|--------------------------------|
| <u>Interfund Receivables and Payables—Current:</u> | | | |
| State Energy Conservation Office, 907 | | | |
| D23 Fund 7999 | | <u>\$261,551.13</u> | SECO Federal Revolving Loan |

Interfund Receivables and Payables—Non Current:

| | | | |
|---------------------------------------|--|-----------------------|--------------------------------|
| State Energy Conservation Office, 907 | | | |
| D23 Fund 7999 | | <u>\$1,523,802.46</u> | SECO Federal Revolving Loan |

| <u>Name of State Agency, Agency Number</u> | <u>Due From Other Agencies</u> | <u>Due To Other Agencies</u> | <u>Purpose</u> |
|--|--|----------------------------------|--|
| <u>Due to Due From:</u> | | | |
| Texas Department of Transportation, 601 | | | |
| D23 Fund 0802 | \$ 0.99 | | Texas Collegiate License Plate Fund |
| Texas Tech University, 733 | | | |
| D23 Fund 7999 | <u>29,956.35</u> | | Small Business Development Center |
| Total Due From/To | <u>\$ 29,957.34</u> | | |

| | <u>Transfer In</u> | <u>Transfer Out</u> | |
|--|--------------------|----------------------|--|
| <u>Operating Transfers:</u> | | | |
| Texas Higher Education Coordinating Board, 781 | | | |
| D23 Fund 2604 | | \$ 952.00 | Dental Hygiene Degree or Certification Program |
| D23 Fund 5103 | | 349,003.65 | Texas B-On-Time Loan Program |
| Texas Public Finance Authority, 347 | | | |
| D23 Fund 7999 | | 427,631.21 | Master Lease Purchase Payment |
| Midwestern State University, 735 | | | |
| D23 Fund 0802 | \$ 0.99 | | Texas Collegiate License Plate Interfund Transfer |
| D23 Fund 5015 | | <u>\$ 0.99</u> | Texas Collegiate License Plate Interfund Transfer |
| Total Transfers | <u>\$ 0.99</u> | <u>\$ 777,587.85</u> | |

The detailed State Grant Pass-Through information is listed on Schedule 1B-Schedule of State Grant Pass-Through From/To State Agencies.

Note 13: Continuance Subject to Review

Not Applicable to colleges and universities (Texas Sunset Act).

Midwestern State University

Notes To The Financial Statements - Unaudited

Note 14: Adjustments to Fund Balance/Net Position

In fiscal year 2013, items related to facilities were capitalized and moved to construction in progress based on the assumption that the total project costs would exceed the capitalization threshold of \$100,000. In fiscal year 2014, the project was postponed indefinitely. Therefore, an adjustment to fund balance was made to reflect the amount expensed in a prior year. The adjustment of \$17,500.00 was made to the fiscal year 2013 balances in Construction in Progress and Net Investment in Capital Assets. The adjustment is also reflected in Note 2, Capital Assets, within the adjustments column.

Note 15: Contingencies and Commitments

There is no pending or threatened litigation.

Note 16: Subsequent Events

Midwestern State University submitted a capital expenditure for consideration in the Legislative Appropriations Request for the 84th Texas Legislature. The \$73 million request includes the construction of a new Gunn College of Health Science and Human Services building, improvements to Moffett Library, the relocation of IT to a more secure building, and many electrical, HVAC and ADA upgrades and improvements.

The generous support from donors has allowed the university to continue current capital construction projects. Significant external improvements at the Wichita Falls Museum of Art at Midwestern State University have begun. The project includes improvements to surrounding parking lots and access to the museum, the addition of a terrace to the entryway, and construction of an outdoor stage overlooking Sikes Lake.

Additionally, Phase II of the Joe B. Hood Research Lab at Dalquest began in September. The Dalquest Research Station is located in west Texas on the Presidio/Brewster County line, north of and adjoining the Big Bend Ranch State Park. The majority of the site has little human influence. With the construction of the Joe B. Hood Research Lab, scientists, naturalists, educators, and students will be able to conduct field research for generations to come.

The West Campus Annex project began in late August. The project includes a renovation of a portion of the Christ Academy building. The renovation will allow the football administrative offices to relocate from various locations on campus to one central office.

Construction of the Mustangs Walk began in October. The Board of Regents approved a campus master plan in August 2014, and it indicated the need for a safer, more pedestrian-friendly campus. The Mustangs Walk will provide students a safe, pedestrian walkway through the middle corridor of campus with the goal of eventually connecting the main campus with south campus.

Finally, during its November meeting, the Board of Regents approved construction of a new 500-bed student dormitory at a cost of approximately \$33.25 million. The new housing facility will be located east of Sunwatcher Village and adjacent to McCullough-Trigg Hall. The Board of Regents also approved an approximately 18,500 square foot addition to the Fain Fine Arts building to accommodate the growth of the mass communications department. The addition will cost approximately \$5 million. Revenue bonds, once approved by the Board of Regents, will be issued in 2015 to fund both projects, at a cost not to exceed \$38.25 million.

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Midwestern State University

Notes To The Financial Statements - Unaudited

Note 17: Risk Management

The university is exposed to a variety of civil claims resulting from the performance of its duties. It is the university's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. Currently there is no purchase of commercial general liability insurance for the university. The university participates in the statewide property insurance program and purchases educators legal liability insurance. The university also purchases Directors' and Officers' Liability insurance through the State Office of Risk Management. This coverage protects insured directors and officers against claims involving allegations of wrongful acts occurring while in their capacity as directors and officers. Coverage also extends to employees and includes Employment Practices Liability claims for harassment, discrimination, wrongful termination, retaliation, etc.

The university's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. At August 31, 2014, there were no known claim liabilities.

The State provides coverage for workers' compensation and unemployment benefits from appropriations made to other state agencies for university employees. The university was assessed \$75,710.50 and \$84,288.86 for worker's compensation coverage for fiscal years ending August 31, 2014 and 2013, respectively. Unemployment compensation is funded on a pay as you go method, with the State contributing half of the cost of benefits and the university contributing the other half for employees paid by State appropriated funds. The university must pay 100% of the cost of benefits for employees paid from local funds.

The Texas Motor Vehicle Safety Responsibility Act requires that every non-governmental vehicle operated on a state highway be insured for minimum limits of liability in the amount of \$30,000/\$60,000 bodily injury and \$25,000 property damage. However, the university has chosen to carry liability insurance on its licensed vehicles in the amount of \$250,000/\$500,000/\$100,000 with a combined single limit of \$1,000,000 if the Texas Tort Claims Act is not applicable.

Note 18: Management's Discussion and Analysis

See Introduction.

Note 19: The Financial Reporting Entity and Related Parties

The university is an agency of the State of Texas. The ten members of its Board of Regents are appointed by the Governor, and include one non-voting student Regent. The university has no component units, joint ventures, or related parties; however, there are two affiliated parties described below.

The Midwestern State University Foundation and MSU Charitable Trust are nonprofit organizations with the sole purpose of supporting the educational and other activities of the university. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The Foundation remitted restricted gifts of \$1,366,493 to the university during the year ended August 31, 2014, and \$1,474,951 for the prior year. The MSU Charitable Trust remitted restricted gifts of \$812,134 to the university during the year ended August 31, 2014 and \$830,279 for the prior year. The assets of the Midwestern State University Foundation and the MSU Charitable Trust as of August 31, 2014 are reported by their trustees in the amount of \$23,350,954 and \$29,549,469, respectively.

Midwestern State University

Notes To The Financial Statements - Unaudited

Note 20: Stewardship, Compliance and Accountability

Financial information is reported in accordance with the requirements established by GASB No. 34, GASB No. 35, and GASB No. 63. The university administration is not aware of any noncompliance items.

Note 21: Not Applicable to the AFR Reporting Requirements Process

Note 22: Donor Restricted Endowments

The university is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Property Code Chapter 163. UPMIFA allows the university to distribute net appreciation on donor restricted endowment investments to the extent prudent. This includes cumulative realized and unrealized appreciation in the fair market value of the endowment assets in excess of historical dollar value of the gifts.

For the fiscal year ended August 31, 2014, the net appreciation on investments of donor restricted endowments available for authorization of expenditure, after distributions, is as follows:

| <u>Donor-Restricted Endowment</u> | <u>Amounts of Net Appreciation</u> | <u>Reported in Net Position</u> |
|-----------------------------------|------------------------------------|---------------------------------|
| True Endowments | None | Restricted for Nonexpendable |
| Term Endowments | \$ 1,067,569.19 | Restricted for Nonexpendable |
| True Endowments | None | Restricted for Expendable |

Note 23: Extraordinary and Special Items

Not Applicable.

Note 24: Disaggregation of Receivable and Payable Balances

Accounts Receivables

The components of Other Receivables, as reported in the Statement of Net Position, are as follows:

| <u>Accounts Receivable Category</u> | <u>Current Amount</u> |
|---|-----------------------|
| 3rd Party Contracts on Student Receivables | \$ 895,899.49 |
| Non-Student Receivables from Other Agencies | 351,258.33 |
| Summer Camp Programs Receivable | 80,720.75 |
| Follett Bookstore Receivable | 134,705.38 |
| Employee Travel Advances | 7,233.60 |
| Payroll Advances and Receivables | 500.18 |
| Miscellaneous Receivables | 3,533.51 |
| Total | \$1,473,851.24 |

Of these amounts, there are no significant receivable balances that the university does not expect to collect within the next fiscal year.

Midwestern State University

Notes To The Financial Statements - Unaudited

Note 25: Termination Benefits

Not Applicable.

Note 26: Segment Information

Not Applicable.

Note 27: Service Concession Arrangements

Not Applicable.

Note 28: Deferred Outflows of Resources and Deferred Inflows of Resources

Not Applicable.

Note 29: Troubled Debt Restructuring

Not Applicable.

Note 30: Non-Exchange Financial Guarantees

Not Applicable.

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Ended
8-31-2014
(UNAUDITED)

Midwestern State University

Unaudited

Schedule 1A - Schedule of Expenditures of Federal Awards For the Year Ended August 31, 2014, with Comparative Totals for the Year Ended August 31, 2013

| | CFDA Number | ID # | Univ/ Agy # | Pass-Through From | | |
|----------|---|------------------|----------------|-------------------|----------------------|---------------------------------|
| | | | | Agency Amount | University Amount | Non State Entities Amount |
| A | <u>National Endowment for the Humanities</u> | Humanities Texas | | | | |
| N | Promotion of the Humanities-Federal/State Partnership | 45.129 | HTX #2014-4531 | | | \$ 5,126.00 |
| N | Direct Program: | | | | | |
| U | Promotion of the Humanities-Public Programs | 45.164 | | | | |
| A | Totals - National Endowment for the Humanities | | | | | 5,126.00 |
| L | <u>Small Business Administration</u> | | | | | |
| | Pass-Through From: | | | | | |
| F | TTU-Small Business Development Center | 59.037 | 733 | | \$121,918.31 | |
| I | <u>U.S. Department of Education</u> | | | | | |
| N | Direct Program: | | | | | |
| A | Bilingual Education Professional Development | 84.195 | | | | |
| N | Pass-Through From: | | | | | |
| C | Statewide Data Systems—THECB | 84.372 | 781 | \$2,000.00 | | |
| I | Totals - U.S. Department of Education | | | 2,000.00 | | |
| A | <u>National Science Foundation</u> | | | | | |
| L | Mathematical and Physical Sciences: | 47.049 | DMS-0846477 | | | |
| | <u>Student Financial Assistance Cluster</u> | | | | | |
| R | <u>U.S. Department of Education</u> | | | | | |
| E | Direct Programs: | | | | | |
| P | Federal Supplemental Education Opportunity Grants | 84.007 | | | | |
| O | Federal Work-Study Program | 84.033 | | | | |
| R | Federal Pell Grant Program | 84.063 | | | | |
| T | Federal Direct Student Loans | 84.268 | | | | |
| | Teacher Education Assistance for College & HE Grants (TEACH) | 84.379 | | | | |
| | Total Student Financial Assistance Cluster Programs | | | | | |
| | <u>TRIO Cluster</u> | | | | | |
| | <u>U.S. Department of Education</u> | | | | | |
| | Direct Programs | | | | | |
| | TRIO-Student Support Services | 84.042 | | | | |
| | Total Federal Financial Assistance | | | \$2,000.00 | \$121,918.31 | \$ 5,126.00 |

Year
Ended
8-31-2014
(UNAUDITED)

| Direct Program | Total Pass-Through From & Direct Program | Pass-Through To | | Expenditures | 2014 | 2013 |
|-----------------|--|-----------------------|---------------------------|-----------------|------------------------------|------------------------------|
| | | Agency or Univ Amount | Non-State Entities Amount | | Total PT To and Expenditures | Total PT To and Expenditures |
| | \$ 5,126.00 | | | \$ 5,126.00 | \$ 5,126.00 | |
| \$ 1,500.00 | 1,500.00 | | | 1,500.00 | 1,500.00 | |
| 1,500.00 | 6,626.00 | | | 6,626.00 | 6,626.00 | |
| | 121,918.31 | | | 121,918.31 | 121,918.31 | \$104,681.45 |
| | | | | | | 118,997.37 |
| | 2,000.00 | | | 2,000.00 | 2,000.00 | |
| | 2,000.00 | | | 2,000.00 | 2,000.00 | 118,997.37 |
| | | | | | | 1,787.20 |
| 142,948.00 | 142,948.00 | | | 142,948.00 | 142,948.00 | 167,162.00 |
| 96,630.89 | 96,630.89 | | | 96,630.89 | 96,630.89 | 98,515.67 |
| 8,316,438.01 | 8,316,438.01 | | | 8,316,438.01 | 8,316,438.01 | 8,014,771.20 |
| 27,610,488.00 | 27,610,488.00 | | | 27,610,488.00 | 27,610,488.00 | 27,952,158.00 |
| 81,301.00 | 81,301.00 | | | 81,301.00 | 81,301.00 | 112,382.77 |
| 36,247,805.90 | 36,247,805.90 | | | 36,247,805.90 | 36,247,805.90 | 36,344,989.64 |
| 211,042.39 | 211,042.39 | | | 211,042.39 | 211,042.39 | 204,722.14 |
| \$36,460,348.29 | \$36,589,392.60 | | | \$36,589,392.60 | \$36,589,392.60 | \$36,775,177.80 |

Midwestern State University

Schedule 1A—Schedule of Expenditures of Federal Awards For the Year Ended August 31, 2014

Note 1: Nonmonetary Assistance

Not Applicable

| Note 2: Reconciliation | | 08/31/2014 |
|--|--|------------------------|
| Federal Revenues - Per Exhibit II | | |
| Federal Grant Revenue - Operating | | \$ 533,422.28 |
| Federal Grant Revenue - Non-Operating | | 8,316,438.01 |
| Federal Pass-through Revenue-Operating | | 127,044.31 |
| Federal Pass-through Revenue-Non-Operating | | 2,000.00 |
| Total Federal Revenues | | 8,978,904.60 |
| Reconciling Items: New Loans Processed | | |
| Federal Perkins Loans Processed | | |
| Federal Direct Student Loans Processed | | 27,610,488.00 |
| | | <u>\$36,589,392.60</u> |

| Note 3a: Student Loans Processed and Administrative Costs Recovered | | | Total Loans Processed and Admin Costs Recovered | Ending Balances of Previous Years' Loans |
|---|------------------------|-----------------------------|--|--|
| Federal Grantor/CFDA Number/Program Name | New Loans Processed | Admin Costs Recovered | | |
| U.S. Department of Education | | | | |
| 84.038 Federal Perkins Loan Program | | | | \$58,317.09 |
| 84.268 Federal Direct Student Loans Program | \$27,610,488.00 | | \$27,610,488.00 | |
| Total Department of Education | \$27,610,488.00 | | \$27,610,488.00 | \$58,317.09 |

Note 4: Depository Libraries for Government Publications

Midwestern State University participates in the Government Printing Office's Depository Libraries for Government Publications Program, CFDA #40.001. The university is the legal custodian of government publications, which remain the property of the federal government. The publications are not assigned a value by the Government Printing Office.

Note 5: Unemployment Insurance

Not Applicable

Note 6: Rebates from the Special Supplemental Food Program for Women, Infants, and Children (WIC)

Not Applicable

| Note 7: Federal Deferred Revenue | | Federal Deferred Revenue 09/01/13 | Increase / (Decrease) | Federal Deferred Revenue 08/31/14 |
|---|--|---|--------------------------|---|
| CFDA Number/Program Name | | | | |
| None for the Year Ended August 31, 2014 | | | | |

Midwestern State University

Unaudited

Schedule 1B - Schedule of State Grant Pass Through From/To State Agencies For the Years Ended August 31

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| <u>Operating Revenue:</u> | <u>2014</u> | <u>2013</u> |
|--|------------------------|------------------------|
| Pass-Through From: | | |
| UT System (Agy #720) | \$ 8,780.92 | \$ 5,286.31 |
| Texas Commission on the Arts (TCA—Agy #813) | | |
| Arts Create | 5,000.00 | |
| Arts Respond | 5,000.00 | |
| Texas State Board of Public Accountancy (TSBPA—Agy #457) | | |
| 5th Year Accounting | 3,500.00 | |
| Texas Higher Education Coordinating Board (Agy #781) | | |
| College Work Study Program | 35,513.26 | 28,542.00 |
| Engineering Recruitment Program | 12,500.00 | |
| Nursing & Allied Health | | (33,324.04) |
| Professional Nursing Shortage Reduction Program | 64,403.00 | 15,423.00 |
| TEXAS Grant Program | 3,331,667.00 | 2,870,000.00 |
| Top 10% Scholarships | 86,500.00 | 228,000.00 |
| Total Operating Pass-Through Revenue (Exhibit II) | <u>\$ 3,552,864.18</u> | <u>\$ 3,113,927.27</u> |
| <u>Nonoperating Revenue:</u> | | |
| Pass-Through From: | | |
| Texas Higher Education Coordinating Board (Agy #781) | | |
| Hazlewood Exemption HB1025 | \$ 270,071.00 | |
| Total Nonoperating Pass-Through Revenue (Exhibit II) | <u>\$ 270,071.00</u> | |
| Pass Through To: | | |
| None | | |

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Midwestern State University

Unaudited

Midwestern State University Schedule 2A - Miscellaneous Bond Information For the Fiscal Year Ended August 31, 2014

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Business Type Activities

| Description of Issue | Bonds Issued To Date | Range of Interest Rates | Scheduled Maturities | | First Call Date |
|---|----------------------------|-------------------------------|-------------------------|--------------|--------------------|
| | | | First Year | Last Year | |
| <u>General Obligation Bond:</u> | | | | | |
| Constitutional Appropriation Bonds: Series 2004 | \$11,185,000.00 | 2.75% - 3.75% | 2005 | 2013 | None |
| <u>Revenue Bonds:</u> | | | | | |
| Revenue Financing System Revenue Bonds: Series 2002 | 8,965,000.00 | 4.00% - 5.00% | 2003 | 2021 | 12-01-12 |
| Building Revenue & Refunding Bonds: Series 2003 | 13,180,000.00 | 2.00% - 5.00% | 2003 | 2024 | 12-01-13 |
| Revenue and Refunding Bonds: Series 2007 | 28,855,000.00 | 4.00% - 4.625% | 2008 | 2032 | 12-01-16 |
| Revenue Financing System Revenue Bonds: Series 2008 | 38,415,166.55 | 3.00% - 5.25% | 2008 | 2034 | 12-01-18 |
| Revenue Financing System Revenue Bonds: Series 2010 | 6,700,000.00 | 4.00% - 5.00% | 2012 | 2036 | 12-01-20 |
| Revenue Financing System Refunding Bonds: Series 2012A | 4,710,000.00 | 2.00% - 2.25% | 2013 | 2020 | 12-01-20 |
| Revenue Financing System Refunding Bonds: Series 2012B | 5,415,000.00 | 0.50% - 3.25% | 2013 | 2024 | 12-01-24 |
| Total | <u>\$117,425,166.55</u> | | | | |

Year
Ended
8-31-2014
(UNAUDITED)

Midwestern State University

Unaudited

Midwestern State University
Schedule 2B - Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2014

| A N N U A L F I N A N C I A L R E P O R T | Business Type Activities | Bonds Outstanding 09-01-2013 | Bonds Issued | Bonds Matured or Retired | Bonds Refunded or Extinguished | Bonds Outstanding 08-31-2014 | Amounts Due Within One Year |
|---|---|------------------------------------|----------------------|--------------------------------|---|------------------------------------|--------------------------------------|
| | Description of Issue | | | | | | |
| | <u>General Obligation Bonds:</u> | | | | | | |
| | Constitutional Appropriation Bonds: | | | | | | |
| | Series 2004 | \$1,455,000.00 | | \$1,455,000.00 | | \$ 0.00 | |
| | <u>Revenue Bonds:</u> | | | | | | |
| | Revenue Financing System Revenue Bonds: | | | | | | |
| | Series 2002 | 465,000.00 | | 465,000.00 | | 0.00 | |
| | Building Revenue and Refunding Bonds: | | | | | | |
| | Series 2003 | 2,220,000.00 | | 790,000.00 | | 1,430,000.00 | 830,000.00 |
| | Revenue and Refunding Bonds: | | | | | | |
| | Series 2007 | 23,315,000.00 | | 1,350,000.00 | | 21,965,000.00 | 1,400,000.00 |
| | Revenue Financing System Revenue Bonds: | | | | | | |
| | Series 2008 | 34,819,754.04 | \$ 115,030.45 * | 1,095,000.00 | | 33,839,784.49 | 1,140,000.00 |
| | Revenue Financing System Revenue Bonds: | | | | | | |
| | Series 2010 | 6,395,000.00 | | 160,000.00 | | 6,235,000.00 | 170,000.00 |
| | Revenue Financing System Refunding Bonds: | | | | | | |
| | Series 2012A | 4,555,000.00 | | 125,000.00 | | 4,430,000.00 | 605,000.00 |
| | Revenue Financing System Refunding Bonds: | | | | | | |
| | Series 2012B | 5,295,000.00 | | 70,000.00 | | 5,225,000.00 | 70,000.00 |
| | Total | \$78,519,754.04 | \$ 115,030.45 | \$5,510,000.00 | \$ 0.00 | \$73,124,784.49 | \$4,215,000.00 |

* Accretion on Capital Appreciation Bonds

Year
Ended
8-31-2014
(UNAUDITED)

| <u>Unamortized Premium</u> | <u>Unamortized Discount</u> | <u>Unamortized Gain (Loss) On Refunding</u> | <u>Net Bonds Outstanding 08-31-2014</u> | <u>Amounts Due Within One Year</u> |
|--------------------------------|---------------------------------|---|---|--|
| | | | \$ 0.00 | |
| | | | 0.00 | |
| | | | 1,430,000.00 | |
| | \$(221,877.82) | | 21,743,122.18 | \$(12,344.13) |
| \$ 253,633.42 | | | 34,093,417.91 | 86,456.53 |
| | | | 6,235,000.00 | |
| | | | 4,430,000.00 | |
| | | | 5,225,000.00 | |
| <u>\$ 253,633.42</u> | <u>\$(221,877.82)</u> | | <u>\$73,156,540.09</u> | <u>\$ 74,112.40</u> |

Midwestern State University

Unaudited

Midwestern State University Schedule 2C - Debt Service Requirements For the Fiscal Year Ended August 31, 2014

Business Type Activities

| Description of Issue | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-----------------|-----------------|----------------|----------------|----------------|
| Revenue Bonds: | | | | | |
| Revenue Financing System Revenue Bonds: | | | | | |
| Series 2003 | | | | | |
| Principal | \$830,000.00 | \$ 600,000.00 | | | |
| Interest | 47,887.50 | 13,050.00 | | | |
| Revenue Financing System Revenue and Refunding Bonds: | | | | | |
| Series 2007 | | | | | |
| Principal | 1,400,000.00 | 1,455,000.00 | \$1,515,000.00 | \$1,580,000.00 | \$1,640,000.00 |
| Interest | 924,932.50 | 866,013.75 | 804,795.00 | 742,895.00 | 677,470.00 |
| Revenue Financing System Revenue Bonds: | | | | | |
| Series 2008 | | | | | |
| Principal | 1,140,000.00 | 1,180,000.00 | 1,205,000.00 | 1,230,000.00 | 1,285,000.00 |
| Interest | 1,523,257.50 | 1,476,857.50 | 2,313,121.40 | 1,428,657.50 | 1,378,357.50 |
| Revenue Financing System Revenue Bonds: | | | | | |
| Series 2010 | | | | | |
| Principal | 170,000.00 | 180,000.00 | 185,000.00 | 195,000.00 | 205,000.00 |
| Interest | 284,506.26 | 276,606.26 | 267,481.26 | 257,981.26 | 247,981.26 |
| Revenue Financing System Revenue and Refunding Bonds: | | | | | |
| Series 2012A | | | | | |
| Principal | 605,000.00 | 615,000.00 | 630,000.00 | 645,000.00 | 660,000.00 |
| Interest | 84,050.00 | 71,850.00 | 59,400.00 | 46,650.00 | 33,600.00 |
| Revenue Financing System Revenue and Refunding Bonds: | | | | | |
| Series 2012B | | | | | |
| Principal | 70,000.00 | 70,000.00 | 515,000.00 | 520,000.00 | 535,000.00 |
| Interest | 131,015.30 | 130,337.00 | 126,113.43 | 117,778.56 | 107,612.61 |
| Total | 7,210,649.06 | 6,934,714.51 | 7,620,911.09 | 6,763,962.32 | 6,770,021.37 |
| Less Interest | (2,995,649.06) | (2,834,714.51) | (3,570,911.09) | (2,593,962.32) | (2,445,021.37) |
| Total Principal | \$ 4,215,000.00 | \$ 4,100,000.00 | \$4,050,000.00 | \$4,170,000.00 | \$4,325,000.00 |

| <u>2020-24</u> | <u>2025-29</u> | <u>2030-34</u> | <u>2035-39</u> | <u>Total Requirements</u> |
|-------------------------|-------------------------|----------------------------|----------------------|-------------------------------|
| | | | | \$1,430,000.00 |
| | | | | 60,937.50 |
| \$5,515,000.00 | \$6,100,000.00 | \$2,760,000.00 | | 21,965,000.00 |
| 2,641,338.75 | 1,285,068.75 | 233,562.52 | | 8,176,076.27 |
| 7,280,000.00 | 9,145,000.00 | 11,750,000.00 | | 34,215,000.00 |
| 6,015,615.00 | 4,156,833.75 | 1,743,087.50 | | 20,035,787.65 |
| 1,175,000.00 | 1,450,000.00 | 1,815,000.00 | \$ 860,000.00 | 6,235,000.00 |
| 1,078,281.30 | 767,931.30 | 412,334.39 | 40,237.50 | 3,633,340.79 |
| 675,000.00 | 600,000.00 | | | 4,430,000.00 |
| 20,250.00 | 6,750.00 | | | 322,550.00 |
| 2,885,000.00 | 630,000.00 | | | 5,225,000.00 |
| 322,288.40 | 10,209.15 | | | 945,354.45 |
| 27,607,773.45 | 24,151,792.95 | 18,713,984.41 | 900,237.50 | 106,674,046.66 |
| (10,077,773.45) | (6,226,792.95) | (2,388,984.41) | (40,237.50) | (33,174,046.66) |
| <u>\$ 17,530,000.00</u> | <u>\$ 17,925,000.00</u> | <u>\$16,325,000.00</u> | <u>\$ 860,000.00</u> | <u>\$73,500,000.00</u> |
| | | Less Unamortized Accretion | | (375,215.51) |
| | | | | <u>\$73,124,784.49</u> |

Midwestern State University

Unaudited

Midwestern State University Schedule 2D - Analysis of Funds Available for Debt Service For the Year Ended August 31, 2014

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Business Type Activities Description of Issue

| | <u>Application of Funds</u> | | | |
|---|---|---|-----------------------|-----------------------|
| <u>General Obligation Bonds</u> | <u>Principal</u> | <u>Interest</u> | | |
| Constitutional Appropriation | | | | |
| Series 2004 | <u>\$ 1,455,000.00</u> | <u>\$ 27,281.25</u> | | |
| | | | | |
| | <u>Pledged and Other Sources and Related Expenditures for FY 2014</u> | | | |
| | | | | |
| | <u>Net Available for Debt Service</u> | | | |
| | | Operating Expenses/ Expenditures And Capital Outlay | <u>Debt Service</u> | |
| | Total Pledged and Other Sources | | <u>Principal</u> | <u>Interest</u> |
| <u>Revenue Financing System Revenue Bonds</u> | | | | |
| Revenue Financing System | | | | |
| Series 2002 | | | \$ 465,000.00 | \$ 9,881.25 |
| Building Revenue & Refunding | | | | |
| Series 2003 | | | 790,000.00 | 85,475.00 |
| Revenue and Refunding | | | | |
| Series 2007 | | | 1,350,000.00 | 979,932.50 |
| Revenue Financing System | | | | |
| Series 2008 | | | 1,095,000.00 | 1,566,588.75 |
| Revenue Financing System | | | | |
| Series 2010 | | \$47,979.16 | 160,000.00 | 291,106.26 |
| Revenue Financing System | | | | |
| Series 2012A | | | 125,000.00 | 91,350.00 |
| Revenue Financing System | | | | |
| Series 2012B | | | <u>70,000.00</u> | <u>131,489.90</u> |
| | | | | |
| Total for all Revenue Financing | | | | |
| System Revenue Bonds | <u>\$67,455,168.66</u> | <u>\$47,979.16</u> | <u>\$4,055,000.00</u> | <u>\$3,155,823.66</u> |

Year
Ended
8-31-2014
(UNAUDITED)

Midwestern State University

Unaudited

Midwestern State University
Schedule 2E - Defeased Bonds Outstanding
For the Fiscal Year Ended August 31, 2014

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Business Type Activities

| <u>Description of Issue</u> | <u>Year Refunded</u> | <u>Par Value Outstanding</u> |
|---|--------------------------|----------------------------------|
| Revenue Financing System Revenue Bonds Series 2002 | 2013 | \$ 4,600,000.00 |
| Revenue Financing System Revenue and Refunding Bonds Series 2003 | 2013 | 4,945,000.00 |
| Total | | <u>\$ 9,545,000.00</u> |

Year
Ended
8-31-2014
(UNAUDITED)

Midwestern State University

Unaudited

Midwestern State University Schedule 2F - Early Extinguishment and Refunding For the Fiscal Year Ended August 31, 2014

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Business Type Activities

| <u>Description of Issue</u> | <u>Category</u> | <u>Amount Extinguished or Refunded</u> | <u>Refunded Issued Par Value</u> | <u>Cash Flow Increase (Decrease)</u> | <u>Economic Gain/(Loss)</u> |
|-----------------------------|-----------------|--|--|--|---------------------------------|
|-----------------------------|-----------------|--|--|--|---------------------------------|

None for the Year Ended August 31, 2014

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Year
Ended
8-31-2014
(UNAUDITED)

Midwestern State University

Unaudited

Midwestern State University
Schedule 3 - Reconciliation of Cash in State Treasury
For the Years Ended August 31

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| Cash in State Treasury | Unrestricted | Restricted | Current Year 2014 | Prior Year 2013 |
|---|----------------|------------|----------------------|-----------------|
| General Revenue - Dedicated Fund 0264 | \$4,377,642.15 | | \$4,377,642.15 | \$4,508,478.78 |
| Special Mineral Fund - Fund 0412 | 16,688.41 | | 16,688.41 | |
| Total Cash in State Treasury (Stmt of Net Assets) | \$4,394,330.56 | | \$4,394,330.56 | \$4,508,478.78 |


Year
Ended
8-31-2014
(UNAUDITED)



Business Affairs and Finance
3410 Taft Boulevard Wichita Falls, Texas 76308-2099
o 940.397.4117 f 940.397.4302

To: Jesse Rogers, President
Midwestern State University

Board of Regents
Midwestern State University

From: Marilyn Fowlé 
Vice President for Business Affairs and Finance
Midwestern State University

SUBJECT: Financial Report – December 31, 2014

Enclosed is the unaudited financial report for Midwestern State University for the four months ended December 31, 2014. Total revenue for the institution, \$38.4M, is up 8.5% compared to the same period last year with largest changes realized in gifts (up \$1.3M), other grants and contracts (up \$.7M), tuition and fees (up \$.6M), and auxiliary enterprises (up \$.5M). Operating expenses have increased from \$37.4M to \$40.7M, an increase of \$3.3M from last year. The largest portion of this change, \$1M, was an increase in depreciation, mostly due to the large software donation last fiscal year. The next largest increase was in repairs and maintenance (\$.9M), most of which was the software maintenance gift-in-kind caused by the same donation mentioned above. Salaries and wages increased by 5.1%, \$.6M with a requisite 7.8% increase in payroll related costs, \$.3M, including an increase in the cost of health insurance. The institution invested heavily in providing financial aid to students to boost enrollment, and contributed another \$.5M in scholarships, 6.1%. The largest decrease was seen in professional fees and services, down \$.2M, 9.6%).

Schedule 2 provides a comparison of original budgets with adjusted budgets and actuals through December 31, 2013, by fund type. The comparison of budgeted total revenue shows 83.6% of revenues have been received with eight months remaining in the fiscal year. Expenses are spot-on to the expense budget, with 33.2% expended and 33.3% of the year complete. The university expects to be very close to its budgeted revenue, but will need about \$2.2M in budgeted reserves to cover expenses. Schedule 4 reflects the use of fund balances by fund type if all budgeted funds are spent and does not necessarily reflect what will actually be expended. Even if all the budgeted funds were spent, the university would still have \$6.7M in reserves in various accounts. As of the December report, the budget plan is being closely adhered to for FY15.

Operating and Non-Operating Revenue

Operating revenues for the institution are up 6.3% from last year, with increases seen across all categories except state grants. The largest increase is seen in Other Grants and Contracts, \$659K, because of \$500,000 in McCoy grants for engineering and various grants from the West Foundation primarily in Education. The next largest increase was seen in student tuition and fees due to modest increases in the fixed tuition plan and fee rates, even with flat enrollments, \$638K, 4.8%. As mentioned at the November meeting, the university was slightly short of its budgeted enrollment targets, but because of the mix of enrollment, the negative effect on revenue was minimal. Auxiliary Sales and Services were also up over \$500K. This category includes additional students in the university housing from the large freshmen and sophomore classes, many of which are in over-flow housing off-campus.

Non-operating revenues saw flat state appropriations as to be expected in the second year of the biennium. Gifts increased by 47.9% from this period last year, \$1.3M, with most of this from the \$915K in software maintenance gift-in-kind that accompanies the large software donation made last year. The rest of the increase is from three estate donations to the university. Investment income was also a little ahead of last year, given that the university did not begin investing with Texas A&M University System until October 2013, therefore did not realize a full four months of increased investment income last year in comparison. Overall, operating and non-operating revenues increased from \$35.4M to \$38.4M, a difference of \$3M, 8.5% over the prior year-to-date numbers.

Operating Expenditures

Schedule 1 shows that total operating expenses have increased from \$37.4M to \$40.7M, an increase of \$3.3M. This represents a 8.8% increase, with most of the increase in the non-cash expense of depreciation, \$1M. Repairs and maintenance increased by \$913K, again from a non-cash expense of software maintenance that was provided as a gift-in-kind on the educational software package that was donated from a corporation last year. Salary and wages increased by almost \$635K, 5.1% due to pay increases and new positions paid from restricted funds. Other expenses that increased over the prior year include payroll-related costs for health insurance increases, especially for retirees, of \$290K, 7.8%. Scholarships also increased 6.1%, \$553K, mostly because of the merit scholarship program that will continue to grow as the university continues to bring in large freshmen classes. Professional fees and services decreased by \$219K, (9.6%) from the previous year due to the termination of the Chinese recruitment program of private high school students with their pass-through revenue and expenses and \$60K less in Noel Levitz recruiting consulting expenses spent last year. Rentals and leases were up because of an increase in contracted overflow housing from the previous year.

Schedule 2 compares four months of budgeted expenditures (33.3%) to actual and reflects an average expenditure pattern that matches expectations almost exactly. Overall the university is right on target at 33.2%, with slight variances from that average on individual line items. The most significant savings is seen in utilities with the mild fall weather and the reduction in water use (22%). Next is in the

maintenance and operations at 26.4%. Maintenance and operations is where most departments carry their department "reserves" and will carry forward funds in this category from one year to the next. It is therefore not surprising that expenses would be below expectations as the departments hold back some of the budgeted funds. Scholarships (45.5%) and Non-student wages (43.7%) are significantly above expectations. Scholarships are front-loaded into the fall and spring semesters with few offered in the summer. Non-student wages are higher because athletic events are also front-loaded in the fall with football and basketball seasons. This year also had a substantial retention bonus for one head coach. The other categories are within a few percentage points of expectations.

Summary

The institution's Fiscal Year 2015 budget is tracking closely to the original plan the Board approved last August. This plan invested in strategic priorities with the use of \$2.2M in targeted reserves. The university provided \$1M in faculty and staff raises and continued an aggressive recruiting program with the matching merit scholarship program for freshmen. Graduate enrollment is up over last fall with new graduate programs being offered. The institution has been fortunate to continue to receive substantial external gift and grant support of its programs. As the legislative session begins to determine funding for FY16 and FY17, the emphasis at the university will remain on maximizing revenues and holding costs at or below budget for FY15. The university understands that without significant increases in appropriations, the current level of budgeted expenditures may not be sustainable into FY16.

**Midwestern State University
Wichita Falls, Texas**

**Financial Report
(Unaudited)
For the Four Months Ended December 31, 2014**

| Unaudited | | | | | | | Schedule 1 | |
|---|---------------------|-------------------|-----------------------|---------------|-----------------------|---------------|---------------------|--------------|
| Midwestern State University | | | | | | | | |
| Comparison of Operating Results and Margin | | | | | | | | |
| For the Four Months Ended December 31, 2014 | | | | | | | | |
| (With Comparative Totals for the Four Months Ended December 31, 2013) | | | | | | | | |
| | Actual | Actual | YTD | | YTD | | | % |
| | Dec., 2014 | Dec., 2013 | Dec., 2014 | % | Dec., 2013 | % | Variance | Var. |
| Operating Revenues: | | | | | | | | |
| Student tuition and fees | \$ 3,475,620 | \$ 3,307,788 | \$ 13,869,748 | 36.1% | \$ 13,231,647 | 37.4% | \$ 638,101 | 4.8% |
| Federal Grants | 38,615 | 49,751 | 4,331,365 | 11.3% | 4,308,361 | 12.2% | 23,004 | 0.5% |
| State Grants | 14,000 | | 1,702,104 | 4.4% | 2,130,226 | 6.0% | (428,122) | -20.1% |
| Other Grants and Contracts | 155,000 | (24,567) | 828,411 | 2.2% | 168,902 | 0.5% | 659,509 | 390.5% |
| Sales & Serv. of Educational Activities | 23,376 | 30,987 | 213,253 | 0.6% | 216,353 | 0.6% | (3,100) | -1.4% |
| Sales & Serv. of Auxiliary Enterprises | 849,824 | 721,699 | 3,642,368 | 9.5% | 3,139,265 | 8.9% | 503,103 | 16.0% |
| Other Operating Revenue | 114,616 | 106,514 | 816,462 | 2.1% | 693,185 | 2.0% | 123,277 | 17.8% |
| Total Operating Revenues | 4,671,052 | 4,192,172 | 25,403,710 | 66.1% | 23,887,939 | 67.4% | 1,515,771 | 6.3% |
| Nonoperating Revenues: | | | | | | | | |
| State Appropriations | 1,417,681 | 1,420,141 | 5,670,725 | 14.8% | 5,680,564 | 16.0% | (9,839) | -0.2% |
| Additional State Appropriations | 428,663 | 439,955 | 1,714,486 | 4.5% | 1,705,973 | 4.8% | 8,513 | 0.5% |
| Gifts | 1,131,127 | 704,616 | 4,110,523 | 10.7% | 2,778,959 | 7.8% | 1,331,564 | 47.9% |
| Investment Income | 93,732 | 43,449 | 345,026 | 0.9% | 177,014 | 0.5% | 168,012 | 94.9% |
| Other Nonoperating Revenue | 3,800 | | 3,878 | 0.0% | | 0.0% | | 0.0% |
| Gain on Sale of Asset | | | | 0.0% | | 0.0% | | |
| Total Nonoperating Revenue | 3,075,003 | 2,608,161 | 11,844,638 | 30.8% | 10,342,510 | 29.2% | 1,498,250 | 14.5% |
| Other Revenues (HEAF Appropriation) | 296,619 | 296,619 | 1,186,478 | 3.1% | 1,186,476 | 3.4% | | 0.0% |
| TOTAL ALL REVENUES | 8,042,674 | 7,096,952 | 38,434,826 | 100.0% | 35,416,925 | 100.0% | 3,014,021 | 8.5% |
| Operating Expenses: | | | | | | | | |
| Salaries and Wages | 3,240,778 | 3,079,036 | 13,055,299 | 32.1% | 12,419,330 | 33.2% | 635,969 | 5.1% |
| Payroll Related Costs | 1,002,899 | 935,025 | 4,015,962 | 9.9% | 3,725,562 | 10.0% | 290,400 | 7.8% |
| Professional Fees and Services | 200,913 | 328,361 | 2,061,586 | 5.1% | 2,281,316 | 6.1% | (219,730) | -9.6% |
| Travel | 97,872 | 84,970 | 456,882 | 1.1% | 467,148 | 1.2% | (10,266) | -2.2% |
| Materials and Supplies | 239,284 | 363,898 | 2,564,715 | 6.3% | 2,647,765 | 7.1% | (83,050) | -3.1% |
| Communications and Utilities | 139,846 | 216,605 | 704,448 | 1.7% | 785,049 | 2.1% | (80,601) | -10.3% |
| Repairs and Maintenance | 140,359 | 321,363 | 1,955,546 | 4.8% | 1,041,746 | 2.8% | 913,800 | 87.7% |
| Rentals and Leases | 11,247 | 45,329 | 655,341 | 1.6% | 374,878 | 1.0% | 280,463 | 74.8% |
| Printing and Reproduction | 13,166 | 22,940 | 175,954 | 0.4% | 137,776 | 0.4% | 38,178 | 27.7% |
| Bad Debt Expense | 29,167 | 27,082 | 116,667 | 0.3% | 108,328 | 0.3% | 8,338 | |
| Interest | 16 | 141 | 132 | 0.0% | 239 | 0.0% | (107) | |
| Depreciation | 1,083,333 | 825,000 | 4,333,333 | 10.6% | 3,300,000 | 8.8% | 1,033,333 | 31.3% |
| Scholarships | 86,229 | 79,296 | 9,591,015 | 23.6% | 9,037,648 | 24.2% | 553,367 | 6.1% |
| Total Operating Expenses | 6,285,107 | 6,329,046 | 39,686,880 | 97.5% | 36,326,785 | 97.1% | 3,360,095 | 9.2% |
| Interest Expense on Debt | 252,470 | 268,522 | 1,009,880 | 2.5% | 1,074,088 | 2.9% | (64,208) | -6.0% |
| TOTAL EXPENDITURES | 6,537,577 | 6,597,568 | 40,696,760 | 100.0% | 37,400,873 | 100.0% | 3,295,887 | 8.8% |
| EXCESS (DEFICIT) OF REVENUES | | | | | | | | |
| OVER EXPENDITURES | 1,505,097 | 499,384 | (2,261,934) | | (1,983,948) | | (277,986) | |
| Capital Contributions | | 20,000 | 62,000 | | 20,000 | | 42,000 | |
| Additions to Endowments | 12,166 | 4,899 | 21,344 | | 23,846 | | (2,502) | |
| Transfers In | | | | | | | | |
| Transfers Out | (47,400) | (38,761) | (189,600) | | (318,737) | | 129,137 | |
| TOTAL INCREASE (DECREASE) | | | | | | | | |
| IN NET ASSETS | \$ 1,469,863 | \$ 485,522 | \$ (2,368,190) | | \$ (2,258,839) | | \$ (109,351) | |

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the Four Months Ended December 31, 2014

| | <u>Original Budget</u> | <u>Adjusted Budget</u> | <u>Actual Year to Date</u> | <u>(Over) Under Budget</u> | <u>% of Budget Completed</u> | <u>% of Year Completed</u> |
|---|----------------------------|----------------------------|--------------------------------|--------------------------------|--------------------------------------|------------------------------------|
| Educational & General Funds: | | | | | | |
| Revenues: | | | | | | |
| State Appropriations | \$ 25,714,571 | \$ 25,714,571 | \$ 25,746,689 | \$ (32,118) | 100.1% | 33.3% |
| Registration Tuition and Fees | 7,804,934 | 7,793,999 | 6,483,308 | 1,310,691 | 83.2% | 33.3% |
| Sales and Services Educational | 225 | 225 | 175 | 50 | 77.8% | 33.3% |
| State Operating Grants | | | | | | 33.3% |
| Other Operating Revenues | 16,000 | 16,000 | 5,275 | 10,725 | 33.0% | 33.3% |
| Other Nonoperating Revenues | | 78 | 78 | | | 33.3% |
| Investment Income | 25,500 | 25,500 | 8,679 | 16,821 | 34.0% | 33.3% |
| Total Revenues | \$ 33,561,230 | \$ 33,550,373 | \$ 32,244,204 | \$ 1,306,170 | 96.1% | 33.3% |
| Expenditures: | | | | | | |
| Regular Salaries | \$ 5,791,120 | \$ 5,787,100 | \$ 1,971,342 | \$ 3,815,758 | 34.1% | 33.3% |
| Faculty Salaries | 14,397,363 | 14,397,363 | 4,915,062 | 9,482,301 | 34.1% | 33.3% |
| Student Salaries | | 31,126 | 19,755 | 11,371 | 63.5% | 33.3% |
| Non-Student Wages and Allowances | | 14,550 | 6,312 | 8,238 | 43.4% | 33.3% |
| Fringe Benefits | 7,940,930 | 7,941,580 | 2,548,544 | 5,393,036 | 32.1% | 33.3% |
| Maintenance and Operations | 52,579 | 4,054,371 | 795,606 | 3,258,765 | 19.6% | 33.3% |
| Utilities | 1,875,000 | 1,875,000 | 387,130 | 1,487,870 | 20.7% | 33.3% |
| Capital Outlay (HEAF) | 3,559,433 | 1,249,567 | 636,196 | 613,371 | 50.9% | 33.3% |
| Scholarships | | 78 | | 78 | 0.0% | 33.3% |
| Total Expenditures | \$ 33,616,425 | \$ 35,350,735 | \$ 11,279,946 | \$ 24,070,788 | 31.9% | 33.3% |
| Designated Funds: | | | | | | |
| Revenues: | | | | | | |
| Registration Tuition and Fees | \$ 33,348,807 | \$ 33,677,286 | \$ 28,584,975 | \$ 5,092,311 | 84.9% | 33.3% |
| Other Operating Grants and Contracts | | | | - | | 33.3% |
| Sales and Services Educational | 760,921 | 776,156 | 211,070 | 565,086 | 27.2% | 33.3% |
| Other Operating Revenues | 1,348,662 | 1,659,000 | 762,277 | 896,723 | 46.0% | 33.3% |
| Gifts | 271,906 | 508,464 | 432,024 | 76,440 | 85.0% | 33.3% |
| Other Nonoperating Revenues | | | | - | | 33.3% |
| Investment Income | 750,000 | 750,298 | 326,589 | 423,710 | 43.5% | 33.3% |
| Total Revenues | \$ 36,480,296 | \$ 37,371,204 | \$ 30,316,935 | \$ 7,054,269 | 81.1% | 33.3% |
| Expenditures: | | | | | | |
| Regular Salaries | \$ 10,066,827 | \$ 10,000,730 | \$ 3,317,226 | \$ 6,683,504 | 33.2% | 33.3% |
| Faculty Salaries | 3,087,065 | 3,058,798 | 783,496 | 2,275,303 | 25.6% | 33.3% |
| Grad Assistant Salaries | 995,914 | 1,011,914 | 397,840 | 614,074 | 39.3% | 33.3% |
| Student Salaries | 1,176,310 | 1,165,554 | 377,269 | 788,285 | 32.4% | 33.3% |
| Non-Student Wages and Allowances | 540,909 | 630,074 | 236,338 | 393,735 | 37.5% | 33.3% |
| Fringe Benefits | 4,111,897 | 4,084,403 | 1,222,807 | 2,861,595 | 29.9% | 33.3% |
| Maintenance and Operations | 6,256,255 | 11,823,883 | 3,391,599 | 8,432,284 | 28.7% | 33.3% |
| Travel | 1,024,292 | 1,126,441 | 359,516 | 766,925 | 31.9% | 33.3% |
| Utilities | 301,026 | 302,251 | 70,884 | 231,366 | 23.5% | 33.3% |
| Capital Outlay | 700,994 | 446,162 | 15,680 | 430,482 | 3.5% | 33.3% |
| Scholarships | 5,332,549 | 5,213,569 | 2,339,340 | 2,874,229 | 44.9% | 33.3% |
| Total Expenditures | \$ 33,594,038 | \$ 38,863,779 | \$ 12,511,997 | \$ 26,351,783 | 32.2% | 33.3% |
| Transfers from Plant Funds | \$ 7,200 | * | | | | |

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the Four Months Ended December 31, 2014

Auxiliary Funds:**Revenues:**

| | | | | | | |
|--------------------------------|----------------------|----------------------|---------------------|-------------------|--------------|--------------|
| Sales and Services Auxiliaries | \$ 10,356,852 | \$ 10,367,062 | \$ 9,403,167 | \$ 963,895 | 90.7% | 33.3% |
| Registration Tuition and Fees | 158,509 | 158,509 | 130,086 | 28,423 | 82.1% | 33.3% |
| Other Operating Revenues | | 3,900 | 5,037 | (1,137) | | 33.3% |
| Total | \$ 10,515,361 | \$ 10,529,471 | \$ 9,538,290 | \$ 991,182 | 90.6% | 33.3% |

Expenditures:

| | | | | | | |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|--------------|--------------|
| Regular Salaries | \$ 1,153,648 | \$ 1,153,648 | \$ 384,293 | \$ 769,355 | 33.3% | 33.3% |
| Grad Assistant Salaries | 36,000 | 36,000 | | 36,000 | 0.0% | 33.3% |
| Student Salaries | 332,767 | 332,767 | 116,068 | 216,699 | 34.9% | 33.3% |
| Non-Student Wages and Allowances | 24,000 | 28,392 | 9,215 | 19,177 | 32.5% | 33.3% |
| Fringe Benefits | 435,217 | 435,217 | 136,920 | 298,297 | 31.5% | 33.3% |
| Maintenance and Operations | 4,175,039 | 4,336,938 | 2,040,494 | 2,296,445 | 47.1% | 33.3% |
| Travel | 22,533 | 22,533 | 5,201 | 17,332 | 23.1% | 33.3% |
| Utilities | 977,450 | 1,000,953 | 246,049 | 754,904 | 24.6% | 33.3% |
| Capital Outlay | 50,500 | 50,500 | | 50,500 | 0.0% | 33.3% |
| Scholarships | 5,000 | 5,000 | 7,230 | (2,230) | 144.6% | 33.3% |
| Total | \$ 7,212,154 | \$ 7,401,949 | \$ 2,945,470 | \$ 4,456,478 | 39.8% | 33.3% |

Restricted Funds:**Revenues:**

| | | | | | | |
|--------------------------------------|----------------------|----------------------|----------------------|---------------------|--------------|--------------|
| Sales and Services Educational | \$ 10,000 | \$ 10,000 | \$ 2,055 | \$ 7,945 | 20.6% | 33.3% |
| Federal Operating Grants | 585,275 | 585,275 | 200,063 | 385,212 | 34.2% | 33.3% |
| State Operating Grants | 3,531,667 | 3,531,667 | 1,670,978 | 1,860,689 | 47.3% | 33.3% |
| Other Operating Grants and Contracts | 1,750,000 | 1,750,000 | 828,411 | 921,589 | 47.3% | 33.3% |
| Other Operating Revenues | 88,050 | 88,050 | 26,267 | 61,783 | 29.8% | 33.3% |
| Federal Nonoperating Grants | 8,500,000 | 8,500,000 | 4,131,302 | 4,368,698 | 48.6% | 33.3% |
| Other Nonoperating Revenues | | | | | | 33.3% |
| Gifts | 2,820,926 | 2,820,926 | 3,548,739 | (727,813) | 125.8% | 33.3% |
| Investment Income | 25,000 | 25,000 | 8,612 | 16,388 | 34.5% | 33.3% |
| Total | \$ 17,310,918 | \$ 17,310,918 | \$ 10,416,426 | \$ 6,894,492 | 60.2% | 33.3% |

Expenditures:

| | | | | | | |
|----------------------------------|----------------------|----------------------|---------------------|----------------------|--------------|--------------|
| Regular Salaries | \$ 221,214 | \$ 258,187 | \$ 62,406 | \$ 195,781 | 24.2% | 33.3% |
| Faculty Salaries | 1,131,623 | 1,135,512 | 270,676 | 864,836 | 23.8% | 33.3% |
| Student Salaries | 294,852 | 296,577 | 61,099 | 235,478 | 20.6% | 33.3% |
| Non-Student Wages and Allowances | 52,661 | 192,855 | 126,901 | 65,954 | 65.8% | 33.3% |
| Fringe Benefits | 383,445 | 397,567 | 107,690 | 289,877 | 27.1% | 33.3% |
| Maintenance and Operations | 577,618 | 8,116,402 | 1,251,046 | 6,865,356 | 15.4% | 33.3% |
| Travel | 41,250 | 239,738 | 91,436 | 148,302 | 38.1% | 33.3% |
| Utilities | 414 | 3,142 | 385 | 2,757 | 12.3% | 33.3% |
| Capital Outlay | 152,320 | 371,411 | 19,906 | 351,504 | 5.4% | 33.3% |
| Scholarships | 12,796,010 | 15,866,645 | 7,244,445 | 8,622,200 | 45.7% | 33.3% |
| Total | \$ 15,651,407 | \$ 26,878,035 | \$ 9,235,990 | \$ 17,642,045 | 34.4% | 33.3% |

| | | | | | | |
|---|----------------------|-----------------------|----------------------|----------------------|--------------|--------------|
| Total Current Operating Funds Revenues | \$ 97,867,805 | \$ 98,761,966 | \$ 82,515,854 | \$ 16,246,112 | 83.6% | 33.3% |
| Total Current Operating Funds Expenditures | \$ 90,074,024 | \$ 108,494,497 | \$ 35,973,403 | \$ 72,521,094 | 33.2% | 33.3% |

Unaudited

Schedule 2
Summary

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the Four Months Ended December 31, 2014

| | <u>Adjusted Budget</u> | <u>Actual Year to Date</u> | <u>(Over) Under Budget</u> | <u>% of Budget Completed</u> | <u>% of Year Completed</u> |
|---|----------------------------|--------------------------------|--------------------------------|--------------------------------------|------------------------------------|
| <u>Total Revenues</u> | | | | | |
| State Appropriations | \$ 25,714,571 | \$ 25,746,689 | \$ (32,118) | 100.1% | 33.3% |
| Registration Tuition and Fees | 41,629,794 | 35,198,369 | 6,431,425 | 84.6% | 33.3% |
| Sales and Services Educational | 786,381 | 213,300 | 573,081 | 27.1% | 33.3% |
| Sales and Services Auxiliary | 10,367,062 | 9,403,167 | 963,895 | 90.7% | 33.3% |
| Federal Operating Grants (Restricted fds) | 585,275 | 200,063 | 385,212 | 34.2% | 33.3% |
| Federal Nonoperating Grants | 8,500,000 | 4,131,302 | 4,368,698 | 48.6% | 33.3% |
| Other State Grants & Contracts | 3,531,667 | 1,670,978 | 1,860,689 | 47.3% | 33.3% |
| Other Operating Grants and Contracts | 1,750,000 | 828,411 | 921,589 | 47.3% | 33.3% |
| Gifts | 3,329,390 | 3,980,763 | (651,373) | 119.6% | 33.3% |
| Other Operating Revenues | 1,766,950 | 798,855 | 968,095 | 45.2% | 33.3% |
| Other Nonoperating Revenues | - | - | - | | 33.3% |
| Investment Income | 800,798 | 343,880 | 456,919 | 42.9% | 33.3% |
| Total Revenues | \$ 98,761,888 | \$ 82,515,776 | \$ 16,246,112 | 83.6% | 33.3% |
| <u>Total Expenditures</u> | | | | | |
| Regular Salaries | \$ 17,199,666 | \$ 5,735,267 | \$ 11,464,399 | 33.4% | 33.3% |
| Faculty Salaries | 18,591,673 | 5,969,233 | 12,622,440 | 32.1% | 33.3% |
| Graduate Assistant Salaries | 1,047,914 | 397,840 | 650,074 | 38.0% | 33.3% |
| Student Salaries | 1,826,024 | 574,192 | 1,251,833 | 31.4% | 33.3% |
| Non-Student Wages and Allowances | 865,870 | 378,766 | 487,104 | 43.7% | 33.3% |
| Fringe Benefits | 12,858,766 | 4,015,962 | 8,842,805 | 31.2% | 33.3% |
| Maintenance and Operations | 28,331,594 | 7,478,744 | 20,852,850 | 26.4% | 33.3% |
| Travel | 1,388,712 | 456,154 | 932,558 | 32.9% | 33.3% |
| Utilities | 3,181,346 | 704,448 | 2,476,898 | 22.1% | 33.3% |
| Capital Outlay | 2,117,639 | 671,782 | 1,445,857 | 31.7% | 33.3% |
| Scholarships | 21,085,292 | 9,591,015 | 11,494,277 | 45.5% | 33.3% |
| Total Expenditures | \$ 108,494,497 | \$ 35,973,403 | \$ 72,521,094 | 33.2% | 33.3% |
| Total Current Operating Funds Revenues | \$ 98,761,888 | \$ 82,515,776 | \$ 16,246,112 | 83.6% | 33.3% |
| Total Current Operating Funds Expenditures | \$ 108,494,497 | \$ 35,973,403 | \$ 72,521,094 | 33.2% | 33.3% |

Reconciliation to Adjusted Budget:

| | |
|--|-----------------------|
| Original Budget | \$ 99,883,979 |
| Includes Fund Transfers from Plant Funds | 7,200 * |
| Budgets increased with additional revenue | 2,366,423 |
| Debt Service | (8,074,807) |
| Prior yr. unexpended budgets carried forward | 14,311,702 |
| Reconciled to original/adjusted budgets | <u>\$ 108,494,497</u> |

*Bus sale proceeds transferred to bus services account

MIDWESTERN STATE UNIVERSITY
COMPARISON OF BUDGETED REVENUE TO ACTUAL REVENUE
FOR THE FOUR MONTHS ENDED DECEMBER 31, 2014

| Revenue Source | FALL | | | SPRING* | | | SUMMER | | | TOTAL | | |
|--|----------------------|----------------------|---------------------|----------------------|----------------------|-----------------------|---------------------|---------------|-----------------------|----------------------|----------------------|-----------------------|
| | Fall Budget | Fall Actual | Over (Under) Budget | Spring Budget | Spring Actual | Over (Under) Budget | Summer Budget | Summer Actual | Over (Under) Budget | Total Revenue Budget | Total Actual Revenue | Over (Under) Budget |
| EDUCATIONAL & GENERAL: | | | | | | | | | | | | |
| Tuition | \$ 3,563,669 | \$ 3,548,684 | \$ (14,985) | \$ 3,311,887 | \$ 2,892,624 | \$ (419,263) | \$ 877,384 | | \$ (877,384) | \$ 7,752,940 | \$ 6,441,308 | \$ (1,311,632) |
| Audit Fees | 50 | 175 | 125 | 100 | | (100) | 75 | | (75) | 225 | 175 | (50) |
| Applied Music Fees | 5,726 | 5,495 | (231) | 5,209 | 3,080 | (2,129) | | | - | 10,935 | 8,575 | (2,360) |
| Laboratory Fees | 18,140 | 19,730 | 1,590 | 18,725 | 17,170 | (1,555) | 4,194 | | (4,194) | 41,059 | 36,900 | (4,159) |
| Total Educational & General | 3,587,585 | 3,574,084 | (13,501) | 3,335,921 | 2,912,874 | (423,047) | 881,653 | - | (881,653) | 7,805,159 | 6,486,958 | (1,318,201) |
| DESIGNATED: | | | | | | | | | | | | |
| Local Tuition | 7,546,324 | 7,503,416 | (42,908) | 6,965,905 | 6,407,213 | (558,693) | 1,766,071 | | (1,766,071) | 16,278,300 | 13,910,628 | (2,367,672) |
| Tier II Tuition | 254,100 | 238,840 | (15,260) | 269,500 | 133,000 | (136,500) | 47,320 | | (47,320) | 570,920 | 371,840 | (199,080) |
| Distance Learning Tuition | 50,500 | 42,025 | (8,475) | 50,000 | 32,650 | (17,350) | 35,000 | | (35,000) | 135,500 | 74,675 | (60,825) |
| Three Peat Tuition | 100,000 | 77,325 | (22,675) | 89,000 | 45,750 | (43,250) | 21,000 | | (21,000) | 210,000 | 123,075 | (86,925) |
| Student Union Fee | 190,012 | 189,951 | (61) | 175,854 | 156,560 | (19,294) | 56,831 | | (56,831) | 422,697 | 346,511 | (76,186) |
| Instructional Enhancement Fee | 1,192,149 | 1,174,336 | (17,813) | 1,100,456 | 1,032,005 | (68,451) | 278,999 | | (278,999) | 2,571,604 | 2,206,341 | (365,263) |
| Distance Learning Fee | 506,613 | 488,513 | (18,101) | 458,888 | 480,550 | 21,662 | 299,499 | | (299,499) | 1,265,000 | 969,063 | (295,938) |
| Application Fee | 21,000 | 21,726 | 726 | 65,000 | 48,156 | (16,844) | 38,595 | | (38,595) | 124,595 | 69,882 | (54,713) |
| Recreation Center Fee | 540,618 | 570,197 | 29,579 | 500,354 | 469,680 | (30,674) | 177,954 | | (177,954) | 1,218,926 | 1,039,877 | (179,050) |
| Athletic Fee | 581,293 | 575,391 | (5,903) | 536,145 | 482,640 | (53,505) | 68,545 | | (68,545) | 1,185,983 | 1,058,031 | (127,953) |
| University Services Fee | 3,448,679 | 3,519,172 | 70,493 | 3,173,577 | 2,967,963 | (205,614) | 807,078 | | (807,078) | 7,429,334 | 6,487,136 | (942,198) |
| Student Service Fee | 1,044,063 | 1,030,680 | (13,383) | 967,270 | 839,961 | (127,310) | 244,610 | | (244,610) | 2,255,943 | 1,870,640 | (385,303) |
| Total Designated Funds | 15,475,351 | 15,431,570 | (43,781) | 14,351,949 | 13,096,127 | (1,255,822) | 3,841,502 | - | (3,841,502) | 33,668,802 | 28,527,697 | (5,141,105) |
| AUXILIARY: | | | | | | | | | | | | |
| Student Center Fee | 71,245 | 71,376 | 131 | 65,945 | 58,710 | (7,235) | 21,312 | | (21,312) | 158,502 | 130,086 | (28,416) |
| Parking Permits & Fines | 209,750 | 210,630 | 880 | 95,750 | | (95,750) | 32,500 | | (32,500) | 338,000 | 210,630 | (127,370) |
| Residence Halls: | | | | | | | | | | | | |
| Killingsworth | 524,180 | 519,143 | (5,037) | 513,740 | 452,010 | (61,730) | 22,900 | | (22,900) | 1,060,820 | 971,153 | (89,667) |
| Pierce | 394,250 | 392,117 | (2,133) | 370,310 | 349,530 | (20,780) | 18,050 | | (18,050) | 782,610 | 741,647 | (40,963) |
| Sunwatcher Village | 925,200 | 938,434 | 13,234 | 920,225 | 922,560 | 2,335 | 122,555 | | (122,555) | 1,967,980 | 1,860,994 | (106,986) |
| Sundance Court | 782,250 | 806,033 | 23,783 | 775,740 | 792,880 | 17,140 | 200,930 | | (200,930) | 1,758,920 | 1,598,913 | (160,008) |
| McCullough-Trigg | 283,975 | 293,571 | 9,596 | 282,220 | 295,775 | 13,555 | 7,600 | | (7,600) | 573,795 | 589,346 | 15,551 |
| Housing Overflow | 524,100 | 510,271 | (13,829) | 524,100 | 508,800 | (15,300) | | | | 1,048,200 | 1,019,071 | (29,129) |
| Bridwell Courts | 76,263 | 84,072 | 7,809 | 76,212 | 88,650 | 12,438 | 28,988 | | (28,988) | 181,463 | 172,722 | (8,741) |
| Food Service | 1,137,656 | 1,094,088 | (43,568) | 995,012 | 983,112 | (11,900) | 23,796 | | (23,796) | 2,156,464 | 2,077,199 | (79,265) |
| Total Auxiliary Funds | 4,928,869 | 4,919,733 | (9,136) | 4,619,254 | 4,452,027 | (167,227) | 478,631 | - | (478,631) | 10,026,754 | 9,371,760 | (654,994) |
| Total all Funds | \$ 23,991,805 | \$ 23,925,388 | \$ (66,417) | \$ 22,307,124 | \$ 20,461,028 | \$ (1,846,096) | \$ 5,201,786 | \$ - | \$ (5,201,786) | \$ 51,500,715 | \$ 44,386,416 | \$ (7,114,299) |
| *Early registration through 12/31 | | | | | | | | | | | | |
| Headcount Enrollment | 5,975 | 5,874 | (101) | 5,530 | | | 3,574 | | (3,574) | 15,079 | | (15,079) |
| Semester Credit Hours | 68,115 | 67,275 | (840) | 62,876 | | (62,876) | 15,941 | | (15,941) | 146,932 | | (146,932) |

Unaudited

Schedule 4

Midwestern State University
Changes in Available Working Capital
For the Four Months Ended December 31, 2014

| <u>Source/Use Of Funds</u> | <u>09/01/14 Beginning Balance</u> | <u>Increase/ (Decrease)</u> | <u>12/31/14 Ending Balance</u> |
|---------------------------------------|---|---------------------------------|--|
| E & G Unallocated | \$ 2,388,637 | | |
| Commitment to FY 14-15 Budget | | \$ (1,302,539) | \$ 1,086,098 |
| HEAF Unallocated | 214,917 | | |
| Commitment to FY 14-15 Budget | | - | |
| Museum framing equipment | | (18,500) | |
| Prothro-Yeager 201 renovation | | (31,900) | 164,517 |
| E&G - Mineral Fund | - | | |
| Royalty Income | | 5,726 | 5,726 |
| Technology Fee | 67,664 | | |
| Commitment to FY 14-15 Budget | | - | 67,664 |
| Library Fees | 315 | | |
| Commitment to FY 14-15 Budget | | - | 315 |
| Publication Fees | 14,614 | | |
| Commitment to FY 14-15 Budget | | - | 14,614 |
| Wellness Center Fees | 50,113 | | |
| Commitment to FY 14-15 Budget | | - | 50,113 |
| Student Service Fees | 797,608 | | |
| Commitment to FY 14-15 Budget | | (120,827) | |
| Funding for cheerleading nationals | | (17,680) | 659,101 |
| Medical Services Fee | 1,274 | | |
| Commitment to FY 14-15 Budget | | - | 1,274 |
| Student Union Fee | (20,668) | | |
| Budget transfers in process | | 20,668 | (0) |
| Course Fees | 527,014 | | |
| Commitment to FY 14-15 Budget | | (252,557) | 274,457 |
| Instructional Enhancement Fees | 675,416 | | |
| Commitment to FY 14-15 Budget | | - | 675,416 |
| Distance Learning Fee | 507,160 | | |
| Commitment to FY 14-15 Budget | | (465,685) | 41,475 |
| Local Tuition | 2,076,625 | | |
| Commitment to FY 14-15 Budget | | - | 2,076,625 |
| University Services Fee | 781,119 | | |
| Commitment to FY 14-15 Budget | | - | |
| Salaries transferred to E&G funds | | 65,042 | 846,161 |
| Energy Surcharge | 675 | | |
| Commitment to FY 14-15 Budget | | - | 675 |
| Academic Support Fee | 1,660 | | |
| Commitment to FY 14-15 Budget | | - | 1,660 |
| Study Abroad Guest Tuition | 13,110 | | |
| Commitment to FY 14-15 Budget | | - | 13,110 |

Unaudited

Schedule 4

Midwestern State University
Changes in Available Working Capital
For the Four Months Ended December 31, 2014

| <u>Source/Use Of Funds</u> | <u>09/01/14 Beginning Balance</u> | <u>Increase/ (Decrease)</u> | <u>12/31/14 Ending Balance</u> |
|--|---|---------------------------------|--|
| Distance Learning Tuition | 8,598 | | |
| Commitment to FY 14-15 Budget | | (718) | 7,880 |
| Athletic Fee | 50,537 | | |
| Commitment to FY 14-15 Budget | | - | 50,537 |
| Three-Peat Tuition | - | | |
| Commitment to FY 14-15 Budget | | - | - |
| Tier II Tuition | 73,523 | | |
| Budget transfers in process | | (46,580) | 26,943 |
| Recreation Center Fee | 226,012 | | |
| Commitment to FY 14-15 Budget | | (14,400) | 211,612 |
| General Auxiliary | 42,348 | | |
| Commitment to FY 14-15 Budget | | - | 42,348 |
| Plant Fund | 225,633 | | |
| Income from sale of scrap equipment | | 2,772 | |
| Transfer bus sale proceeds to bus services | | (7,200) | |
| Closing costs on land Sim Center land gift | | (7,577) | |
| Closing costs on museum land gift | | (578) | 213,050 |
| Renewal & Replacement Fund | 376,064 | | 376,064 |
| Total | <u>\$ 9,099,966</u> | <u>\$ (2,192,533)</u> | <u>\$ 6,907,433</u> |

**Midwestern State University
Wichita Falls, Texas**

**Financial Report
(Unaudited)
For the Three Months Ended November 30, 2014**

| | | | | | | | | |
|---|---------------------|-------------------|-----------------------|---------------|-----------------------|---------------|-----------------------|--------------|
| Unaudited | | | | | | | Schedule 1 | |
| Midwestern State University Comparison of Operating Results and Margin For the Three Months Ended November 30, 2014 (With Comparative Totals for the Three Months Ended November 30, 2013) | | | | | | | | |
| | Actual | Actual | YTD | | YTD | | | % |
| | Nov., 2014 | Nov., 2013 | Nov., 2014 | % | Nov., 2013 | % | Variance | Var. |
| Operating Revenues: | | | | | | | | |
| Student tuition and fees | \$ 3,464,696 | \$ 3,307,947 | \$ 10,394,127 | 34.2% | \$ 9,923,859 | 35.0% | \$ 470,268 | 4.7% |
| Federal Grants | 85,844 | 121,920 | 4,292,750 | 14.1% | 4,258,609 | 15.0% | 34,141 | 0.8% |
| State Grants | 8,500 | 108,267 | 1,688,104 | 5.6% | 2,130,226 | 7.5% | (442,122) | -20.8% |
| Other Grants and Contracts | 1,224 | 1,878 | 673,411 | 2.2% | 193,469 | 0.7% | 479,942 | 248.1% |
| Sales & Serv. of Educational Activities | 49,645 | 41,602 | 189,877 | 0.6% | 185,366 | 0.7% | 4,511 | 2.4% |
| Sales & Serv. of Auxiliary Enterprises | 828,299 | 713,743 | 2,792,544 | 9.2% | 2,417,566 | 8.5% | 374,978 | 15.5% |
| Other Operating Revenue | 146,022 | 148,075 | 701,846 | 2.3% | 586,671 | 2.1% | 115,175 | 19.6% |
| Total Operating Revenues | 4,584,229 | 4,443,432 | 20,732,658 | 68.2% | 19,695,766 | 69.5% | 1,036,892 | 5.3% |
| Nonoperating Revenues: | | | | | | | | |
| State Appropriations | 1,417,681 | 1,420,141 | 4,253,043 | 14.0% | 4,260,423 | 15.0% | (7,380) | -0.2% |
| Additional State Appropriations | 428,663 | 422,006 | 1,285,823 | 4.2% | 1,266,018 | 4.5% | 19,805 | 1.6% |
| Gifts | 488,535 | 278,391 | 2,979,396 | 9.8% | 2,074,343 | 7.3% | 905,053 | 43.6% |
| Investment Income | 59,092 | 51,632 | 251,295 | 0.8% | 133,565 | 0.5% | 117,730 | 88.1% |
| Other Nonoperating Revenue | | | 78 | 0.0% | | 0.0% | | 0.0% |
| Gain on Sale of Asset | | | | 0.0% | | 0.0% | | |
| Total Nonoperating Revenue | 2,393,971 | 2,172,170 | 8,769,635 | 28.9% | 7,734,349 | 27.3% | 1,035,207 | 13.4% |
| Other Revenues (HEAF Appropriation) | 296,619 | 296,619 | 889,858 | 2.9% | 889,857 | 3.1% | | 0.0% |
| TOTAL ALL REVENUES | 7,274,819 | 6,912,221 | 30,392,151 | 100.0% | 28,319,972 | 100.0% | 2,072,100 | 7.3% |
| Operating Expenses: | | | | | | | | |
| Salaries and Wages | 3,299,896 | 3,137,589 | 9,814,521 | 28.7% | 9,340,293 | 30.3% | 474,228 | 5.1% |
| Payroll Related Costs | 998,194 | 905,810 | 3,013,063 | 8.8% | 2,790,537 | 9.1% | 222,526 | 8.0% |
| Professional Fees and Services | 340,470 | 398,831 | 1,860,674 | 5.4% | 1,952,955 | 6.3% | (92,281) | -4.7% |
| Travel | 126,379 | 90,591 | 359,010 | 1.1% | 382,178 | 1.2% | (23,168) | -6.1% |
| Materials and Supplies | 846,135 | 494,896 | 2,325,431 | 6.8% | 2,283,867 | 7.4% | 41,564 | 1.8% |
| Communications and Utilities | 236,365 | 214,781 | 564,603 | 1.7% | 568,444 | 1.8% | (3,841) | -0.7% |
| Repairs and Maintenance | 296,876 | 101,948 | 1,815,187 | 5.3% | 720,383 | 2.3% | 1,094,804 | 152.0% |
| Rentals and Leases | 30,131 | 74,221 | 644,094 | 1.9% | 329,549 | 1.1% | 314,545 | 95.4% |
| Printing and Reproduction | 45,608 | 26,002 | 162,788 | 0.5% | 114,836 | 0.4% | 47,952 | 41.8% |
| Bad Debt Expense | 29,167 | 27,082 | 87,500 | 0.3% | 81,246 | 0.3% | 6,254 | |
| Interest | 31 | (21) | 117 | 0.0% | 98 | 0.0% | 19 | |
| Depreciation | 1,083,333 | 825,000 | 3,250,000 | 9.5% | 2,475,000 | 8.0% | 775,000 | 31.3% |
| Scholarships | 126,075 | 116,703 | 9,504,786 | 27.8% | 8,958,352 | 29.1% | 546,434 | 6.1% |
| Total Operating Expenses | 7,458,659 | 6,413,434 | 33,401,773 | 97.8% | 29,997,738 | 97.4% | 3,404,035 | 11.3% |
| Interest Expense on Debt | 252,470 | 268,522 | 757,410 | 2.2% | 805,566 | 2.6% | (48,156) | -6.0% |
| TOTAL EXPENDITURES | 7,711,129 | 6,681,956 | 34,159,183 | 100.0% | 30,803,304 | 100.0% | 3,355,879 | 10.9% |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | (436,311) | 230,265 | (3,767,032) | | (2,483,332) | | (1,283,700) | |
| Capital Contributions | | | 62,000 | | | | 62,000 | |
| Additions to Endowments | 2,460 | 11,829 | 9,179 | | 18,947 | | (9,768) | |
| Transfers In | | | | | | | | |
| Transfers Out | (47,400) | (202,455) | (142,200) | | (279,976) | | 137,776 | |
| TOTAL INCREASE (DECREASE) IN NET ASSETS | \$ (481,250) | \$ 39,639 | \$ (3,838,053) | | \$ (2,744,361) | | \$ (1,093,692) | |

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the Three Months Ended November 30, 2014

| | <u>Original Budget</u> | <u>Adjusted Budget</u> | <u>Actual Year to Date</u> | <u>(Over) Under Budget</u> | <u>% of Budget Completed</u> | <u>% of Year Completed</u> |
|--|----------------------------|----------------------------|--------------------------------|--------------------------------|--------------------------------------|------------------------------------|
| <u>Educational & General Funds:</u> | | | | | | |
| <u>Revenues:</u> | | | | | | |
| State Appropriations | \$ 25,714,571 | \$ 25,714,571 | \$ 25,746,689 | \$ (32,118) | 100.1% | 25.0% |
| Registration Tuition and Fees | 7,804,934 | 7,793,999 | 6,393,443 | 1,400,556 | 82.0% | 25.0% |
| Sales and Services Educational | 225 | 225 | 175 | 50 | 77.8% | 25.0% |
| State Operating Grants | | | | | | 25.0% |
| Other Operating Revenues | 16,000 | 16,000 | 4,665 | 11,335 | 29.2% | 25.0% |
| Other Nonoperating Revenues | | 78 | 78 | | | 25.0% |
| Investment Income | 25,500 | 25,500 | 6,998 | 18,502 | 27.4% | 25.0% |
| Total Revenues | \$ 33,561,230 | \$ 33,550,373 | \$ 32,152,048 | \$ 1,398,325 | 95.8% | 25.0% |
| <u>Expenditures:</u> | | | | | | |
| Regular Salaries | \$ 5,791,120 | \$ 5,787,100 | \$ 1,477,489 | \$ 4,309,611 | 25.5% | 25.0% |
| Faculty Salaries | 14,397,363 | 14,397,363 | 3,689,949 | 10,707,414 | 25.6% | 25.0% |
| Student Salaries | | 31,126 | 16,437 | 14,689 | 52.8% | 25.0% |
| Non-Student Wages and Allowances | | 14,550 | 5,205 | 9,345 | 35.8% | 25.0% |
| Fringe Benefits | 7,940,930 | 7,941,580 | 1,911,413 | 6,030,167 | 24.1% | 25.0% |
| Maintenance and Operations | 52,579 | 4,054,371 | 680,706 | 3,373,664 | 16.8% | 25.0% |
| Utilities | 1,875,000 | 1,875,000 | 305,356 | 1,569,644 | 16.3% | 25.0% |
| Capital Outlay (HEAF) | 3,559,433 | 1,249,567 | 595,597 | 653,970 | 47.7% | 25.0% |
| Scholarships | | 78 | | 78 | 0.0% | 25.0% |
| Total Expenditures | \$ 33,616,425 | \$ 35,350,735 | \$ 8,682,152 | \$ 26,668,582 | 24.6% | 25.0% |
| <u>Designated Funds:</u> | | | | | | |
| <u>Revenues:</u> | | | | | | |
| Registration Tuition and Fees | \$ 33,348,807 | \$ 33,671,256 | \$ 26,542,199 | \$ 7,129,057 | 78.8% | 25.0% |
| Other Operating Grants and Contracts | | | | - | | 25.0% |
| Sales and Services Educational | 760,921 | 773,658 | 188,193 | 585,465 | 24.3% | 25.0% |
| Other Operating Revenues | 1,348,662 | 1,632,566 | 651,384 | 981,182 | 39.9% | 25.0% |
| Gifts | 271,906 | 362,454 | 214,628 | 147,826 | 59.2% | 25.0% |
| Other Nonoperating Revenues | | | | - | | 25.0% |
| Investment Income | 750,000 | 750,221 | 237,722 | 512,499 | 31.7% | 25.0% |
| Total Revenues | \$ 36,480,296 | \$ 37,190,156 | \$ 27,834,126 | \$ 9,356,030 | 74.8% | 25.0% |
| <u>Expenditures:</u> | | | | | | |
| Regular Salaries | \$ 10,066,827 | \$ 10,002,269 | \$ 2,483,975 | \$ 7,518,294 | 24.8% | 25.0% |
| Faculty Salaries | 3,087,065 | 3,054,798 | 581,932 | 2,472,866 | 19.1% | 25.0% |
| Grad Assistant Salaries | 995,914 | 1,011,914 | 300,465 | 711,449 | 29.7% | 25.0% |
| Student Salaries | 1,176,310 | 1,157,545 | 323,454 | 834,091 | 27.9% | 25.0% |
| Non-Student Wages and Allowances | 540,909 | 638,207 | 180,918 | 457,290 | 28.4% | 25.0% |
| Fringe Benefits | 4,111,897 | 4,082,579 | 922,350 | 3,160,229 | 22.6% | 25.0% |
| Maintenance and Operations | 6,256,255 | 11,774,654 | 2,999,504 | 8,775,150 | 25.5% | 25.0% |
| Travel | 1,024,292 | 1,088,214 | 291,236 | 796,978 | 26.8% | 25.0% |
| Utilities | 301,026 | 302,211 | 72,271 | 229,940 | 23.9% | 25.0% |
| Capital Outlay | 700,994 | 446,162 | 10,890 | 435,272 | 2.4% | 25.0% |
| Scholarships | 5,332,549 | 5,124,153 | 2,305,498 | 2,818,655 | 45.0% | 25.0% |
| Total Expenditures | \$ 33,594,038 | \$ 38,682,706 | \$ 10,472,493 | \$ 28,210,213 | 27.1% | 25.0% |
| <i>Transfers from Plant Funds</i> | <i>\$ 7,200</i> | <i>*</i> | | | | |

Unaudited

Schedule 2

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the Three Months Ended November 30, 2014

Auxiliary Funds:**Revenues:**

| | | | | | | |
|--------------------------------|----------------------|----------------------|---------------------|---------------------|--------------|--------------|
| Sales and Services Auxiliaries | \$ 10,356,852 | \$ 10,362,937 | \$ 4,951,390 | \$ 5,411,547 | 47.8% | 25.0% |
| Registration Tuition and Fees | 158,509 | 158,509 | 120,516 | 37,993 | 76.0% | 25.0% |
| Other Operating Revenues | | 100 | 1,237 | (1,137) | | 25.0% |
| Total | \$ 10,515,361 | \$ 10,521,546 | \$ 5,073,143 | \$ 5,448,403 | 48.2% | 25.0% |

Expenditures:

| | | | | | | |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|--------------|--------------|
| Regular Salaries | \$ 1,153,648 | \$ 1,153,648 | \$ 289,218 | \$ 864,430 | 25.1% | 25.0% |
| Grad Assistant Salaries | 36,000 | 36,000 | | 36,000 | 0.0% | 25.0% |
| Student Salaries | 332,767 | 332,767 | 95,179 | 237,588 | 28.6% | 25.0% |
| Non-Student Wages and Allowances | 24,000 | 28,392 | 7,463 | 20,929 | 26.3% | 25.0% |
| Fringe Benefits | 435,217 | 435,217 | 102,410 | 332,807 | 23.5% | 25.0% |
| Maintenance and Operations | 4,175,039 | 4,329,713 | 2,019,006 | 2,310,707 | 46.6% | 25.0% |
| Travel | 22,533 | 22,533 | 4,062 | 18,471 | 18.0% | 25.0% |
| Utilities | 977,450 | 1,000,253 | 186,649 | 813,605 | 18.7% | 25.0% |
| Capital Outlay | 50,500 | 50,500 | | 50,500 | 0.0% | 25.0% |
| Scholarships | 5,000 | 5,000 | 7,230 | (2,230) | 144.6% | 25.0% |
| Total | \$ 7,212,154 | \$ 7,394,023 | \$ 2,711,216 | \$ 4,682,807 | 36.7% | 25.0% |

Restricted Funds:**Revenues:**

| | | | | | | |
|--------------------------------------|----------------------|----------------------|---------------------|---------------------|--------------|--------------|
| Sales and Services Educational | \$ 10,000 | \$ 10,000 | \$ 1,555 | \$ 8,445 | 15.6% | 25.0% |
| Federal Operating Grants | 585,275 | 585,275 | 178,913 | 406,362 | 30.6% | 25.0% |
| State Operating Grants | 3,531,667 | 3,531,667 | 1,656,978 | 1,874,689 | 46.9% | 25.0% |
| Other Operating Grants and Contracts | 1,750,000 | 1,750,000 | 673,411 | 1,076,589 | 38.5% | 25.0% |
| Other Operating Revenues | 88,050 | 88,050 | 23,415 | 64,635 | 26.6% | 25.0% |
| Federal Nonoperating Grants | 8,500,000 | 8,500,000 | 4,113,837 | 4,386,163 | 48.4% | 25.0% |
| Other Nonoperating Revenues | | | | | | 25.0% |
| Gifts | 2,820,926 | 2,820,926 | 2,635,008 | 185,918 | 93.4% | 25.0% |
| Investment Income | 25,000 | 25,000 | 5,958 | 19,042 | 23.8% | 25.0% |
| Total | \$ 17,310,918 | \$ 17,310,918 | \$ 9,289,075 | \$ 8,021,843 | 53.7% | 25.0% |

Expenditures:

| | | | | | | |
|----------------------------------|----------------------|----------------------|---------------------|----------------------|--------------|--------------|
| Regular Salaries | \$ 221,214 | \$ 258,187 | \$ 46,789 | \$ 211,398 | 18.1% | 25.0% |
| Faculty Salaries | 1,131,623 | 1,135,512 | 203,007 | 932,505 | 17.9% | 25.0% |
| Student Salaries | 294,852 | 295,977 | 50,424 | 245,553 | 17.0% | 25.0% |
| Non-Student Wages and Allowances | 52,661 | 168,136 | 62,618 | 105,519 | 37.2% | 25.0% |
| Fringe Benefits | 383,445 | 392,519 | 76,889 | 315,630 | 19.6% | 25.0% |
| Maintenance and Operations | 577,618 | 8,715,128 | 1,168,746 | 7,546,382 | 13.4% | 25.0% |
| Travel | 41,250 | 172,903 | 63,249 | 109,655 | 36.6% | 25.0% |
| Utilities | 414 | 3,142 | 327 | 2,815 | 10.4% | 25.0% |
| Capital Outlay | 152,320 | 371,411 | 19,906 | 351,504 | 5.4% | 25.0% |
| Scholarships | 12,796,010 | 15,324,624 | 7,192,058 | 8,132,566 | 46.9% | 25.0% |
| Total | \$ 15,651,407 | \$ 26,837,539 | \$ 8,884,013 | \$ 17,953,526 | 33.1% | 25.0% |

| | | | | | | |
|---|----------------------|-----------------------|----------------------|----------------------|--------------|--------------|
| Total Current Operating Funds Revenues | \$ 97,867,805 | \$ 98,572,993 | \$ 74,348,392 | \$ 24,224,601 | 75.4% | 25.0% |
| Total Current Operating Funds Expenditures | \$ 90,074,024 | \$ 108,265,003 | \$ 30,749,874 | \$ 77,515,128 | 28.4% | 25.0% |

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the Three Months Ended November 30, 2014

| | <u>Adjusted Budget</u> | <u>Actual Year to Date</u> | <u>(Over) Under Budget</u> | <u>% of Budget Completed</u> | <u>% of Year Completed</u> |
|---|----------------------------|--------------------------------|--------------------------------|--------------------------------------|------------------------------------|
| <u>Total Revenues</u> | | | | | |
| State Appropriations | \$ 25,714,571 | \$ 25,746,689 | \$ (32,118) | 100.1% | 25.0% |
| Registration Tuition and Fees | 41,623,764 | 33,056,158 | 8,567,606 | 79.4% | 25.0% |
| Sales and Services Educational | 783,883 | 189,924 | 593,960 | 24.2% | 25.0% |
| Sales and Services Auxiliary | 10,362,937 | 4,951,390 | 5,411,547 | 47.8% | 25.0% |
| Federal Operating Grants (Restricted fds) | 585,275 | 178,913 | 406,362 | 30.6% | 25.0% |
| Federal Nonoperating Grants | 8,500,000 | 4,113,837 | 4,386,163 | 48.4% | 25.0% |
| Other State Grants & Contracts | 3,531,667 | 1,656,978 | 1,874,689 | 46.9% | 25.0% |
| Other Operating Grants and Contracts | 1,750,000 | 673,411 | 1,076,589 | 38.5% | 25.0% |
| Gifts | 3,183,380 | 2,849,636 | 333,744 | 89.5% | 25.0% |
| Other Operating Revenues | 1,736,716 | 680,700 | 1,056,016 | 39.2% | 25.0% |
| Other Nonoperating Revenues | - | - | - | | 25.0% |
| Investment Income | 800,721 | 250,678 | 550,043 | 31.3% | 25.0% |
| Total Revenues | \$ 98,572,915 | \$ 74,348,314 | \$ 24,224,601 | 75.4% | 25.0% |
| <u>Total Expenditures</u> | | | | | |
| Regular Salaries | \$ 17,201,204 | \$ 4,297,471 | \$ 12,903,733 | 25.0% | 25.0% |
| Faculty Salaries | 18,587,673 | 4,474,888 | 14,112,785 | 24.1% | 25.0% |
| Graduate Assistant Salaries | 1,047,914 | 300,465 | 747,449 | 28.7% | 25.0% |
| Student Salaries | 1,817,415 | 485,494 | 1,331,922 | 26.7% | 25.0% |
| Non-Student Wages and Allowances | 849,286 | 256,202 | 593,083 | 30.2% | 25.0% |
| Fringe Benefits | 12,851,896 | 3,013,063 | 9,838,833 | 23.4% | 25.0% |
| Maintenance and Operations | 28,873,865 | 6,867,962 | 22,005,903 | 23.8% | 25.0% |
| Travel | 1,283,650 | 358,547 | 925,103 | 27.9% | 25.0% |
| Utilities | 3,180,606 | 564,603 | 2,616,003 | 17.8% | 25.0% |
| Capital Outlay | 2,117,639 | 626,393 | 1,491,246 | 29.6% | 25.0% |
| Scholarships | 20,453,855 | 9,504,786 | 10,949,069 | 46.5% | 25.0% |
| Total Expenditures | \$ 108,265,003 | \$ 30,749,874 | \$ 77,515,128 | 28.4% | 25.0% |
| Total Current Operating Funds Revenues | \$ 98,572,915 | \$ 74,348,314 | \$ 24,224,601 | 75.4% | 25.0% |
| Total Current Operating Funds Expenditures | \$ 108,265,003 | \$ 30,749,874 | \$ 77,515,128 | 28.4% | 25.0% |

Reconciliation to Adjusted Budget:

| | |
|--|-----------------------|
| Original Budget | \$ 99,883,979 |
| Includes Fund Transfers from Plant Funds | 7,200 * |
| Budgets increased with additional revenue | 2,136,929 |
| Debt Service | (8,074,807) |
| Prior yr. unexpended budgets carried forward | 14,311,702 |
| Reconciled to original/adjusted budgets | <u>\$ 108,265,003</u> |

*Bus sale proceeds transferred to bus services account

MIDWESTERN STATE UNIVERSITY
COMPARISON OF BUDGETED REVENUE TO ACTUAL REVENUE
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2014

| Revenue Source | FALL | | | SPRING* | | | SUMMER | | | TOTAL | | |
|--|----------------------|----------------------|---------------------|----------------------|----------------------|-----------------------|---------------------|---------------|-----------------------|----------------------|----------------------|------------------------|
| | Fall Budget | Fall Actual | Over (Under) Budget | Spring Budget | Spring Actual | Over (Under) Budget | Summer Budget | Summer Actual | Over (Under) Budget | Total Revenue Budget | Total Actual Revenue | Over (Under) Budget |
| EDUCATIONAL & GENERAL: | | | | | | | | | | | | |
| Tuition | \$ 3,563,669 | \$ 3,546,327 | \$ (17,342) | \$ 3,311,887 | \$ 2,809,260 | \$ (502,627) | \$ 877,384 | | \$ (877,384) | \$ 7,752,940 | \$ 6,355,588 | \$ (1,397,352) |
| Audit Fees | 50 | 175 | 125 | 100 | | (100) | 75 | | (75) | 225 | 175 | (50) |
| Applied Music Fees | 5,726 | 5,495 | (231) | 5,209 | 1,960 | (3,249) | | | - | 10,935 | 7,455 | (3,480) |
| Laboratory Fees | 18,140 | 19,730 | 1,590 | 18,725 | 14,146 | (4,579) | 4,194 | | (4,194) | 41,059 | 33,876 | (7,183) |
| Total Educational & General | 3,587,585 | 3,571,727 | (15,858) | 3,335,921 | 2,825,366 | (510,555) | 881,653 | - | (881,653) | 7,805,159 | 6,397,094 | (1,408,065) |
| DESIGNATED: | | | | | | | | | | | | |
| Local Tuition | 7,546,324 | 7,505,016 | (41,308) | 6,965,905 | 5,436,560 | (1,529,346) | 1,766,071 | | (1,766,071) | 16,278,300 | 12,941,575 | (3,336,725) |
| Tier II Tuition | 254,100 | 238,840 | (15,260) | 269,500 | 100,240 | (169,260) | 47,320 | | (47,320) | 570,920 | 339,080 | (231,840) |
| Distance Learning Tuition | 50,500 | 42,025 | (8,475) | 50,000 | 27,800 | (22,200) | 35,000 | | (35,000) | 135,500 | 69,825 | (65,675) |
| Three Peat Tuition | 100,000 | 77,325 | (22,675) | 89,000 | 25,500 | (63,500) | 21,000 | | (21,000) | 210,000 | 102,825 | (107,175) |
| Student Union Fee | 190,012 | 189,991 | (21) | 175,854 | 131,000 | (44,854) | 56,831 | | (56,831) | 422,697 | 320,991 | (101,706) |
| Instructional Enhancement Fee | 1,192,149 | 1,174,737 | (17,412) | 1,100,456 | 878,591 | (221,865) | 278,999 | | (278,999) | 2,571,604 | 2,053,328 | (518,276) |
| Distance Learning Fee | 506,613 | 488,513 | (18,101) | 458,888 | 399,900 | (58,988) | 299,499 | | (299,499) | 1,265,000 | 888,413 | (376,588) |
| Application Fee | 21,000 | 21,726 | 726 | 65,000 | 37,421 | (27,579) | 38,595 | | (38,595) | 124,595 | 59,147 | (65,448) |
| Recreation Center Fee | 540,618 | 570,317 | 29,699 | 500,354 | 393,000 | (107,354) | 177,954 | | (177,954) | 1,218,926 | 963,317 | (255,610) |
| Athletic Fee | 581,293 | 575,511 | (5,783) | 536,145 | 406,850 | (129,295) | 68,545 | | (68,545) | 1,185,983 | 982,361 | (203,623) |
| University Services Fee | 3,448,679 | 3,519,929 | 71,250 | 3,173,577 | 2,516,603 | (656,974) | 807,078 | | (807,078) | 7,429,334 | 6,036,533 | (1,392,801) |
| Student Service Fee | 1,044,063 | 1,030,894 | (13,169) | 967,270 | 712,119 | (255,152) | 244,610 | | (244,610) | 2,255,943 | 1,743,013 | (512,930) |
| Total Designated Funds | 15,475,351 | 15,434,822 | (40,529) | 14,351,949 | 11,065,583 | (3,286,366) | 3,841,502 | - | (3,841,502) | 33,668,802 | 26,500,406 | (7,168,396) |
| AUXILIARY: | | | | | | | | | | | | |
| Student Center Fee | 71,245 | 71,391 | 146 | 65,945 | 49,125 | (16,820) | 21,312 | | (21,312) | 158,502 | 120,516 | (37,986) |
| Parking Permits & Fines | 209,750 | 200,436 | (9,314) | 95,750 | | (95,750) | 32,500 | | (32,500) | 338,000 | 200,436 | (137,564) |
| Residence Halls: | | | | | | | | | | | | |
| Killingsworth | 524,180 | 516,595 | (7,585) | 513,740 | | (513,740) | 22,900 | | (22,900) | 1,060,820 | 516,595 | (544,225) |
| Pierce | 394,250 | 390,114 | (4,136) | 370,310 | | (370,310) | 18,050 | | (18,050) | 782,610 | 390,114 | (392,496) |
| Sunwatcher Village | 925,200 | 934,028 | 8,828 | 920,225 | | (920,225) | 122,555 | | (122,555) | 1,967,980 | 934,028 | (1,033,952) |
| Sundance Court | 782,250 | 802,869 | 20,619 | 775,740 | | (775,740) | 200,930 | | (200,930) | 1,758,920 | 802,869 | (956,052) |
| McCullough-Trigg | 283,975 | 292,006 | 8,031 | 282,220 | | (282,220) | 7,600 | | (7,600) | 573,795 | 292,006 | (281,789) |
| Housing Overflow | 524,100 | 507,451 | (16,649) | 524,100 | | (524,100) | | | | 1,048,200 | 507,451 | (540,749) |
| Bridwell Courts | 76,263 | 80,072 | 3,809 | 76,212 | | (76,212) | 28,988 | | (28,988) | 181,463 | 80,072 | (101,391) |
| Food Service | 1,137,656 | 1,094,088 | (43,568) | 995,012 | | (995,012) | 23,796 | | (23,796) | 2,156,464 | 1,094,088 | (1,062,376) |
| Total Auxiliary Funds | 4,928,869 | 4,889,049 | (39,820) | 4,619,254 | 49,125 | (4,570,129) | 478,631 | - | (478,631) | 10,026,754 | 4,938,174 | (5,088,580) |
| Total all Funds | \$ 23,991,805 | \$ 23,895,599 | \$ (96,206) | \$ 22,307,124 | \$ 13,940,074 | \$ (8,367,050) | \$ 5,201,786 | \$ - | \$ (5,201,786) | \$ 51,500,715 | \$ 37,835,673 | \$ (13,665,042) |
| *Early registration through 11/30 | | | | | | | | | | | | |
| Headcount Enrollment | 5,975 | 5,874 | (101) | 5,530 | | | 3,574 | | (3,574) | 15,079 | | (15,079) |
| Semester Credit Hours | 68,115 | 67,275 | (840) | 62,876 | | (62,876) | 15,941 | | (15,941) | 146,932 | | (146,932) |

Midwestern State University
Changes in Available Working Capital
For the Three Months Ended November 30, 2014

| <u>Source/Use Of Funds</u> | <u>09/01/14 Beginning Balance</u> | <u>Increase/ (Decrease)</u> | <u>11/30/14 Ending Balance</u> |
|---------------------------------------|---|---------------------------------|--|
| E & G Unallocated | \$ 2,388,637 | | |
| Commitment to FY 14-15 Budget | | \$ (1,302,539) | \$ 1,086,098 |
| HEAF Unallocated | 214,917 | | |
| Commitment to FY 14-15 Budget | | - | |
| Museum framing equipment | | (18,500) | |
| Prothro-Yeager 201 renovation | | (31,900) | 164,517 |
| E&G - Mineral Fund | - | | |
| Royalty Income | | 6,211 | 6,211 |
| Technology Fee | 67,664 | | |
| Commitment to FY 14-15 Budget | | - | 67,664 |
| Library Fees | 315 | | |
| Commitment to FY 14-15 Budget | | - | 315 |
| Publication Fees | 14,614 | | |
| Commitment to FY 14-15 Budget | | - | 14,614 |
| Wellness Center Fees | 50,113 | | |
| Commitment to FY 14-15 Budget | | - | 50,113 |
| Student Service Fees | 797,608 | | |
| Commitment to FY 14-15 Budget | | (120,827) | 676,781 |
| Medical Services Fee | 1,274 | | |
| Commitment to FY 14-15 Budget | | - | 1,274 |
| Student Union Fee | (20,668) | | |
| Budget transfers in process | | 20,668 | (0) |
| Course Fees | 527,014 | | |
| Commitment to FY 14-15 Budget | | (252,557) | 274,457 |
| Instructional Enhancement Fees | 675,416 | | |
| Commitment to FY 14-15 Budget | | - | 675,416 |
| Distance Learning Fee | 507,160 | | |
| Commitment to FY 14-15 Budget | | (465,685) | 41,475 |
| Local Tuition | 2,076,625 | | |
| Commitment to FY 14-15 Budget | | - | 2,076,625 |
| University Services Fee | 781,119 | | |
| Commitment to FY 14-15 Budget | | - | |
| Salaries transferred to E&G funds | | 65,042 | 846,161 |
| Energy Surcharge | 675 | | |
| Commitment to FY 14-15 Budget | | - | 675 |
| Academic Support Fee | 1,660 | | |
| Commitment to FY 14-15 Budget | | - | 1,660 |
| Study Abroad Guest Tuition | 13,110 | | |
| Commitment to FY 14-15 Budget | | - | 13,110 |

Unaudited

Schedule 4

**Midwestern State University
Changes in Available Working Capital
For the Three Months Ended November 30, 2014**

| <u>Source/Use Of Funds</u> | <u>09/01/14 Beginning Balance</u> | <u>Increase/ (Decrease)</u> | <u>11/30/14 Ending Balance</u> |
|--|---|---------------------------------|--|
| Distance Learning Tuition | 8,598 | | |
| Commitment to FY 14-15 Budget | | (718) | 7,880 |
| Athletic Fee | 50,537 | | |
| Commitment to FY 14-15 Budget | | - | 50,537 |
| Three-Peat Tuition | - | | |
| Commitment to FY 14-15 Budget | | - | - |
| Tier II Tuition | 73,523 | | |
| Budget transfers in process | | (46,580) | 26,943 |
| Recreation Center Fee | 226,012 | | |
| Commitment to FY 14-15 Budget | | (14,400) | 211,612 |
| General Auxiliary | 42,348 | | 42,348 |
| Plant Fund | 225,633 | | |
| Income from sale of scrap equipment | | 2,563 | |
| Transfer bus sale proceeds to bus services | | (7,200) | 220,996 |
| Renewal & Replacement Fund | 376,064 | | 376,064 |
| Total | <u>\$ 9,099,966</u> | <u>\$ (2,166,423)</u> | <u>\$ 6,933,543</u> |

**Midwestern State University
Wichita Falls, Texas**

**Financial Report
(Unaudited)
For the Two Months Ended October 31, 2014**

| | | | | | | | | |
|---|-------------------|---------------------|-----------------------|---------------|-----------------------|---------------|---------------------|--------------|
| Unaudited | | | | | | | Schedule 1 | |
| Midwestern State University | | | | | | | | |
| Comparison of Operating Results and Margin | | | | | | | | |
| For the Two Months Ended October 31, 2014 | | | | | | | | |
| (With Comparative Totals for the Two Months Ended October 31, 2013) | | | | | | | | |
| | Actual | Actual | YTD | | YTD | | | % |
| | Oct., 2014 | Oct., 2013 | Oct., 2014 | % | Oct., 2013 | % | Variance | Var. |
| Operating Revenues: | | | | | | | | |
| Student tuition and fees | \$ 3,464,794 | \$ 3,308,220 | \$ 6,929,432 | 30.0% | \$ 6,615,913 | 30.9% | \$ 313,519 | 4.7% |
| Federal Grants | 83,996 | 51,484 | 4,206,906 | 18.2% | 4,136,689 | 19.3% | 70,216 | 1.7% |
| State Grants | 39,881 | 309,437 | 1,679,604 | 7.3% | 2,021,959 | 9.4% | (342,355) | -16.9% |
| Other Grants and Contracts | 171,772 | 47,168 | 672,187 | 2.9% | 191,591 | 0.9% | 480,596 | 250.8% |
| Sales & Serv. of Educational Activities | 96,120 | 52,022 | 140,232 | 0.6% | 143,764 | 0.7% | (3,532) | -2.5% |
| Sales & Serv. of Auxiliary Enterprises | 1,070,703 | 747,600 | 1,964,245 | 8.5% | 1,703,823 | 8.0% | 260,422 | 15.3% |
| Other Operating Revenue | 341,038 | 242,293 | 555,824 | 2.4% | 438,596 | 2.0% | 117,228 | 26.7% |
| Total Operating Revenues | 5,268,304 | 4,758,224 | 16,148,429 | 69.9% | 15,252,336 | 71.2% | 896,093 | 5.9% |
| Nonoperating Revenues: | | | | | | | | |
| State Appropriations | 1,417,681 | 1,420,141 | 2,835,362 | 12.3% | 2,840,282 | 13.3% | (4,920) | -0.2% |
| Additional State Appropriations | 428,580 | 422,006 | 857,160 | 3.7% | 844,012 | 3.9% | 13,148 | 1.6% |
| Gifts | 294,903 | 218,811 | 2,490,861 | 10.8% | 1,795,952 | 8.4% | 694,909 | 38.7% |
| Investment Income | 114,131 | 58,514 | 192,203 | 0.8% | 81,933 | 0.4% | 110,270 | 134.6% |
| Other Nonoperating Revenue | 78 | | 78 | 0.0% | | 0.0% | | 0.0% |
| Gain on Sale of Asset | | | | 0.0% | | 0.0% | | |
| Total Nonoperating Revenue | 2,255,374 | 2,119,472 | 6,375,664 | 27.6% | 5,562,179 | 26.0% | 813,407 | 14.6% |
| Other Revenues (HEAF Appropriation) | 296,619 | 296,619 | 593,239 | 2.6% | 593,238 | 2.8% | | 0.0% |
| TOTAL ALL REVENUES | 7,820,297 | 7,174,315 | 23,117,332 | 100.0% | 21,407,753 | 100.0% | 1,709,500 | 8.0% |
| Operating Expenses: | | | | | | | | |
| Salaries and Wages | 3,257,171 | 3,132,145 | 6,514,625 | 24.6% | 6,202,704 | 25.7% | 311,921 | 5.0% |
| Payroll Related Costs | 963,264 | 908,474 | 2,014,868 | 7.6% | 1,884,727 | 7.8% | 130,141 | 6.9% |
| Professional Fees and Services | 536,872 | 718,355 | 1,520,204 | 5.7% | 1,554,124 | 6.4% | (33,920) | -2.2% |
| Travel | 125,861 | 119,213 | 232,632 | 0.9% | 291,587 | 1.2% | (58,955) | -20.2% |
| Materials and Supplies | 729,372 | 1,106,150 | 1,479,296 | 5.6% | 1,788,971 | 7.4% | (309,675) | -17.3% |
| Communications and Utilities | 244,384 | 157,775 | 328,238 | 1.2% | 353,663 | 1.5% | (25,425) | -7.2% |
| Repairs and Maintenance | 167,951 | 241,653 | 1,518,311 | 5.7% | 618,435 | 2.6% | 899,876 | 145.5% |
| Rentals and Leases | 44,114 | 164,752 | 613,963 | 2.3% | 255,328 | 1.1% | 358,635 | 140.5% |
| Printing and Reproduction | 65,491 | 36,349 | 117,180 | 0.4% | 88,837 | 0.4% | 28,343 | 31.9% |
| Bad Debt Expense | 29,167 | 27,082 | 58,333 | 0.2% | 54,164 | 0.2% | 4,170 | |
| Interest | 19 | 96 | 86 | 0.0% | 119 | 0.0% | (33) | |
| Depreciation | 1,083,333 | 825,000 | 2,166,667 | 8.2% | 1,650,000 | 6.8% | 516,667 | 31.3% |
| Scholarships | 222,420 | 174,971 | 9,378,711 | 35.5% | 8,841,649 | 36.7% | 537,063 | 6.1% |
| Total Operating Expenses | 7,469,418 | 7,612,012 | 25,943,113 | 98.1% | 23,584,305 | 97.8% | 2,358,808 | 10.0% |
| Interest Expense on Debt | 252,470 | 268,522 | 504,940 | 1.9% | 537,044 | 2.2% | (32,104) | -6.0% |
| TOTAL EXPENDITURES | 7,721,888 | 7,880,534 | 26,448,053 | 100.0% | 24,121,349 | 100.0% | 2,326,704 | 9.6% |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | 98,409 | (706,219) | (3,330,721) | | (2,713,596) | | (617,125) | |
| Capital Contributions | 52,000 | | 62,000 | | | | 62,000 | |
| Additions to Endowments | 6,195 | 5,108 | 6,719 | | 7,118 | | (399) | |
| Transfers In | | | | | | | | |
| Transfers Out | (47,400) | (38,761) | (94,800) | | (77,522) | | (17,278) | |
| TOTAL INCREASE (DECREASE) IN NET ASSETS | \$ 109,204 | \$ (739,872) | \$ (3,356,803) | | \$ (2,784,000) | | \$ (572,802) | |

Unaudited

Schedule 2

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the Two Months Ended October 31, 2014

| | <u>Original Budget</u> | <u>Adjusted Budget</u> | <u>Actual Year to Date</u> | <u>(Over) Under Budget</u> | <u>% of Budget Completed</u> | <u>% of Year Completed</u> |
|--|----------------------------|----------------------------|--------------------------------|--------------------------------|--------------------------------------|------------------------------------|
| <u>Educational & General Funds:</u> | | | | | | |
| <u>Revenues:</u> | | | | | | |
| State Appropriations | \$ 25,714,571 | \$ 25,714,571 | \$ 25,745,697 | \$ (31,126) | 100.1% | 16.7% |
| Registration Tuition and Fees | 7,804,934 | 7,793,999 | 3,569,288 | 4,224,711 | 45.8% | 16.7% |
| Sales and Services Educational | 225 | 225 | 175 | 50 | 77.8% | 16.7% |
| State Operating Grants | | | | | | 16.7% |
| Other Operating Revenues | 16,000 | 16,000 | 3,937 | 12,063 | 24.6% | 16.7% |
| Other Nonoperating Revenues | | 78 | 78 | | | 16.7% |
| Investment Income | 25,500 | 25,500 | 5,905 | 19,595 | 23.2% | 16.7% |
| Total Revenues | \$ 33,561,230 | \$ 33,550,373 | \$ 29,325,079 | \$ 4,225,294 | 87.4% | 16.7% |
| <u>Expenditures:</u> | | | | | | |
| Regular Salaries | \$ 5,791,120 | \$ 5,791,150 | \$ 985,010 | \$ 4,806,140 | 17.0% | 16.7% |
| Faculty Salaries | 14,397,363 | 14,397,363 | 2,457,236 | 11,940,127 | 17.1% | 16.7% |
| Student Salaries | | 19,709 | 11,077 | 8,632 | 56.2% | 16.7% |
| Non-Student Wages and Allowances | | 11,417 | 11,417 | - | 100.0% | 16.7% |
| Fringe Benefits | 7,940,930 | 7,940,930 | 1,274,138 | 6,666,792 | 16.1% | 16.7% |
| Maintenance and Operations | 52,579 | 4,065,521 | 418,026 | 3,647,494 | 10.3% | 16.7% |
| Utilities | 1,875,000 | 1,875,000 | 178,720 | 1,696,280 | 9.5% | 16.7% |
| Capital Outlay (HEAF) | 3,559,433 | 1,249,567 | 495,371 | 754,196 | 39.6% | 16.7% |
| Scholarships | | 78 | | 78 | 0.0% | 16.7% |
| Total Expenditures | \$ 33,616,425 | \$ 35,350,735 | \$ 5,830,995 | \$ 29,519,740 | 16.5% | 16.7% |
| <u>Designated Funds:</u> | | | | | | |
| <u>Revenues:</u> | | | | | | |
| Registration Tuition and Fees | \$ 33,348,807 | \$ 33,662,400 | \$ 15,458,729 | \$ 18,203,671 | 45.9% | 16.7% |
| Other Operating Grants and Contracts | | | | - | | 16.7% |
| Sales and Services Educational | 760,921 | 770,224 | 139,048 | 631,175 | 18.1% | 16.7% |
| Other Operating Revenues | 1,348,662 | 1,608,519 | 512,584 | 1,095,935 | 31.9% | 16.7% |
| Gifts | 271,906 | 362,304 | 186,477 | 175,827 | 51.5% | 16.7% |
| Other Nonoperating Revenues | | | | - | | 16.7% |
| Investment Income | 750,000 | 750,221 | 181,234 | 568,988 | 24.2% | 16.7% |
| Total Revenues | \$ 36,480,296 | \$ 37,153,668 | \$ 16,478,073 | \$ 20,675,596 | 44.4% | 16.7% |
| <u>Expenditures:</u> | | | | | | |
| Regular Salaries | \$ 10,066,827 | \$ 9,981,183 | \$ 1,656,407 | \$ 8,324,776 | 16.6% | 16.7% |
| Faculty Salaries | 3,087,065 | 3,056,798 | 379,958 | 2,676,840 | 12.4% | 16.7% |
| Grad Assistant Salaries | 995,914 | 1,011,914 | 200,548 | 811,366 | 19.8% | 16.7% |
| Student Salaries | 1,176,310 | 1,187,295 | 225,296 | 961,999 | 19.0% | 16.7% |
| Non-Student Wages and Allowances | 540,909 | 648,907 | 109,427 | 539,480 | 16.9% | 16.7% |
| Fringe Benefits | 4,111,897 | 4,075,618 | 622,501 | 3,453,118 | 15.3% | 16.7% |
| Maintenance and Operations | 6,256,255 | 11,734,770 | 2,394,668 | 9,340,102 | 20.4% | 16.7% |
| Travel | 1,024,292 | 1,075,676 | 198,777 | 876,899 | 18.5% | 16.7% |
| Utilities | 301,026 | 302,198 | 46,041 | 256,157 | 15.2% | 16.7% |
| Capital Outlay | 700,994 | 447,707 | 3,046 | 444,661 | 0.7% | 16.7% |
| Scholarships | 5,332,549 | 5,124,128 | 2,235,473 | 2,888,655 | 43.6% | 16.7% |
| Total Expenditures | \$ 33,594,038 | \$ 38,646,194 | \$ 8,072,143 | \$ 30,574,051 | 20.9% | 16.7% |

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the Two Months Ended October 31, 2014

Auxiliary Funds:**Revenues:**

| | | | | | | |
|--------------------------------|----------------------|----------------------|---------------------|---------------------|--------------|--------------|
| Sales and Services Auxiliaries | \$ 10,356,852 | \$ 10,360,980 | \$ 4,913,345 | \$ 5,447,635 | 47.4% | 16.7% |
| Registration Tuition and Fees | 158,509 | 158,509 | 71,391 | 87,118 | 45.0% | 16.7% |
| Other Operating Revenues | | 100 | 1,086 | (986) | | 16.7% |
| Total | \$ 10,515,361 | \$ 10,519,589 | \$ 4,985,822 | \$ 5,533,768 | 47.4% | 16.7% |

Expenditures:

| | | | | | | |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|--------------|--------------|
| Regular Salaries | \$ 1,153,648 | \$ 1,153,648 | \$ 193,502 | \$ 960,146 | 16.8% | 16.7% |
| Grad Assistant Salaries | 36,000 | 36,000 | | 36,000 | 0.0% | 16.7% |
| Student Salaries | 332,767 | 332,767 | 64,871 | 267,896 | 19.5% | 16.7% |
| Non-Student Wages and Allowances | 24,000 | 28,392 | 5,511 | 22,881 | 19.4% | 16.7% |
| Fringe Benefits | 435,217 | 435,217 | 68,352 | 366,865 | 15.7% | 16.7% |
| Maintenance and Operations | 4,175,039 | 4,327,756 | 1,516,959 | 2,810,797 | 35.1% | 16.7% |
| Travel | 22,533 | 22,533 | 1,850 | 20,683 | 8.2% | 16.7% |
| Utilities | 977,450 | 1,000,253 | 103,178 | 897,075 | 10.3% | 16.7% |
| Capital Outlay | 50,500 | 50,500 | | 50,500 | 0.0% | 16.7% |
| Scholarships | 5,000 | 5,000 | 7,480 | (2,480) | 149.6% | 16.7% |
| Total | \$ 7,212,154 | \$ 7,392,066 | \$ 1,961,703 | \$ 5,430,364 | 26.5% | 16.7% |

Restricted Funds:**Revenues:**

| | | | | | | |
|--------------------------------------|----------------------|----------------------|---------------------|---------------------|--------------|--------------|
| Sales and Services Educational | \$ 10,000 | \$ 10,000 | \$ 1,055 | \$ 8,945 | 10.6% | 16.7% |
| Federal Operating Grants | 585,275 | 585,275 | 139,984 | 445,291 | 23.9% | 16.7% |
| State Operating Grants | 3,531,667 | 3,531,667 | 1,648,478 | 1,883,189 | 46.7% | 16.7% |
| Other Operating Grants and Contracts | 1,750,000 | 1,750,000 | 672,187 | 1,077,813 | 38.4% | 16.7% |
| Other Operating Revenues | 88,050 | 88,050 | 19,343 | 68,707 | 22.0% | 16.7% |
| Federal Nonoperating Grants | 8,500,000 | 8,500,000 | 4,066,922 | 4,433,078 | 47.9% | 16.7% |
| Other Nonoperating Revenues | | | | | | 16.7% |
| Gifts | 2,820,926 | 2,820,926 | 2,304,384 | 516,542 | 81.7% | 16.7% |
| Investment Income | 25,000 | 25,000 | 4,683 | 20,317 | 18.7% | 16.7% |
| Total | \$ 17,310,918 | \$ 17,310,918 | \$ 8,857,036 | \$ 8,453,882 | 51.2% | 16.7% |

Expenditures:

| | | | | | | |
|----------------------------------|----------------------|----------------------|---------------------|----------------------|--------------|--------------|
| Regular Salaries | \$ 221,214 | \$ 243,217 | \$ 31,152 | \$ 212,065 | 12.8% | 16.7% |
| Faculty Salaries | 1,131,623 | 1,133,012 | 135,338 | 997,674 | 11.9% | 16.7% |
| Student Salaries | 294,852 | 295,252 | 33,724 | 261,528 | 11.4% | 16.7% |
| Non-Student Wages and Allowances | 52,661 | 155,286 | 14,150 | 141,135 | 9.1% | 16.7% |
| Fringe Benefits | 383,445 | 386,484 | 49,878 | 336,606 | 12.9% | 16.7% |
| Maintenance and Operations | 577,618 | 8,551,014 | 1,063,677 | 7,487,337 | 12.4% | 16.7% |
| Travel | 41,250 | 104,903 | 31,541 | 73,363 | 30.1% | 16.7% |
| Utilities | 414 | 3,142 | 299 | 2,843 | 9.5% | 16.7% |
| Capital Outlay | 152,320 | 365,938 | 19,446 | 346,492 | 5.3% | 16.7% |
| Scholarships | 12,796,010 | 15,227,400 | 7,135,758 | 8,091,642 | 46.9% | 16.7% |
| Total | \$ 15,651,407 | \$ 26,465,648 | \$ 8,514,963 | \$ 17,950,685 | 32.2% | 16.7% |

| | | | | | | |
|---|----------------------|-----------------------|----------------------|----------------------|--------------|--------------|
| Total Current Operating Funds Revenues | \$ 97,867,805 | \$ 98,534,549 | \$ 59,646,009 | \$ 38,888,540 | 60.5% | 16.7% |
| Total Current Operating Funds Expenditures | \$ 90,074,024 | \$ 107,854,642 | \$ 24,379,804 | \$ 83,474,838 | 22.6% | 16.7% |

Unaudited

Schedule 2
Summary

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the Two Months Ended October 31, 2014

| | <u>Adjusted Budget</u> | <u>Actual Year to Date</u> | <u>(Over) Under Budget</u> | <u>% of Budget Completed</u> | <u>% of Year Completed</u> |
|---|----------------------------|--------------------------------|--------------------------------|--------------------------------------|------------------------------------|
| <u>Total Revenues</u> | | | | | |
| State Appropriations | \$ 25,714,571 | \$ 25,745,697 | \$ (31,126) | 100.1% | 16.7% |
| Registration Tuition and Fees | 41,614,908 | 19,099,408 | 22,515,500 | 45.9% | 16.7% |
| Sales and Services Educational | 780,449 | 140,278 | 640,170 | 18.0% | 16.7% |
| Sales and Services Auxiliary | 10,360,980 | 4,913,345 | 5,447,635 | 47.4% | 16.7% |
| Federal Operating Grants (Restricted fds) | 585,275 | 139,984 | 445,291 | 23.9% | 16.7% |
| Federal Nonoperating Grants | 8,500,000 | 4,066,922 | 4,433,078 | 47.9% | 16.7% |
| Other State Grants & Contracts | 3,531,667 | 1,648,478 | 1,883,189 | 46.7% | 16.7% |
| Other Operating Grants and Contracts | 1,750,000 | 672,187 | 1,077,813 | 38.4% | 16.7% |
| Gifts | 3,183,230 | 2,490,861 | 692,369 | 78.3% | 16.7% |
| Other Operating Revenues | 1,712,669 | 536,951 | 1,175,719 | 31.4% | 16.7% |
| Other Nonoperating Revenues | - | - | - | | 16.7% |
| Investment Income | 800,721 | 191,821 | 608,900 | 24.0% | 16.7% |
| Total Revenues | \$ 98,534,470 | \$ 59,645,931 | \$ 38,888,539 | 60.5% | 16.7% |
| <u>Total Expenditures</u> | | | | | |
| Regular Salaries | \$ 17,169,198 | \$ 2,866,072 | \$ 14,303,126 | 16.7% | 16.7% |
| Faculty Salaries | 18,587,173 | 2,972,532 | 15,614,641 | 16.0% | 16.7% |
| Graduate Assistant Salaries | 1,047,914 | 200,548 | 847,366 | 19.1% | 16.7% |
| Student Salaries | 1,835,023 | 334,968 | 1,500,055 | 18.3% | 16.7% |
| Non-Student Wages and Allowances | 844,002 | 140,505 | 703,497 | 16.7% | 16.7% |
| Fringe Benefits | 12,838,249 | 2,014,868 | 10,823,381 | 15.7% | 16.7% |
| Maintenance and Operations | 28,679,061 | 5,393,331 | 23,285,729 | 18.8% | 16.7% |
| Travel | 1,203,112 | 232,168 | 970,944 | 19.3% | 16.7% |
| Utilities | 3,180,593 | 328,238 | 2,852,355 | 10.3% | 16.7% |
| Capital Outlay | 2,113,711 | 517,863 | 1,595,848 | 24.5% | 16.7% |
| Scholarships | 20,356,607 | 9,378,711 | 10,977,895 | 46.1% | 16.7% |
| Total Expenditures | \$ 107,854,642 | \$ 24,379,804 | \$ 83,474,838 | 22.6% | 16.7% |
| Total Current Operating Funds Revenues | \$ 98,534,470 | \$ 59,645,931 | \$ 38,888,539 | 60.5% | 16.7% |
| Total Current Operating Funds Expenditures | \$ 107,854,642 | \$ 24,379,804 | \$ 83,474,838 | 22.6% | 16.7% |
| <u>Reconciliation to Adjusted Budget:</u> | | | | | |
| Original Budget | \$ 99,883,979 | | | | |
| Budgets increased with additional revenue | 1,733,768 | | | | |
| Debt Service | (8,074,807) | | | | |
| Prior yr. unexpended budgets carried forward | 14,311,702 | | | | |
| Reconciled to original/adjusted budgets | <u>\$ 107,854,642</u> | | | | |

MIDWESTERN STATE UNIVERSITY
COMPARISON OF BUDGETED REVENUE TO ACTUAL REVENUE
FOR THE TWO MONTHS ENDED OCTOBER 31, 2014

| Revenue Source | FALL | | | SPRING | | | SUMMER | | | TOTAL | | |
|--|----------------------|----------------------|---------------------------|----------------------|------------------|---------------------------|---------------------|------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| | Fall Budget | Fall Actual | Over (Under) Budget | Spring Budget | Spring Actual | Over (Under) Budget | Summer Budget | Summer Actual | Over (Under) Budget | Total Revenue Budget | Total Actual Revenue | Over (Under) Budget |
| EDUCATIONAL & GENERAL: | | | | | | | | | | | | |
| Tuition | \$ 3,563,669 | \$ 3,547,531 | \$ (16,138) | \$ 3,311,887 | | \$ (3,311,887) | \$ 877,384 | | (877,384) | \$ 7,752,940 | \$ 3,547,531 | \$ (4,205,409) |
| Audit Fees | 50 | 175 | 125 | 100 | | (100) | 75 | | (75) | 225 | 175 | (50) |
| Applied Music Fees | 5,726 | 5,495 | (231) | 5,209 | | (5,209) | | | - | 10,935 | 5,495 | (5,440) |
| Laboratory Fees | 18,140 | 19,820 | 1,680 | 18,725 | | (18,725) | 4,194 | | (4,194) | 41,059 | 19,820 | (21,239) |
| Total Educational & General | 3,587,585 | 3,573,021 | (14,564) | 3,335,921 | - | (3,335,921) | 881,653 | - | (881,653) | 7,805,159 | 3,573,021 | (4,232,138) |
| DESIGNATED: | | | | | | | | | | | | |
| Local Tuition | 7,546,324 | 7,505,016 | (41,308) | 6,965,905 | | (6,965,905) | 1,766,071 | | (1,766,071) | 16,278,300 | 7,505,016 | (8,773,284) |
| Tier II Tuition | 254,100 | 238,840 | (15,260) | 269,500 | | (269,500) | 47,320 | | (47,320) | 570,920 | 238,840 | (332,080) |
| Distance Learning Tuition | 50,500 | 42,025 | (8,475) | 50,000 | | (50,000) | 35,000 | | (35,000) | 135,500 | 42,025 | (93,475) |
| Three Peat Tuition | 100,000 | 77,325 | (22,675) | 89,000 | | (89,000) | 21,000 | | (21,000) | 210,000 | 77,325 | (132,675) |
| Student Union Fee | 190,012 | 189,991 | (21) | 175,854 | | (175,854) | 56,831 | | (56,831) | 422,697 | 189,991 | (232,706) |
| Instructional Enhancement Fee | 1,192,149 | 1,174,737 | (17,412) | 1,100,456 | | (1,100,456) | 278,999 | | (278,999) | 2,571,604 | 1,174,737 | (1,396,867) |
| Distance Learning Fee | 506,613 | 488,513 | (18,101) | 458,888 | | (458,888) | 299,499 | | (299,499) | 1,265,000 | 488,513 | (776,488) |
| Application Fee | 21,000 | 21,726 | 726 | 65,000 | | (65,000) | 38,595 | | (38,595) | 124,595 | 21,726 | (102,869) |
| Recreation Center Fee | 540,618 | 570,317 | 29,699 | 500,354 | | (500,354) | 177,954 | | (177,954) | 1,218,926 | 570,317 | (648,610) |
| Athletic Fee | 581,293 | 575,511 | (5,783) | 536,145 | | (536,145) | 68,545 | | (68,545) | 1,185,983 | 575,511 | (610,473) |
| University Services Fee | 3,448,679 | 3,519,929 | 71,250 | 3,173,577 | | (3,173,577) | 807,078 | | (807,078) | 7,429,334 | 3,519,929 | (3,909,405) |
| Student Service Fee | 1,044,063 | 1,030,777 | (13,286) | 967,270 | | (967,270) | 244,610 | | (244,610) | 2,255,943 | 1,030,777 | (1,225,166) |
| Total Designated Funds | 15,475,351 | 15,434,705 | (40,646) | 14,351,949 | - | (14,351,949) | 3,841,502 | - | (3,841,502) | 33,668,802 | 15,434,705 | (18,234,097) |
| AUXILIARY: | | | | | | | | | | | | |
| Student Center Fee | 71,245 | 71,391 | 146 | 65,945 | | (65,945) | 21,312 | | (21,312) | 158,502 | 71,391 | (87,111) |
| Parking Permits & Fines | 209,750 | 188,190 | (21,560) | 95,750 | | (95,750) | 32,500 | | (32,500) | 338,000 | 188,190 | (149,810) |
| Residence Halls: | | | | | | | | | | | | |
| Killingsworth | 524,180 | 513,290 | (10,890) | 513,740 | | (513,740) | 22,900 | | (22,900) | 1,060,820 | 513,290 | (547,530) |
| Pierce | 394,250 | 389,324 | (4,926) | 370,310 | | (370,310) | 18,050 | | (18,050) | 782,610 | 389,324 | (393,286) |
| Sunwatcher Village | 925,200 | 928,974 | 3,774 | 920,225 | | (920,225) | 122,555 | | (122,555) | 1,967,980 | 928,974 | (1,039,006) |
| Sundance Court | 782,250 | 801,729 | 19,479 | 775,740 | | (775,740) | 200,930 | | (200,930) | 1,758,920 | 801,729 | (957,192) |
| McCullough-Trigg | 283,975 | 290,651 | 6,676 | 282,220 | | (282,220) | 7,600 | | (7,600) | 573,795 | 290,651 | (283,144) |
| Housing Overflow | 524,100 | 506,971 | (17,129) | 524,100 | | (524,100) | | | | 1,048,200 | 506,971 | (541,229) |
| Bridwell Courts | 76,263 | 79,199 | 2,936 | 76,212 | | (76,212) | 28,988 | | (28,988) | 181,463 | 79,199 | (102,264) |
| Food Service | 1,137,656 | 1,087,962 | (49,694) | 995,012 | | (995,012) | 23,796 | | (23,796) | 2,156,464 | 1,087,962 | (1,068,502) |
| Total Auxiliary Funds | 4,928,869 | 4,857,681 | (71,188) | 4,619,254 | - | (4,619,254) | 478,631 | - | (478,631) | 10,026,754 | 4,857,681 | (5,169,073) |
| Total all Funds | \$ 23,991,805 | \$ 23,865,406 | \$ (126,399) | \$ 22,307,124 | \$ - | \$ (22,307,124) | \$ 5,201,786 | \$ - | \$ (5,201,786) | \$ 51,500,715 | \$ 23,865,406 | \$ (27,635,309) |
| Headcount Enrollment | 5,975 | 5,874 | (101) | 5,530 | | (5,530) | 3,574 | | (3,574) | 15,079 | | (15,079) |
| Semester Credit Hours | 68,115 | 67,275 | (840) | 62,876 | | (62,876) | 15,941 | | (15,941) | 146,932 | | (146,932) |

Unaudited

Schedule 4

**Midwestern State University
Changes in Available Working Capital
For the Two Months Ended October 31, 2014**

| <u>Source/Use Of Funds</u> | <u>09/01/14 Beginning Balance</u> | <u>Increase/ (Decrease)</u> | <u>10/31/14 Ending Balance</u> |
|---------------------------------------|---|---------------------------------|--|
| E & G Unallocated | \$ 2,388,637 | | |
| Commitment to FY 14-15 Budget | | \$ (1,302,539) | \$ 1,086,098 |
| HEAF Unallocated | 214,917 | | |
| Commitment to FY 14-15 Budget | | - | 214,917 |
| E&G - Mineral Fund | - | | |
| Royalty Income | | 6,211 | 6,211 |
| Technology Fee | 67,664 | | |
| Commitment to FY 14-15 Budget | | - | 67,664 |
| Library Fees | 315 | | |
| Commitment to FY 14-15 Budget | | - | 315 |
| Publication Fees | 14,614 | | |
| Commitment to FY 14-15 Budget | | - | 14,614 |
| Wellness Center Fees | 50,113 | | |
| Commitment to FY 14-15 Budget | | - | 50,113 |
| Student Service Fees | 797,608 | | |
| Commitment to FY 14-15 Budget | | (120,827) | 676,781 |
| Medical Services Fee | 1,274 | | |
| Commitment to FY 14-15 Budget | | - | 1,274 |
| Student Union Fee | (20,668) | | |
| Budget transfers in process | | 20,668 | (0) |
| Course Fees | 527,014 | | |
| Commitment to FY 14-15 Budget | | (252,557) | 274,457 |
| Instructional Enhancement Fees | 675,416 | | |
| Commitment to FY 14-15 Budget | | - | 675,416 |
| Distance Learning Fee | 507,160 | | |
| Commitment to FY 14-15 Budget | | (465,685) | 41,475 |
| Local Tuition | 2,076,625 | | |
| Commitment to FY 14-15 Budget | | - | 2,076,625 |
| University Services Fee | 781,119 | | |
| Commitment to FY 14-15 Budget | | - | |
| Salaries transferred to E&G funds | | 65,042 | 846,161 |
| Energy Surcharge | 675 | | |
| Commitment to FY 14-15 Budget | | - | 675 |
| Academic Support Fee | 1,660 | | |
| Commitment to FY 14-15 Budget | | - | 1,660 |
| Study Abroad Guest Tuition | 13,110 | | |
| Commitment to FY 14-15 Budget | | - | 13,110 |
| Distance Learning Tuition | 8,598 | | |
| Commitment to FY 14-15 Budget | | (718) | 7,880 |

Unaudited

Schedule 4

**Midwestern State University
Changes in Available Working Capital
For the Two Months Ended October 31, 2014**

| <u>Source/Use Of Funds</u> | <u>09/01/14 Beginning Balance</u> | <u>Increase/ (Decrease)</u> | <u>10/31/14 Ending Balance</u> |
|---------------------------------------|---|---------------------------------|--|
| Athletic Fee | 50,537 | | |
| Commitment to FY 14-15 Budget | | - | 50,537 |
| Three-Peat Tuition | - | | |
| Commitment to FY 14-15 Budget | | - | - |
| Tier II Tuition | 73,523 | | |
| Budget transfers in process | | (46,580) | 26,943 |
| Recreation Center Fee | 226,012 | | |
| Commitment to FY 14-15 Budget | | (14,400) | 211,612 |
| General Auxiliary | 42,348 | | 42,348 |
| Plant Fund | 225,633 | | |
| Income from sale of scrap equipment | | - | 225,633 |
| Renewal & Replacement Fund | <u>376,064</u> | | <u>376,064</u> |
| Total | <u>\$ 9,099,966</u> | <u>\$ (2,111,385)</u> | <u>\$ 6,988,581</u> |

**Midwestern State University
Wichita Falls, Texas**

**Financial Report
(Unaudited)
For the One Month Ended September 30, 2014**

| | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|---------------|-----------------------|---------------|-----------------------|--------------|
| Unaudited | | | | | | | Schedule 1 | |
| Midwestern State University | | | | | | | | |
| Comparison of Operating Results and Margin | | | | | | | | |
| For the One Month Ended September 30, 2014 | | | | | | | | |
| (With Comparative Totals for the One Month Ended September 30, 2013) | | | | | | | | |
| | Actual | Actual | YTD | | YTD | | | % |
| | Sept., 2014 | Sept., 2013 | Sept., 2014 | % | Sept., 2013 | % | Variance | Var. |
| Operating Revenues: | | | | | | | | |
| Student tuition and fees | \$ 3,464,638 | \$ 3,307,693 | \$ 3,464,638 | 22.6% | \$ 3,307,693 | 23.2% | \$ 156,945 | 4.7% |
| Federal Grants | 4,122,909 | 4,085,205 | 4,122,909 | 27.0% | 4,085,205 | 28.7% | 37,704 | 0.9% |
| State Grants | 1,639,723 | 1,712,522 | 1,639,723 | 10.7% | 1,712,522 | 12.0% | (72,799) | -4.3% |
| Other Grants and Contracts | 500,415 | 144,423 | 500,415 | 3.3% | 144,423 | 1.0% | 355,992 | 246.5% |
| Sales & Serv. of Educational Activities | 44,112 | 91,742 | 44,112 | 0.3% | 91,742 | 0.6% | (47,630) | -51.9% |
| Sales & Serv. of Auxiliary Enterprises | 893,542 | 956,223 | 893,542 | 5.8% | 956,223 | 6.7% | (62,681) | -6.6% |
| Other Operating Revenue | 214,786 | 196,304 | 214,786 | 1.4% | 196,304 | 1.4% | 18,482 | 9.4% |
| Total Operating Revenues | 10,880,125 | 10,494,112 | 10,880,125 | 71.1% | 10,494,112 | 73.7% | 386,013 | 3.7% |
| Nonoperating Revenues: | | | | | | | | |
| State Appropriations | 1,417,681 | 1,420,141 | 1,417,681 | 9.3% | 1,420,141 | 10.0% | (2,460) | -0.2% |
| Additional State Appropriations | 428,580 | 422,006 | 428,580 | 2.8% | 422,006 | 3.0% | 6,574 | 1.6% |
| Gifts | 2,195,958 | 1,577,142 | 2,195,958 | 14.4% | 1,577,142 | 11.1% | 618,816 | 39.2% |
| Investment Income | 78,072 | 23,419 | 78,072 | 0.5% | 23,419 | 0.2% | 54,653 | 233.4% |
| Other Nonoperating Revenue | | | | 0.0% | | 0.0% | | 0.0% |
| Gain on Sale of Asset | | | | 0.0% | | 0.0% | | 0.0% |
| Total Nonoperating Revenue | 4,120,291 | 3,442,707 | 4,120,291 | 26.9% | 3,442,707 | 24.2% | 677,583 | 19.7% |
| Other Revenues (HEAF Appropriation) | 296,619 | 296,619 | 296,619 | 1.9% | 296,619 | 2.1% | | 0.0% |
| TOTAL ALL REVENUES | 15,297,035 | 14,233,438 | 15,297,035 | 100.0% | 14,233,438 | 100.0% | 1,063,596 | 7.5% |
| Operating Expenses: | | | | | | | | |
| Salaries and Wages | 3,257,454 | 3,070,560 | 3,257,454 | 17.4% | 3,070,560 | 18.9% | 186,894 | 6.1% |
| Payroll Related Costs | 1,051,604 | 976,254 | 1,051,604 | 5.6% | 976,254 | 6.0% | 75,350 | 7.7% |
| Professional Fees and Services | 983,332 | 835,770 | 983,332 | 5.3% | 835,770 | 5.1% | 147,562 | 17.7% |
| Travel | 106,771 | 172,374 | 106,771 | 0.6% | 172,374 | 1.1% | (65,603) | -38.1% |
| Materials and Supplies | 749,924 | 682,821 | 749,924 | 4.0% | 682,821 | 4.2% | 67,103 | 9.8% |
| Communications and Utilities | 83,854 | 195,889 | 83,854 | 0.4% | 195,889 | 1.2% | (112,035) | -57.2% |
| Repairs and Maintenance | 1,350,360 | 376,782 | 1,350,360 | 7.2% | 376,782 | 2.3% | 973,578 | 258.4% |
| Rentals and Leases | 569,850 | 90,576 | 569,850 | 3.0% | 90,576 | 0.6% | 479,274 | 529.1% |
| Printing and Reproduction | 51,689 | 52,485 | 51,689 | 0.3% | 52,485 | 0.3% | (796) | -1.5% |
| Bad Debt Expense | 29,167 | 27,082 | 29,167 | 0.2% | 27,082 | 0.2% | 2,085 | |
| Interest | 67 | 23 | 67 | 0.0% | 23 | 0.0% | 44 | |
| Depreciation | 1,083,333 | 825,000 | 1,083,333 | 5.8% | 825,000 | 5.1% | 258,333 | 31.3% |
| Scholarships | 9,156,291 | 8,666,678 | 9,156,291 | 48.9% | 8,666,678 | 53.4% | 489,613 | 5.6% |
| Total Operating Expenses | 18,473,695 | 15,972,293 | 18,473,695 | 98.7% | 15,972,293 | 98.3% | 2,501,402 | 15.7% |
| Interest Expense on Debt | 252,470 | 268,522 | 252,470 | 1.3% | 268,522 | 1.7% | (16,052) | -6.0% |
| TOTAL EXPENDITURES | 18,726,165 | 16,240,815 | 18,726,165 | 100.0% | 16,240,815 | 100.0% | 2,485,350 | 15.3% |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | (3,429,130) | (2,007,377) | (3,429,130) | | (2,007,377) | | (1,421,753) | |
| Capital Contributions | 10,000 | | 10,000 | | | | 10,000 | |
| Additions to Endowments | 523 | 2,010 | 523 | | 2,010 | | (1,487) | |
| Transfers In | | | | | | | | |
| Transfers Out | (47,400) | (38,761) | (47,400) | | (38,761) | | (8,639) | |
| TOTAL INCREASE (DECREASE) IN NET ASSETS | \$ (3,466,007) | \$ (2,044,128) | \$ (3,466,007) | | \$ (2,044,128) | | \$ (1,421,879) | |

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the One Month Ended September 30, 2014

| | <u>Original Budget</u> | <u>Adjusted Budget</u> | <u>Actual Year to Date</u> | <u>(Over) Under Budget</u> | <u>% of Budget Completed</u> | <u>% of Year Completed</u> |
|--|----------------------------|----------------------------|--------------------------------|--------------------------------|--------------------------------------|------------------------------------|
| <u>Educational & General Funds:</u> | | | | | | |
| <u>Revenues:</u> | | | | | | |
| State Appropriations | \$ 25,714,571 | \$ 25,714,571 | \$ 25,745,697 | \$ (31,126) | 100.1% | 8.3% |
| Registration Tuition and Fees | 7,804,934 | 7,793,999 | 3,577,409 | 4,216,590 | 45.9% | 8.3% |
| Sales and Services Educational | 225 | 225 | 175 | 50 | 77.8% | 8.3% |
| State Operating Grants | | | | | | 8.3% |
| Other Operating Revenues | 16,000 | 16,078 | 3,523 | 12,555 | 21.9% | 8.3% |
| Investment Income | 25,500 | 25,500 | 3,131 | 22,369 | 12.3% | 8.3% |
| Total Revenues | \$ 33,561,230 | \$ 33,550,373 | \$ 29,329,935 | \$ 4,220,439 | 87.4% | 8.3% |
| <u>Expenditures:</u> | | | | | | |
| Regular Salaries | \$ 5,791,120 | \$ 5,791,120 | \$ 486,196 | \$ 5,304,924 | 8.4% | 8.3% |
| Faculty Salaries | 14,397,363 | 14,397,363 | 1,235,907 | 13,161,456 | 8.6% | 8.3% |
| Student Salaries | | 26,133 | 3,000 | 23,133 | 11.5% | 8.3% |
| Non-Student Wages and Allowances | | 4,993 | 4,993 | - | 100.0% | 8.3% |
| Fringe Benefits | 7,940,930 | 7,940,930 | 652,326 | 7,288,604 | 8.2% | 8.3% |
| Maintenance and Operations | 52,579 | 4,105,521 | 147,946 | 3,957,575 | 3.6% | 8.3% |
| Utilities | 1,875,000 | 1,875,000 | 31,087 | 1,843,913 | 1.7% | 8.3% |
| Capital Outlay (HEAF) | 3,559,433 | 1,209,567 | 206,492 | 1,003,074 | 17.1% | 8.3% |
| Scholarships | | 78 | | 78 | 0.0% | 8.3% |
| Total Expenditures | \$ 33,616,425 | \$ 35,350,705 | \$ 2,767,948 | \$ 32,582,757 | 7.8% | 8.3% |
| <u>Designated Funds:</u> | | | | | | |
| <u>Revenues:</u> | | | | | | |
| Registration Tuition and Fees | \$ 33,348,807 | \$ 31,016,572 | \$ 15,462,304 | \$ 15,554,268 | 49.9% | 8.3% |
| Other Operating Grants and Contracts | | | | - | | 8.3% |
| Sales and Services Educational | 760,921 | 764,788 | 43,457 | 721,331 | 5.7% | 8.3% |
| Other Operating Revenues | 1,348,662 | 1,541,240 | 196,179 | 1,345,061 | 12.7% | 8.3% |
| Gifts | 271,906 | 274,081 | 171,302 | 102,779 | 62.5% | 8.3% |
| Other Nonoperating Revenues | | | | - | | 8.3% |
| Investment Income | 750,000 | 750,000 | 72,636 | 677,364 | 9.7% | 8.3% |
| Total Revenues | \$ 36,480,296 | \$ 34,346,681 | \$ 15,945,878 | \$ 18,400,804 | 46.4% | 8.3% |
| <u>Expenditures:</u> | | | | | | |
| Regular Salaries | \$ 10,066,827 | \$ 10,051,691 | \$ 835,749 | \$ 9,215,942 | 8.3% | 8.3% |
| Faculty Salaries | 3,087,065 | 3,056,798 | 180,127 | 2,876,671 | 5.9% | 8.3% |
| Grad Assistant Salaries | 995,914 | 995,914 | 98,342 | 897,572 | 9.9% | 8.3% |
| Student Salaries | 1,176,310 | 1,201,944 | 109,173 | 1,092,772 | 9.1% | 8.3% |
| Non-Student Wages and Allowances | 540,909 | 630,750 | 55,380 | 575,370 | 8.8% | 8.3% |
| Fringe Benefits | 4,111,897 | 4,109,433 | 338,437 | 3,770,996 | 8.2% | 8.3% |
| Maintenance and Operations | 6,256,255 | 11,557,858 | 1,458,917 | 10,098,941 | 12.6% | 8.3% |
| Travel | 1,024,292 | 1,063,789 | 96,102 | 967,687 | 9.0% | 8.3% |
| Utilities | 301,026 | 308,663 | 21,367 | 287,296 | 6.9% | 8.3% |
| Capital Outlay | 700,994 | 594,979 | 314 | 594,665 | 0.1% | 8.3% |
| Scholarships | 5,332,549 | 5,036,650 | 1,839,896 | 3,196,754 | 36.5% | 8.3% |
| Total Expenditures | \$ 33,594,038 | \$ 38,608,469 | \$ 5,033,804 | \$ 33,574,664 | 13.0% | 8.3% |

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the One Month Ended September 30, 2014

Auxiliary Funds:**Revenues:**

| | | | | | | |
|--------------------------------|----------------------|----------------------|---------------------|---------------------|--------------|-------------|
| Sales and Services Auxiliaries | \$ 10,356,852 | \$ 10,356,862 | \$ 4,629,133 | \$ 5,727,729 | 44.7% | 8.3% |
| Registration Tuition and Fees | 158,509 | 158,509 | 71,421 | 87,088 | 45.1% | 8.3% |
| Other Operating Revenues | | 100 | 1,086 | (986) | | 8.3% |
| Total | \$ 10,515,361 | \$ 10,515,471 | \$ 4,701,639 | \$ 5,813,832 | 44.7% | 8.3% |

Expenditures:

| | | | | | | |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|--------------|-------------|
| Regular Salaries | \$ 1,153,648 | \$ 1,153,648 | \$ 98,090 | \$ 1,055,558 | 8.5% | 8.3% |
| Grad Assistant Salaries | 36,000 | 36,000 | | 36,000 | 0.0% | 8.3% |
| Student Salaries | 332,767 | 332,767 | 31,694 | 301,073 | 9.5% | 8.3% |
| Non-Student Wages and Allowances | 24,000 | 24,000 | 2,505 | 21,495 | 10.4% | 8.3% |
| Fringe Benefits | 435,217 | 435,217 | 34,897 | 400,320 | 8.0% | 8.3% |
| Maintenance and Operations | 4,175,039 | 4,328,030 | 1,064,902 | 3,263,128 | 24.6% | 8.3% |
| Travel | 22,533 | 22,533 | 488 | 22,045 | 2.2% | 8.3% |
| Utilities | 977,450 | 1,000,253 | 31,560 | 968,693 | 3.2% | 8.3% |
| Capital Outlay | 50,500 | 50,500 | | 50,500 | 0.0% | 8.3% |
| Scholarships | 5,000 | 5,000 | 7,480 | (2,480) | 149.6% | 8.3% |
| Total | \$ 7,212,154 | \$ 7,387,948 | \$ 1,271,616 | \$ 6,116,333 | 17.2% | 8.3% |

Restricted Funds:**Revenues:**

| | | | | | | |
|--------------------------------------|----------------------|----------------------|---------------------|---------------------|--------------|-------------|
| Sales and Services Educational | \$ 10,000 | \$ 10,000 | \$ 500 | \$ 9,500 | 5.0% | 8.3% |
| Federal Operating Grants | 585,275 | 585,275 | 112,108 | 473,167 | 19.2% | 8.3% |
| State Operating Grants | 3,531,667 | 3,531,667 | 1,608,597 | 1,923,070 | 45.6% | 8.3% |
| Other Operating Grants and Contracts | 1,750,000 | 1,750,000 | 500,415 | 1,249,585 | 28.6% | 8.3% |
| Other Operating Revenues | 88,050 | 88,050 | 2,765 | 85,285 | 3.1% | 8.3% |
| Federal Nonoperating Grants | 8,500,000 | 8,500,000 | 4,010,801 | 4,489,199 | 47.2% | 8.3% |
| Other Nonoperating Revenues | | | | | | 8.3% |
| Gifts | 2,820,926 | 2,820,926 | 2,024,656 | 796,270 | 71.8% | 8.3% |
| Investment Income | 25,000 | 25,000 | 2,142 | 22,858 | 8.6% | 8.3% |
| Total | \$ 17,310,918 | \$ 17,310,918 | \$ 8,261,983 | \$ 9,048,935 | 47.7% | 8.3% |

Expenditures:

| | | | | | | |
|----------------------------------|----------------------|----------------------|---------------------|----------------------|--------------|-------------|
| Regular Salaries | \$ 221,214 | \$ 242,120 | \$ 21,836 | \$ 220,284 | 9.0% | 8.3% |
| Faculty Salaries | 1,131,623 | 1,133,012 | 67,686 | 1,065,326 | 6.0% | 8.3% |
| Student Salaries | 294,852 | 294,852 | 19,196 | 275,656 | 6.5% | 8.3% |
| Non-Student Wages and Allowances | 52,661 | 126,418 | 7,578 | 118,840 | 6.0% | 8.3% |
| Fringe Benefits | 383,445 | 383,689 | 25,944 | 357,745 | 6.8% | 8.3% |
| Maintenance and Operations | 577,618 | 7,349,875 | 997,082 | 6,352,792 | 13.6% | 8.3% |
| Travel | 41,250 | 77,935 | 10,182 | 67,754 | 13.1% | 8.3% |
| Utilities | 414 | 2,492 | (161) | 2,652 | -6.5% | 8.3% |
| Capital Outlay | 152,320 | 357,938 | 5,473 | 352,465 | 1.5% | 8.3% |
| Scholarships | 12,796,010 | 14,805,422 | 7,308,915 | 7,496,507 | 49.4% | 8.3% |
| Total | \$ 15,651,407 | \$ 24,773,753 | \$ 8,463,731 | \$ 16,310,021 | 34.2% | 8.3% |

| | | | | | | |
|---|----------------------|-----------------------|----------------------|----------------------|--------------|-------------|
| Total Current Operating Funds Revenues | \$ 97,867,805 | \$ 95,723,444 | \$ 58,239,435 | \$ 37,484,008 | 60.8% | 8.3% |
| Total Current Operating Funds Expenditures | \$ 90,074,024 | \$ 106,120,874 | \$ 17,537,099 | \$ 88,583,775 | 16.5% | 8.3% |

Unaudited

Schedule 2
Summary

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the One Month Ended September 30, 2014

| | <u>Adjusted Budget</u> | <u>Actual Year to Date</u> | <u>(Over) Under Budget</u> | <u>% of Budget Completed</u> | <u>% of Year Completed</u> |
|---|----------------------------|--------------------------------|--------------------------------|--------------------------------------|------------------------------------|
| <u>Total Revenues</u> | | | | | |
| State Appropriations | \$ 25,714,571 | \$ 25,745,697 | \$ (31,126) | 100.1% | 8.3% |
| Registration Tuition and Fees | 38,969,080 | 19,111,134 | 19,857,946 | 49.0% | 8.3% |
| Sales and Services Educational | 775,013 | 44,132 | 730,881 | 5.7% | 8.3% |
| Sales and Services Auxiliary | 10,356,862 | 4,629,133 | 5,727,729 | 44.7% | 8.3% |
| Federal Operating Grants (Restricted fds) | 585,275 | 112,108 | 473,167 | 19.2% | 8.3% |
| Federal Nonoperating Grants | 8,500,000 | 4,010,801 | 4,489,199 | 47.2% | 8.3% |
| Other State Grants & Contracts | 3,531,667 | 1,608,597 | 1,923,070 | 45.6% | 8.3% |
| Other Operating Grants and Contracts | 1,750,000 | 500,415 | 1,249,585 | 28.6% | 8.3% |
| Gifts | 3,095,007 | 2,195,958 | 899,049 | 71.0% | 8.3% |
| Other Operating Revenues | 1,645,469 | 203,553 | 1,441,916 | 12.4% | 8.3% |
| Other Nonoperating Revenues | - | - | - | | 8.3% |
| Investment Income | 800,500 | 77,909 | 722,591 | 9.7% | 8.3% |
| Total Revenues | \$ 95,723,444 | \$ 58,239,435 | \$ 37,484,008 | 60.8% | 8.3% |
| <u>Total Expenditures</u> | | | | | |
| Regular Salaries | \$ 17,238,579 | \$ 1,441,871 | \$ 15,796,708 | 8.4% | 8.3% |
| Faculty Salaries | 18,587,173 | 1,483,720 | 17,103,453 | 8.0% | 8.3% |
| Graduate Assistant Salaries | 1,031,914 | 98,342 | 933,572 | 9.5% | 8.3% |
| Student Salaries | 1,855,696 | 163,063 | 1,692,633 | 8.8% | 8.3% |
| Non-Student Wages and Allowances | 786,162 | 70,457 | 715,705 | 9.0% | 8.3% |
| Fringe Benefits | 12,869,269 | 1,051,604 | 11,817,665 | 8.2% | 8.3% |
| Maintenance and Operations | 27,341,283 | 3,668,847 | 23,672,436 | 13.4% | 8.3% |
| Travel | 1,164,257 | 106,771 | 1,057,486 | 9.2% | 8.3% |
| Utilities | 3,186,408 | 83,854 | 3,102,554 | 2.6% | 8.3% |
| Capital Outlay | 2,212,983 | 212,279 | 2,000,704 | 9.6% | 8.3% |
| Scholarships | 19,847,150 | 9,156,291 | 10,690,859 | 46.1% | 8.3% |
| Total Expenditures | \$ 106,120,874 | \$ 17,537,099 | \$ 88,583,775 | 16.5% | 8.3% |
| Total Current Operating Funds Revenues | \$ 95,723,444 | \$ 58,239,435 | \$ 37,484,008 | 60.8% | 8.3% |
| Total Current Operating Funds Expenditures | \$ 106,120,874 | \$ 17,537,099 | \$ 88,583,775 | 16.5% | 8.3% |

Reconciliation to Adjusted Budget:

| | |
|--|-----------------------|
| Original Budget | \$ 99,883,979 |
| Budgets increased with additional revenue | |
| Debt Service | (8,074,807) |
| Prior yr. unexpended budgets carried forward | 14,311,702 |
| Reconciled to original/adjusted budgets | <u>\$ 106,120,874</u> |

MIDWESTERN STATE UNIVERSITY
COMPARISON OF BUDGETED REVENUE TO ACTUAL REVENUE
FOR THE ONE MONTH ENDED SEPTEMBER 30, 2014

| Revenue Source | FALL | | | SPRING | | | SUMMER | | | TOTAL | | |
|--|----------------------|----------------------|---------------------|----------------------|---------------|------------------------|---------------------|---------------|-----------------------|----------------------|----------------------|------------------------|
| | Fall Budget | Fall Actual | Over (Under) Budget | Spring Budget | Spring Actual | Over (Under) Budget | Summer Budget | Summer Actual | Over (Under) Budget | Total Revenue Budget | Total Actual Revenue | Over (Under) Budget |
| EDUCATIONAL & GENERAL: | | | | | | | | | | | | |
| Tuition | \$ 3,563,669 | \$ 3,554,198 | \$ (9,471) | \$ 3,311,887 | | \$ (3,311,887) | \$ 877,384 | | (877,384) | \$ 7,752,940 | \$ 3,554,198 | \$ (4,198,742) |
| Audit Fees | 50 | 175 | 125 | 100 | | (100) | 75 | | (75) | 225 | 175 | (50) |
| Applied Music Fees | 5,726 | 5,495 | (231) | 5,209 | | (5,209) | | | - | 10,935 | 5,495 | (5,440) |
| Laboratory Fees | 18,140 | 19,840 | 1,700 | 18,725 | | (18,725) | 4,194 | | (4,194) | 41,059 | 19,840 | (21,219) |
| Total Educational & General | 3,587,585 | 3,579,708 | (7,877) | 3,335,921 | - | (3,335,921) | 881,653 | - | (881,653) | 7,805,159 | 3,579,708 | (4,225,451) |
| DESIGNATED: | | | | | | | | | | | | |
| Local Tuition | 7,546,324 | 7,506,801 | (39,523) | 6,965,905 | | (6,965,905) | 1,766,071 | | (1,766,071) | 16,278,300 | 7,506,801 | (8,771,499) |
| Tier II Tuition | 254,100 | 238,840 | (15,260) | 269,500 | | (269,500) | 47,320 | | (47,320) | 570,920 | 238,840 | (332,080) |
| Distance Learning Tuition | 50,500 | 42,025 | (8,475) | 50,000 | | (50,000) | 35,000 | | (35,000) | 135,500 | 42,025 | (93,475) |
| Three Peat Tuition | 100,000 | 77,775 | (22,225) | 89,000 | | (89,000) | 21,000 | | (21,000) | 210,000 | 77,775 | (132,225) |
| Student Union Fee | 190,012 | 190,071 | 59 | 175,854 | | (175,854) | 56,831 | | (56,831) | 422,697 | 190,071 | (232,626) |
| Instructional Enhancement Fee | 1,192,149 | 1,174,980 | (17,169) | 1,100,456 | | (1,100,456) | 278,999 | | (278,999) | 2,571,604 | 1,174,980 | (1,396,624) |
| Distance Learning Fee | 506,613 | 488,513 | (18,101) | 458,888 | | (458,888) | 299,499 | | (299,499) | 1,265,000 | 488,513 | (776,488) |
| Application Fee | 21,000 | 9,556 | (11,444) | 65,000 | | (65,000) | 38,595 | | (38,595) | 124,595 | 9,556 | (115,039) |
| Recreation Center Fee | 540,618 | 570,557 | 29,939 | 500,354 | | (500,354) | 177,954 | | (177,954) | 1,218,926 | 570,557 | (648,370) |
| Athletic Fee | 581,293 | 575,631 | (5,663) | 536,145 | | (536,145) | 68,545 | | (68,545) | 1,185,983 | 575,631 | (610,353) |
| University Services Fee | 3,448,679 | 3,520,743 | 72,064 | 3,173,577 | | (3,173,577) | 807,078 | | (807,078) | 7,429,334 | 3,520,743 | (3,908,591) |
| Student Service Fee | 1,044,063 | 1,030,620 | (13,443) | 967,270 | | (967,270) | 244,610 | | (244,610) | 2,255,943 | 1,030,620 | (1,225,323) |
| Total Designated Funds | 15,475,351 | 15,426,110 | (49,241) | 14,351,949 | - | (14,351,949) | 3,841,502 | - | (3,841,502) | 33,668,802 | 15,426,110 | (18,242,692) |
| AUXILIARY: | | | | | | | | | | | | |
| Student Center Fee | 71,245 | 71,421 | 176 | 65,945 | | (65,945) | 21,312 | | (21,312) | 158,502 | 71,421 | (87,081) |
| Parking Permits & Fines | 209,750 | 176,765 | (32,985) | 95,750 | | (95,750) | 32,500 | | (32,500) | 338,000 | 176,765 | (161,235) |
| Residence Halls: | | | | | | | | | | | | |
| Killingsworth | 524,180 | 511,590 | (12,590) | 513,740 | | (513,740) | 22,900 | | (22,900) | 1,060,820 | 511,590 | (549,230) |
| Pierce | 394,250 | 390,409 | (3,841) | 370,310 | | (370,310) | 18,050 | | (18,050) | 782,610 | 390,409 | (392,201) |
| Sunwatcher Village | 925,200 | 923,579 | (1,622) | 920,225 | | (920,225) | 122,555 | | (122,555) | 1,967,980 | 923,579 | (1,044,402) |
| Sundance Court | 782,250 | 801,126 | 18,876 | 775,740 | | (775,740) | 200,930 | | (200,930) | 1,758,920 | 801,126 | (957,795) |
| McCullough-Trigg | 283,975 | 289,421 | 5,446 | 282,220 | | (282,220) | 7,600 | | (7,600) | 573,795 | 289,421 | (284,374) |
| Housing Overflow | 524,100 | 505,646 | (18,454) | 524,100 | | (524,100) | | | | 1,048,200 | 505,646 | (542,554) |
| Bridwell Courts | 76,263 | 79,414 | 3,151 | 76,212 | | (76,212) | 28,988 | | (28,988) | 181,463 | 79,414 | (102,049) |
| Food Service | 1,137,656 | 1,080,248 | (57,408) | 995,012 | | (995,012) | 23,796 | | (23,796) | 2,156,464 | 1,080,248 | (1,076,216) |
| Total Auxiliary Funds | 4,928,869 | 4,829,618 | (99,251) | 4,619,254 | - | (4,619,254) | 478,631 | - | (478,631) | 10,026,754 | 4,829,618 | (5,197,136) |
| Total all Funds | \$ 23,991,805 | \$ 23,835,435 | \$ (156,370) | \$ 22,307,124 | \$ - | \$ (22,307,124) | \$ 5,201,786 | \$ - | \$ (5,201,786) | \$ 51,500,715 | \$ 23,835,435 | \$ (27,665,280) |
| Headcount Enrollment | 5,975 | 5,874 | (101) | 5,530 | | (5,530) | 3,574 | | (3,574) | 15,079 | | (15,079) |
| Semester Credit Hours | 68,115 | 67,275 | (840) | 62,876 | | (62,876) | 15,941 | | (15,941) | 146,932 | | (146,932) |

Midwestern State University
Changes in Available Working Capital
For the One Month Ended September 30, 2014

| <u>Source/Use Of Funds</u> | <u>09/01/14 Beginning Balance</u> | <u>Increase/ (Decrease)</u> | <u>09/30/14 Ending Balance</u> |
|---------------------------------------|---|---------------------------------|--|
| E & G Unallocated | \$ 2,388,637 | | |
| Commitment to FY 14-15 Budget | | \$ (1,302,539) | \$ 1,086,098 |
| HEAF Unallocated | 214,917 | | |
| Commitment to FY 14-15 Budget | | - | 214,917 |
| E&G - Mineral Fund | - | | |
| Royalty Income | | 4,331 | 4,331 |
| Technology Fee | 67,664 | | |
| Commitment to FY 14-15 Budget | | - | 67,664 |
| Library Fees | 315 | | |
| Commitment to FY 14-15 Budget | | - | 315 |
| Publication Fees | 14,614 | | |
| Commitment to FY 14-15 Budget | | - | 14,614 |
| Wellness Center Fees | 50,113 | | |
| Commitment to FY 14-15 Budget | | - | 50,113 |
| Student Service Fees | 797,608 | | |
| Commitment to FY 14-15 Budget | | (120,827) | 676,781 |
| Medical Services Fee | 1,274 | | |
| Commitment to FY 14-15 Budget | | - | 1,274 |
| Student Union Fee | (20,668) | | |
| Budget transfers in process | | 20,668 | (0) |
| Course Fees | 527,014 | | |
| Commitment to FY 14-15 Budget | | (252,557) | 274,457 |
| Instructional Enhancement Fees | 675,416 | | |
| Commitment to FY 14-15 Budget | | - | 675,416 |
| Distance Learning Fee | 507,160 | | |
| Commitment to FY 14-15 Budget | | (465,685) | 41,475 |
| Local Tuition | 2,076,625 | | |
| Commitment to FY 14-15 Budget | | - | 2,076,625 |
| University Services Fee | 781,119 | | |
| Commitment to FY 14-15 Budget | | - | 781,119 |
| Energy Surcharge | 675 | | |
| Commitment to FY 14-15 Budget | | - | 675 |
| Academic Support Fee | 1,660 | | |
| Commitment to FY 14-15 Budget | | - | 1,660 |
| Study Abroad Guest Tuition | 13,110 | | |
| Commitment to FY 14-15 Budget | | - | 13,110 |
| Distance Learning Tuition | 8,598 | | |
| Commitment to FY 14-15 Budget | | (718) | 7,880 |

Unaudited

Schedule 4

Midwestern State University
Changes in Available Working Capital
For the One Month Ended September 30, 2014

| <u>Source/Use Of Funds</u> | <u>09/01/14 Beginning Balance</u> | <u>Increase/ (Decrease)</u> | <u>09/30/14 Ending Balance</u> |
|---------------------------------------|---|---------------------------------|--|
| Athletic Fee | 50,537 | | |
| Commitment to FY 14-15 Budget | | - | 50,537 |
| Three-Peat Tuition | - | | |
| Commitment to FY 14-15 Budget | | - | - |
| Tier II Tuition | 73,523 | | |
| Budget transfers in process | | (46,580) | 26,943 |
| Recreation Center Fee | 226,012 | | |
| Commitment to FY 14-15 Budget | | (14,400) | 211,612 |
| General Auxiliary | 42,348 | | 42,348 |
| Plant Fund | 225,633 | | |
| Income from sale of scrap equipment | | - | 225,633 |
| Renewal & Replacement Fund | 376,064 | | 376,064 |
| Total | <u>\$ 9,099,966</u> | <u>\$ (2,178,307)</u> | <u>\$ 6,921,659</u> |



Business Affairs and Finance
3410 Taft Boulevard Wichita Falls, Texas 76308-2099
o 940.397.4117 f 940.397.4302

January 22, 2015

TO: The Board of Regents of Midwestern State University, and
Dr. Jesse Rogers, President

SUBJECT: Quarterly Investment Reports

Attached are the quarterly investment reports for the first quarter ended
November 30, 2014, as required by the amended Public Funds Investment Act.

The investment portfolio is in compliance with Midwestern State University's
investment policies. The portfolio is in compliance with the provisions of the
Public Funds Investment Act as amended by the 75th Legislature. (HB 2799)

Chris Stovall
Controller

Dr. Marilyn Fowle'
Vice President, Business Affairs
and Finance

Unaudited

**Midwestern State University
Summary of Investments
(Pooled Investments)
At November 30, 2014**

| | <u>Book Value</u> | <u>%</u> | <u>Market Value</u> | <u>%</u> |
|---|-----------------------|----------------|-------------------------|----------------|
| Long-term Securities: | | | | |
| Equity Securities: | | | | |
| U.S. Common Stock | <u>\$70,260</u> | <u>0.24%</u> | <u>\$190,398</u> | <u>0.64%</u> |
| Debt Securities: | | | | |
| U.S. Government Agencies (Non-Guaranteed): | | | | |
| Mortgage-Backed | 21,246 | 0.07% | 21,764 | 0.07% |
| Other | <u>4,593,558</u> | <u>15.78%</u> | <u>4,472,114</u> | <u>15.00%</u> |
| Total U.S. Government Agencies | <u>4,614,804</u> | <u>15.85%</u> | <u>4,493,879</u> | <u>15.08%</u> |
| Long-term Investment Pools | | | | |
| Texas A&M System Investment Pool | <u>20,091,553</u> | <u>69.00%</u> | <u>20,783,072</u> | <u>69.73%</u> |
| Total Long-term Securities | <u>24,776,617</u> | <u>85.10%</u> | <u>25,467,349</u> | <u>85.44%</u> |
| Short-term Securities: | | | | |
| JPMorgan Chase MM Savings | 10,663 | 0.04% | 10,663 | 0.04% |
| TexPool | 1,001,284 | 3.44% | 1,001,284 | 3.36% |
| Logic | <u>1,002,948</u> | <u>3.44%</u> | <u>1,002,948</u> | <u>3.36%</u> |
| Total Short-term Securities | <u>2,014,895</u> | <u>6.92%</u> | <u>2,014,895</u> | <u>6.76%</u> |
| Total Investment Assets | <u>26,791,512</u> | <u>92.02%</u> | <u>27,482,244</u> | <u>92.20%</u> |
| Cash and Cash Equivalents: | | | | |
| Cash Held at State Treasury | <u>2,324,638</u> | <u>7.98%</u> | <u>2,324,638</u> | <u>7.80%</u> |
| Total Cash and Cash Equivalents | | | | |
| Total Cash and Investments | <u>\$29,116,150</u> | <u>100.00%</u> | <u>\$29,806,882</u> | <u>100.00%</u> |
| Total Rate of Return | 2.90% | | | |

Unaudited

Midwestern State University
Statement of Changes in Investment Assets
(Pooled Investments)
For the First Quarter Ended November 30, 2014

| | <u>Book</u> <u>Value</u> | <u>Market</u> <u>Value</u> |
|---|---|---|
| Investment Assets - 08-31-2014 | \$35,569,869 | \$36,576,597 |
| Principal Payments received | (12,993,823) | (12,993,823) |
| Investment Income | 244,442 | 244,442 |
| Distributions | (28,976) | (28,976) |
| Securities Purchased | 4,000,000 | 4,000,000 |
| Changes in Net Unrealized Appreciation/(Depreciation) | <u> </u> | <u>(315,996)</u> |
| Investment Assets - 11-30-2014 | <u><u>\$26,791,512</u></u> | <u><u>\$27,482,244</u></u> |

Unaudited

Midwestern State University
Summary of Investments
(MSU Endowments at American Natl. Bank Trust Dept.)
At November 30, 2014

| | <u>Book</u> <u>Value</u> | <u>%</u> | <u>Market</u> <u>Value</u> | <u>%</u> |
|--|-----------------------------|----------------|-------------------------------|----------------|
| Long-term Securities: | | | | |
| Equity Securities: | | | | |
| Common Stock and ETFs | \$4,363,378 | 59.69% | \$5,819,666 | 65.32% |
| Total Equity Securities | <u>4,363,378</u> | <u>59.69%</u> | <u>5,819,666</u> | <u>65.32%</u> |
| Other Securities: | | | | |
| U.S. Government Agencies | 19,421 | 0.27% | 20,669 | 0.23% |
| Corporate Bonds & Notes | 2,076,006 | 28.40% | 2,146,931 | 24.10% |
| Total Fixed Income Securities | <u>2,095,427</u> | <u>28.67%</u> | <u>2,167,599</u> | <u>24.33%</u> |
| Total Long-term Securities | <u>6,458,806</u> | <u>88.36%</u> | <u>7,987,266</u> | <u>89.65%</u> |
| Total Investment Assets | <u>6,458,806</u> | <u>88.36%</u> | <u>7,987,266</u> | <u>89.65%</u> |
| Cash and Cash Equivalents: | | | | |
| U.S. Dollars | 0 | 0.00% | 0 | 0.00% |
| Goldman Sachs - Cash Equivalent | 610,494 | 8.35% | 610,494 | 6.85% |
| Total Cash and Cash Equivalents | <u>610,494</u> | <u>8.35%</u> | <u>610,494</u> | <u>6.85%</u> |
| Miscellaneous Assets: | | | | |
| Partnership - Devonshire | 240,581 | 3.29% | 311,623 | 3.50% |
| Total Miscellaneous Assets | <u>240,581</u> | <u>3.29%</u> | <u>311,623</u> | <u>3.50%</u> |
| Total Cash and Investments | <u>\$7,309,881</u> | <u>100.00%</u> | <u>\$8,909,382</u> | <u>100.00%</u> |

Unaudited

Midwestern State University
Statement of Changes in Investment Assets
(MSU Endowments at American Natl. Bank Trust Dept.)
For the First Quarter Ended November 30, 2014

| | <u>Book</u> <u>Value</u> | <u>Market</u> <u>Value</u> |
|---|---|---|
| Investment Assets - 08-31-14 | \$7,217,392 | \$8,978,257 |
| Principal Payments Received | (1,297,266) | (1,297,266) |
| Investment Income | 47,897 | 47,897 |
| Realized Gain (Loss) | 74,726 | 74,726 |
| Management Fees | (9,250) | (9,250) |
| Distributions and Other | (128,788) | (128,788) |
| Securities Purchased | 1,405,170 | 1,405,170 |
| Changes in Net Unrealized Appreciation/(Depreciation) | <u> </u> | <u>(161,364)</u> |
| Investment Assets - 11-30-14 | <u><u>\$7,309,881</u></u> | <u><u>\$8,909,382</u></u> |

Unaudited

Midwestern State University
Summary of Investments
(Redwine Endowment Managed by Luther King Capital Management)
At November 30, 2014

| | <u>Book Value</u> | <u>%</u> | <u>Market Value</u> | <u>%</u> |
|---|-----------------------|----------------|-------------------------|----------------|
| Fixed Income/Debt Securities: | | | | |
| U.S. Fixed Income Funds | \$3,385,000 | 37.12% | \$3,296,257 | 27.85% |
| Total Fixed Income/Debt Securities | <u>3,385,000</u> | <u>37.12%</u> | <u>3,296,257</u> | <u>27.85%</u> |
| Equity Securities: | | | | |
| U.S. Equities | 5,695,935 | 62.47% | 8,501,443 | 71.83% |
| Total Equity Securities | <u>5,695,935</u> | <u>62.47%</u> | <u>8,501,443</u> | <u>71.83%</u> |
| Cash and Cash Equivalents: | | | | |
| Cash and Cash Equivalents | 37,530 | 0.41% | 37,530 | 0.32% |
| Total Cash and Cash Equivalents | <u>37,530</u> | <u>0.41%</u> | <u>37,530</u> | <u>0.32%</u> |
| Total Investments | <u>\$9,118,464</u> | <u>100.00%</u> | <u>\$11,835,230</u> | <u>100.00%</u> |

Unaudited

Midwestern State University
Statement of Changes in Investment Assets
(Redwine Endowment Managed by Luther King Capital Management)
For the First Quarter Ended November 30, 2014

| | <u>Book</u> <u>Value</u> | <u>Market</u> <u>Value</u> |
|---|---|---|
| Investment Assets - 08-31-14 | \$9,088,186 | \$11,635,878 |
| Principal Payments Received | (144,605) | (144,605) |
| Investment Income | 47,145 | 47,145 |
| Realized Gain (Loss) | 6,607 | 6,607 |
| Management Fees | (23,473) | (23,473) |
| Distributions and Other | (53,751) | (53,751) |
| Securities Purchased and Funds Transferred | 198,356 | 198,356 |
| Changes in Net Unrealized Appreciation/(Depreciation) | <u>169,074</u> | <u>169,074</u> |
| Investment Assets - 11-30-14 | <u><u>\$9,118,464</u></u> | <u><u>\$11,835,230</u></u> |

"POOLED" INVESTMENTS
FOR THE FIRST QUARTER ENDED NOVEMBER 30, 2014

| | Common | Stated Maturity | Book Value 08-31-14 | Market Value 08-31-14 | Unrealized Gain (Loss) | Purchases | Principal Payments Received/ Matured | Realized Gain (Loss) | Interest/ Dividends Earned For the Qtr. | Amortization/ Accretion of Prem./Dis. | Book Value 11-30-14 | Market Value 11-30-14 | Unrealized Gain (Loss) |
|--|-----------|--------------------|---------------------------|-----------------------------|------------------------------|-----------------------|---|----------------------------|--|---|---------------------------|-----------------------------|------------------------------|
| U.S. Government Agencies: | | | | | | | | | | | | | |
| FHLB Collateralized Mortgage | 4.81 | 08-20-15 | 24,957.53 | 25,744.71 | 787.18 | | 3,804.70 | | 283.42 | (11.87) | 21,140.86 | 21,653.05 | 512.09 |
| FHLMC Fixed Note - callable | 1.40 | 05-08-19 | 500,000.00 | 490,718.73 | (9,281.27) | | | | 1,750.00 | | 500,000.00 | 490,595.21 | (9,404.79) |
| FNMA Fixed Note - callable | 1.50 | 11-27-19 | 499,792.95 | 486,805.22 | (12,987.73) | | | | 1,875.00 | 12.57 | 499,805.52 | 488,921.34 | (10,884.18) |
| FFCB Fixed Note-callable | 1.74 | 05-21-20 | 500,000.00 | 489,840.84 | (10,159.16) | | | | 2,175.00 | | 500,000.00 | 490,553.15 | (9,446.85) |
| FNMA Fixed Note - callable | 1.50 | 11-27-20 | 594,846.48 | 573,602.20 | (21,244.28) | | | | 2,250.00 | 200.56 | 595,047.04 | 576,590.58 | (18,456.46) |
| FNMA Step Up | 2.00 | 07-16-21 | 499,791.45 | 487,447.41 | (12,344.04) | | | | 2,500.00 | 6.48 | 499,797.93 | 486,469.74 | (13,328.19) |
| FHLB Step Up | 1.00-5.25 | 01-17-23 | 500,000.00 | 499,724.41 | (275.59) | | 500,000.00 | | 798.61 | | | | |
| FHLB | 1.25-5.00 | 05-27-25 | 500,000.00 | 492,938.61 | (7,061.39) | | 500,000.00 | | 1,493.06 | | | | |
| FNMA Step Up | 2.125-6.5 | 05-24-27 | 500,000.00 | 493,633.33 | (6,366.67) | | | | 2,656.25 | | 500,000.00 | 497,172.60 | (2,827.40) |
| FNMA | 2.25-6.5 | 09-27-27 | 499,539.17 | 464,818.14 | (34,721.03) | | | | 2,812.50 | 37.50 | 499,576.67 | 470,067.87 | (29,508.80) |
| FHLMC | 3.00 | 09-28-27 | 499,321.35 | 478,661.71 | (20,659.64) | | | | 3,750.00 | 9.75 | 499,331.10 | 479,819.54 | (19,511.56) |
| FHLB | 1.25 | 09-28-27 | 500,000.00 | 500,225.32 | 225.32 | | 500,000.00 | | 468.75 | | | | |
| FNMA Step Up | 3.00 | 12-27-27 | 500,000.00 | 487,676.83 | (12,323.17) | | | | 3,750.00 | | 500,000.00 | 491,924.02 | (8,075.98) |
| Total Agency Notes | | | 6,118,248.93 | 5,971,837.46 | (146,411.47) | | 1,503,804.70 | | 26,562.59 | 254.99 | 4,614,699.22 | 4,493,767.10 | (120,932.12) |
| U.S. Government Mortgage Backed Securities: | | | | | | | | | | | | | |
| FHLMC Pool #170177 | 9.500 | 07-01-16 | 42.12 | 45.14 | 3.02 | | 6.32 | | 0.93 | 0.02 | 35.82 | 37.95 | 2.13 |
| FHLMC Pool #170177 | 9.500 | 07-01-16 | 81.70 | 87.37 | 5.67 | | 12.26 | | 1.75 | 0.01 | 69.45 | 73.46 | 4.01 |
| Total Mortgage-Backed | | | 123.82 | 132.51 | 8.69 | | 18.58 | | 2.68 | 0.03 | 105.27 | 111.41 | 6.14 |
| U.S. Common Stock: (Donated) | | | | | | | | | | | | | |
| 1,000 shares - Chesapeake Utilities (CPK) | | | 18,200.00 | 68,970.00 | 50,770.00 | | | | 405.00 | | 18,200.00 | 44,930.00 | 26,730.00 |
| 10 shares - Citigroup (C) - reverse split | | | 1,310.00 | 516.50 | (793.50) | | | | | | 1,310.00 | 539.70 | (770.30) |
| 45 shares Calamos Conv. & High Inc. (CHY) | | | 619.65 | 664.65 | 45.00 | | | | 13.50 | | 619.65 | 652.05 | 32.40 |
| 1,200 shares - CSX Corp. (CSX) | | | 5,566.00 | 37,092.00 | 31,526.00 | | | | 192.00 | | 5,566.00 | 43,788.00 | 38,222.00 |
| 252 shares - Conoco Phillips (COP) | | | 4,957.82 | 20,467.44 | 15,509.62 | | | | 183.96 | | 4,957.82 | 16,649.64 | 11,691.82 |
| 126 shares - Phillips 66 (PSX) | | | 2,479.68 | 10,964.52 | 8,484.84 | | | | 63.00 | | 2,479.68 | 9,200.52 | 6,720.84 |
| 125 shares Berkshire (BRK-B) | | | 2,631.05 | 17,019.00 | 14,387.95 | | | | | | 2,631.05 | 18,586.25 | 15,955.20 |
| 856 shares - Wells Fargo (WFC) | | | 24,824.00 | 44,032.64 | 19,208.64 | | | | 299.60 | | 24,824.00 | 46,634.88 | 21,810.88 |
| 124 shares-Manulife (MFC) | | | 4,216.36 | 2,502.32 | (1,714.04) | | | | 13.15 | | 4,216.36 | 2,467.60 | (1,748.76) |
| 60 shares - Natl. Oil Well (NOV) | | | 4,342.80 | 5,185.80 | 843.00 | | | | 27.60 | | 4,342.80 | 4,022.40 | (320.40) |
| 70 shares - Southwest Airlines (LUV) | | | 1,112.30 | 2,240.70 | 1,128.40 | | | | 4.20 | | 1,112.30 | 2,927.40 | 1,815.10 |
| Total Common Stock | | | 70,259.66 | 209,655.57 | 139,395.91 | | | | 1,202.01 | | 70,259.66 | 190,398.44 | 120,138.78 |
| Sub-Total - Securities | | | 6,188,632.41 | 6,181,625.54 | (7,006.87) | | 1,503,823.28 | | 27,767.28 | 255.02 | 4,685,064.15 | 4,684,276.95 | (787.20) |
| Other Investments: | | | | | | | | | | | | | |
| GE Capital CD | 1.50 | 10-28-14 | 245,000.00 | 245,000.00 | | | 245,000.00 | | 573.90 | | | | |
| Goldman Sachs Bank CD | 1.50 | 11-03-14 | 245,000.00 | 245,000.00 | | | 245,000.00 | | 634.31 | | | | |
| JPMorgan Chase MM Savings | 0.03 | | 10,662.41 | 10,662.41 | | | | | 0.79 | | 10,663.20 | 10,663.20 | |
| TEXPOOL Investment Pool (1) | 0.03 | * Daily | 3,001,080.35 | 3,001,080.35 | | 1,000,000.00 | 3,000,000.00 | | 203.27 | | 1,001,283.62 | 1,001,283.62 | |
| LOGIC Investment Pool (1) | 0.09 | * Daily | 6,001,425.05 | 6,001,425.05 | | 3,000,000.00 | 8,000,000.00 | | 1,523.28 | | 1,002,948.33 | 1,002,948.33 | |
| TX A&M System Pool | 2.98 | * Variable | 19,878,068.51 | 20,891,803.36 | 1,013,734.85 | | | | 213,484.31 | | 20,091,552.82 | 20,783,072.25 | 691,519.43 |
| Total Investment Pool Cash | | | 29,381,236.32 | 30,394,971.17 | 1,013,734.85 | 4,000,000.00 | 11,490,000.00 | | 216,419.86 | | 22,106,447.97 | 22,797,967.40 | 691,519.43 |
| Total Investments | | | \$35,569,868.73 | \$36,576,596.71 | \$860,325.20 | \$4,000,000.00 | \$12,993,823.28 | | 244,187.14 | \$255.02 | \$26,791,512.12 | \$27,482,244.35 | \$569,806.25 |

*As of November 30, 2014

(1) These investment pools are structured to maintain a constant dollar value

| Comparison to U.S. and State Treasuries | Book Accounting Yield | Average Three- Month U.S. Treasury Bill | State Treasury Yield | Basis Point Spread to U.S. Treasury | Basis Point Spread to State Treasury |
|---|--------------------------|---|-------------------------|---|--|
| September, 2014 | 2.36 | 0.02 | 0.36 | 2.34 | 2.00 |
| October, 2014 | 3.71 | 0.02 | 0.43 | 3.69 | 3.25 |
| November, 2014 | 2.63 | 0.02 | 0.39 | 2.61 | 2.24 |

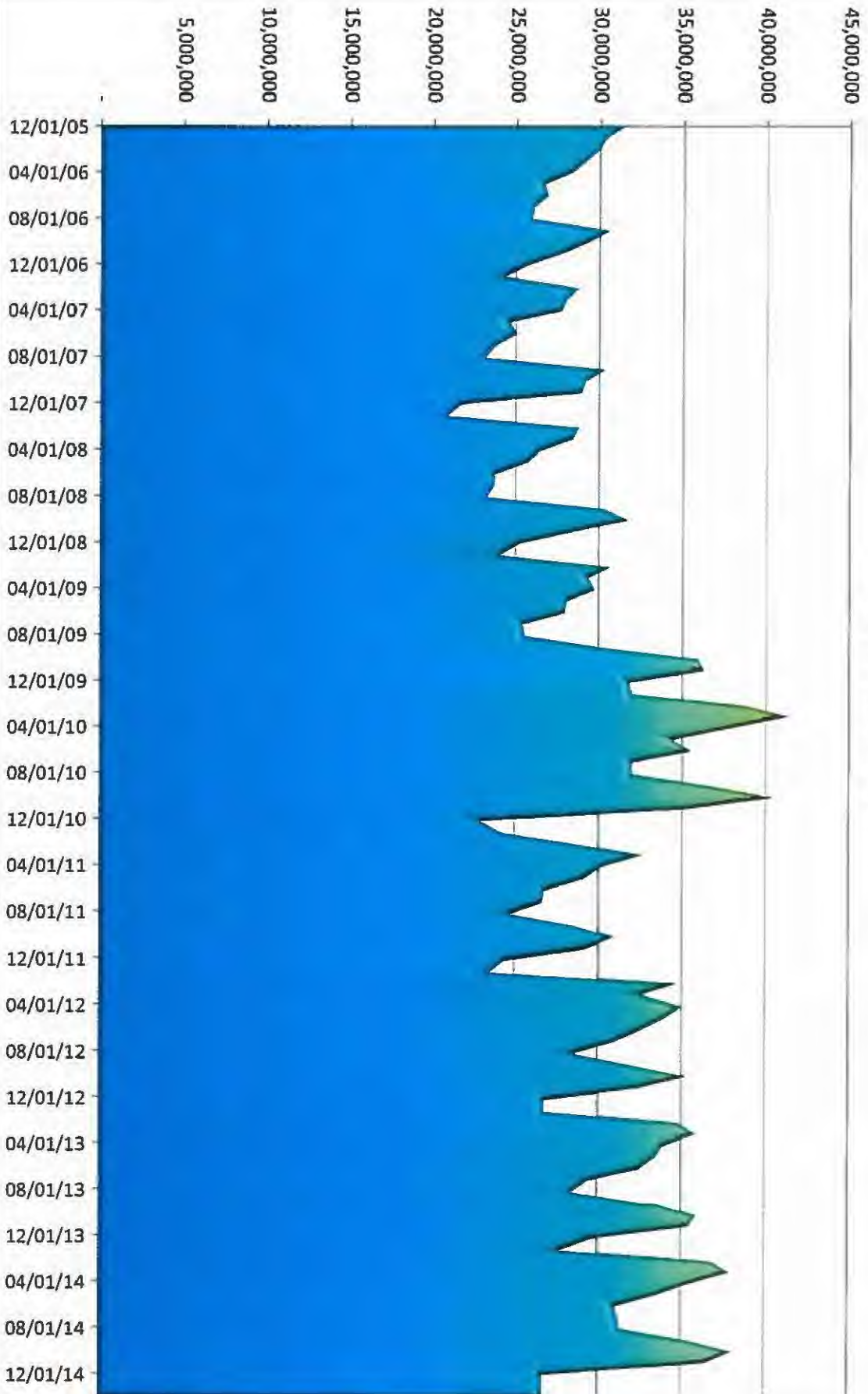
**MIDWESTERN STATE UNIVERSITY
INVESTMENT PORTFOLIO ACTIVITY
MSU ENDOWMENT INVESTMENTS - AMERICAN NATL. BANK TRUST DEPT. MANAGERS
FOR THE FIRST QUARTER ENDED NOVEMBER 30, 2014**

| | Book Value 08-31-14 | Market Value 08-31-14 | Unrealized Gain (Loss) | Purchases | Principal Payments Received/ Matured | Realized Gain (Loss) | Interest/ Dividends Received (Fees Paid) In the Qtr. | Amortization/ Accretion of Prem./Disc. | Book Value 11-30-14 | Market Value 11-30-14 | Unrealized Gain (Loss) | Market Value Percentage Of Total |
|--|---------------------------|-----------------------------|------------------------------|----------------|---|----------------------------|--|--|---------------------------|-----------------------------|------------------------------|--|
| AMERICAN NATL. BANK TRUST DEPT. | | | | | | | | | | | | |
| Cash and Cash Equivalents: | | | | | | | | | | | | |
| Cash | | | | | | | | | | | | |
| American Natl. Bank Fees | | | | | | | (\$9,249.89) | | | | | |
| U.S. Dollars | \$1,505.00 | \$1,505.00 | | \$362.96 | \$1,867.96 | | | | 610,493.95 | 610,493.95 | | 6.85% |
| Goldman Sachs | 398,766.49 | 398,766.49 | | 770,268.55 | 558,541.09 | | 9.62 | | 610,493.95 | 610,493.95 | | 6.85% |
| Total Cash and Cash Equivalents | 400,271.49 | 400,271.49 | | 770,631.51 | 560,409.05 | | (9,240.27) | | 610,493.95 | 610,493.95 | | 6.85% |
| Purchased Interest Receivable | | | | | | | | | | | | |
| Fixed Income: | | | | | | | | | | | | |
| U.S. Government Agencies | 20,681.96 | 22,185.61 | \$1,503.65 | | 1,251.16 | (\$7.80) | 687.58 | (\$9.61) | 19,421.19 | 20,668.94 | \$1,247.75 | 0.23% |
| Municipal Bonds | | | | | | | | | | | | |
| Corporate Bonds & Notes | 2,232,308.07 | 2,304,018.37 | 71,710.30 | 409,466.37 | 550,363.89 | (1,243.06) | 22,005.08 | (15,404.32) | 2,076,006.23 | 2,146,930.52 | 70,924.29 | 24.10% |
| Total Fixed Income Securities | 2,252,990.03 | 2,326,203.98 | 73,213.95 | 409,466.37 | 551,615.05 | (1,250.86) | 22,692.66 | (15,413.93) | 2,095,427.42 | 2,167,599.46 | 72,172.04 | 24.33% |
| Common Stock - Equities: | | | | | | | | | | | | |
| U.S. Equities | 3,460,091.23 | 4,900,560.36 | 1,440,469.13 | 225,071.63 | 178,998.84 | 75,951.42 | 22,962.52 | | 3,506,164.02 | 4,804,601.69 | 1,298,437.67 | 53.93% |
| Foreign Equities | 42,152.44 | 72,860.58 | 30,708.14 | | | | | | 42,152.44 | 86,865.81 | 44,713.37 | 0.97% |
| Equity ETFs | 640,502.72 | 789,833.57 | 149,330.85 | | 1,966.90 | 25.31 | 2,232.39 | | 638,535.82 | 761,778.93 | 123,243.11 | 8.55% |
| Mutual Funds - Equities | 176,526.00 | 176,903.78 | 377.78 | | | | | | 176,526.00 | 166,419.90 | (10,106.10) | 1.87% |
| Total Equities | 4,319,272.39 | 5,940,158.29 | 1,620,885.90 | 225,071.63 | 180,965.74 | 75,976.73 | 25,194.91 | | 4,363,378.28 | 5,819,666.33 | 1,456,288.05 | 65.32% |
| Miscellaneous Assets: | | | | | | | | | | | | |
| Partnership - Devonshire | 244,857.68 | 311,622.74 | 66,765.06 | | 4,276.31 | | | | 240,581.37 | 311,622.74 | 71,041.37 | 3.50% |
| Total Miscellaneous Assets | 244,857.68 | 311,622.74 | 66,765.06 | | 4,276.31 | | | | 240,581.37 | 311,622.74 | 71,041.37 | 3.50% |
| Total Endowment Investments at American National Bank Trust | \$7,217,391.59 | \$8,978,256.50 | \$1,760,864.91 | \$1,405,169.51 | \$1,297,266.15 | \$74,725.87 | \$38,647.30 | (\$15,413.93) | \$7,309,881.02 | \$8,909,382.48 | \$1,599,501.46 | 100.00% |
| Sep. Oct. and Nov activity | | | | | | | 5.39% | 97,959.24 | | | | |
| | | | | | | | (Annualized) | 7,263,636.31 | Market Value gain = | 1,599,501.46 | = | 21.88% |
| | | | | | | | | | | 7,309,881.02 | | |

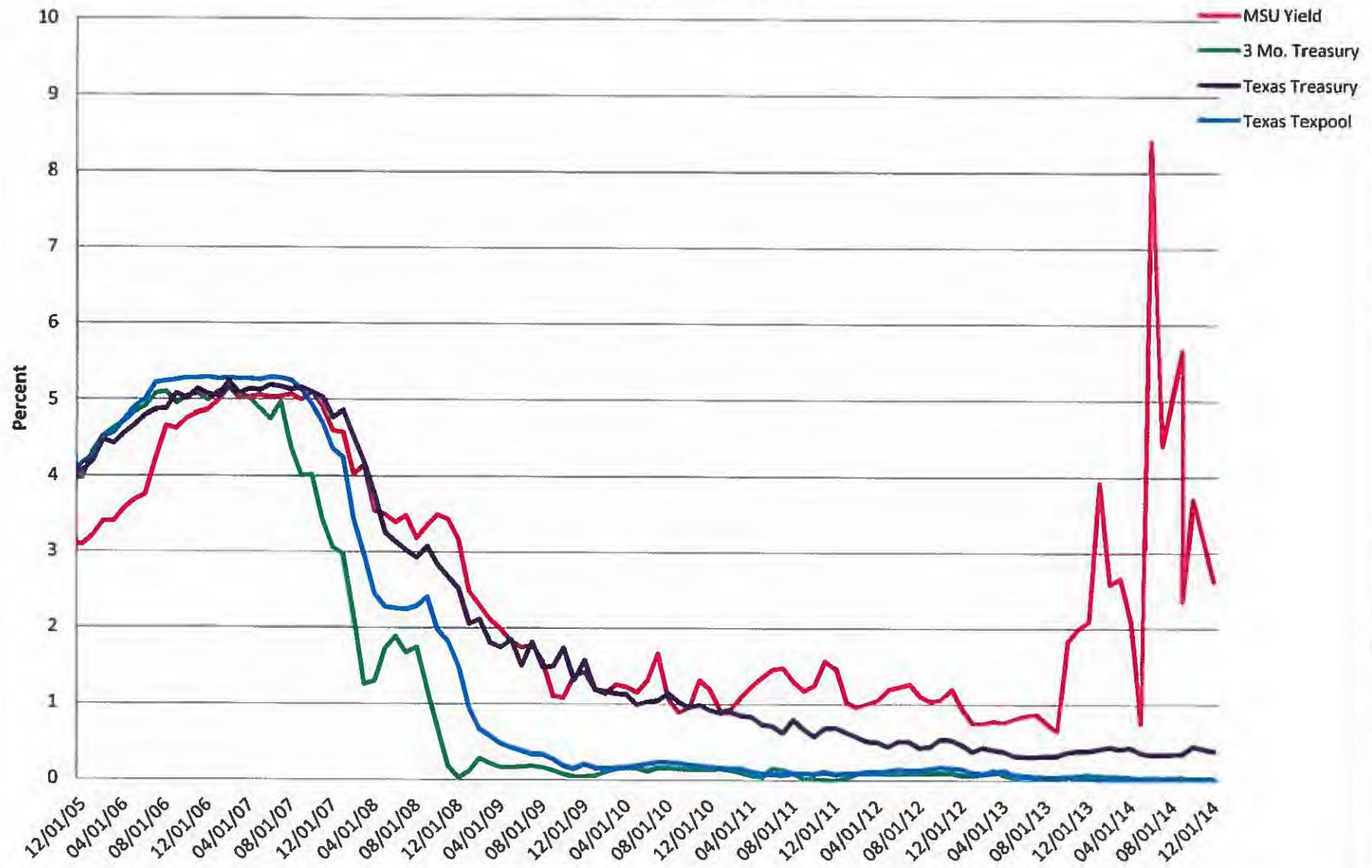
**MIDWESTERN STATE UNIVERSITY
INVESTMENT PORTFOLIO ACTIVITY
REDWINE ENDOWMENT INVESTMENTS - LUTHER KING CAPITAL MANAGEMENT
FOR THE FIRST QUARTER ENDED NOVEMBER 30, 2014**

| | Book Value 08-31-14 | Market Value 08-31-14 | Unrealized Gain (Loss) | Purchases | Principal Payments Received/ Matured | Realized Gain (Loss) | Interest/ Dividends Received (Fees Paid) In the Qtr. | Amortization/ Accretion of Prem./Disc. | Book Value 11-30-14 | Market Value 11-30-14 | Unrealized Gain (Loss) | Market Value Percentage Of Total |
|---|---------------------------|-----------------------------|------------------------------|--------------|---|----------------------------|--|--|---------------------------|-----------------------------|------------------------------|--|
| LUTHER KING CAP MNGMT. FEES | | | | | | | | | | | | |
| Cash and cash equivalents: | | | | | | | | | | | | |
| U.S. Dollars | \$51,049.11 | \$51,049.11 | | \$48,549.29 | \$38,595.69 | | | | \$37,529.71 | \$37,529.71 | | 0.32% |
| Total Cash and cash equivalents | 51,049.11 | 51,049.11 | | 48,549.29 | 38,595.69 | | (23,473.00) | | 37,529.71 | 37,529.71 | | 0.32% |
| Fixed Income: | | | | | | | | | | | | |
| U.S. Fixed Income Funds | 3,385,000.00 | 3,308,254.46 | (\$76,745.54) | | | | 15,902.87 | | 3,385,000.00 | 3,296,257.16 | (88,742.84) | 27.85% |
| Total Fixed Income | 3,385,000.00 | 3,308,254.46 | (76,745.54) | | | | 15,902.87 | | 3,385,000.00 | 3,296,257.16 | (88,742.84) | 27.85% |
| Equities: | | | | | | | | | | | | |
| Concentrated & Other Equity | 5,652,137.14 | 8,276,574.03 | 2,624,436.89 | 149,806.95 | 106,009.50 | 6,606.51 | 31,241.67 | | 5,695,934.59 | 8,501,443.24 | 2,805,508.65 | 71.83% |
| Total Equities | 5,652,137.14 | 8,276,574.03 | 2,624,436.89 | 149,806.95 | 106,009.50 | 6,606.51 | 31,241.67 | | 5,695,934.59 | 8,501,443.24 | 2,805,508.65 | 71.83% |
| Total Redwine Endowment Assets at Luther King Cap Mgmt | \$9,088,186.25 | \$11,635,877.60 | \$2,547,691.35 | \$198,356.24 | \$144,605.19 | \$6,606.51 | \$23,671.54 | | \$9,118,464.30 | \$11,835,230.11 | \$2,716,765.81 | 100.00% |
| Sep. Oct. and Nov activity | | | | | | | 1.33% | 30,278.05 | | | | |
| | | | | | | | (Annualized) | 9,103,325.28 | Market Value gain = | 2,716,765.81 | = | 29.79% |
| | | | | | | | | | | 9,118,464.30 | | |

**Midwestern State University
Pooled Investments
Total Invested**



Midwestern State University Historical Yields



Midwestern State University
Endowed Funds Investment Comparison

| | If Invested w/TAMUS | | | | | MSU Current | |
|-------------|---------------------|--------------|-----------|--------------|-----------|--------------|---------|
| | Beginning Value | Appreciation | New Value | Distribution | Addition | Distribution | |
| August-09 | 4,835,322 | | | | | 4,835,322 | |
| November-09 | 4,835,322 | 85,827 | 4,921,149 | 60,442 | | | |
| February-10 | 4,860,707 | 85,827 | 4,946,534 | 60,442 | 588,879 | | |
| May-10 | 5,474,972 | 96,280 | 5,571,251 | 67,803 | | | |
| August-10 | 5,503,449 | 96,280 | 5,599,729 | 67,803 | | 5,318,312 | 10,370 |
| November-10 | 5,531,926 | 171,490 | 5,703,416 | 69,149 | | | |
| February-11 | 5,634,267 | 171,490 | 5,805,756 | 69,149 | 826,600 | | |
| May-11 | 6,563,207 | 197,114 | 6,760,322 | 79,482 | | | |
| August-11 | 6,680,840 | 197,114 | 6,877,954 | 79,482 | | 6,223,858 | 124,500 |
| November-11 | 6,798,473 | 90,080 | 6,888,552 | 84,981 | | | |
| February-12 | 6,803,572 | 90,080 | 6,893,651 | 84,981 | 136,890 | | |
| May-12 | 6,945,560 | 91,894 | 7,037,454 | 86,692 | | | 161,265 |
| August-12 | 6,950,762 | 91,894 | 7,042,656 | 86,692 | | 6,205,884 | |
| November-12 | 6,955,963 | 177,377 | 7,133,341 | 86,950 | | | |
| February-13 | 7,046,391 | 177,377 | 7,223,768 | 86,950 | 245,645 | | 251,705 |
| May-13 | 7,382,464 | 183,641 | 7,566,105 | 90,020 | | | |
| August-13 | 7,476,084 | 183,641 | 7,659,725 | 90,020 | | 6,571,516 | |
| November-13 | 7,569,705 | 340,637 | 7,910,342 | 94,621 | | | 258,590 |
| February-14 | 7,815,721 | 340,637 | 8,156,358 | 94,621 | 349,914 | | |
| May-14 | 8,411,650 | 356,383 | 8,768,033 | 98,995 | | | |
| August-14 | 8,669,038 | 356,383 | 9,025,421 | 98,995 | | 8,978,257 | 269,236 |
| | 8,926,425 | | | 1,638,268 | 2,147,928 | | |

Total Distribution

1,638,268

1,075,666

Summary of the Personnel Position Status Reports for 9/1/14 – 12/30/14

September 2014 New Position – Secretary, Undergraduate Research
 Net position change: +1 (Clerical and Secretarial)
 Presented for ratification by Board of Regents, 11/7/14

Total net new positions as of 12/30/14 = +1

MIDWESTERN STATE UNIVERSITY
PERSONNEL POSITION STATUS REPORT
9/30/2014 CORRECTED

| POSITIONS | APPROVED BUDGET | | POSITIONS | | TOTAL POSITIONS | | SALARY | FILLED POSITIONS | | VACANT POSITIONS | | TOTAL CURRENT POSITIONS | |
|--------------------------|-----------------|----------------|-----------|-----------|-----------------|----------------|----------|------------------|----------------|------------------|-----------|-------------------------|----------------|
| | 9/1/2014 | | ADDED | (DELETED) | FTE | AMOUNT | (SAVED) | FTE | AMOUNT | FTE | AMOUNT | FTE | AMOUNT |
| | FTE | AMOUNT | FTE | AMOUNT | FTE | AMOUNT | ADDED | FTE | AMOUNT | FTE | AMOUNT | FTE | AMOUNT |
| EXEC, ADMIN & MANAGERIAL | 44.64 | 4,430,408 | | | 44.64 | 4,430,408 | | 41.64 | 4,208,608 | 3.00 | 221,800 | 44.64 | 4,430,408 |
| REGULAR FACULTY | 250.70 | 17,047,095 | | | 250.70 | 17,047,095 | (30,295) | 236.20 | 16,187,480 | 14.50 | 829,320 | 250.70 | 17,016,800 |
| PROFESSIONAL NON-FACULTY | 150.46 | 6,607,284 | | | 150.46 | 6,607,284 | (11,793) | 146.46 | 6,460,100 | 4.00 | 135,391 | 150.46 | 6,595,491 |
| CLERICAL AND SECRETARIAL | 97.08 | 2,380,461 | 1.00 | 20,916 | 98.08 | 2,401,377 | (375) | 86.08 | 2,174,502 | 12.00 | 226,500 | 98.08 | 2,401,002 |
| TECH & PARAPROFESSIONAL | 22.00 | 954,050 | | | 22.00 | 954,050 | | 21.00 | 923,342 | 1.00 | 30,708 | 22.00 | 954,050 |
| SKILLED CRAFT | 29.00 | 958,666 | | | 29.00 | 958,666 | | 28.00 | 928,164 | 1.00 | 30,502 | 29.00 | 958,666 |
| SERVICE & MAINTENANCE | 65.00 | 1,377,960 | | | 65.00 | 1,377,960 | | 63.00 | 1,341,240 | 2.00 | 36,720 | 65.00 | 1,377,960 |
| POLICE | <u>14.00</u> | <u>509,125</u> | | | <u>14.00</u> | <u>509,125</u> | | <u>14.00</u> | <u>509,125</u> | | | <u>14.00</u> | <u>509,125</u> |
| GRAND TOTALS | 672.88 | 34,265,049 | 1.00 | 20,916 | 673.88 | 34,285,965 | (42,463) | 636.38 | 32,732,561 | 37.50 | 1,510,941 | 673.88 | 34,243,502 |

MIDWESTERN STATE UNIVERSITY
PERSONNEL POSITION STATUS REPORT
October 31, 2014

| POSITIONS | APPROVED BUDGET | | POSITIONS | | TOTAL POSITIONS | | SALARY (SAVED) | FILLED POSITIONS | | VACANT POSITIONS | | TOTAL CURRENT | |
|--------------------------|-----------------|------------|-----------------|--------|-----------------|------------|-------------------|------------------|------------|------------------|-----------|---------------|------------|
| | 9/1/2014 | | ADDED (DELETED) | | | | | | | | | POSITIONS | |
| | FTE | AMOUNT | FTE | AMOUNT | FTE | AMOUNT | ADDED | FTE | AMOUNT | FTE | AMOUNT | FTE | AMOUNT |
| EXEC, ADMIN & MANAGERIAL | 44.64 | 4,430,408 | | | 44.64 | 4,430,408 | | 41.64 | 4,208,608 | 3.00 | 221,800 | 44.64 | 4,430,408 |
| REGULAR FACULTY | 250.70 | 17,047,095 | | | 250.70 | 17,047,095 | (30,295) | 236.20 | 16,187,480 | 14.50 | 829,320 | 250.70 | 17,016,800 |
| PROFESSIONAL NON-FACULTY | 150.46 | 6,607,284 | | | 150.46 | 6,607,284 | (11,793) | 145.46 | 6,429,788 | 5.00 | 165,703 | 150.46 | 6,595,491 |
| CLERICAL AND SECRETARIAL | 97.08 | 2,380,461 | 1.00 | 20,916 | 98.08 | 2,401,377 | (375) | 87.08 | 2,199,786 | 11.00 | 201,216 | 98.08 | 2,401,002 |
| TECH & PARAPROFESSIONAL | 22.00 | 954,050 | | | 22.00 | 954,050 | | 20.00 | 884,886 | 2.00 | 69,164 | 22.00 | 954,050 |
| SKILLED CRAFT | 29.00 | 958,666 | | | 29.00 | 958,666 | | 28.00 | 928,164 | 1.00 | 30,502 | 29.00 | 958,666 |
| SERVICE & MAINTENANCE | 65.00 | 1,377,960 | | | 65.00 | 1,377,960 | | 63.00 | 1,341,240 | 2.00 | 36,720 | 65.00 | 1,377,960 |
| POLICE | 14.00 | 509,125 | | | 14.00 | 509,125 | | 14.00 | 509,125 | | | 14.00 | 509,125 |
| GRAND TOTALS | 672.88 | 34,265,049 | 1.00 | 20,916 | 673.88 | 34,285,965 | (42,463) | 635.38 | 32,689,077 | 38.50 | 1,554,425 | 673.88 | 34,243,502 |

MIDWESTERN STATE UNIVERSITY
PERSONNEL POSITION STATUS REPORT
November 30, 2014

| POSITIONS | APPROVED BUDGET | | POSITIONS | | TOTAL POSITIONS | | SALARY (SAVED) | FILLED POSITIONS | | VACANT POSITIONS | | TOTAL CURRENT | |
|--------------------------|-----------------|----------------|-----------------|---------------|-----------------|----------------|-------------------|------------------|----------------|------------------|---------------|---------------|----------------|
| | 9/1/2014 | | ADDED (DELETED) | | | | | | | | | POSITIONS | |
| | <u>FTE</u> | <u>AMOUNT</u> | <u>FTE</u> | <u>AMOUNT</u> | <u>FTE</u> | <u>AMOUNT</u> | <u>ADDED</u> | <u>FTE</u> | <u>AMOUNT</u> | <u>FTE</u> | <u>AMOUNT</u> | <u>FTE</u> | <u>AMOUNT</u> |
| EXEC. ADMIN & MANAGERIAL | 44.64 | 4,430,408 | | | 44.64 | 4,430,408 | | 41.64 | 4,208,608 | 3.00 | 221,800 | 44.64 | 4,430,408 |
| REGULAR FACULTY | 250.70 | 17,047,095 | | | 250.70 | 17,047,095 | (30,295) | 236.20 | 16,187,480 | 14.50 | 829,320 | 250.70 | 17,016,800 |
| PROFESSIONAL NON-FACULTY | 150.46 | 6,607,284 | | | 150.46 | 6,607,284 | (11,793) | 146.46 | 6,462,871 | 4.00 | 132,620 | 150.46 | 6,595,491 |
| CLERICAL AND SECRETARIAL | 97.08 | 2,380,461 | 1.00 | 20,916 | 98.08 | 2,401,377 | (375) | 89.08 | 2,241,618 | 9.00 | 159,384 | 98.08 | 2,401,002 |
| TECH & PARAPROFESSIONAL | 22.00 | 954,050 | | | 22.00 | 954,050 | | 20.00 | 884,886 | 2.00 | 69,164 | 22.00 | 954,050 |
| SKILLED CRAFT | 29.00 | 958,666 | | | 29.00 | 958,666 | | 28.00 | 928,164 | 1.00 | 30,502 | 29.00 | 958,666 |
| SERVICE & MAINTENANCE | 65.00 | 1,377,960 | | | 65.00 | 1,377,960 | | 62.00 | 1,318,020 | 3.00 | 59,940 | 65.00 | 1,377,960 |
| POLICE | <u>14.00</u> | <u>509,125</u> | | | <u>14.00</u> | <u>509,125</u> | | <u>14.00</u> | <u>509,125</u> | | | <u>14.00</u> | <u>509,125</u> |
| GRAND TOTALS | 672.88 | 34,265,049 | 1.00 | 20,916 | 673.88 | 34,285,965 | (42,463) | 637.38 | 32,740,772 | 36.50 | 1,502,730 | 673.88 | 34,243,502 |

MIDWESTERN STATE UNIVERSITY
PERSONNEL POSITION STATUS REPORT
December 31, 2014

| POSITIONS | APPROVED BUDGET | | POSITIONS | | TOTAL POSITIONS | | SALARY | FILLED POSITIONS | | VACANT POSITIONS | | TOTAL CURRENT | |
|--------------------------|-----------------|----------------|-----------------|---------------|-----------------|----------------|--------------|------------------|----------------|------------------|---------------|---------------|----------------|
| | 9/1/2014 | | ADDED (DELETED) | | | | (SAVED) | | | | | POSITIONS | |
| | <u>FTE</u> | <u>AMOUNT</u> | <u>FTE</u> | <u>AMOUNT</u> | <u>FTE</u> | <u>AMOUNT</u> | <u>ADDED</u> | <u>FTE</u> | <u>AMOUNT</u> | <u>FTE</u> | <u>AMOUNT</u> | <u>FTE</u> | <u>AMOUNT</u> |
| EXEC, ADMIN & MANAGERIAL | 44.64 | 4,430,408 | | | 44.64 | 4,430,408 | | 41.64 | 4,208,608 | 3.00 | 221,800 | 44.64 | 4,430,408 |
| REGULAR FACULTY | 250.70 | 17,047,095 | | | 250.70 | 17,047,095 | (30,295) | 236.20 | 16,187,480 | 14.50 | 829,320 | 250.70 | 17,016,800 |
| PROFESSIONAL NON-FACULTY | 150.46 | 6,607,284 | | | 150.46 | 6,607,284 | (11,793) | 145.46 | 6,430,871 | 5.00 | 164,620 | 150.46 | 6,595,491 |
| CLERICAL AND SECRETARIAL | 97.08 | 2,380,461 | 1.00 | 20,916 | 98.08 | 2,401,377 | (375) | 88.08 | 2,216,334 | 10.00 | 184,668 | 98.08 | 2,401,002 |
| TECH & PARAPROFESSIONAL | 22.00 | 954,050 | | | 22.00 | 954,050 | | 19.00 | 853,506 | 3.00 | 100,544 | 22.00 | 954,050 |
| SKILLED CRAFT | 29.00 | 958,666 | | | 29.00 | 958,666 | (1,774) | 29.00 | 956,892 | 0.00 | 0 | 29.00 | 956,892 |
| SERVICE & MAINTENANCE | 65.00 | 1,377,960 | | | 65.00 | 1,377,960 | | 62.00 | 1,318,020 | 3.00 | 59,940 | 65.00 | 1,377,960 |
| POLICE | <u>14.00</u> | <u>509,125</u> | | | <u>14.00</u> | <u>509,125</u> | | <u>14.00</u> | <u>509,125</u> | | | <u>14.00</u> | <u>509,125</u> |
| GRAND TOTALS | 672.88 | 34,265,049 | 1.00 | 20,916 | 673.88 | 34,285,965 | (44,237) | 635.38 | 32,680,836 | 38.50 | 1,560,892 | 673.88 | 34,241,728 |

Midwestern State University Reporting of Personnel Changes
Fiscal Year 2014-2015
October-December

I. ENTERING EMPLOYEES

1. Linda Foster – Financial Aid Processor/Counselor – 10/13/14
2. Jamie Irish – Audio Visual Technician, Information Technology – 10/20/14
3. Caleb Hannon – Assistant Director, Recreation Sports and Wellness – 11/01/14
4. Alexander Haber – Secretary, Art – 11/04/14
5. Amanda Bell – Registrar Assistant I – 11/10/14
6. Steven Brett Wilson – Electrician II, Facilities Services – 12/10/14

II. EXITING EMPLOYEES

1. John Mark Weller – Machinist Technician, Engineering – 10/07/14
2. Shalanda Sims – Registrar Assistant III – 10/08/14
3. Tracy Boswell – Secretary, Simulation Center – 10/20/14
4. Bethany Windal – Academic Advisor Coordinator – 11/30/14
5. Kristin Carpenter – Financial Aid Processor/Counselor – 12/12/14
6. Christopher Strader – PC Network Service Technician – 12/16/14

Board Agenda - February 2015
Finance Attachment 15-85

Midwestern State University
Budget Cycle for Fiscal Year 2016
August 2015 Board of Regents Approval Target

| | |
|-------------|---|
| January | RFP for Staff Market Compensation Study completed. |
| Jan 26 & 27 | Budget hearings. |
| ASAP | Any known critical changes, please get to the Budget Office as soon as possible using the Fiscal Year 2016 Budget Change Request form available on the Budget Office website. |
| Jan-March | Budget Oversight Committee meet and make recommendations. |
| Feb 13 | Review budget plan at Board of Regents meeting. |
| Feb 18 | Budget worksheets distributed. |
| Mar 18 | Budget worksheets due in the Budget Office. |
| Mar 31 | Budget overview/first draft completed. |
| Apr 7 | Tuition and fee scenario discussions with President's cabinet, including fall enrollment projection. |
| May 15 | Tuition and fee rates set by the Board of Regents for next fiscal year. |
| May 28 | Student service fee allocation committee recommendations and faculty salary changes effective September 1 are complete. |
| May 31 | Staff compensation study to be completed. |
| June 1-12 | Staff compensation recommendations complete. |
| TBD | Budget workshops with the Budget Oversight Committee including review of staff compensation study. |
| June 22 | Draft of the proposed budget for 2015-2016 is presented to the Budget Oversight Committee. |
| July 1 | All HEAF/Capital Outlay forms are due to the Vice Presidents, Provost or Presidents Office, as appropriate. |
| July 15 | Final budget changes due in the Budget Office. |
| July 21 | Budget goes to Print Shop. |
| July 23 | Budget is mailed to the Board of Regents. |
| Aug 7 | Board of Regents takes action on the proposed budget. |

**AUDIT, COMPLIANCE, AND
MANAGEMENT REVIEW
COMMITTEE**

Audit, Compliance, and Management Review Committee

Membership

Sam Sanchez, Chairman

Tiffany Burks

Jeff Gregg

Nancy Marks

Reading and Approval of Minutes

15-86. The minutes of the Audit, Compliance, and Management Review Committee meeting November 6, 2014, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 15-86.

Audit Activities

15-87. Mr. Mike Taylor, Internal Auditor, will provide information concerning audit activities.

Compliance Activities

15-88. Mr. Chris Stovall, Controller and Chairman of the MSU Compliance Work-group, will provide information concerning compliance activities.

BOARD OF REGENTS MEETING AGENDA

**Board of Regents Meeting Agenda
February 13, 2015
9:00 a.m.**

Meeting Location: MSU Campus – 3410 Taft Boulevard
Hardin Administration Building
J. S. Bridwell Board Room

The Board of Regents of Midwestern State University (MSU) may deliberate and take action regarding any item on this agenda. This meeting will be continuous in that the Board reserves the right to take any agenda item out of the order or sequence that is listed below. The Board reserves the right to discuss any properly posted items in Executive Session whenever legally justified in accordance with the Texas Government Code Chapter 551.

The meeting will be streamed live at <http://www.mwsu.edu/welcome/president/regents-minutes>.

Call to Order

Introduction of Visitors

Opening Comments

Public Comment

A public comment period will be provided in accordance with MSU Policy 2.22.

Reading and Approval of Minutes

15-89. Minutes of the regular Board of Regents meeting November 6, 2014, will be recommended for approval as shown in the minutes' section of this agenda as Minutes Attachment 15-89.

Reading and Approval of Minutes

15-90. Minutes of the regular Board of Regents meeting November 7, 2014, will be recommended for approval as shown in the minutes' section of this agenda as Minutes Attachment 15-90.

Reading and Approval of Minutes

15-91. Minutes of the special Board of Regents meeting December 1, 2014, will be recommended for approval as shown in the minutes' section of this agenda as Minutes Attachment 15-91.

Executive Committee Consent Agenda, Items and Report

Academic and Student Affairs Committee Consent Agenda, Items and Report

Finance Committee Consent Agenda, Items and Report

Audit, Compliance, and Management Review Committee Consent Agenda, Items and Report

Nominating Committee for Board Officers for the 2015-2016/2016-2017 Biennium

- 15-92. Mr. Hessing will appoint a special Nominating Committee to make recommendations at the May meeting concerning the election of a Chair, Vice Chair, Secretary, and Member-at-Large of the Executive Committee of the Board of Regents for the upcoming biennium, with terms of office beginning September 1, 2015.

President's Report and Discussion

- 15-93. President Jesse Rogers will bring the board up-to-date on the state of the university, to include a report on the legislative session.

University President's Annual Performance/Compensation and Contract Review

- 15-94. In accordance with MSU Policy 2.31B, the board will conduct the president's annual performance, compensation, and contract review.

Presidential Search

- 15-95. The Board of Regents will discuss the Presidential Search in closed session as allowed by Texas Government Code, Chapter 551.074.

Executive Session

- 15-96. The Board of Regents will convene in Executive Session as necessary to consider the matters permissible under Chapter 551 of the Texas Government Code, including the following.
- a. Government Code, Chapter 551, Section .071 – Consultation with Attorneys Regarding Legal Matters, Pending and/or Contemplated Litigation, or Settlement Offers, or on a Matter in which the Duty of the Attorney to the Governmental Body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly Conflicts with Chapter 551 of the Texas Government Code.
 - b. Government Code, Chapter 551, Section .072 - Deliberations Regarding the Purchase, Exchange, Lease, or Value of Real Property.
 - c. Government Code, Chapter 551, Section .073 - Deliberations Regarding a Negotiated Contract for a Prospective Gift or Donation.
 - d. Government Code, Chapter 551, Section .074 – Personnel Matters Relating to the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of Officers or Employees, or to Hear a Complaint or Charge Against an Officer or Employee.

Closing Comments

Adjournment

MINUTES

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Executive Committee
November 6, 2014**

The Executive Committee of the Board of Regents, Midwestern State University, met in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 2:05 p.m., Thursday, November 6, 2014. Executive Committee members in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; and Ms. Tiffany Burks, Member-at-Large. Other regents attending the meeting on campus were Mr. Caven Crosnoe, Dr. Lynwood Givens, Mr. Jeff Gregg, Ms. Nancy Marks, Mr. Sam Sanchez, and Student Regent Jesse Brown.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Bob Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the Graduate School; Dr. Martin Camacho, Dean of the Fain College of Fine Arts; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Dr. Jeff Stambaugh, Associate Professor and Director of the Lalani Center for Entrepreneurship and Free Enterprise; Mr. Dirk Welch, Chairman of the Staff Senate; Mr. Newman Wong, Staff Senate Parliamentarian; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Director of Human Resources; Mr. Chris Stovall, Controller; Mr. Randy Kirkpatrick, Chief Information Officer; Mr. Jim Hall, P.C./Network Services Manager; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Also attending the meeting was architect Ms. Nadia Zhiri, representing Treanor Architects. Representing the Student Government Association (SGA) were President Rebecca Stogner and Student Observer Mikayla Williams. Representing the news media were Mr. Cody Samples, MSU Campus Watch; Mr. Jake Carney, KAUZ Channel 6; and Ms. Mechell Dixon, KFDX Channel 3.

Chairman Hessing called the meeting to order at 2:05 p.m. He noted that the order of discussion would be slightly modified to accommodate a guest presenter.

Phase I Housing and Mass Communication Addition Project and Financing

15-13. & 15-14. Mr. Hessing noted that in August the board approved a contract with Treanor Architects to begin design of a new 500-bed residence hall and indicated that information would be presented concerning the design of the project. He stated that the administration also recommended that an addition to the Fain Fine Arts Building to house

the mass communication department be included in this overall project. He indicated that presentations would be made by Dr. Rogers, Dr. Lamb, Ms. Zhiri, and Dr. Fowlé.

Dr. Rogers reported that the board had discussed the needed student housing during the last few years. He noted that the university currently houses students off campus and it is clear that there is adequate demand for additional student housing. He stated that additional on-campus housing would attract and keep students at MSU.

He explained that when the Fine Arts Building was completed in 1978, the building included a theatre wing and a visual arts wing. The third wing, intended to house the music program, was not included in the original building. During the years that followed the music program was housed in several buildings throughout the campus until the 1980's when a small portion of the visual arts wing was renovated to accommodate a majority of the music program. He noted that after the building was built, the mass communication program was added to the college and the program has since become one of the most popular degree programs at MSU. The current mass communication equipment is out of date and the space is inadequate. Dr. Rogers noted that this has been a challenge for quite some time, but a solution has not been available or affordable. Dr. Rogers reported that the administration would like to expand the Fine Arts Building to build a new TV2 studio, classrooms, offices, and other space to support mass communication. He added that the area that would be vacated by mass communication would provide much-needed space for the music department. Dr. Rogers stated that adding this project to the current residence hall project would be cost effective.

Dr. Lamb stated that the university commissioned a housing demand study in 2011. At that time it was determined that the university had latent demand of approximately 300 students who would move to on-campus housing if the right type of residence hall was built. MSU's housing occupancy was 88% in 2012, 102% in 2013, and 113% in 2014, including the sub-contracted off-campus housing. He noted that the last two entering freshmen classes have been large and are largely residential. He reported that 72% of the entering freshmen are from outside Wichita County and 62% are from outside the Region IX area. This has increased the demand for additional housing. Dr. Lamb stated that Dr. Rogers previously mentioned the need for MSU to do a better job engaging students. He reported that MSU participates in the National Survey of Student Engagement (NSSE) and the results show that MSU freshmen rate lower in seven of ten broad engagement indicators. He stated that the administration viewed this housing project as an opportunity to create conditions to provide additional engagement opportunities and a sense of community for with students in the new hall as well as the students in the three other residence halls. Dr. Lamb recognized Mr. Matt Park and thanked him for his work in this process. He then introduced Ms. Nadia Zhiri, a principal with Treanor Architects.

Ms. Zhiri presented information shown as Attachment 1. Ms. Zhiri began with information regarding the residence hall portion of the project. She reviewed similar work done by Treanor for other Texas universities and noted that their plans were fully aligned with the MSU Campus Master Plan. She discussed the process the firm and steering committee used in the design process. She noted that 60% of the program of

space is made up of residential bedrooms. She added that the concept was to provide traditional housing in “super-suites” with pods of communities. Each community would include bedrooms as well as some type of living and lounge space. She noted that as part of the process they are also considering strategies that will help with students’ personal success, social success, and academic success. She added that a Community Learning Center would provide a computer workspace as well as space for students to work together on projects. Slide 27 presented a summary of the new housing programming.

Ms. Zhiri reported that she and her team were on campus for one week in October to receive input from students, stakeholders, and the steering committee. She stated that individuals were asked about landscaping, community, academic resources, amenities, and circulation.

Slide 41 provided information regarding the site analysis. She noted that two courtyards would be created. The first courtyard would provide a quiet location to be used by residents and the second courtyard would be a shared plaza area for residential activities. Ms. Zhiri stated that the first floor plan on the south wing of the building would include housing offices and resident support spaces. The north wing first floor would include living-learning space with a café, recreation space, a community learning space, and a multi-purpose space. She added that the design of the bedrooms would include a full-height wall between the beds to provide private areas for each occupant.

Beginning on Slide 54 the presentation provided preliminary images of the facility. She noted that MSU architectural features would be incorporated in the facility, to include the MSU brick, arches, and scalloping and cast stone on the windows. She noted that the building would include stucco at the top.

Ms. Zhiri reviewed cost strategies and the finalized cost model beginning on Slide 59. She noted that the facility would be tied into the Central Plant for chilled water. She added that the project cost was estimated at \$32.9 million with construction cost of \$26.7 million.

Ms. Zhiri then moved to a presentation of the mass communication portion of the project (Slide 63). She reviewed the goals and objectives of the project as well as the program summary. She noted that the 18,500 square foot two-story building would be added to the east side of the Fain Fine Arts Building. The total project cost is estimated to be \$4.98 million with construction cost of \$4.12 million.

Mr. Gregg asked if the additional community space was necessary in the new residence hall owing to the close proximity of the student center. Dr. Lamb responded that the Clark Student Center is too small for the current student population. He noted that adding 500 student residents will require using more student center space for dining and additional space will be needed for student general use. He added that the community space in the new residence hall would provide an opportunity to affect student engagement.

Mr. Brown asked who had input regarding the design of the dorm rooms. Ms. Zhiri responded that students had input. Mr. Park added that the Steering Committee came up with the concept and the students provided their opinions.

Mrs. Marks indicated appreciation for the architectural firm's attempt to maintain the integrity of the MSU architecture. She asked why stucco was used in the design and asked if it was something that could be revisited. Ms. Zhiri responded that in an effort to reduce costs, a wood frame system of construction was selected rather than a steel system. A change from the proposed stucco would affect the cost of the project.

Mr. Hessing thanked Ms. Zhiri for her presentation. He then noted the recommendations for Item 15-13 as follows:

- a) Approve a 500-bed housing project and an approximately 18,500 square foot addition to the east side of the Fain Fine Arts Building to house the mass communication program.
- b) Approve a maximum budget of \$33.25 million for the residence hall and \$5 million for the mass communication addition.
- c) Approve Buford Thompson Construction as Construction Manager at Risk for this project, at a cost not to exceed \$2 million.

Dr. Fowlé presented information regarding the Construction Manager at Risk selection process (see Attachment 2). She explained the three building delivery methods of Design-Bid-Build, Design-Build, and Construction Manager at Risk (CMAR). She then reviewed the Request for Proposal (RFP), the response to the RFP, the criteria used, and the recommended firm. She noted that Buford Thompson Construction offered the best value and significant savings for the project. Mr. Bryant asked if any local firms were considered in the final three. Dr. Fowlé responded in the affirmative. Mr. Bryant asked about the cost difference between Buford Thompson and the local firm considered. Dr. Fowlé responded that the cost difference was 25%.

Mr. Hessing asked if Harper Perkins would work with Treanor on the project. Dr. Fowlé responded that they would and that Harper Perkins had been a part of the Treanor team since the beginning of the project.

Mr. Hessing asked the administration to present information and make recommendations regarding the financing of the project. Dr. Rogers stated that additional space has been needed for the mass communication and music programs for quite some time, but funding has not been available. He reported that as Dr. Fowlé and her staff reviewed the return on investment received through Texas A&M System, it became apparent that the Redwine Funds could achieve higher yields if invested with A&M. Dr. Fowlé stated that by moving the Redwine Funds to the A&M System for investing, adequate returns would be received to fund the Honor's Program as well as underwrite the cost of the mass communication building project debt.

Dr. Fowlé reminded the board that in August Mr. Kevin McGinnis from Texas A&M System presented an overview of their investment of endowed funds. She provided an update showing year-end figures (see Attachment 3). She indicated that the MSU Investment Policy would need to be changed if the board decided to move the Redwine Funds to the A&M System. She then presented a comparison of projected distributions and earnings of the Redwine Funds if they were invested with the Texas A&M System as opposed to the current investment firm (see Attachment 4). She added that MSU currently pays 50 basis points for Redwine Fund investment services and A&M charges 25 basis points. Dr. Fowlé stated that investing the \$12 million Redwine Fund with Texas A&M System would generate approximately \$600,000 each year. The Honor's Program currently receives \$310,000 each year and the debt service for the mass communication building would be approximately \$280,000, assuming a 30 year bond paying 4% interest.

Mr. Hessing stated that the housing portion of the debt service would be paid from student housing rental income and the mass communication portion of the project would be paid from additional Redwine Fund yield. Dr. Fowlé added that bonding the two projects together would be cost efficient and the two sources of funds would be used to pay the debt service.

Mr. Hessing presented the administration's recommendations regarding financing of the project:

- a) Authorize the administration to move the Redwine Quasi-Endowment to the Texas A&M University System for investing.
- b) Approve expanding the use of the Redwine Quasi-Endowment to include debt repayment for the mass communication building portion of the debt service, in addition to earnings being used to support the Honors Program.
- c) Approve bonding of the overall project in an amount not to exceed \$38.25 million.

Mr. Hessing asked for a motion to approve the six recommendations regarding the construction and financing of these projects. Mr. Bernhardt moved approval and Mrs. Burks seconded the motion.

Mr. Hessing asked if Buford Thompson's fee of \$2 million was included in the total project cost. Dr. Fowlé responded that it was included.

Dr. Givens expressed concern that the projections are based on a two-year market that had been very profitable. Dr. Fowlé responded that the A&M System uses a 20 quarter rolling average which results in positive and negative activity during the previous five years. Mr. Hessing asked what would happen if the returns were less than expected. Dr. Fowlé responded that the Honor's Program would be funded with the returns and the institution would have to find funds to pay the debt service. Mr. Hessing stated that he did not want the Honor's Program to suffer as a result of this action. He asked Dr.

Stewart if she was comfortable with the administration's recommendations. Dr. Stewart responded that she was. Mr. Gregg asked how the Redwine Funds could be used for other purposes if it was an endowment. Dr. Rogers responded that the Redwine Fund is a quasi-endowment and its use is directed by the Board of Regents.

Mr. Brown asked if the cost to live in the new residence hall would be greater than the cost of the current campus housing. Dr. Lamb responded that the new hall would be the premium residence hall on campus and would likely cost more than McCullough-Trigg Hall, but less than the apartments. Mr. Brown asked if a specific amount had been determined. Dr. Lamb responded that there would be overall price escalation in housing during the next two years and that the new facility would open in the fall of 2016. He added that MSU's semi-suite residence halls are currently the 12th least expensive out of the 13 Texas schools surveyed. He stated that the administration had looked at funding models charging \$2,400 per semester. Dr. Fowlé noted that the administration could pay the debt service with 92% occupancy. Dr. Lamb stated that the assumption of low occupancy and zero summer revenue was very conservative. Mr. Park added that the proposed housing rates would be recommended to and acted on by the Board of Regents in the future. He stated that the current rate for McCullough-Trigg Hall is approximately \$2,000 each semester and the rate will likely increase to \$2,200 per semester by the time the new facility opens.

Dr. Givens asked to confirm that housing would pay debt service on the residence hall and the Redwine Funds would pay for the Honor's Program and the mass communication addition. He indicated that he wanted to be certain that the Redwine Funds would not be used to supplement the housing operation. Dr. Fowlé stated that his statement was correct. Dr. Givens asked when the bond would be paid. Dr. Fowlé responded that the projects would be funded with a 30 year bond. Dr. Givens expressed concern that the board had not received information such as how the debt would be paid, when the building would be full, the anticipated occupancy, and so forth. Dr. Lamb responded that the administration anticipates that the facility will open in the fall of 2016 with at least 92% occupancy and will be self-sustaining. Dr. Givens asked if the administration could provide a schedule of debt service payments prior to the Friday meeting. Dr. Lamb responded that the information would be provided. Dr. Givens added that he would like the administration to have a contingency plan in the event the building is not filled when it opens.

Mr. Hessing suggested that this item be tabled until additional information is received. It was agreed that the item would be tabled until Friday's meeting.

Mr. Crosnoe asked why the recommendations were not forwarded to the board earlier. Dr. Rogers responded that items were not finalized when the agenda was mailed. Ms. Barrow added that the administration did not have final figures on the project until meetings were held with the architects prior to the meeting. Mr. Hessing expressed agreement that any supplemental information and recommendations should be provided to the board prior to each meeting.

Recess

The meeting went into recess at 3:30 p.m. and the open meeting resumed at 3:40 p.m.

Reading and Approval of Minutes

15-09. The minutes of the Executive Committee meeting August 7, 2014 were approved by the committee as presented.

Campus Condition Index

15-10. Mr. Hessing noted that the reports included in the agenda are required by statute. Mr. Owen stated the reports included information regarding deferred maintenance expenditures in FY 14 and deferred maintenance plans for the next five years. Dr. Rogers asked about the total amount of deferred maintenance at MSU. Mr. Owen responded that MSU's deferred maintenance totals \$72 million which is less than seven percent of the campus building value. The Texas Higher Education Coordinating Board (THECB) considers an amount less than ten percent as acceptable. This item was presented as a point of information only.

Campus Facilities Implementation Plan and Campus Construction Updates

15-11. Dr. Rogers reported that progress on the master plan is being made as discussed earlier during the discussion of the top ten priorities. He noted that Dr. Lamb made a master plan presentation to Student Government and the students expressed support for the overall plan. In addition, two open forums were held for students, faculty, and staff. Dr. Rogers indicated he was pleased with the attendance and the response. He noted that the majority of individuals expressed support for a parking garage rather than additional surface parking. He stated that individuals liked the idea of having a choice of parking fees based on distance and convenience. He indicated that it was important to balance the academic improvements with the residential and athletics improvements.

Mr. Owen presented drawings and photos of the Dalquest Desert Research Station, the museum project, Mustangs Walk, and the football offices in the West Campus Annex (see Attachment 5). This item was presented as a point of information only.

Information Technology (IT) Report

15-12. Dr. Clark reviewed the information shown in Attachment 6 to include an update on the wireless network, bandwidth, Banner, the campus portal, classroom upgrades, and IT load and security. Slide 3 showed the coverage of the wireless network on campus. Dr. Clark noted that approximately 200 internal and external wireless access points provide campus coverage. He reported that additional access points are being placed in the Museum to increase the building's wireless coverage. He stated that the next major project would be the addition of 20 access points in Bolin Hall. He added that the residence hall wireless connectivity is provided by an outside company. The residence hall connectivity is designed to handle leisure traffic as opposed to academic computing. He noted that a student wanting to play computer games in the library would have problems doing so through the academic computer network. Mr. Hessing asked if students could get into the academic network from the residence halls. Dr. Lamb responded that they could.

Slide 5 showed the university's bandwidth usage during the previous 30 and 365 days. Dr. Rogers expressed his understanding that the university had not hit peak utilization. Dr. Clark responded that during the last 30 days the university's one-day peak utilization was 152,865 kilobits while the university has 500 megabits capacity.

Dr. Clark then discussed Banner (Slide 7). He reported that Banner is going through a complete conversion. He noted that conversions usually take between three and three and one-half years. This conversion is being compressed into approximately 22 months. He stated that the MSU IT staff would be considering the best options for this conversion, including the possibility of outsourcing the work. Mr. Hessing asked if the company had resources to help in the process. Dr. Clark indicated that they did, but that it is quite expensive. Mr. Kirkpatrick stated that MSU staff would need additional training and they are looking at a number of options. Mr. Hessing asked that the board be kept up to date on the Banner conversion process.

Dr. Clark reported that a number of additional Banner components are needed. He stated that Degree Works is a robust program that provides degree plan tracking, student advising assistance, transfer information, and much more. This program will also assist in scheduling the appropriate classes to meet demand each semester. The cost of this program is \$275,000 and additional training will also be required. Another component being considered is Work Flow, which would help with administrative programs, including Degree Works.

Mr. Crosnoe stated that he did not know anything about Banner. Dr. Clark responded that Banner is the computing system for the university. Mr. Kirkpatrick added that it provides the payroll and human resources, financial aid, and business office systems. It also provides the student system which allows students to register for classes, look up grades, and pay bills.

Dr. Clark then discussed the campus portal, which is a single sign-on system. He reported that Jesse Brown recently completed a survey of student attitudes and received good comments regarding the single sign-on capability of the portal. He added that since August the faculty have been able to use the portal to design and upload course syllabi and to communicate with students. Slide 10 showed portal usage for the last 30 days and Slide 11 showed the usage during the last year. He noted that employee usage stays relatively constant and student usage varies depending on the time of the year and the day of the week.

Dr. Clark reported that the university sets aside approximately \$250,000 each year for classroom upgrades. Mr. Kirkpatrick works with the deans and Dr. Stewart to prioritize the academic needs. Each classroom upgrade costs approximately \$25,000. Mr. Hessing asked how many classrooms need to be upgraded. Dr. Stewart responded that four colleges remain to be addressed. Mr. Hessing asked for a report about what it would cost to upgrade all of the needed classrooms. Dr. Clark stated that the additional question would be how long it would take and how much additional staff would be needed. Mr. Hessing asked that this information be included in the report.

Dr. Clark then discussed IT load and security. He reported that during the last year the IT department has had 1,500 programming support requests. Dr. Clark stated that he had asked Mr. Kirkpatrick to compare the number of personnel working in IT departments at various Texas universities with the number at MSU. Those comparison figures are shown below:

| | |
|------------------------------------|----|
| Midwestern State University | 18 |
| Angelo State University | 41 |
| Stephen F. Austin State University | 47 |
| Texas A&M Kingsville University | 21 |
| Texas A&M International University | 28 |
| Tarleton State University | 31 |

Dr. Clark noted that additional IT staff is needed and the number will likely increase owing to the upcoming Banner conversion.

Mr. Hall then discussed computer security. He noted that students provide a great deal of information to the university and the university takes the protection of this information very seriously. He stated that during the month of September, the MSU system received 2.5 million e-mails and more than 77% of those were blocked for one reason or another. Another 8% were blocked as definitive spam and 41 e-mails were blocked because they contained a virus. He added that in September and early October there were 140,000 inbound attempts to infect machines on campus. These attempts were either filtered or blocked manually. Mr. Hall stated that malware generally enters computers through ads on websites. During the month of October the MSU IT system blocked more than 480,000 ads that were pushing something behind it. He reported that MSU has multiple layers of protection in place, including inbound e-mail filtering, inbound internet connection filtering, and special software on each campus computer. He added that there is separation between the different networks on campus and different vendors and databases are used to maintain broad spectrum coverage.

Dr. Givens asked if the IT department provides service to students if they have problems with their personal computers. Mr. Hall responded that the IT department does not have adequate staff to offer much help, but they do what they can. Dr. Givens asked if the other Texas institutions provide such services. Dr. Clark responded that he did not know.

Mr. Hessing stated that in addition to receiving information regarding the cost to finish the classroom upgrade and the Banner conversion, he would like to know what it would cost to adequately staff the IT department. He also asked about the durability and functionality of the portal, to include the number of times users are dropped or take the wrong path. He encouraged board members to send any additional questions regarding IT to Ms. Barrow and she would pass the questions on to Dr. Clark.

Dr. Clark stated that during the Student Government meeting the students mentioned locations on campus where their phones do not work. He noted that \$3,000 units can be

installed in various campus locations and the IT department will add this need to their planning.

Adjournment

The Executive Committee discussion concluded at 4:25 p.m.

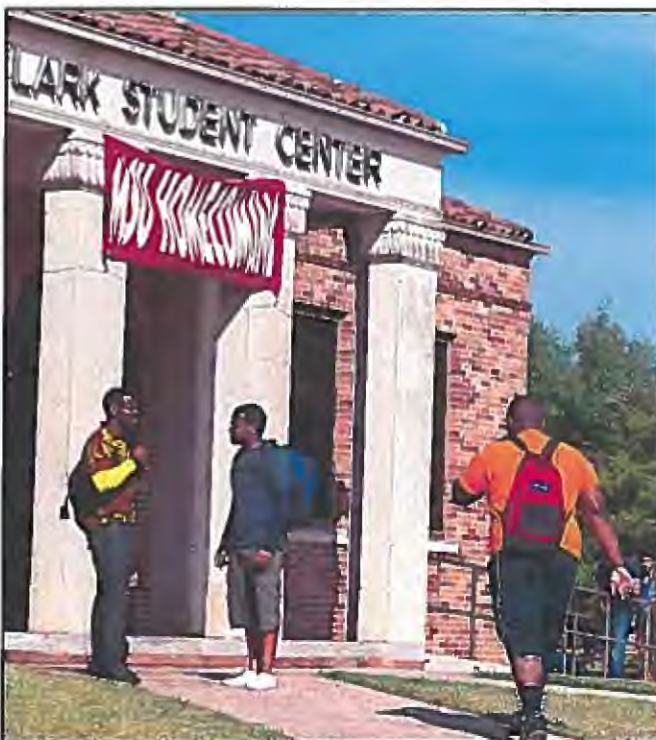
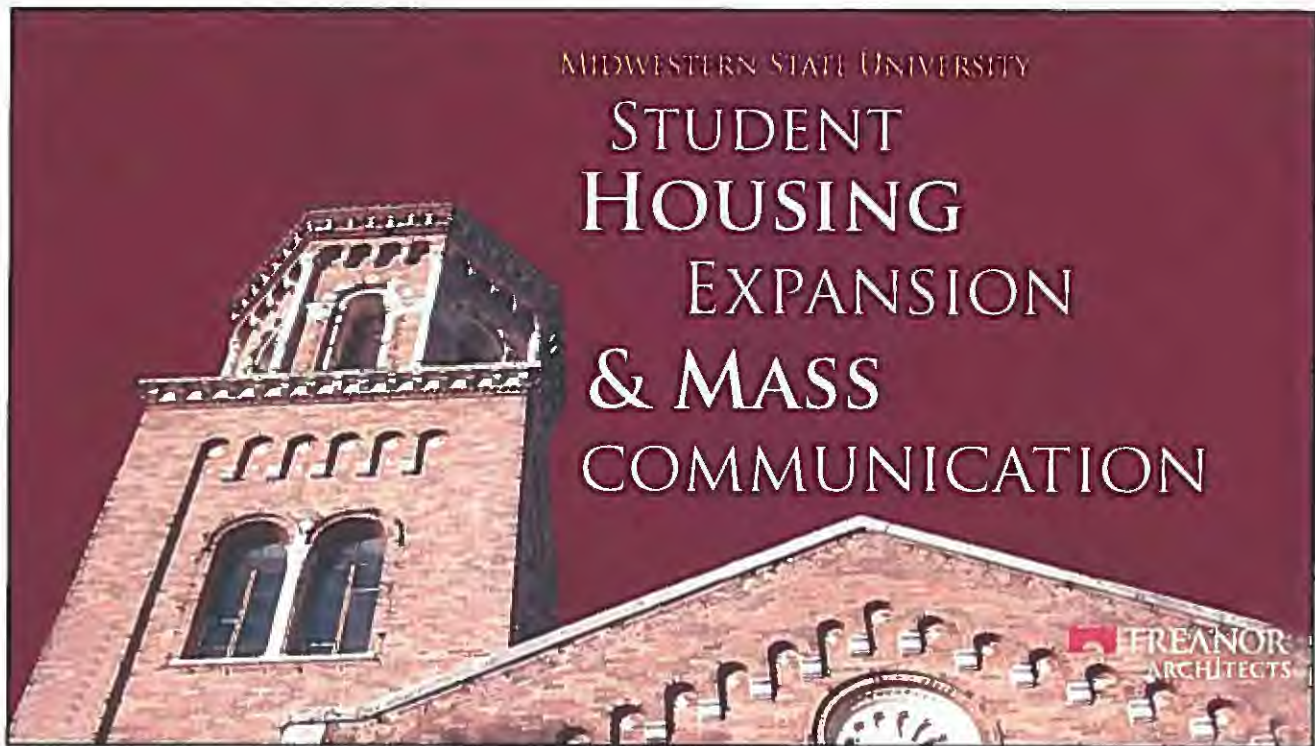
Reviewed for submission:

A handwritten signature in blue ink, appearing to read 'SHAWN HESSION', is written over a horizontal line.

Shawn Hession, Chairman
Midwestern State University
Board of Regents Executive Committee

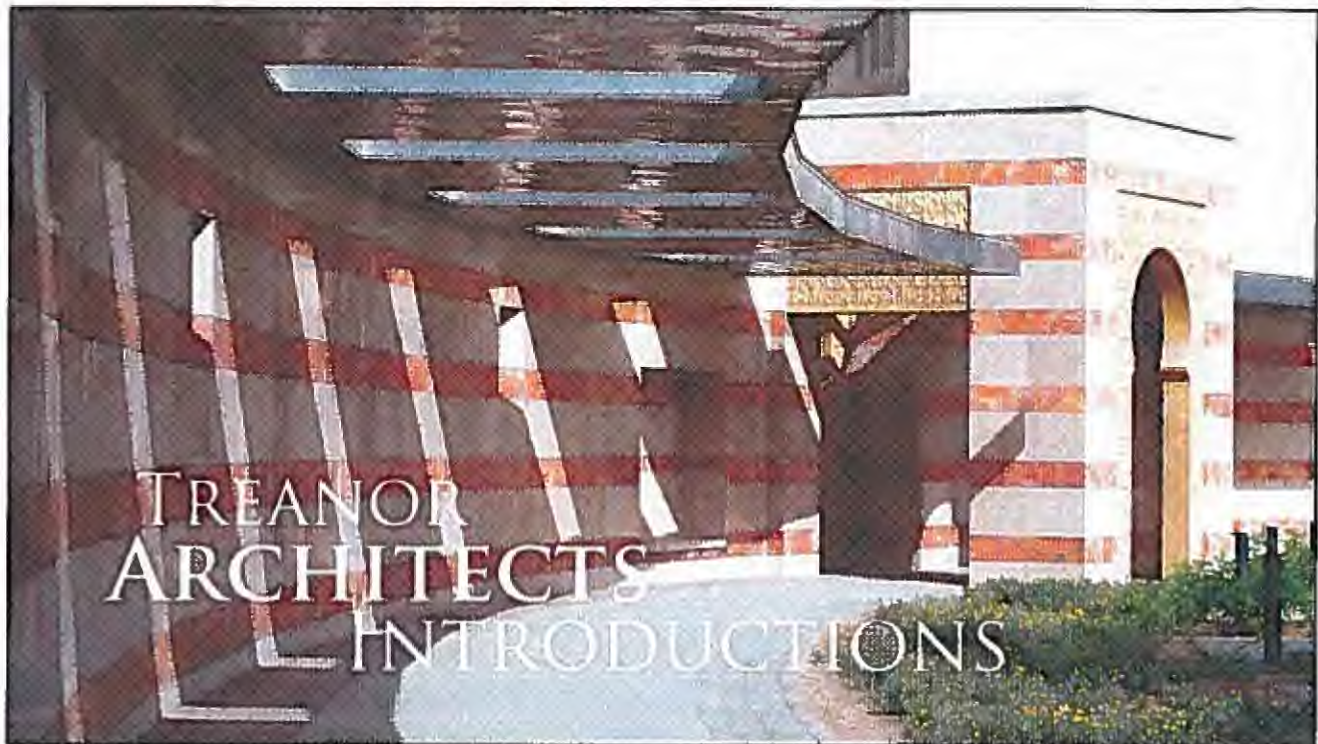
ATTACHMENTS:

1. Housing and Mass Communication Addition Project Power Point
2. Construction Manager at Risk Information
3. Texas A&M Investment Year-End Information
4. Redwine Funds Investment Comparison
5. Construction Update
6. Information Technology Report



INTRODUCTION AGENDA

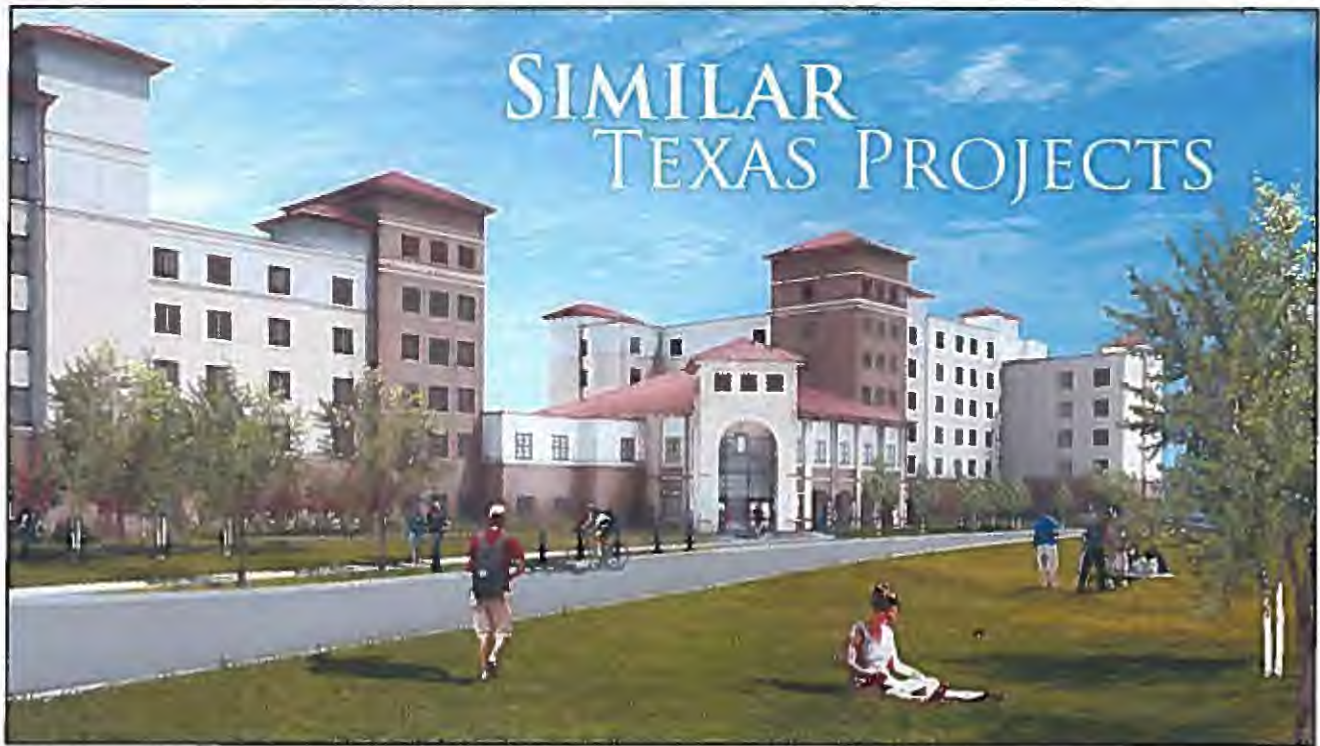
- Introductions
- The Process
- New Residence Hall
 - Vision
 - Program
 - Charrette
 - Concept Plans & Images
 - Cost Factors
- Mass Communications
 - Vision
 - Program
 - Charrette
 - Concept Floor Plans
 - Cost Factors
- Questions & Answers

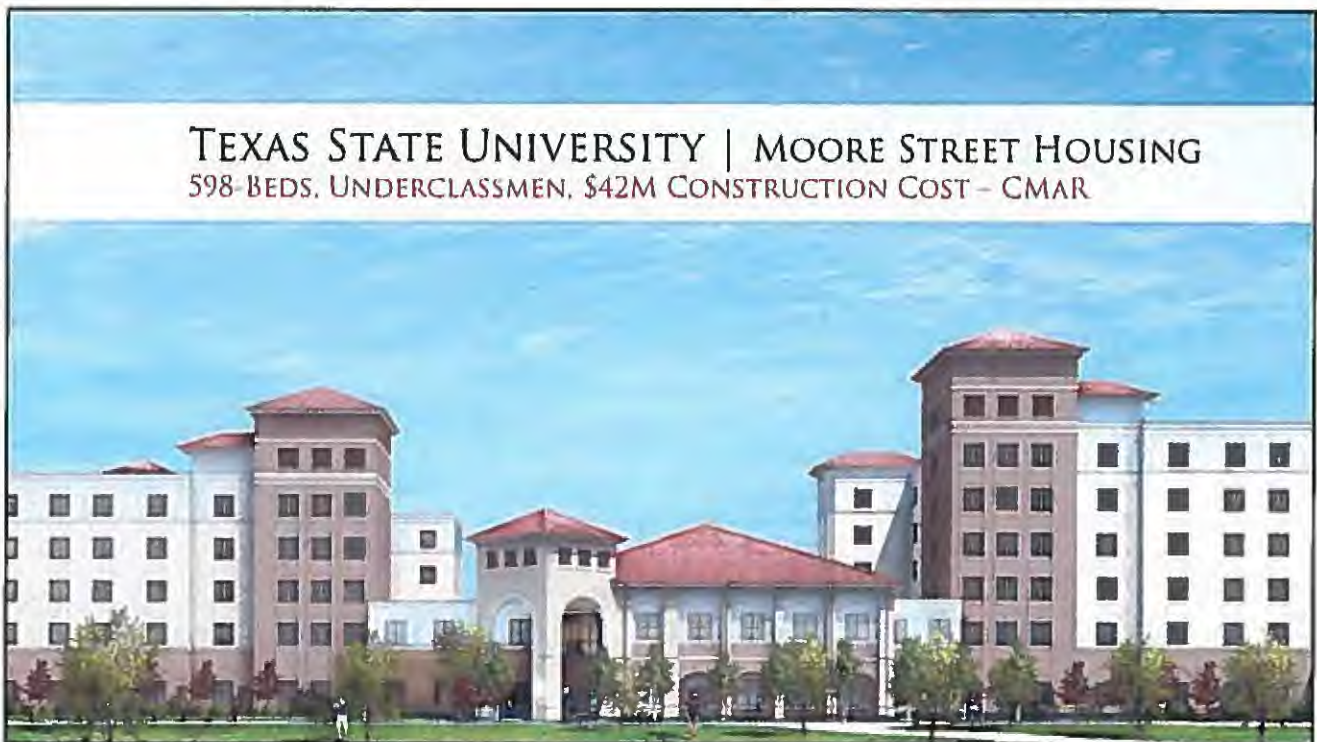
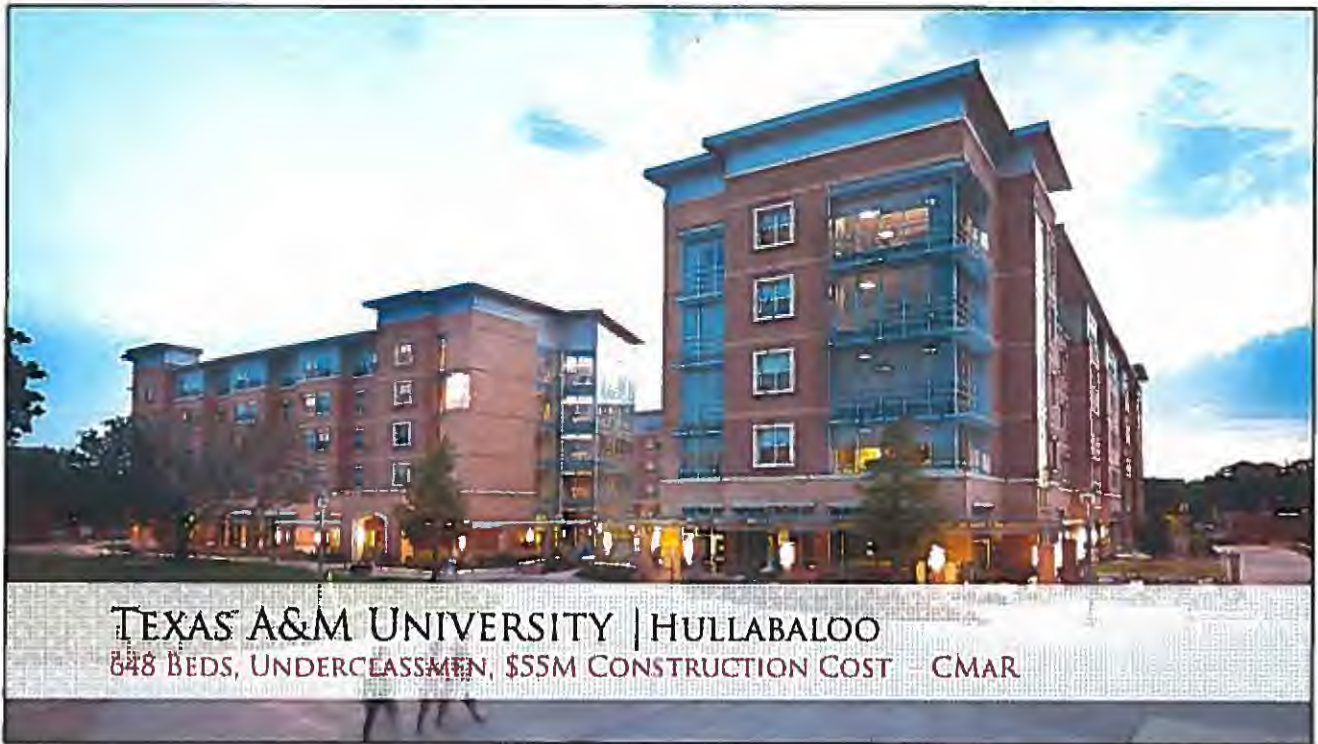


TREANOR ARCHITECTS

STUDENT LIFE DESIGN STUDIO

- 180+ Student Life Projects
- 80+ National & International Campuses
- 30,000+ Beds
- Evidence-based Design
- Industry Involvement
 - ACUHO-I Architecture Series
 - 21st Century Project People's Choice
- Inclusive Interactive Process







SAM HOUSTON STATE UNIVERSITY | SOUTH RESIDENCE COMPLEX
700BEDS UNDERCLASSMEN \$52M. CONSTRUCTION COST. CMAR

WORKING WITH THE MASTER PLAN



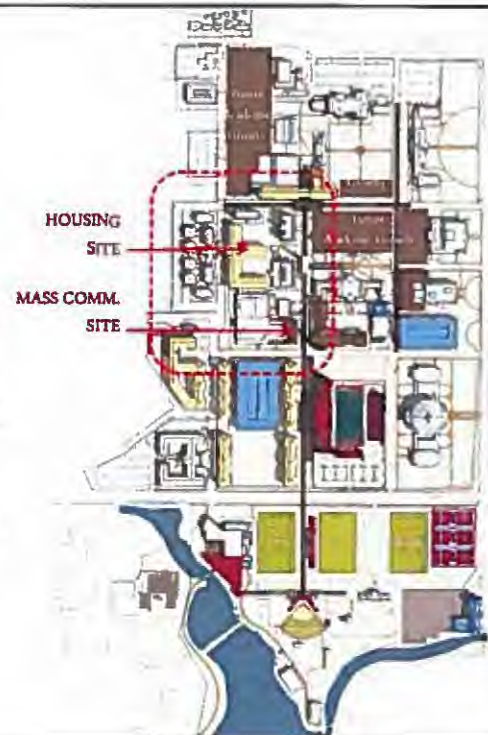
REVIEW: MASTER PLAN GOALS & OBJECTIVES

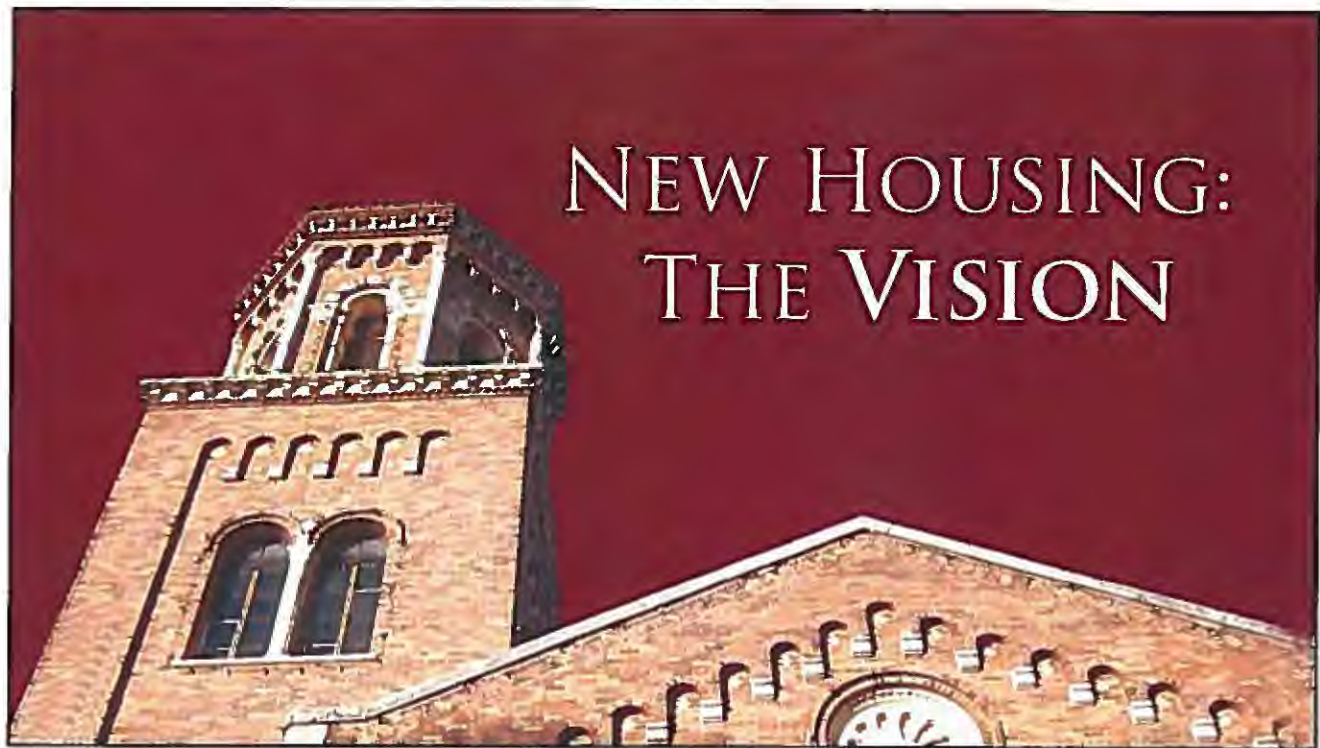
- Create an **implementation plan** for our most critical projects **over the next five years**
- Establish a phasing plan so that **every dollar we spend will pave the road for future** projects while building on previous decisions
- Accommodate university growth while **housing 30% of our students on campus**
- Create a **safe** and **pedestrian-friendly campus**
- Become one of the **most beautiful public liberal arts campuses in the country**
- **Maintain parking** availability levels as the university community grows



REVIEW: MASTER PLAN VISION

- Continue to build on MSU's **existing architectural style**
- Create a **pedestrian-friendly environment** that is organized around an **accessible network of open spaces and service zones**
- Establish **building edges** that reinforce the pedestrian, open-space corridors
- **Reduce the number of surface parking lots** and streets that are located in the core of campus





NEW HOUSING: GOALS & OBJECTIVES

- **Residential Community Anchor "The Hub"**
- **Affordable Housing**
- **Great Value**
- **Maximize Community SF**
- **Balance – Privacy vs. Community Interaction**
- **Interaction/Quality**
- **Attract & Retain Students**
- **Support the Master Plan**
- **Facilitate Personal & Social Learning**



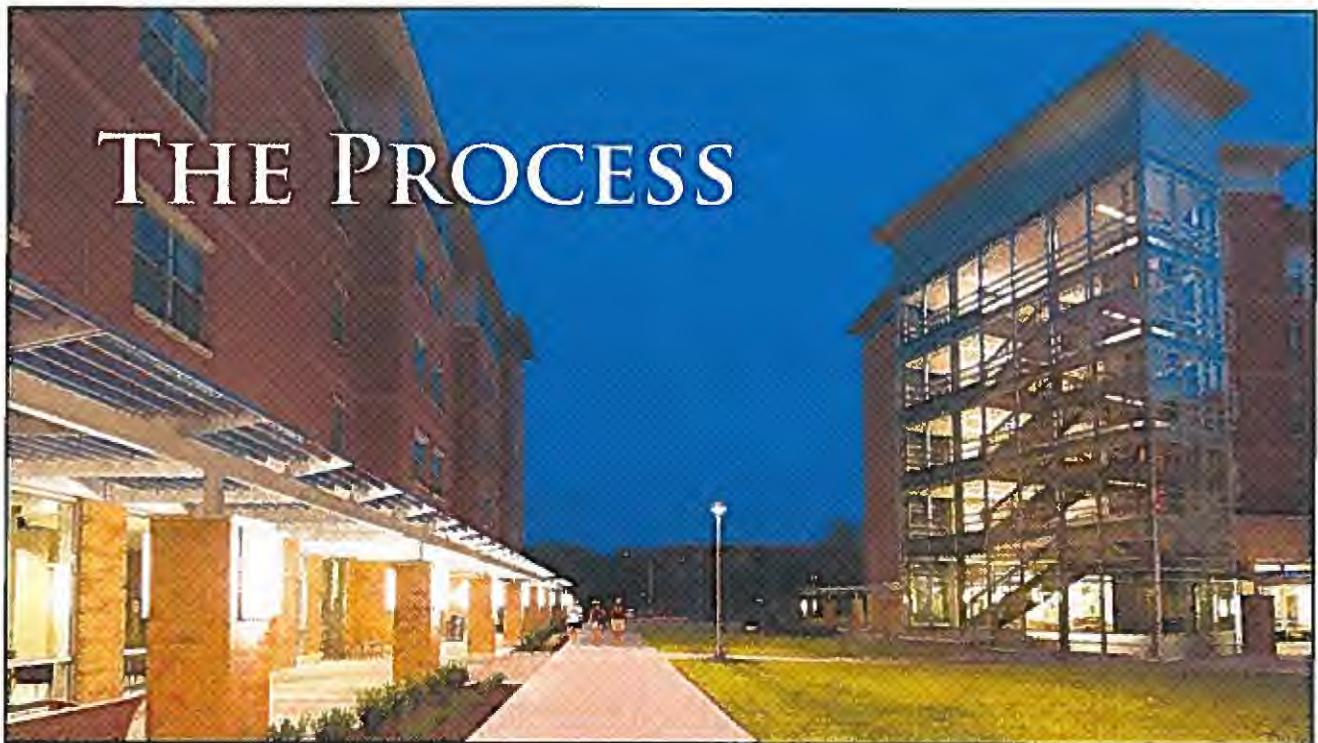
PROJECT MISSION STATEMENT

Serving as a **neighborhood anchor** for the residential freshman & sophomore students at Midwestern State University, the new student housing project will foster and facilitate the development of a strong sense of community - building student connections with peers, faculty-staff, and the University.

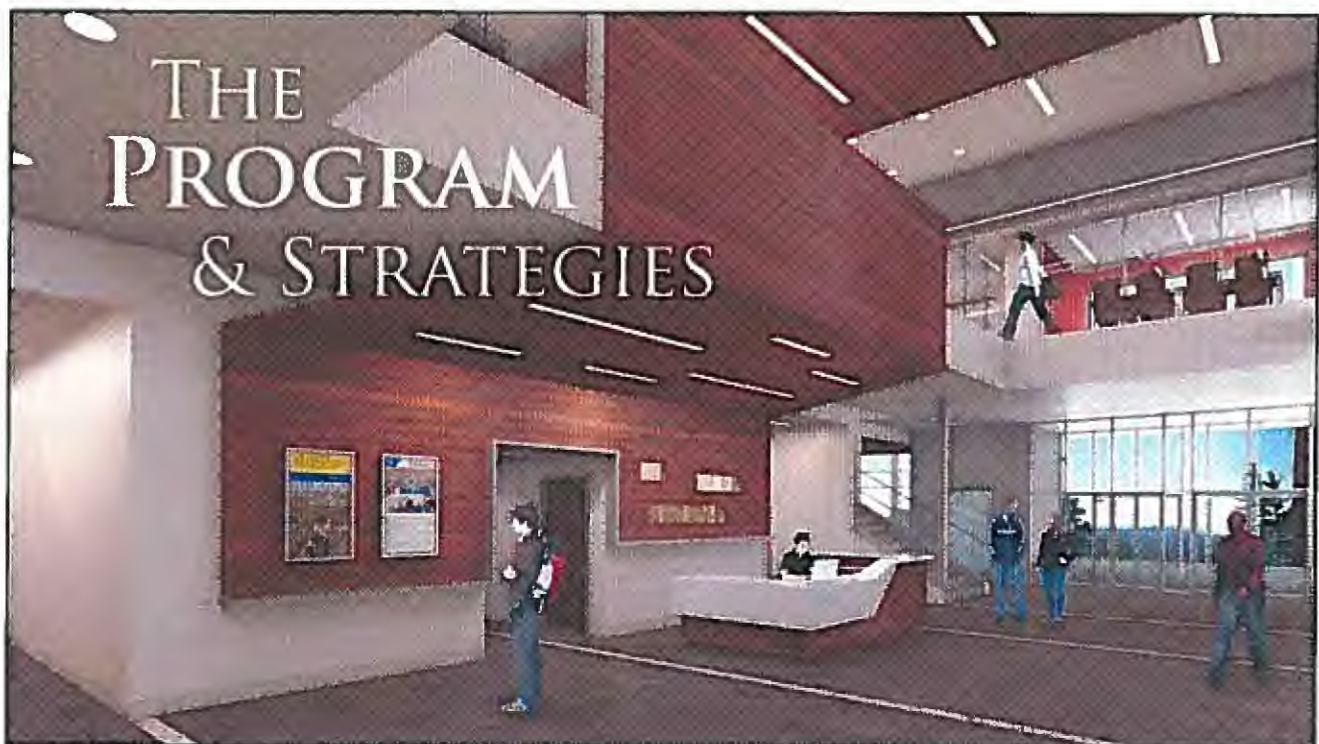
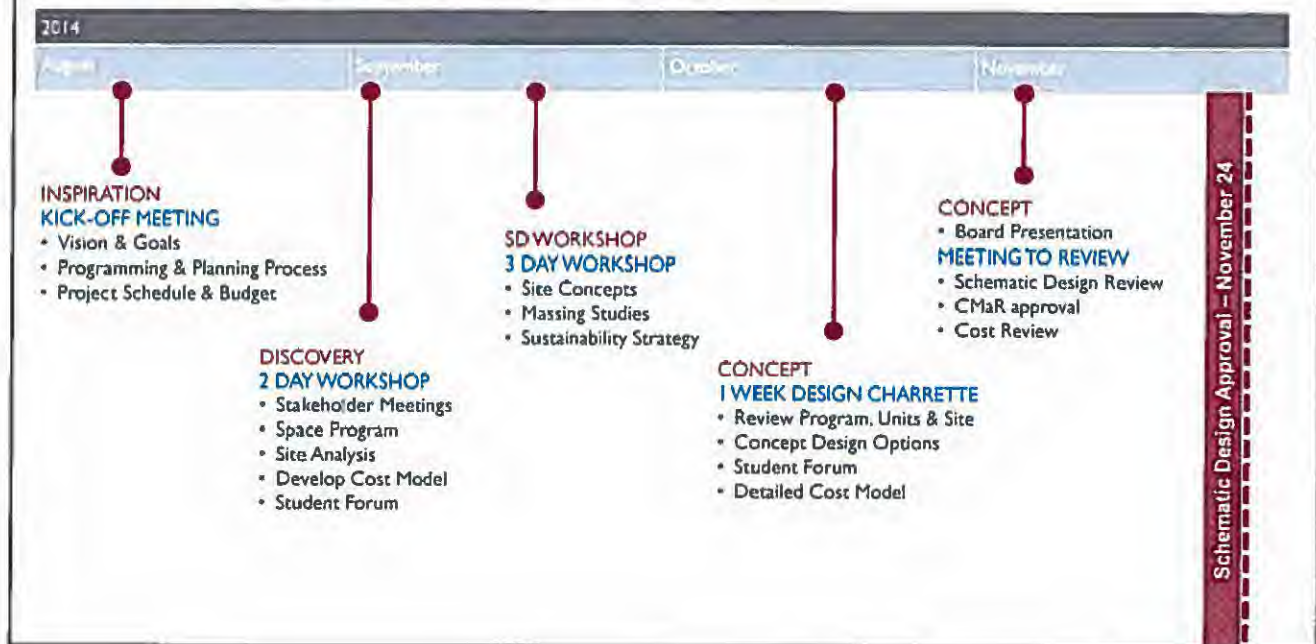
Designed to attract and retain students, the project design will break down the scale of campus by **creating smaller communities** and maximizing opportunities for meaningful intentional and spontaneous **interactions and student learning**.

This building will **support the campus facilities implementation plan**, complement the **architectural character of campus**, and integrate the spirit and traditions of Midwestern State University to create a unique and **desirable student living experience**.

The housing will be affordable - providing **great value for students** with **impressive quality** and a fair price point.



IN THE FIRST 90 DAYS



DESIGN STRATEGIES

Unit Types



Single Traditional



Double Traditional



2 Single Semi-suite



2 Double Semi-suite

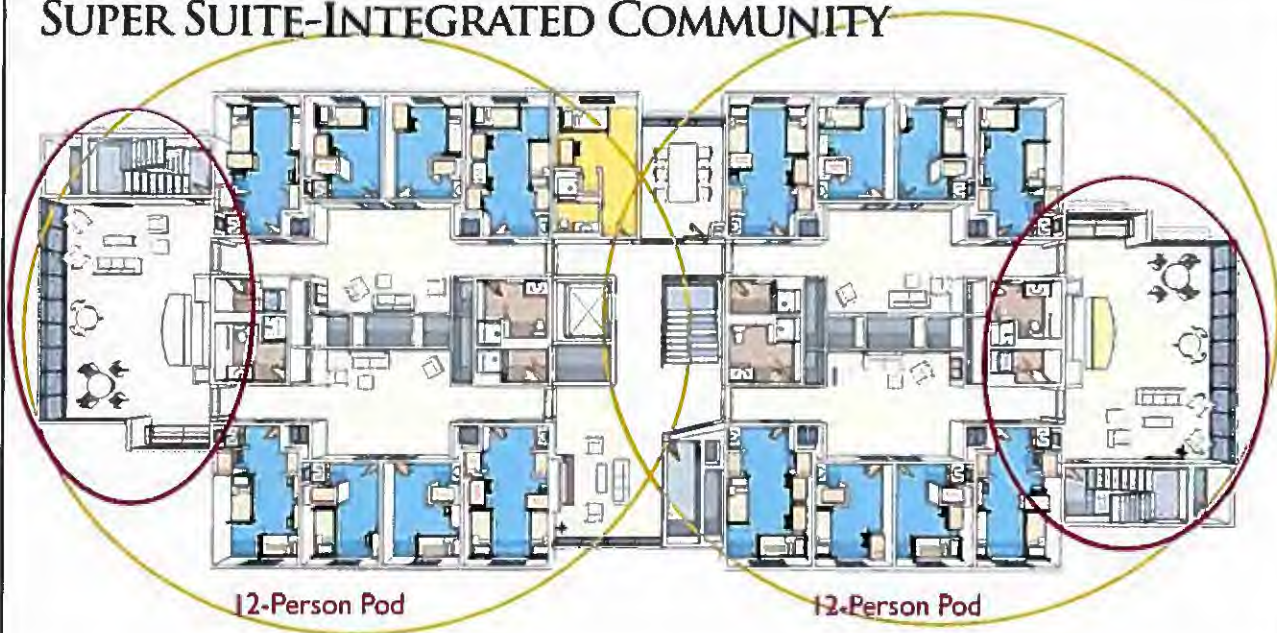


2 Double Suite



4 Single Apartments

SUPER SUITE-INTEGRATED COMMUNITY





PERSONAL SUCCESS

CREATE WELLBEING

- Balance Interaction / Privacy
- Air, Light, Thermal Comfort
- Vibrant Environment
- Connect with Nature
- Secure



“The amount of *student learning* and *personal development* is directly proportional to the quality of *student involvement* in the program.”

“Student Involvement: A developmental Theory for Higher Education” Alexander W Astin

Examples of “Active” Involvement:

Studying
Time on Campus
Active in Organizations
Interacts with Faculty & Staff
Interacts with Other Students



SOCIAL SUCCESS

BUILD A SENSE OF COMMUNITY

- Break Down Scale
- Spontaneous Social & Academic Interaction
- Flexibility – Multi-use of Spaces
- Embrace Tradition, Spirit – Connection to MSU



RESEARCH:

LIVING / LEARNING CRITERIA

- ✦ higher- quality social climate
- ✦ engage in more informal contact with faculty
- ✦ intellectual atmosphere in their residence

Results:

- ✦ perform **better academically**
- ✦ more likely to **persist in college**

terenzini, p. t., pascarella, e. t., & blimling, g. (1996). students' out-of-class experiences and their influence on learning and cognitive development: a literature review. *journal of college student development*, 37, 149-162.



ACADEMIC SUCCESS

ACCESS TO LEARNING

- Formal & Informal Learning
- Visible Social Study Spaces
- Flexible Spaces
- Technology Enriched



COMMUNITY LEARNING CENTER



NEW HOUSING: PROGRAM SUMMARY

- 500 Beds for Freshman/Sophomores in Traditional Doubles/Singles
- 16 Communities of 31/32 Students per Super Suite.
- Community / Lounges & Study Rooms
- Community / Private Bath (1:5 students)
- Destination – Living Learning Overlay
 - Community Learning Center
 - Multipurpose Space
 - Recreation
 - Small Convenience Store / Café
 - Small Audio/Visual Theater
- Administrative Offices



CHARRETTE PROCESS



Creating a **Shared Vision** Through Design

CHARRETTE WORK CYCLES





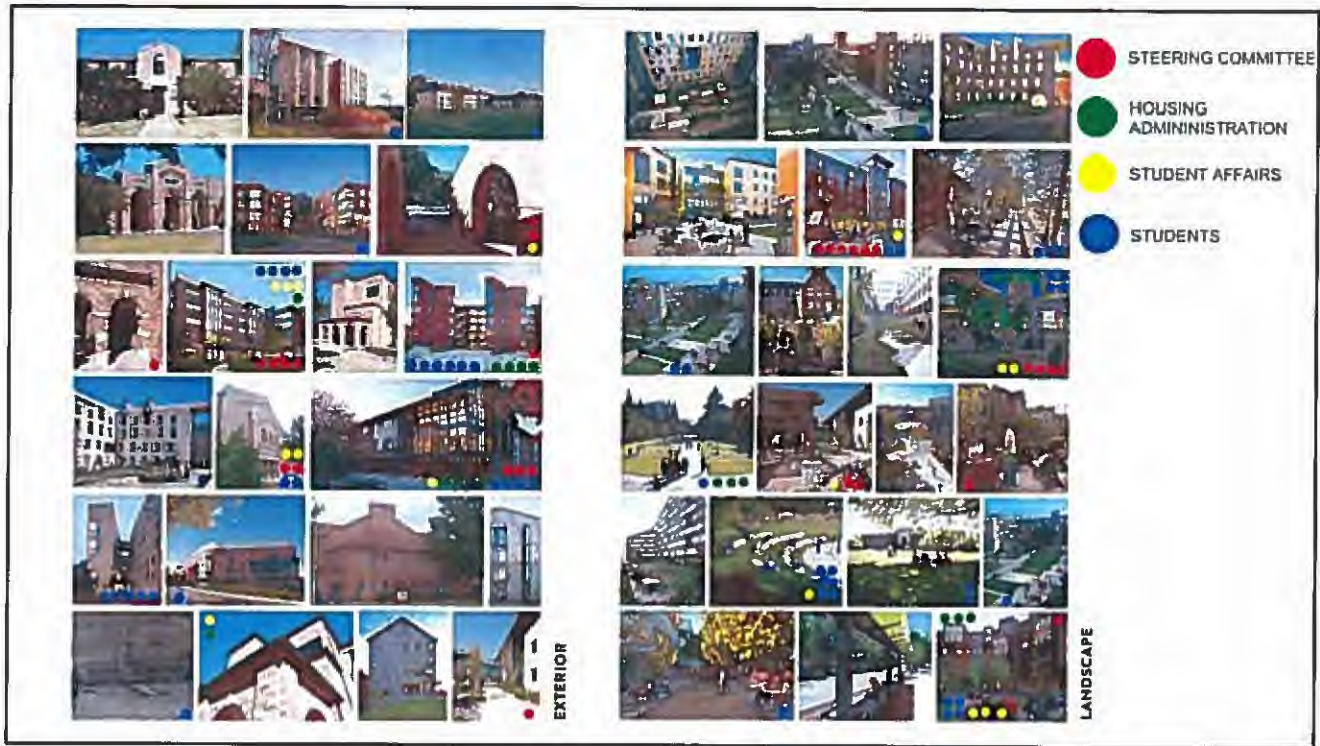
STUDENT INPUT



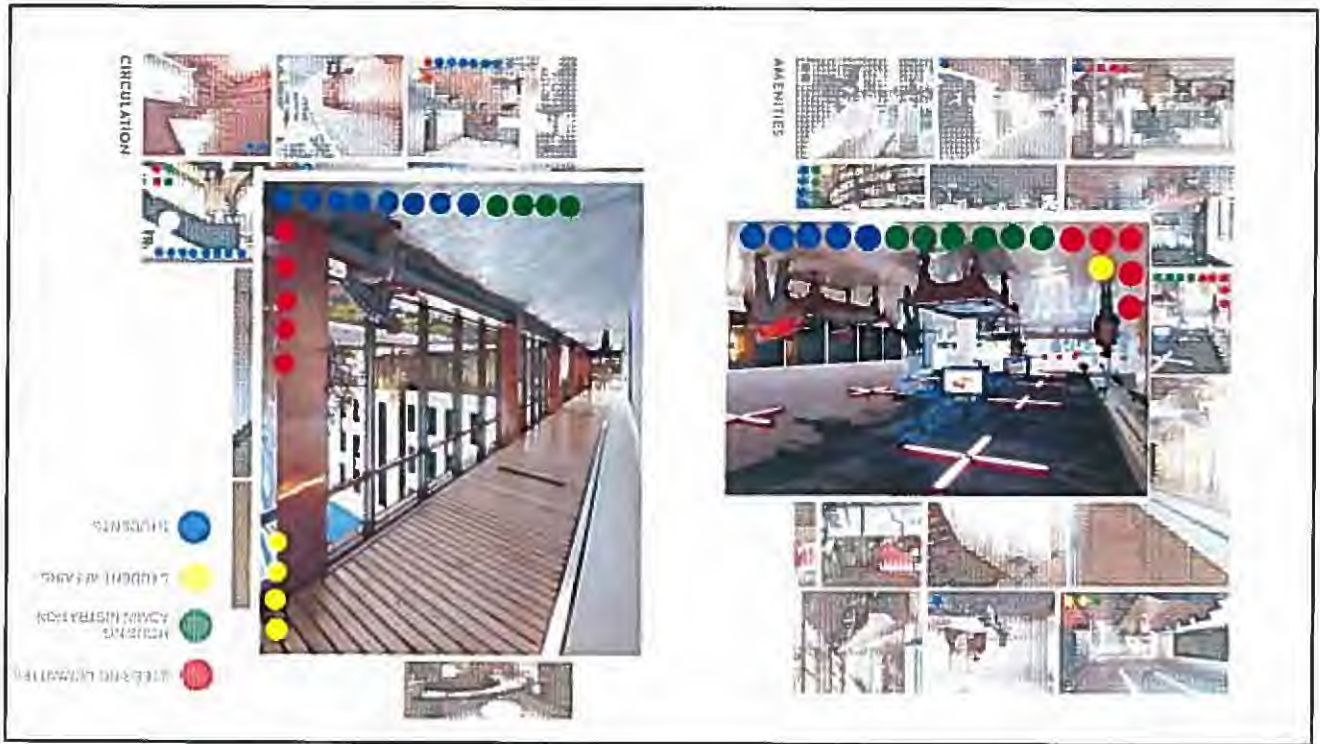
STAKEHOLDER INPUT

Stakeholder Groups:

Facilities Services
Information Technology
Police
Deans & Faculty
ADA/Accessibility
Dining
Post Office
Student Affairs
Summer Camps
Housing Administration
Housing Maint/Custodial
Mass Communication/Student Media
Steering Committee





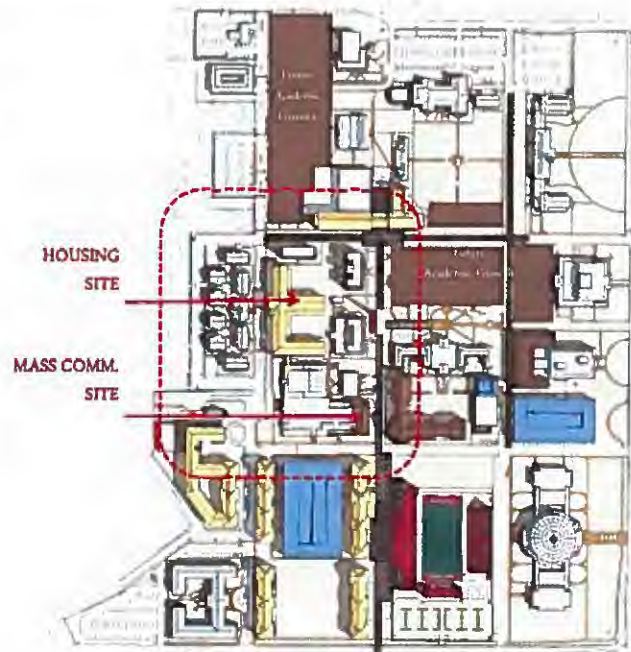


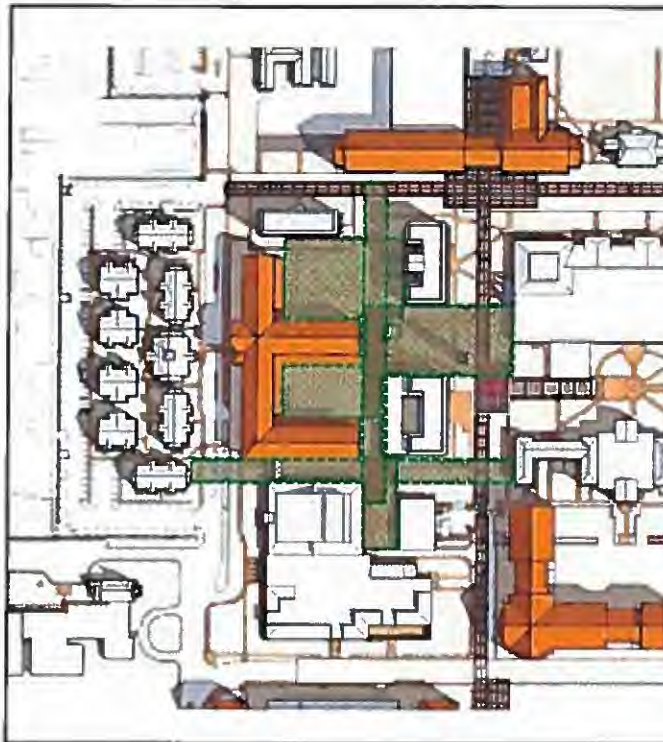
SITE ANALYSIS

HOUSING SITE



SITE ANALYSIS: MASTER PLAN

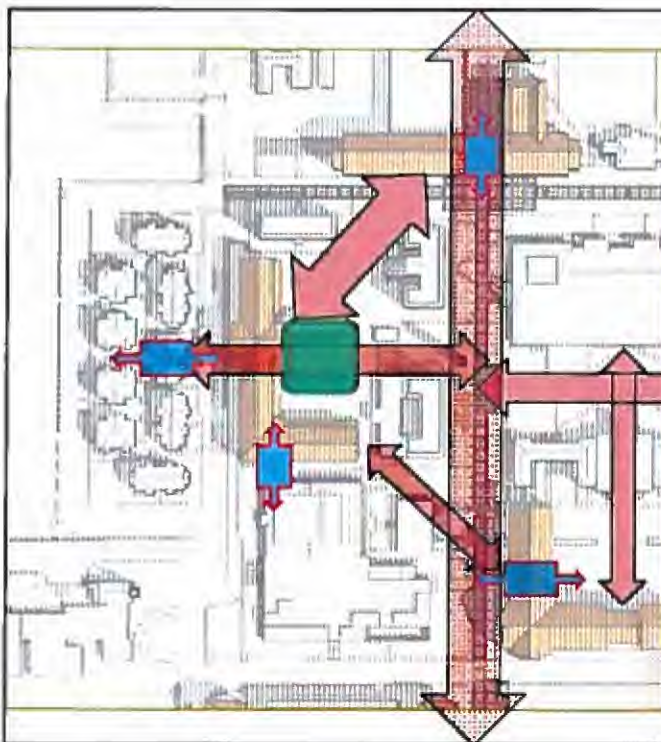




SITE ANALYSIS

MASTER PLAN SITE PLAN

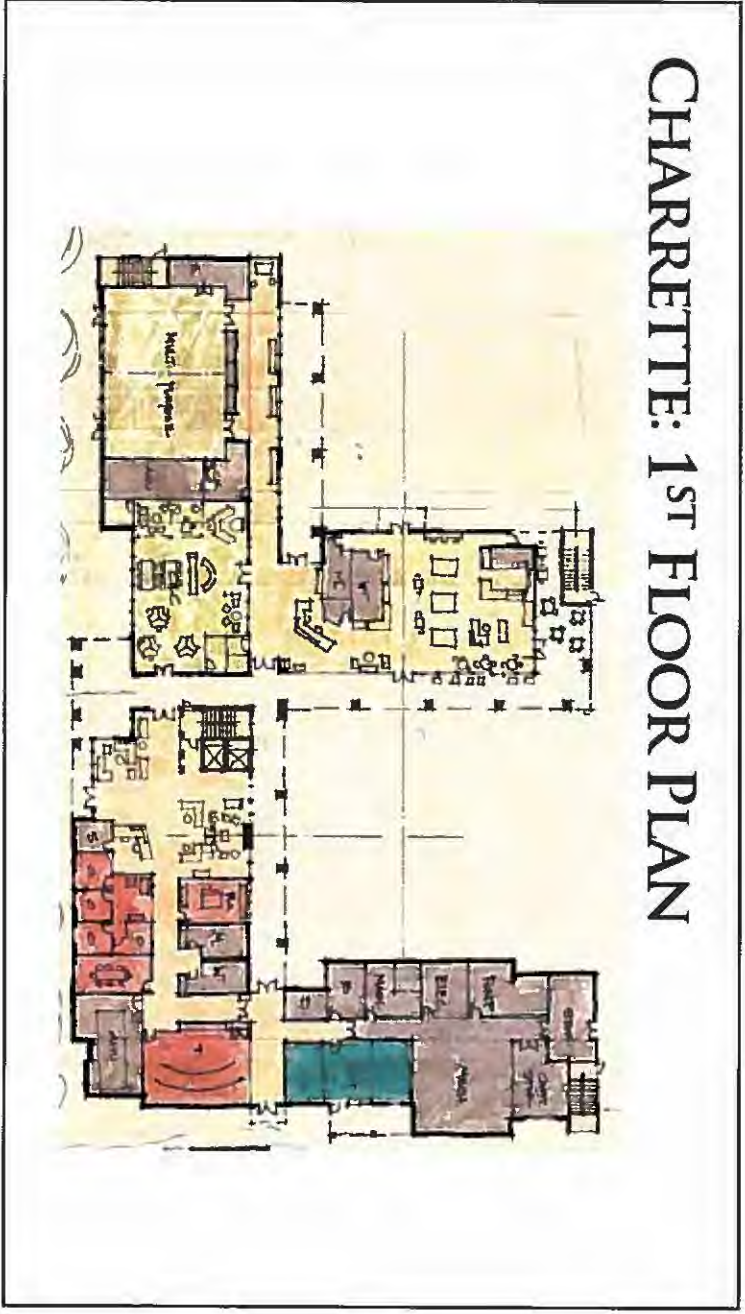
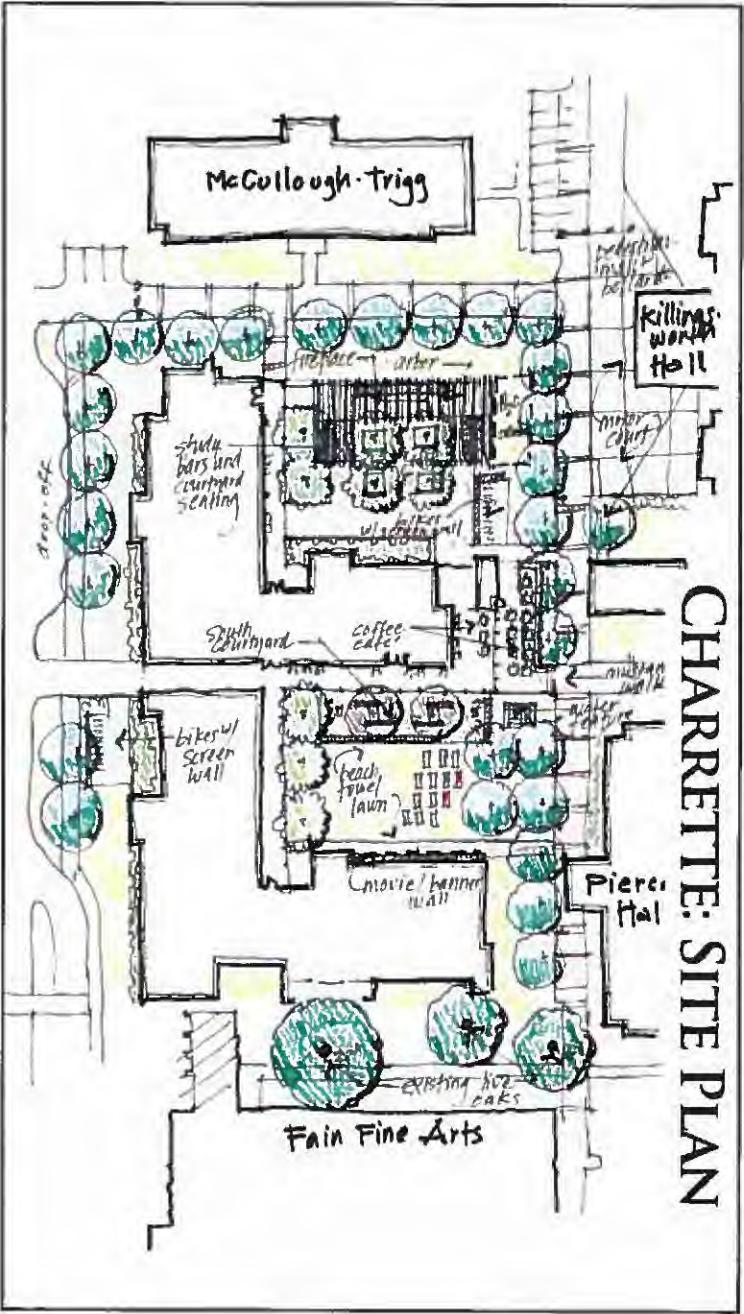
- **Open Space Connections**
 - Inverted "F" Shape allows for:
 - 2 Open Spaces
 - Large Open Play Space
 - Smaller Intimate Courtyard
 - Quad Connecting to Mustangs Walk
 - Linear Open Space from Fain Entry & Sunwatcher Village to Mustangs Walk
 - New Outdoor Stage between Music Band Hall and Fain Back Stage
 - North South Connection from Future Union in Daniels to New Outdoor Stage



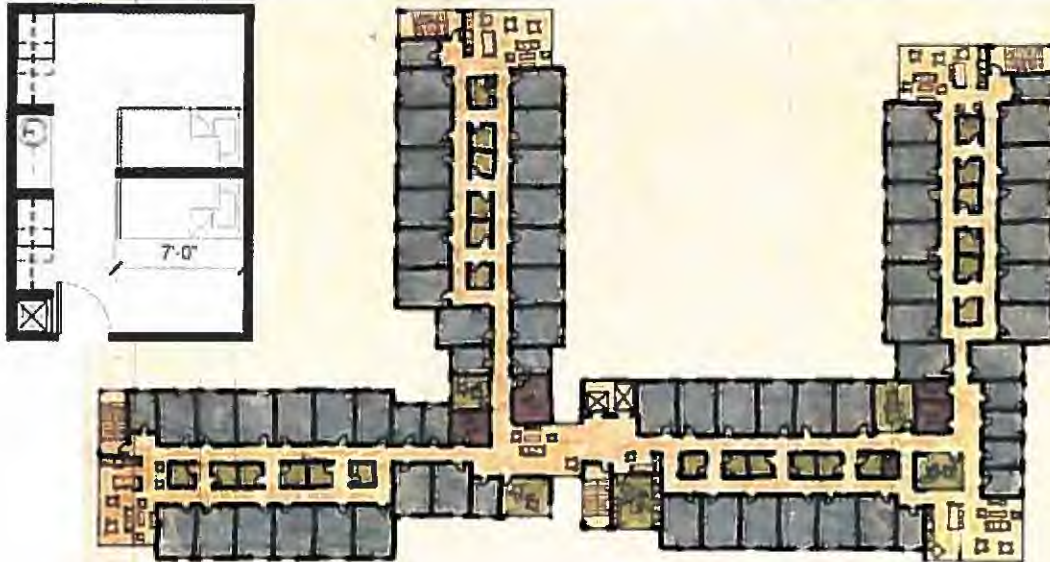
SITE ANALYSIS

FUTURE BUILDING EFFECTS

- **Potential Site for Student Commons**
 - Student Commons building if it is not located within "F" Shape of Residence Hall it should:
 - Be located at the juncture of the primary pedestrian circulation pathways
 - Lead to and from the new residence hall and beyond to Sunwatcher Village
 - Connection to Fain Fine Arts will provide entry to performance space and fine arts programs

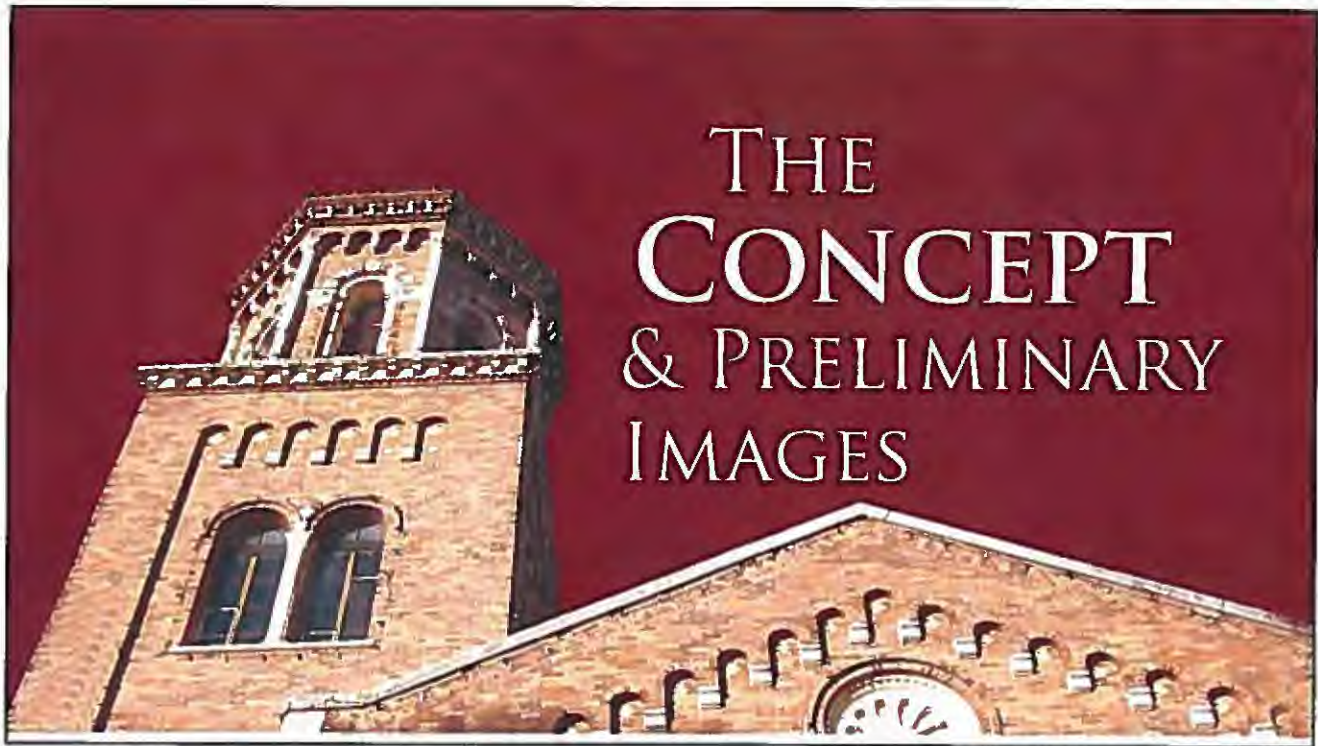


CHARRETTE: 2ND – 5TH FLOOR PLAN

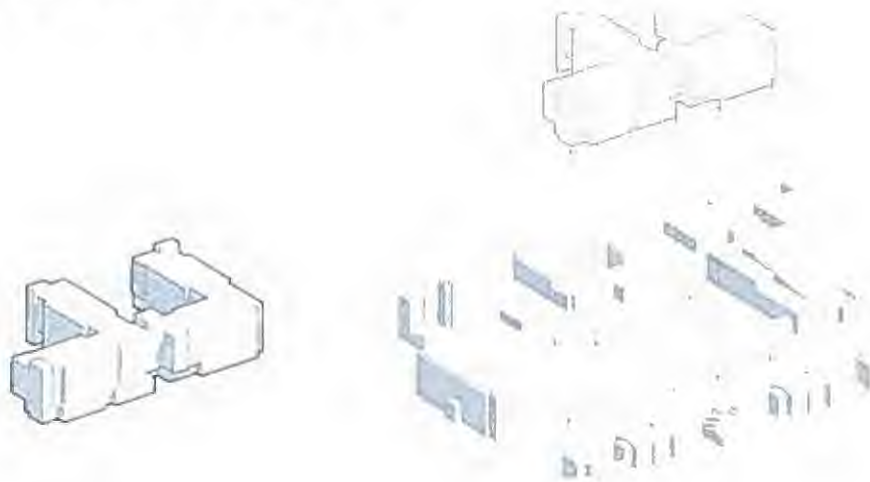


CHARRETTE: FAÇADE STUDY



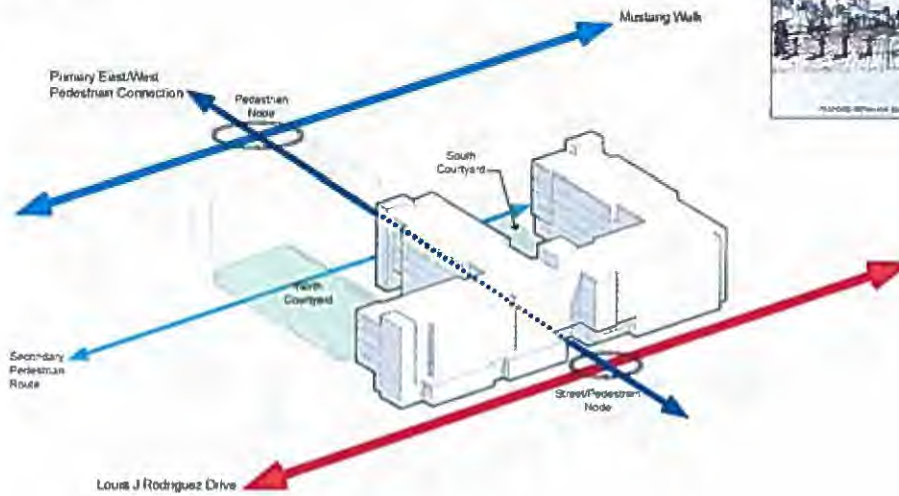


PROPOSED MASSING

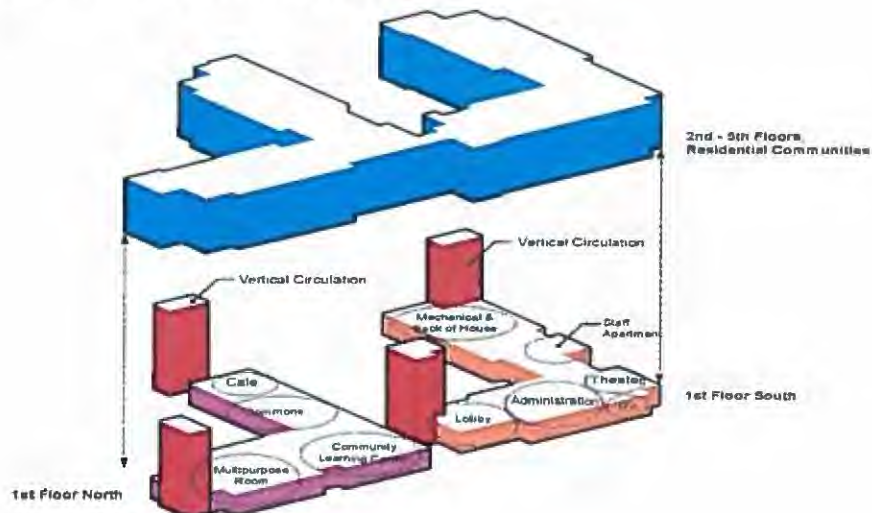


SITE CIRCULATION CONCEPT

Site Circulation Concept
viewed from looking Southwest



PROGRAM ORGANIZATION



1ST FLOOR PLAN



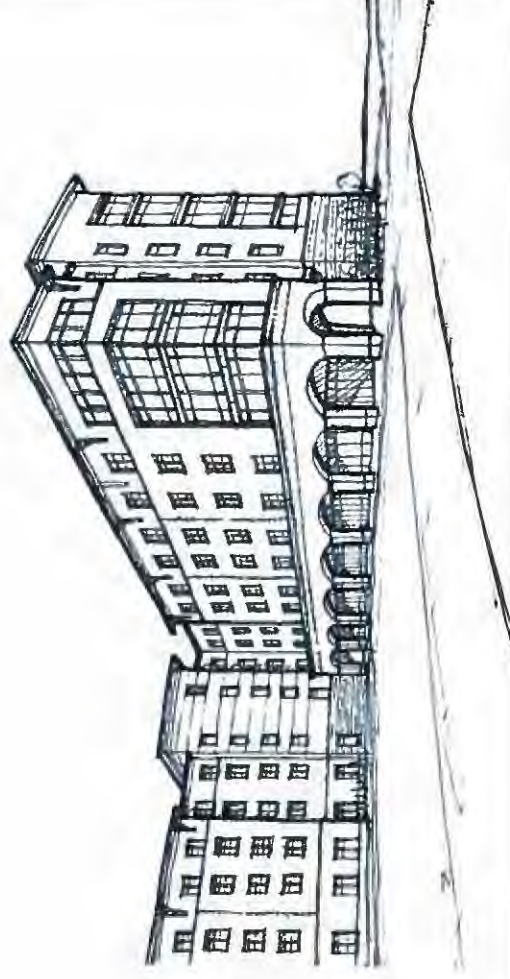
2ND – 5TH FLOOR PLAN



CONTEXTUAL DIRECTION (FIRST STAGES) (COMPLEMENT THE ARCHITECTURAL CHARACTER OF THE CAMPUS)



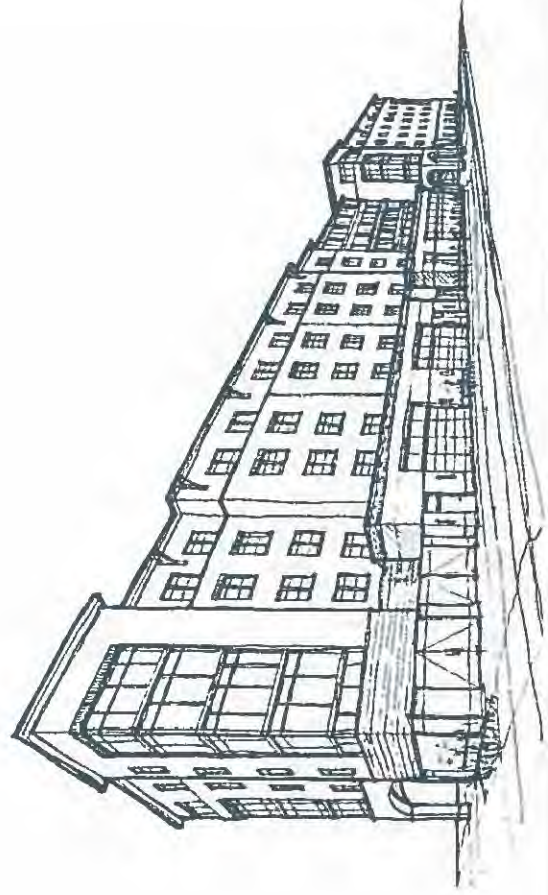
Exterior Study
View Looking West across South Courtyard



Exterior Study
View Looking West across South Courtyard



Exterior Study
View Looking South along Rodriguez Drive



Exterior Study
View Looking South along Rodriguez Drive





COST FACTORS & STRATEGIES

- Historical data for the project type
- Systems review and strategies
- Program balance & efficiencies
- Cost targeting – good, better, best

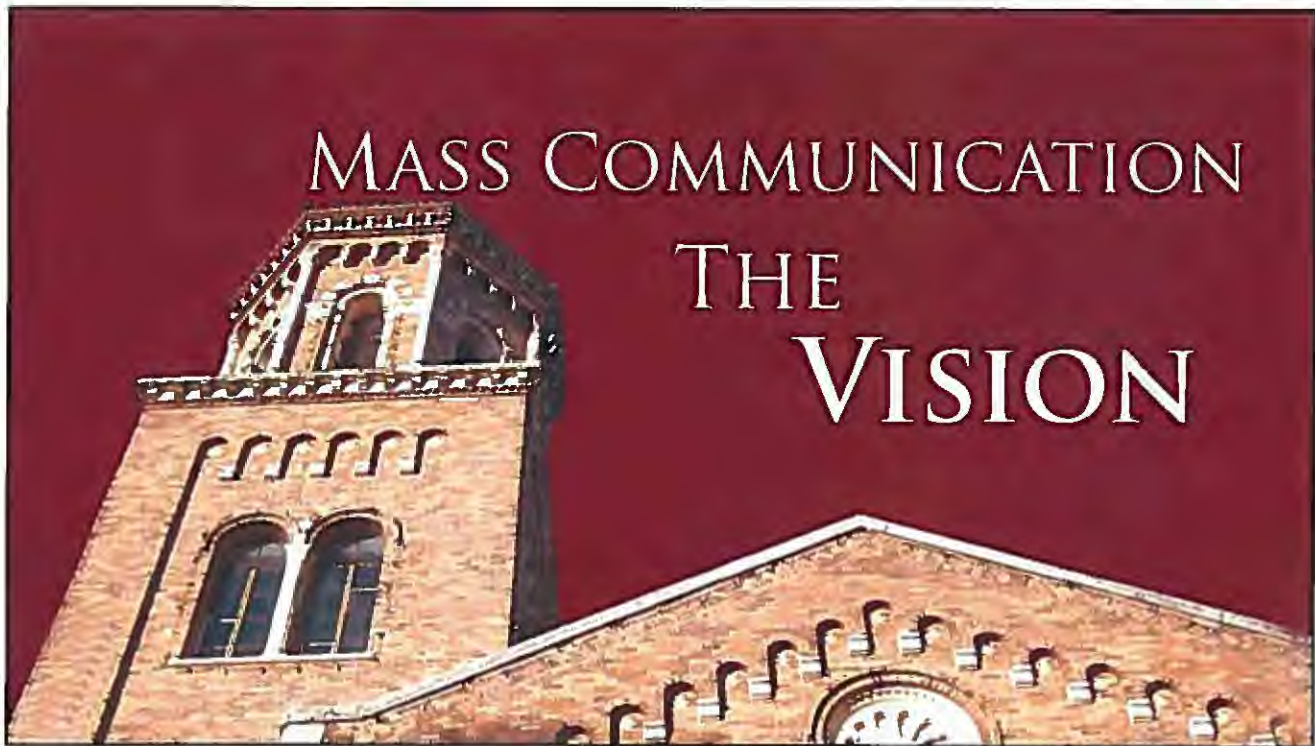
PROGRAM COST MODEL

| | "LOW" | "MEDIUM" | "HIGH" |
|---------|--|--|---|
| SCOPE | 500-Beds Total Area: 139,925 SF Area/Bed: 280 SF/Bed Community Size: 32-Beds Bath Ratio: 1:5.3 | 500-Beds Total Area: 139,925 SF Area/Bed: 280 SF/Bed Community Size: 32-Beds Bath Ratio: 1:5.3 | 500-Beds Total Area: 139,925 SF Area/Bed: 280 SF/Bed Community Size: 32-Beds Bath Ratio: 1:5.3 |
| QUALITY | Structure: 5-Story (1-Story Concrete Podium + 4-Story Wood Frame) Shell: 70% Brick, 30% Stucco w/ Alum. Storefront & Windows HVAC System: DX Split System Good Finishes | Structure: 4-story Wood Frame Res Hall + 2-Story Struct. Stl. / Light Gauge Metal Frame Commons Shell: 90% Brick, 10% Stucco w/ Alum. Storefront & Windows HVAC System: Central Plant, 4-Pipe FCU Better Finishes | Structure: 5-Story Light Gauge Metal Frame Shell: 100% Brick w/ Alum. Curtainwall, Storefront & Windows HVAC System: Central Plant, 4-Pipe FCU Best Finishes |
| COST | \$175 / SF Const. Cost (CCL): \$24,486,875 Project Costs: \$30,608,594 Cost/Bed: \$61,217 | \$182 / SF Const. Cost (CCL): \$25,466,350 Project Costs: \$31,832,938 Cost/Bed: \$63,666 | \$207 / SF Const. Cost (CCL): \$28,964,475 Project Costs: \$36,205,594 Cost/Bed: \$72,411 |

PROGRAM COST MODEL

| | "LOW" | "MEDIUM" | "HIGH" |
|---------|--|--|---|
| SCOPE | 500 Beds Total Area: 139,925 SF Area/Bed: 280 SF/Bed Community Size: 32-Beds Bath Ratio: 1:5.3 | 500-Beds Total Area: 139,925 SF Area/Bed: 280 SF/Bed Community Size: 32-Beds Bath Ratio: 1:5.3 | 500-Beds Total Area: 139,925 SF Area/Bed: 280 SF/Bed Community Size: 32-Beds Bath Ratio: 1:5.3 |
| QUALITY | Structure: 5-Story (1-Story Concrete Podium + 4-Story Wood Frame) Shell: 70% Brick, 30% Stucco w/ Alum. Storefront & Windows HVAC System: DX Split System Good Finishes | Structure: 4-story Wood Frame Res Hall + 2-Story Struct. Stl. / Light Gauge Metal Frame Commons Shell: 90% Brick, 10% Stucco w/ Alum. Storefront & Windows HVAC System: Central Plant, 4-Pipe FCU Better Finishes | Structure: 5-Story Light Gauge Metal Frame Shell: 100% Brick w/ Alum. Curtainwall, Storefront & Windows HVAC System: Central Plant, 4-Pipe FCU Best Finishes |
| COST | \$175 / SF Const. Cost (CCL): \$24,486,875 Project Costs: \$30,608,594 Cost/Bed: \$61,217 | \$182 / SF Const. Cost (CCL): \$25,466,350 Project Costs: \$31,832,938 Cost/Bed: \$63,666 | \$207 / SF Const. Cost (CCL): \$28,964,475 Project Costs: \$36,205,594 Cost/Bed: \$72,411 |

| | |
|---------|---|
| | "MEDIUM" |
| SCOPE | 500 Beds Total Area: 151,570 SF Area/Bed: 303 SF/Bed Community Size: 32-Beds Bath Ratio: 1:5.3 |
| QUALITY | Structure: 5-Story (1-Story Concrete Podium + 4 Story Wood Frame) Shell: 90% Brick, 10% Stucco w/ Alum. Curtainwall, Storefront & Windows HVAC System: Central Plant, 4-Pipe FCU Better Finishes |
| COST | \$177 / SF Const. Cost (CCL): \$26,767,000 Project Costs: \$32,931,474 Cost/Bed: \$65,863 |



GOALS & OBJECTIVES

- **Convergent Studio**
- **State of the Art Facility**
- **Vibrant Learning Environment**
- **Characteristic of a Real World Setting**
- **Synergy Among Students**
- **Engagement with Faculty**
- **Student Recruitment / Retention**
- **Enhance Community Involvement**



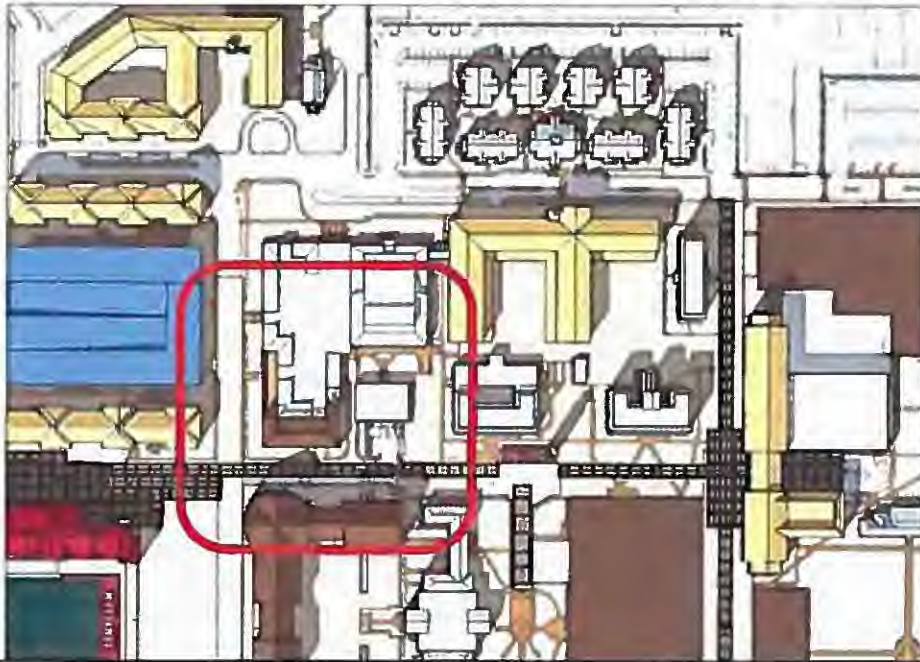
PROGRAM SUMMARY

- **TV Studio with 3 platforms**
- **Student / Faculty Broadcast support**
 - 7 Editing Bays / Rooms
 - Faculty offices
 - Storage for Equipment
- **Broadcast Lab for 12- 20 students**
- **Newsroom**
 - 24 student stations
 - Super desk with editors
 - Faculty offices
 - Interview rooms
 - Photo shooting room
 - Storage rooms
- **Journalism Lab for 20 students**
- **Classroom and Conferencing Rooms**
- **Student/Faculty Break Room**

SITE LOCATION

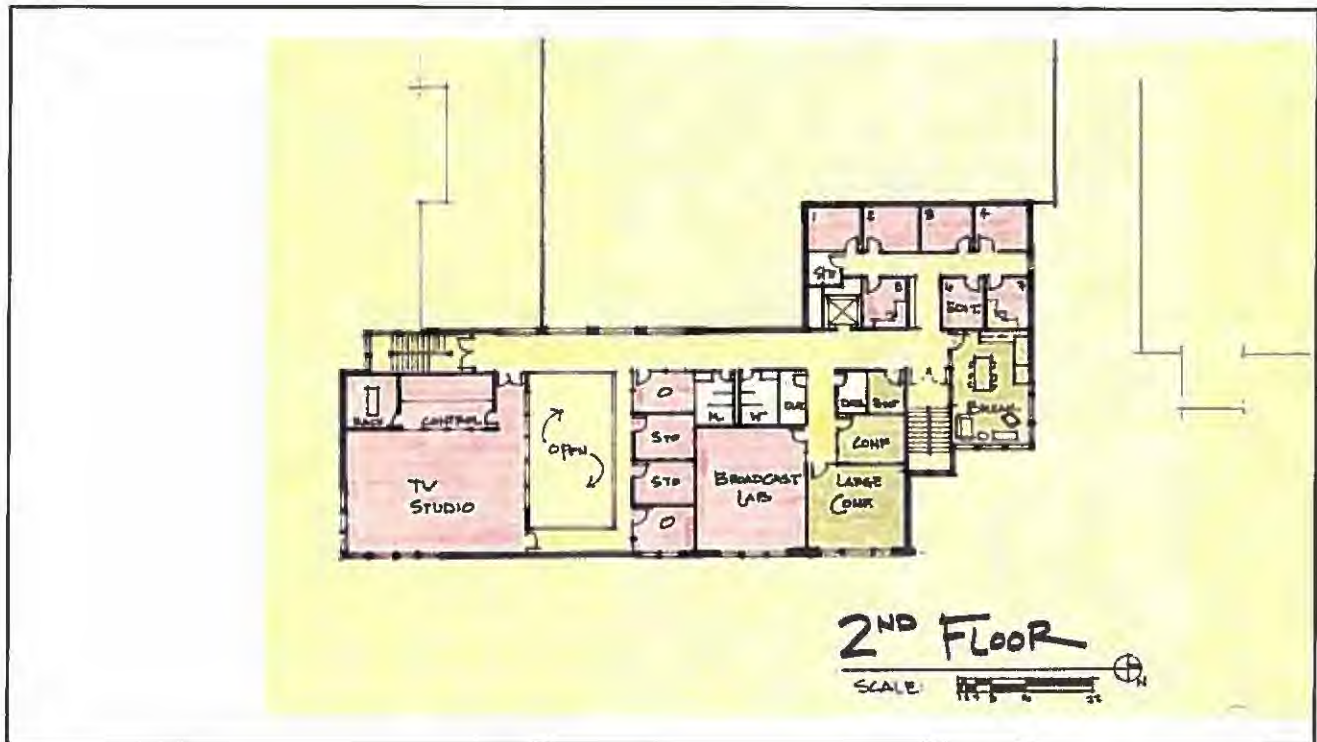


MASS COMMUNICATION SITE PLAN



2ND FLOOR

SCALE: 1" = 10'



| "COST ESTIMATE" | |
|-----------------|---|
| SCOPE | Total Area: 18,500 SF |
| | Structure: 2 story, Steel post and beam system with metal stud infill |
| QUALITY | Shell: 100% Brick w/ Alum. Curtainwall, Storefront & Windows, |
| | HVAC System: Central Plant, 4-Pipe FCU |
| COST | Better Finishes |
| | \$225 / SF |
| | Const. Cost (CCL): 4,120,900 |
| | Project Costs: \$4,980,035 |



Student Housing Project Construction Manager At Risk Selection Process Overview

Prepared for the Board of Regents
November 6, 2014



Delivery Methods:

- **Design-Bid-Build:** Architect design, competitive sealed bids of design, best value builds project.
- **Design-Build:** Competitive sealed bids for design AND construction based on a general scope of work.
- **Construction Manager at Risk (CMAR):** Architect designs, general contractor provides input during design, competitive sealed bids of design, CMAR agrees to oversee construction based on bids.

CMAR Selection Process: MIDWESTERN STATE UNIVERSITY

1. Request for Proposal (RFP) issued.
 - a. Advertised once in local paper.
 - b. Four emails were sent to local general contractors capable of a \$25 MM project.
 - c. 314 emails sent statewide notifying firms.
 - d. Posted on the State Business Daily website continuously until proposals were due.
 - e. Posting was for 30 days for Student Housing Project.

CMAR Selection Process: MIDWESTERN STATE UNIVERSITY

2. Committee created to evaluate firms (7 members).
3. Evaluation criteria in RFP included:
 - a. Experience (30%).
 - i. Relationship with MSU.
 - ii. Similar higher ed experience.
 - iii. Worked in Wichita Falls in the past.
 - iv. Quality, reputation, on time delivery, etc.
 - b. Needs of client (30%).
 - i. Capability, pre-con services, meet schedule.

CMAR Selection Process: MIDWESTERN STATE UNIVERSITY

3. Evaluation criteria in RFP included (continued):

- c. Cost (25%).
 - i. Price.
 - ii. Savings retained by MSU.
- d. General info (15%).
 - i. Relevant experience.
 - ii. Past performance.
 - iii. Personnel have relevant experience.
 - iv. Full time superintendent on site.

CMAR Selection Process: MIDWESTERN STATE UNIVERSITY

- 4. Five submissions evaluated by each committee member individually; data summarized.
- 5. Top three firms selected for interviews and sent additional questions.
- 6. Interviewed three firms (one hour/firm).
- 7. Issued more questions and requested BAFO.
- 8. Committee reviewed and developed recommendation.

Recommendation



- Recommend Buford Thompson Construction
- Offered best value at significant savings to the project
- Locally based out of Weatherford, Texas
- Has worked with Harper Perkins architect on many projects
- Has worked with many ISD's on schedule-critical, similar-sized projects
- Has good relationships with many locally-based contractors

Next Steps



- Finalize contract with Buford Thompson
- They will immediately start working with Treanor/Harper Perkins on reviewing design
- Treanor and BT will both come up with cost estimates on the project
- Treanor/BT will develop bid packages for subcontractors
- MSU issues bids and receives bids back
- Based on subcontractor bids, BT will provide a Guaranteed Maximum Price (GMP) to MSU
- Any savings from GMP once construction is completed comes back to MSU



The Texas A&M University System

Performance Periods Ended June 30, 2014

| | <u>1-YR</u> | <u>5-YR</u> | <u>10-YR</u> | <u>Since 5/95*</u> |
|------------------------------|-------------|-------------|--------------|------------------------|
| System Endowment Fund | 16.8% | 12.0% | 7.0% | 8.7% |
| Balanced Index | 13.1% | 10.6% | 6.4% | 8.6% |

* inception



The Texas A&M University System

System Endowment Fund Asset Allocation

| Asset Class | Target Allocation | 6/30/2014 Allocation |
|----------------------|------------------------------|---------------------------------|
| Fixed Income | 15.0% | 13.9% |
| Domestic Equity | 20.0% | 20.1% |
| International Equity | 20.0% | 20.2% |
| Inflation Hedging* | 12.0% | 13.1% |
| Hedge Funds | 18.0% | 16.9% |
| Private Equity | 15.0% | 15.8% |

*Inflation Hedging includes timber, real estate, and energy investments.



The Texas A&M University System

- Income is distributed to each endowment account on a quarterly basis in accordance with the spending policy outlined in the System Investment Policy.
- The quarterly payout is calculated on an annual basis and is the average of the quarterly market value for the 20 fiscal quarters ending the previous February, multiplied by 5.0% and divided by 4.
- The market value per unit as of **8/31/2014** is **\$6.35** and the value for the last five years is as follows:

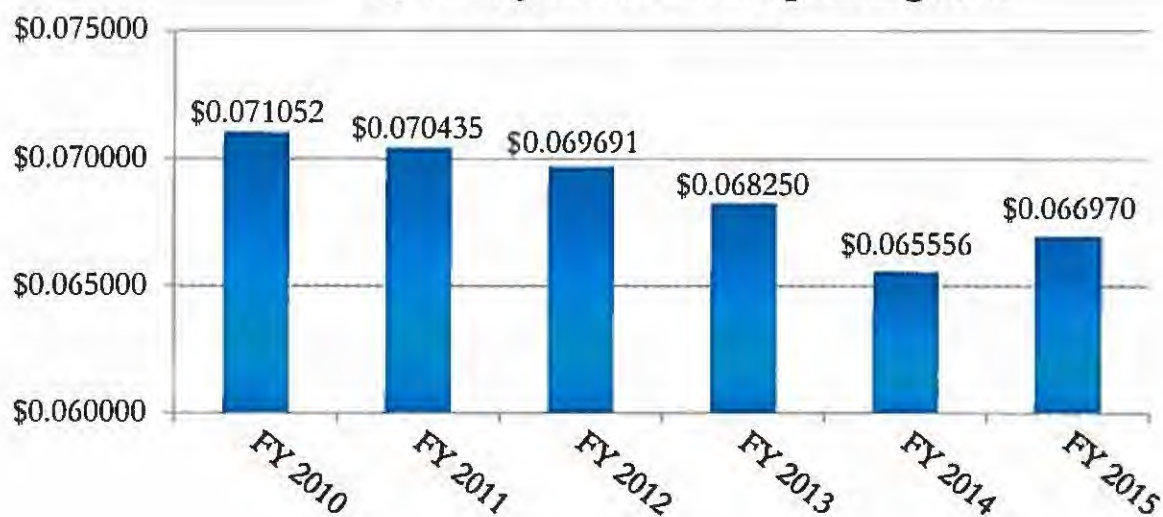
| | |
|-----------|--------|
| 2/28/2010 | \$5.11 |
| 2/28/2011 | \$5.62 |
| 2/29/2012 | \$5.47 |
| 2/28/2013 | \$5.57 |
| 2/28/2014 | \$6.00 |

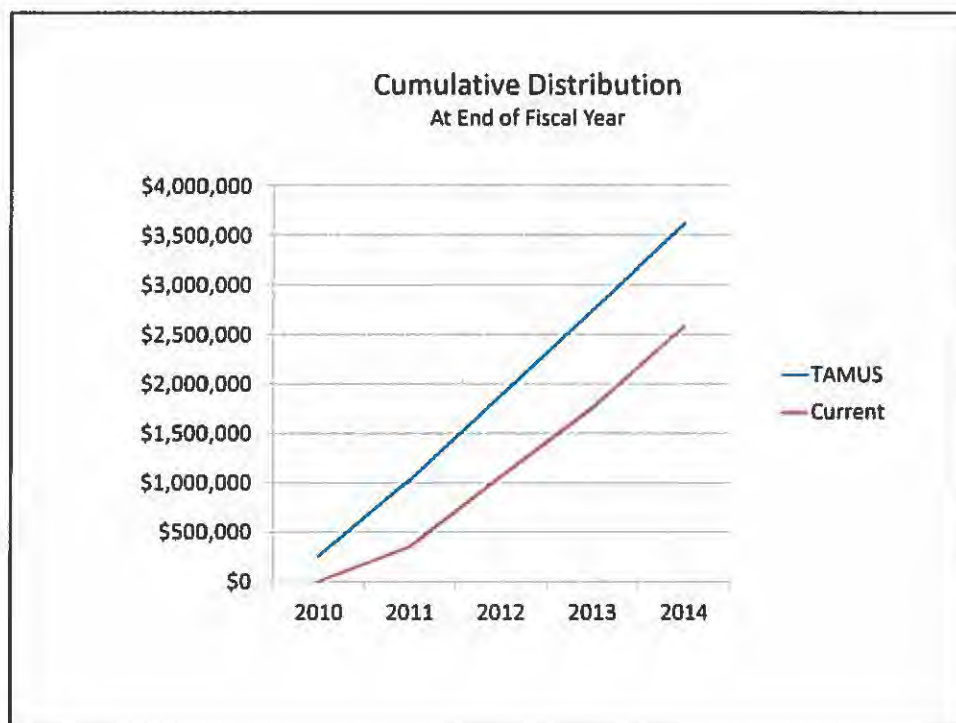
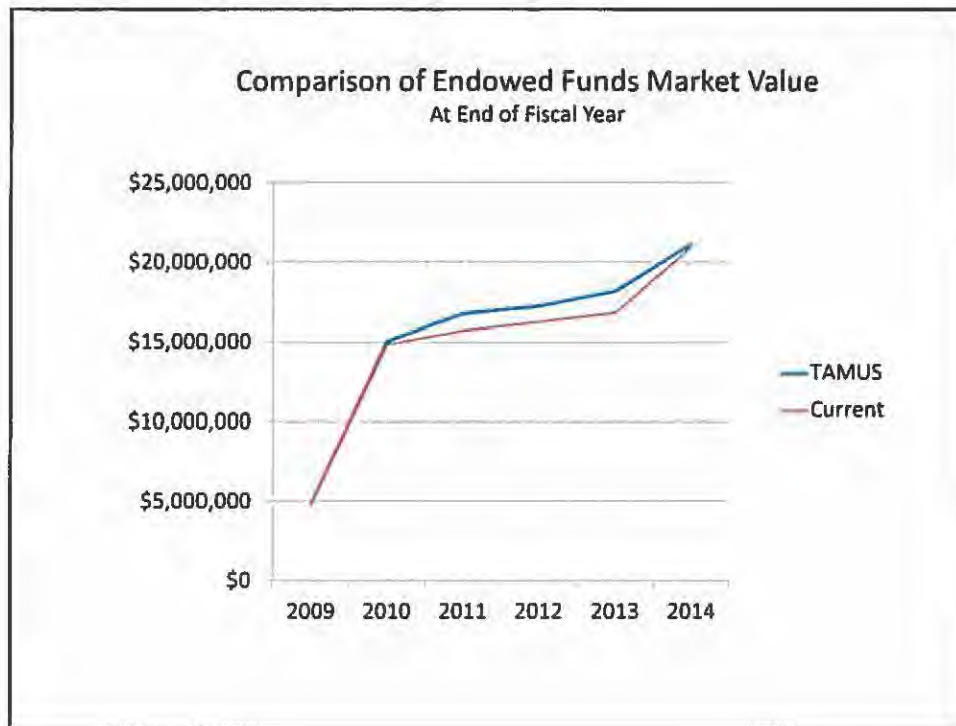


The Texas A&M University System

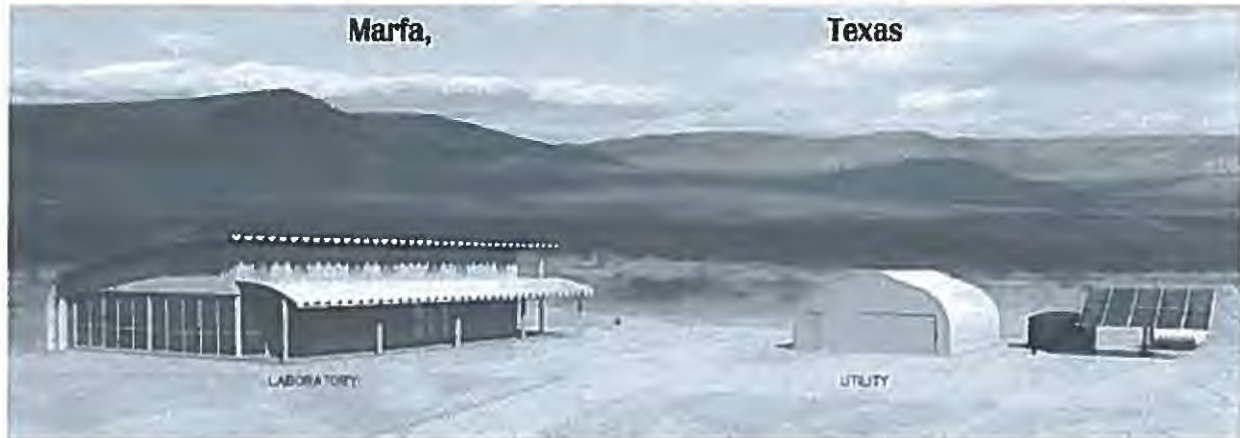
System Endowment Fund

Quarterly Endowment Spending Rate

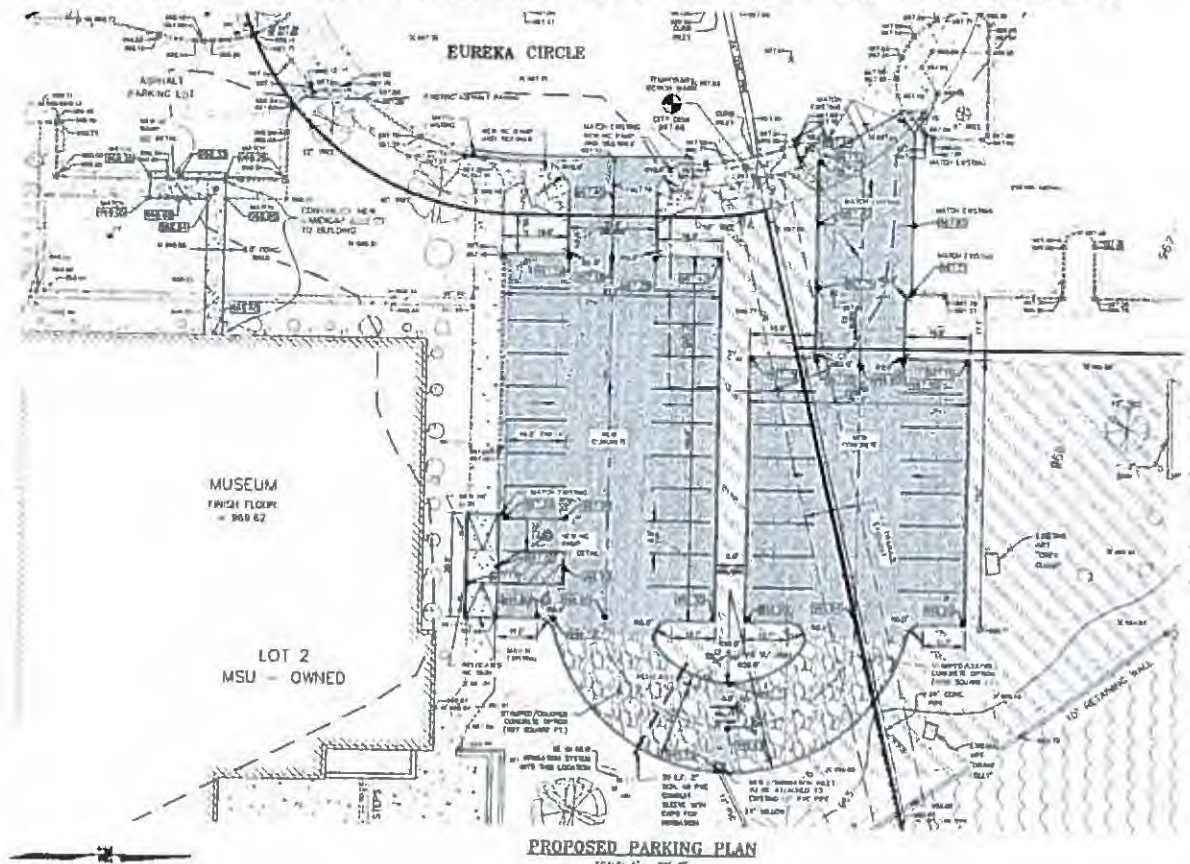




DALQUEST DESERT RESEARCH STATION



MUSEUM PARKING LOT & STREET







Pardon Our Progress



MUSTANGS WALK

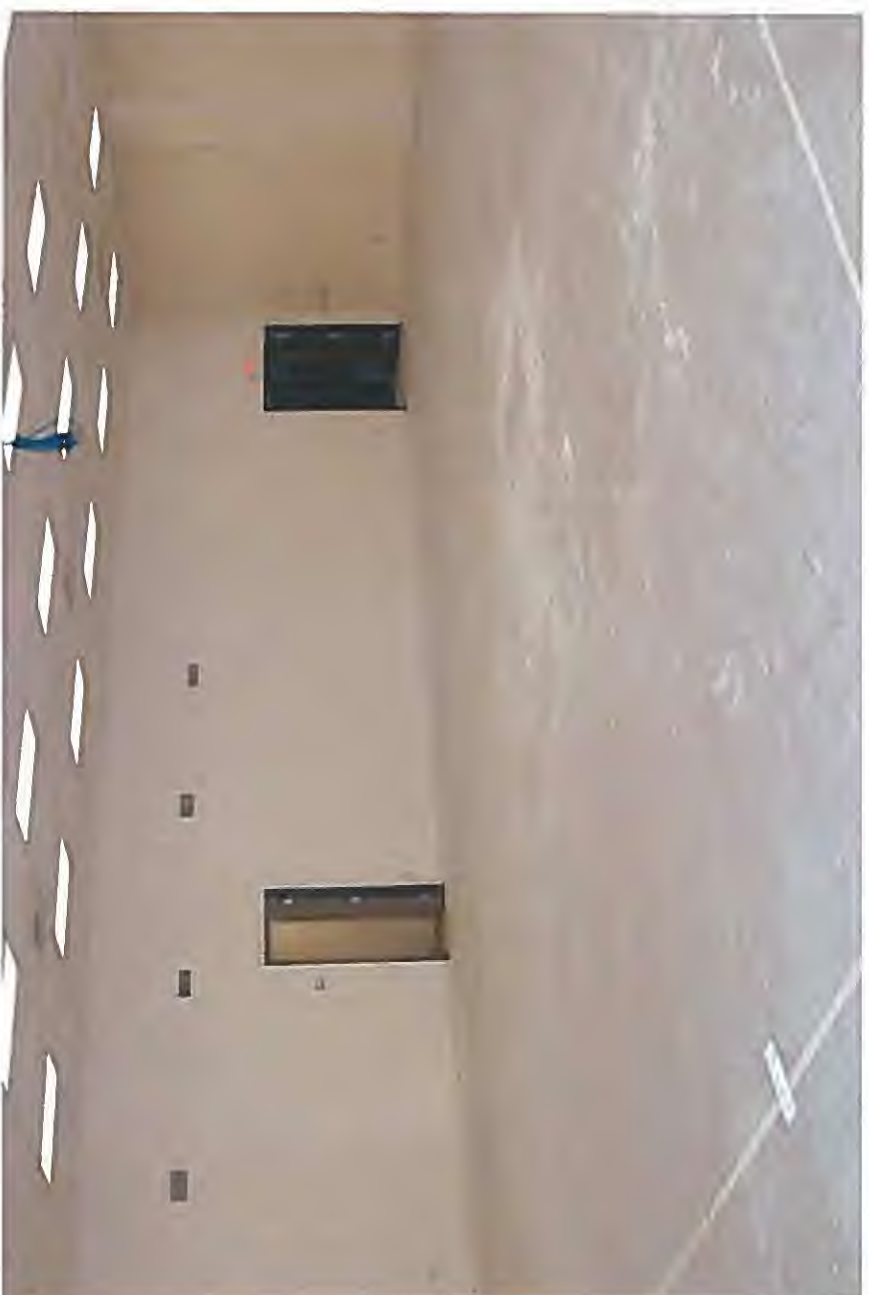
Coming Soon



MIDWESTERN
STATE UNIVERSITY



CHRIST ACADEMY FLOOR PLAN
FOOTBALL OFFICE LA OUT COPY 4.0 12/8/2018





ADMINISTRATION &
INSTITUTIONAL
EFFECTIVENESS

INFORMATION TECHNOLOGY UPDATE



MIDWESTERN
STATE UNIVERSITY

mwsu.edu

IT Update

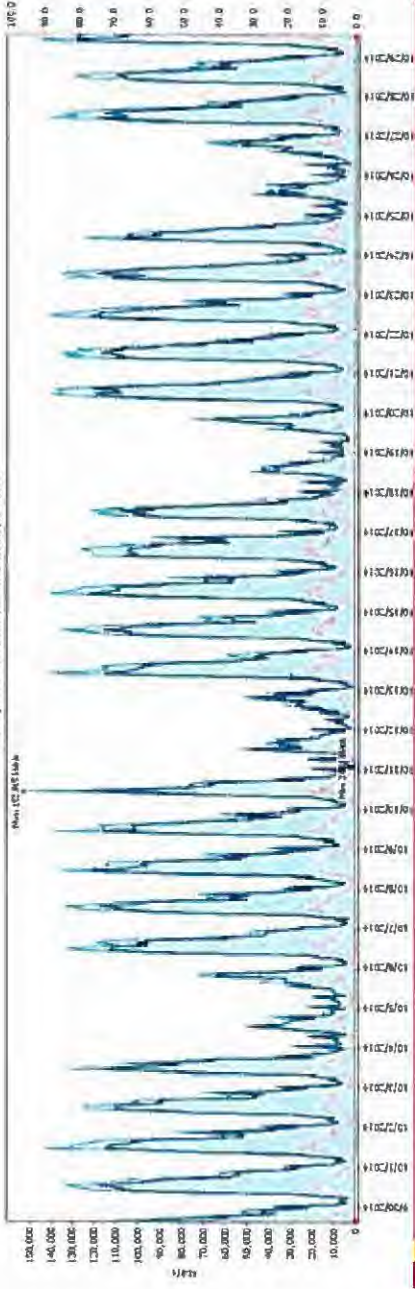
1. Wireless Network
2. Bandwidth
3. Banner
4. Campus Portal
5. Classroom Upgrades
6. IT Load/Security



IT Update

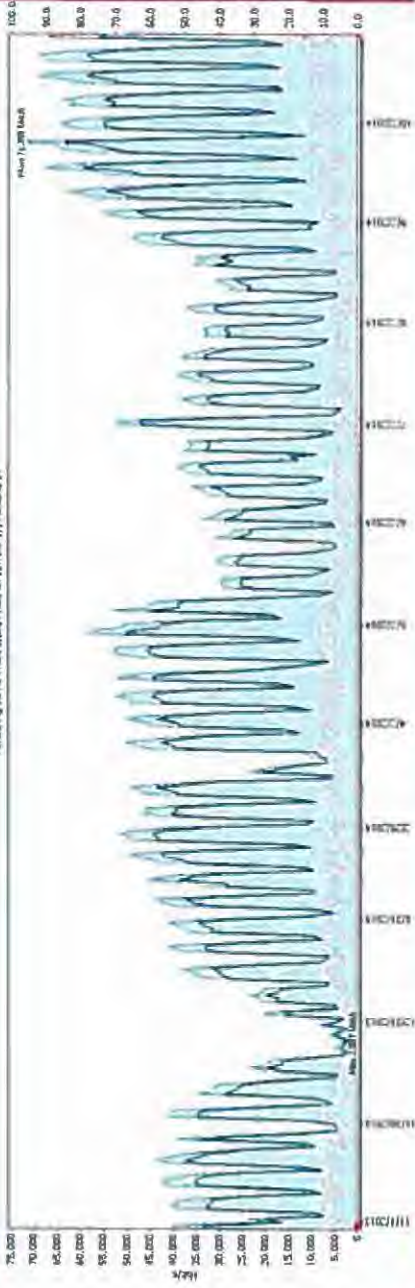
1. Wireless Network
2. Bandwidth
3. Banner
4. Campus Portal
5. Classroom Upgrades
6. IT Load/Security

Fig 2.1 - The Wireless Bandwidth Class (Labeled Export) [200 days]
Monitoring Service Profile: Class of Traffic set to (27,0,0,1) (Normalized)



Bandwidth usage during the previous 30 days (above) and previous 365 days (below)

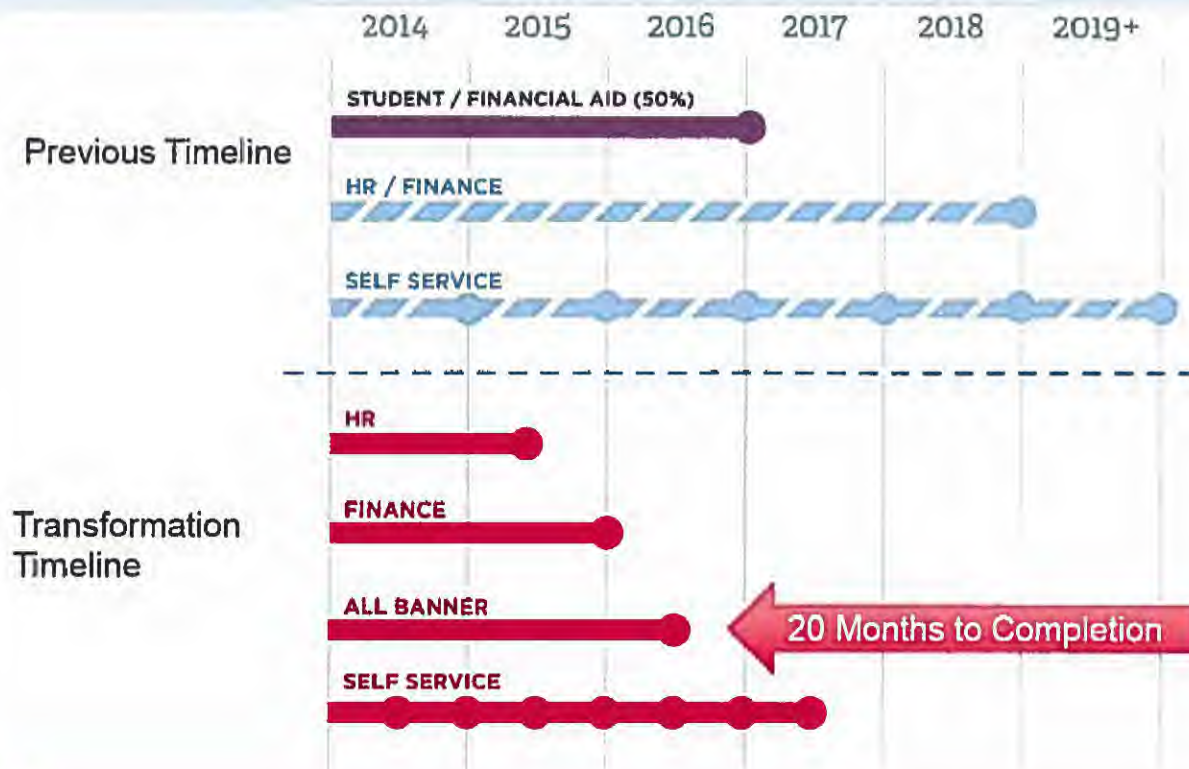
Fig 2.1 - The Wireless Bandwidth Class (Labeled Export) [365 days]
Monitoring Service Profile: Class of Traffic set to (27,0,0,1) (Normalized)



IT Update

1. Wireless Network
2. Bandwidth
3. Banner
4. Campus Portal
5. Classroom Upgrades
6. IT Load/Security

New Transformation Timeline Comparison

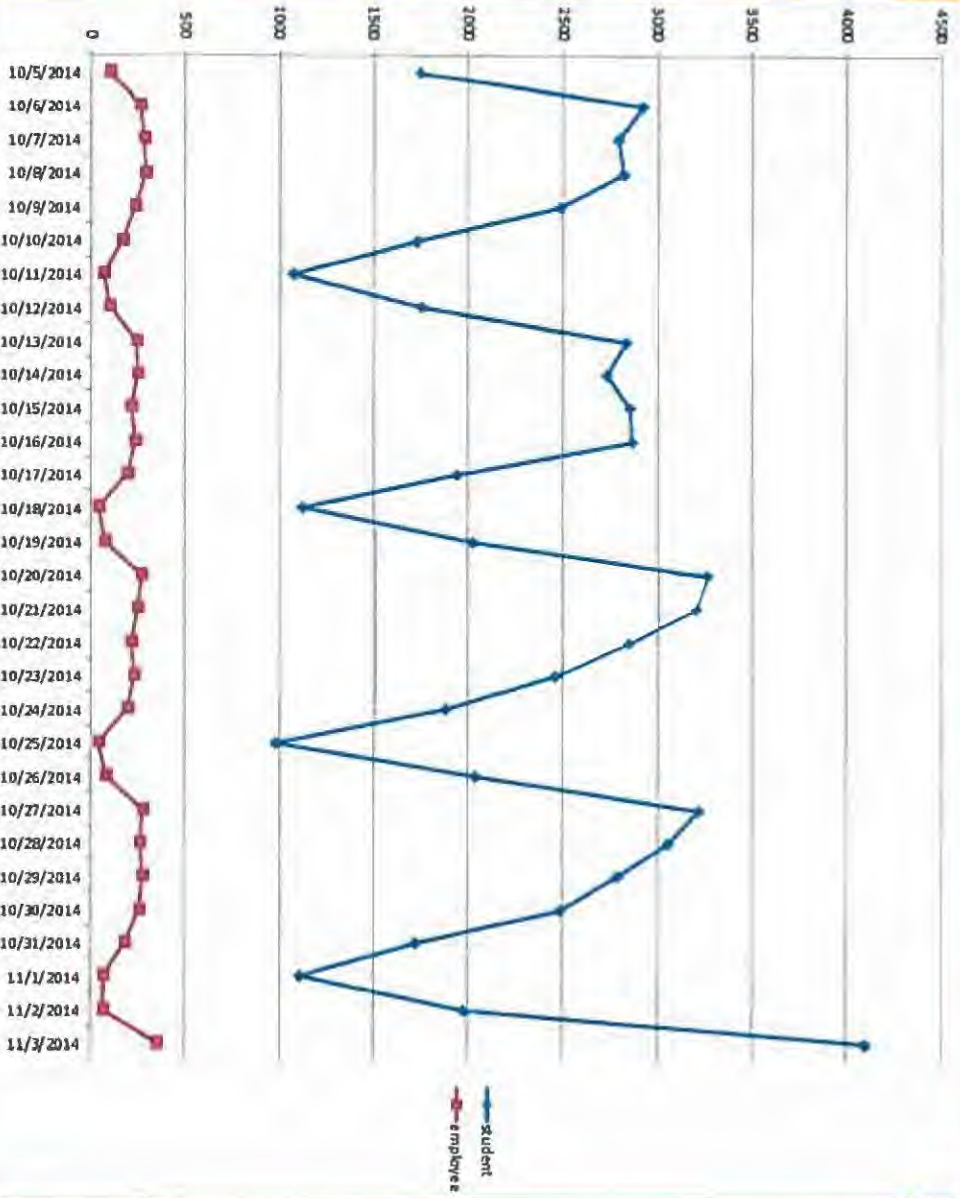


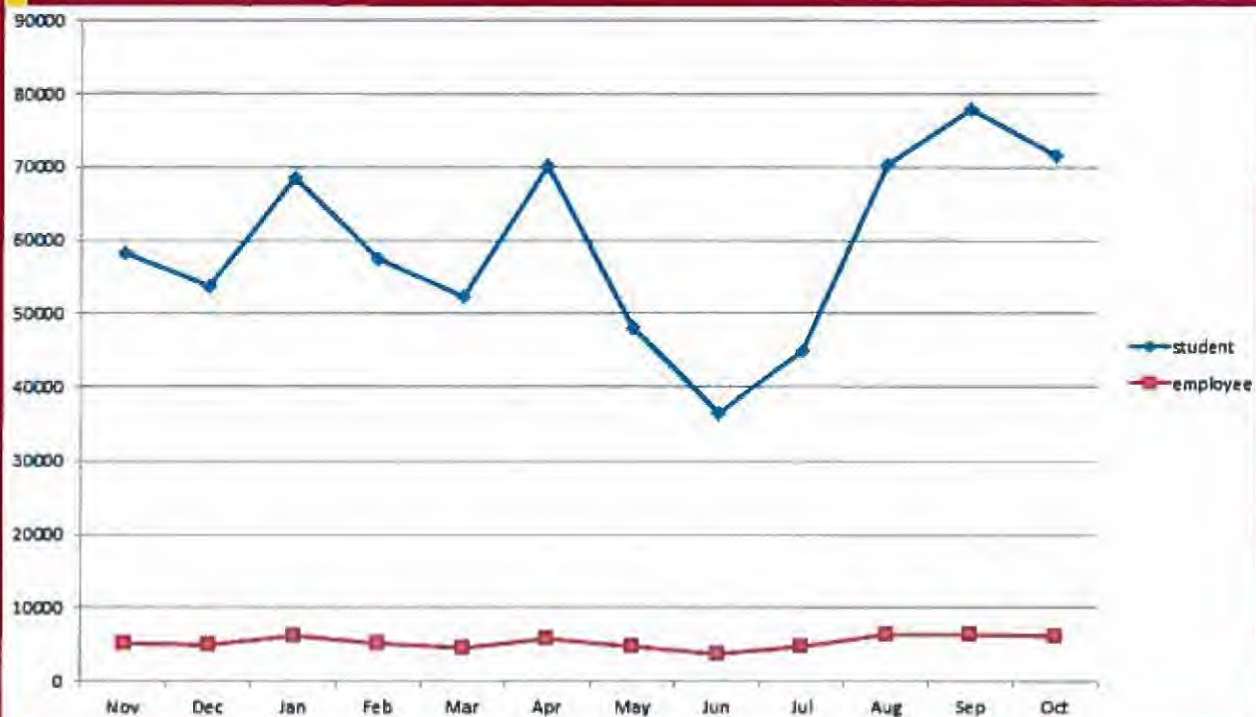
IT Update

1. Wireless Network
2. Bandwidth
3. Banner
4. Campus Portal
5. Classroom Upgrades
6. IT Load/Security

Campus Portal

- August 2014 – Launch of Faculty Communities
- September 2014 – Pending upgrade to Portal 7.2 and purchase of Looking Glass Templates





IT Update

1. Wireless Network
2. Bandwidth
3. Banner
4. Campus Portal
5. Classroom Upgrades
6. IT Load/Security



Classrooms Upgraded

FY13

- Bolin 304
- Bolin 311
- Bridwell 108
- Ferguson 202
- Ferguson 303
- McCullough 101
- McCullough 107
- McGaha 103
- McGaha 107
- Prothro-Yeager 101
- Prothro-Yeager 103

Classrooms Upgraded

FY14

- Bolin 212
- Bolin 215
- Bridwell 109/110
- Bridwell 305
- Fain B114
- Fain C117
- Prothro-Yeager 100
- Prothro-Yeager 102

IT Update

1. Wireless Network
2. Bandwidth
3. Banner
4. Portal
5. Classroom Upgrades
6. IT Load/Security

IT Load

- In the last two years
- Major projects in the works
- Projects in the horizon

IT Security

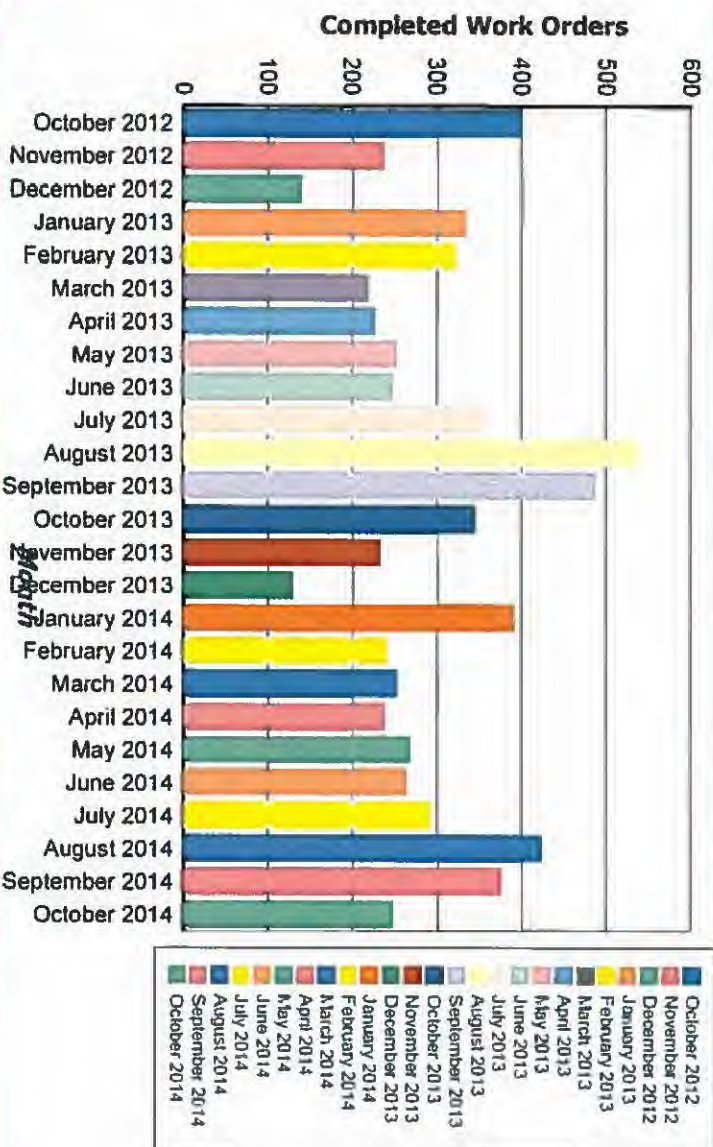
- Sampling of threats blocked pre-emptively
- Multi-layered intrusion/protection environment
- Filtered malicious URL categories
- Rigorous patching regimen

Completed Work Orders by Month

From 10/1/2012
To 10/30/2014

10/30/2014 11:19:20AM

Dates displayed in
Central Daylight Time



MIDWESTERN
STATE UNIVERSITY



mwsu.edu

MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Academic and Student Affairs Committee
November 6, 2014

The Academic and Student Affairs Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 4:25 p.m., Thursday, November 6, 2014. Academic and Student Affairs Committee members in attendance were Dr. Lynwood Givens, Chairman, Mr. Kenny Bryant, Ms. Tiffany Burks, and Mr. Sam Sanchez. Other regents attending the meeting were Mr. Mike Bernhardt, Mr. R. Caven Crosnoe, Mr. Jeff Gregg, Mr. Shawn Hessing, Ms. Nancy Marks, and Student Regent Jesse Brown.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Bob Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the Graduate School; Dr. Martin Camacho, Dean of the Fain College of Fine Arts; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Dr. Jeff Stambaugh, Associate Professor and Director of the Lalani Center for Entrepreneurship and Free Enterprise; Mr. Dirk Welch, Chairman of the Staff Senate; Mr. Newman Wong, Staff Senate Parliamentarian; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Director of Human Resources; Mr. Chris Stovall, Controller; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association (SGA) were President Rebecca Stogner and Student Observer Mikayla Williams.

Reading and Approval of Minutes

15-15. The minutes of the Academic and Student Affairs Committee meeting August 7, 2014, were approved by the committee as presented.

Faculty Report

15-16. Dr. David Carlston, Chairman of the MSU Faculty Senate, presented a copy of the summary of the Faculty Satisfaction Survey (see [Attachment 1](#)). He stated that the matter had been discussed during previous meetings but that he wanted to reiterate the importance of the university having a satisfied faculty. He added that the rigor of information taught at MSU is the same as other universities, but that what makes MSU different is the quality of education, the manner in which education is delivered, and the activities in which a student may participate. He stated that MSU students have the

opportunity to know their faculty and collaborate with them on research. He stated that MSU faculty work to involve students in research and other projects. He added that it is time consuming and labor intensive, but it is part of what sets MSU apart. Dr. Carlston stated that the faculty serve as advisors to student organizations and work with students to link them with the local community. He noted that the motivation of the faculty to go beyond their teaching responsibilities is tied directly to their satisfaction and commitment to the university.

Dr. Carlston reported that in comparing the 2014 survey with the 2013 survey, an increase was shown in faculty satisfaction with the academic leadership, the support and communication between the leadership and the faculty, and the collaboration in decision making. He stated that faculty particularly appreciated the collaborative process in the revision of the tenure and promotion policy and the presidential search. These efforts, as well as meetings with the vice presidents and being included in campus planning discussions, are paying dividends in terms of overall faculty satisfaction.

Dr. Carlson introduced Dr. Jeff Stambaugh, Associate Professor of Management, Marketing, and Legal Studies, and Director of the Lalani Center for Entrepreneurship and Free Enterprise. Dr. Stambaugh was hired in 2008 following a career in the United States Air Force. He is an active faculty member with nine publications, nine presentations at international meetings, and 29 consulting activities with businesses in the local community.

Dr. Stambaugh reviewed a handout (see Attachment 2) regarding the areas of teaching, research, and service. He reported that on the teaching side, he teaches entrepreneurship and business strategy. His teaching philosophy is to build on the foundation of other academic disciplines and to be active, experiential, and applied. He stated that in his entrepreneurship class students are responsible for developing a product, constructing it or purchasing it with very limited start-up funds, and selling it. He noted that the two ladies shown in the photograph on the attachment made scarves for \$2.50 each, sold them for \$15-20 each, and were sold out in one and one-half hours. He noted that the light went on for them about the possibilities of entrepreneurship. He reported that his business strategy classes compete in simulations.

With regard to research, Dr. Stambaugh stated that the subject of his dissertation was competitive aggressiveness. He has collaborated on a paper looking at the human resources side of mergers and acquisitions. He has also done research on the ability to maintain a competitive advantage in an area of high labor mobility, with the data set looking at NFL teams' ability to sustain winning records in the pre- and post-free agency period.

In the area of service, Dr. Stambaugh serves on a host of university committees. Additionally, in the community he is chairman of the board of a non-profit center. He reported that he came to MSU because he wanted to direct an entrepreneurship center and have the opportunity to keep one foot in the real world and one foot in the academic world. Through the Lalani Center, the entrepreneurship curriculum of the university has

grown and an entrepreneurship minor has been added. The IdeaWF program is one of the key programs offered through the Lalani Center (see Attachment 3). He noted that the program has resulted in a student business planning competition called IdeaMSU, with a \$1,000 top prize. He added that through the Lalani Center he hosts an Angel Investor Group called Texoma Angels and makes presentations such as the "Job I Love" series.

Dr. Stambaugh reported that the Lalani Center creates synergy as shown with the arrows on the attachment. He brings real-life examples to the classroom and can invite students to Texoma Angels' meetings to witness the entrepreneurship and investment process. He added that he is beginning to work on a case study that involves the investments of the Angels. In the area of service, his work with the Center as well as his teaching have provided cash flow management tools to share with a non-profit organization as board chair.

Dr. Stambaugh expressed appreciation to the board for the opportunity to visit with them. Dr. Rogers stated that Dr. Stambaugh was recently named Director of the new Dillard Energy Center and a new Lalani Center will be hired in the coming months. Mr. Bernhardt indicated that he had worked with Dr. Stambaugh and that he is doing an outstanding job in the community.

Dr. Givens expressed appreciation to Dr. Stambaugh for his presentation and to Dr. Carlston for the information he provided regarding the faculty.

Staff Report

15-17. Mr. Dirk Welch, Chairman of the MSU Staff Senate, thanked the board for the opportunity to introduce university staff members to the board during the quarterly meetings. He reported that the following individuals would serve as Staff Senate officers in FY 2015:

| | |
|---------------------|-------------------|
| Chairman | Mr. Dirk Welch |
| Vice Chair | Ms. Reagan Foster |
| Secretary-Treasurer | Ms. Angie Reay |
| Parliamentarian | Mr. Newman Wong |

He reported that the Staff Senate recently named the Staff Senate Scholarship in honor of Dr. Jesse Rogers in recognition of his numerous contributions to the university and, in particular, his support of the MSU staff. He expressed appreciation to the board and administration for their support and recognition of the contributions of the staff.

Mr. Welch then introduced Mr. Newman Wong, Research Analyst in Institutional Research, Assessment, and Planning. Mr. Wong reported that since the last board meeting the following individuals had presented information during Staff Senate meetings: Dr. Joey Greenwood spoke about the Wellness Center, the Worksite Wellness Program, and the Wellness Leave Policy; and Mr. Dail Neely visited with the Senate regarding Behavioral Intervention Teams. Mr. Wong reported that he was a co-chair of the State Employee Charitable Campaign (SECC) at MSU. He noted that Ms. Peggy

Brennan and Ms. Camille Shepherd co-chaired the campaign with him. He added that MSU's faculty and staff contributed \$28,694 to the SECC.

Mr. Wong then presented the Jesse W. Rogers Staff Scholarship recipients: Ms. Norma Rodriguez, a Residence Hall Director and graduate student in Educational Leadership with a 3.8 grade point average; and Ms. Christina Nugent, Secretary in Respiratory Care and senior History major with a 3.35 grade point average. He also recognized two "You Make a Difference" award recipients: Ms. Cynthia Cummings, Special Events Coordinator, was nominated by Mr. Matthew Park for her work with the Enrollment Management retreat in August; and Ms. Lisa Butler, Desktop Designer in the Print Shop, was nominated by Mr. Kevin Bazner for her help with Student Development and Orientation printing jobs.

Dr. Givens thanked Mr. Welch and Mr. Wong for their presentations.

Student Government Report

15-18. Dr. Givens stated that the Student Government report would be given by Student Government Association (SGA) President Rebecca Stogner. Ms. Stogner reported on the following.

- A. During the fall semester several individuals made presentations to the Staff Senate. Ms. Stogner noted that the students very much appreciate the opportunity to hear from faculty and administrators and being included in the discussion of important campus issues.
 - 1) Dr. Deborah Garrison and Ms. Clara Latham visited with the Student Senate about the Moffett Library and plans for the future. The students very much appreciated the idea that a coffee shop area might be added to the library in the future.
 - 2) Dr. Keith Lamb gave a Campus Master Plan update to the Senate. The students attending the meeting indicated that they would be willing to pay extra for a parking garage.
 - 3) Dr. Rogers visited with the Senate about university funding and tuition and fees.
 - 4) Dr. Clark gave the Information Technology presentation that he presented to the board in an earlier committee meeting.
- B. Ms. Stogner reported that Student Government is working with Student Regent Jesse Brown to host meetings with groups of students to provide an opportunity for students to express their opinions and ask questions.
- C. She reported that the Student Government officers attended a conference in Washington D.C. in early October and returned to campus with great ideas for the future.

Dr. Givens thanked Ms. Stogner for her report.

Athletics Report

15-19. Mr. Charlie Carr, Director of Athletics, reported on the following.

- A. Four individuals were inducted into the Athletics Hall of Honor during Homecoming:
 - 1) Ms. Marie Morgan – donor and supporter
 - 2) Ms. Julie Lovett-Castles - women's basketball player (1993-97)
 - 3) Mr. Marquette Wilkins – men's basketball player (2000-04)
 - 4) Mr. Daniel Woolard - men's soccer player (2003-06) who is now a professional soccer player.
- B. Lone Star Conference (LSC) and Heartland Conference members met recently regarding a possible merger. Mr. Carr noted that such a merger would create scheduling opportunities that could result in savings on MSU team travel expenses. He stated that the downside to such a merger would be the large size of the conference with 20 teams. He added that talks would continue in November and during the NCAA convention in January.
- C. The football team is ranked third in the LSC and will play second ranked Angelo State University in the conference playoffs. The number one and number four ranked teams will also play. The following weekend the winners of the two games and the losers of the two games will play.
- D. The women's soccer team is in the conference playoffs. The men's soccer team is waiting to learn if they have been selected to be in the NCAA tournament.
- E. The cross country team will compete Saturday morning for the conference championship. They are the highest ranked team in the region.
- F. The basketball season is getting started with both teams playing exhibition games within the last week.

Mr. Bryant asked about the members of the Heartland Conference and a list was distributed as shown as Attachment 4. Mr. Carr added that the University of Texas Permian Basin would be adding football in 2016.

Dr. Givens thanked Mr. Carr for his report.

Enrollment Report – Fall 2014

- 15-20. Dr. Givens asked Dr. Lamb to comment on the fall enrollment report presented in the agenda. Dr. Lamb noted that fall enrollment was essentially the same as in 2013, with an increase of four students. He indicated that this was the first time in three years that MSU did not experience a decline in enrollment. He noted that the university had another large beginning freshman class and also noted that graduate student enrollment increased. He congratulated Dr. Garrison and her team for their efforts.

December 2014 Graduating Class

- 15-21. The administration recommended approval of the list of candidates for December 2014 graduation. Dr. Givens reported that 465 students were on the graduation list as compared to 521 in 2013. Mrs. Burks moved approval of this item as presented. Mr. Bryant seconded the motion and it was approved.

Addition of Degree Program – Master of Science with a Major in Geosciences

- 15-22. Dr. Givens reported that the administration had recommended the addition of a Master of Science degree with a major in Geosciences as presented in the agenda. Dr. Stewart noted that this program would provide greater job and salary opportunities for graduates in geosciences. She added that this program would provide two pathways for completion: 1) a five-year path leading to a combined Bachelor of Science/Master of Science with a major in Geosciences; and 2) a two-year traditional Master of Science degree for those holding a Bachelor of Science degree in geology or related fields. Dr. Stewart stated that this program would give students a greater opportunity to find jobs in small to medium-sized companies and would also increase earning potential.

Mr. Sanchez moved approval of this item. Mrs. Burks seconded the motion and it was approved.

Addition of Certificate Program in Petroleum Engineering

- 15-23. Dr. Givens reported that the administration recommended the addition of a certificate program for post-baccalaureate students who have earned a Bachelor of Science in Mechanical Engineering Degree (BSME). Dr. Stewart reported that this program would provide an opportunity for students holding the BSME to take a series of six classes that would allow them to earn a certificate in petroleum engineering. She noted that this program would make individuals more marketable and provide them with opportunities to work in the oil and gas industry.

Mr. Bryant moved approval of this item. Mrs. Burks seconded the motion and it was approved.

Addition of 4-8 Generalist Teacher Certification and Change to Secondary Teacher Certification Grades

- 15-24. Dr. Givens presented the administration's recommendation for the addition of a 4-8 Grade Generalist Teacher Certification as well as the change from the grades 8-12 to grades 7-12 for the secondary teacher certification. Dr. Stewart reported that both of these actions were mandated by the Texas Education Agency (TEA).

Mrs. Burks moved approval of this item. Mr. Sanchez seconded the motion and it was approved.

Core Curriculum

- 15-25. Dr. Givens reported that the administration had recommended the addition of courses to the university's core curriculum. Dr. Stewart reported that the 42-hour Core Curriculum was implemented in the fall of 2014. She added that at the time the core was accepted by

the Texas Higher Education Coordinating Board (THECB) there were areas within the core that did not provide students with a variety of options. She stated that the courses presented in the agenda represented recommended additional course options.

Mr. Bryant moved approval of this item as presented. Mr. Sanchez seconded the motion and it was approved.

MSU Policies and Procedures Manual Changes

15-26. Dr. Givens reported that eight policy changes were presented in the agenda for approval. He noted that the majority of the changes related to new employee forms and procedures, or they were recommended to bring policies in line with university practice or state or federal requirements. He indicated that Mrs. Fisher and Mr. Owen were available to answer questions. There being none, Mr. Sanchez moved approval of the policy changes as presented. Mr. Bryant seconded the motion and it was approved.

Tenure

15-27. Dr. Givens reported that this item would be discussed later in the afternoon in closed session.

Recess

The committee meeting recessed at 5:15 p.m. and reconvened at 5:48 p.m.

Executive Session

Mr. Hessing announced that the Board of Regents would go into closed session as allowed by Texas Government Code Chapter 551, Section 074 to consider Items 15-07 (Presidential Search) and 15-27 (Tenure). The closed session began at 5:48 p.m. Mr. Hessing, Mr. Bernhardt, Mr. Bryant, Mrs. Burks, Mr. Crosnoe, Dr. Givens, Mr. Gregg, Mrs. Marks, Mr. Sanchez, Mr. Brown, Mr. Macha and Ms. Barrow remained for all of the discussion. Dr. Rogers, Dr. Stewart, Dr. Fowlé, Dr. Lamb, Dr. Farrell, and Mr. Taylor remained for the discussion of item 15-27 only.

Open Meeting Resumes

The closed session ended at 6:12 p.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session.

Tenure

15-27. Mr. Sanchez moved that Dr. Debra Walker in Nursing be granted tenure. Mrs. Burks seconded the motion and it was approved.

Adjournment

There being no further business, the meeting of the Academic and Student Affairs Committee adjourned at 6:14 p.m.

Reviewed for submission:



F. Lynwood Givens, Chairman

Midwestern State University

Board of Regents Academic & Student Affairs Committee

ATTACHMENTS:

1. Faculty Satisfaction Survey Report
2. Faculty Presentation – Dr. Jeff Stambaugh
3. IdeaWF Handout
4. List of Heartland Conference Schools

Faculty Senate

2013-2014

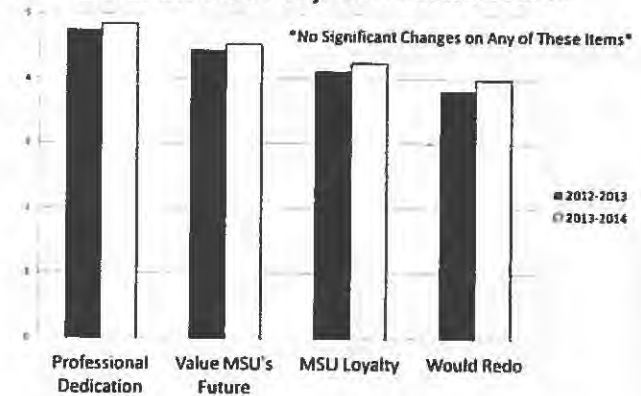
2013-2014 Goals

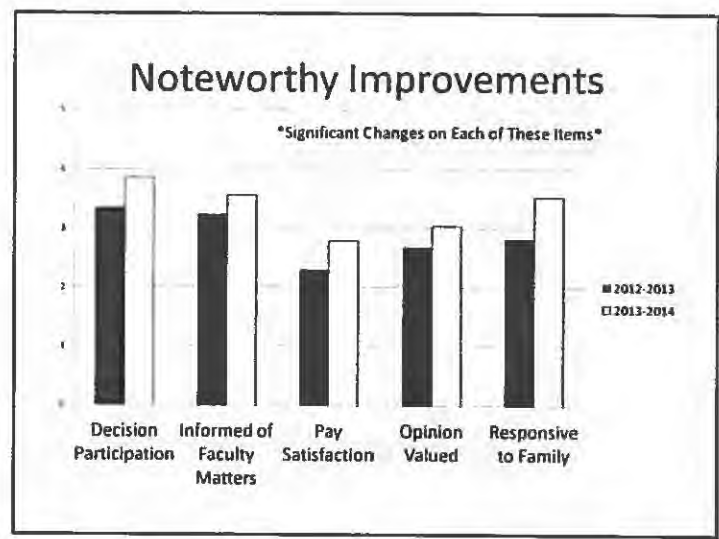
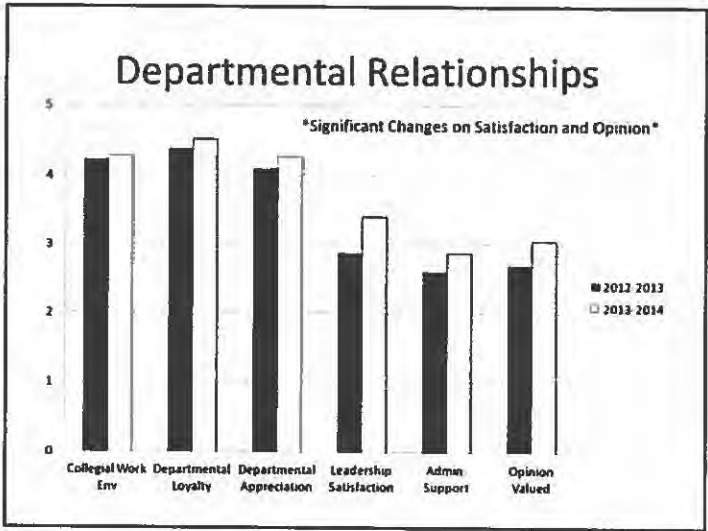
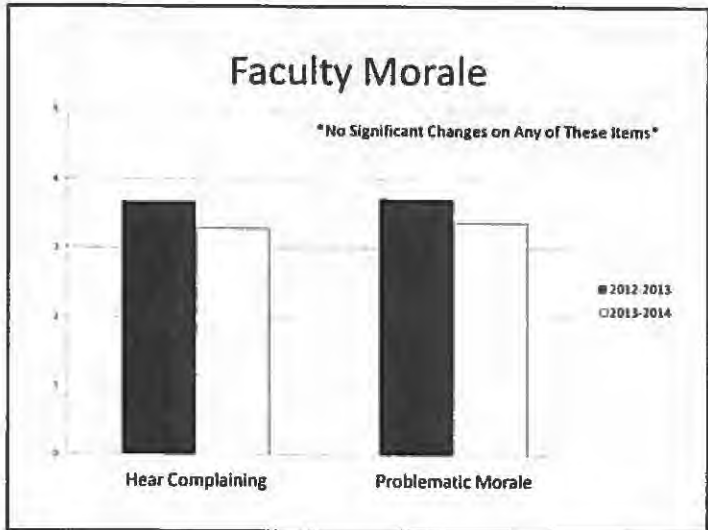
- Faculty are consulted and given the opportunity for input on decisions that impact faculty members.
- Faculty will develop stronger relationships with various campus offices and groups.
- Explore how the Faculty Senate can improve communication among faculty.

Findings

- 143 total respondents (~62%)
- 43.3% Assistant Professors
- 24.5% Associate Professors
- 17.5% Full Professor
- 95.8% full-time faculty members
- 49.6% Tenured
- 44.1% Male

Overall Faculty Commitment





Existing Concerns

- **Concerns with Administration**
 - On the average, perceptions of administration have improved over the past year:
 - I am happy with the institutional leadership of this university (President & Vice President), $t(287) = 3.47, p < .05$.
 - I feel that the MSU administration values my opinion, $t(288) = 2.48, p < .05$.
 - However, there are significant concerns with administration
 - I feel that the administration does all it can to meet the needs of my department: Ave = 2.87 (1.22)
 - Administration values my opinion: Ave = 3.05 (1.18)
 - 16% of open ended comments called for more transparency, communication, and collaboration

Existing Concerns

- **Satisfaction with Pay**
 - Significant increases were seen in faculty satisfaction with pay from '12-'13 to '13-'14.
 - However, on the average, faculty were slightly dissatisfied with pay
 - I am satisfied with my pay: Ave = 2.80 (1.20)
 - 18% of open-ended comments address pay
 - Increase compensation
 - More equitable distribution across colleges

Existing Concerns

- **Faculty Research Support**
 - I feel valued for my research: Ave = 3.37 (1.06)
 - Relative to their teaching, faculty feel less valued for their research, $t(128) = 6.17, p < 0.001$.
 - 11% open ended comments requested more support for research, including travel
- **Faculty Teaching Support**
 - I feel valued for my teaching: Ave = 3.81 (1.08)
 - The university facilitates my professional development: Ave = 3.40 (1.18)
 - 10% of open ended comments requested lower loads, more faculty development, and smaller classes

Goals 2014-2015

- Continue to increase communication across campus
- Coordinate with Provost's office to complete a compensation study
- Collaborate with the Provost's office to review the HERI – Faculty Survey to formulate faculty development plan
- Faculty are consulted and given the opportunity for input on decisions that impact faculty members.

**Students +
Business Community =
Support & Success**



- Teaching / Students**
- Entrepreneurship
 - Business Strategy
 - Active / Experiential / Applied*

Examples
Internship / Consulting
Guest Speakers
Exposure to Business
Job Referrals

Lalani Center

- New Courses
- ENT Minor
- IdeaWF
- IdeaMSU
- Texoma Angels
- "Job I Love" series



**Cash Flow Management Tools
Skill Set**

Service

- Board Chair – Nonprofit Center
- TLRC
- Strategic Planning
- Who's Who

**Case Studies
Access to Data**

Research

- Competitive Aggressiveness
- ENT Failure



Jeff Stambaugh
Jeff.stambaugh@mnwu.edu
(940) 704-8171

ONE IDEA. INFINITE POSSIBILITIES



\$70,000 CASH & PRIZES

BENEFITS to KNOW

PROCESS • Many Americans dream of launching a business – few do. One reason is they never find the time to make it happen or know how to get started. IdeaWF creates a process with deadlines to meet as well as training and help. Many times people say it was the IdeaWF process that made it all possible for them to build momentum.

FEEDBACK • People often have only a general idea of what they want to do. What they need most is some honest, unbiased feedback about how they can turn that general idea into a real business. The Small Business Development Center provides invaluable feedback as they work with the IdeaWF entrants on their executive summaries and business plans. Then the judges enter the picture, and these five successful business leaders will tell our entrants exactly what they do and don't like about the plan.

PRIZES • For those fortunate enough to win, the prize package can give them a real boost. In addition to the cash, our winners get free professional assistance in the most critical areas: legal, accounting, marketing, human resources, and IT.

ideawf.com

IdeaWF is a program designed to assist entrepreneurs in launching or expanding their businesses based in this area. **IdeaWF** is a business plan competition where three winners receive over \$70k of cash prizes and free access to professional services such as legal, accounting, and marketing assistance. Plus, they have the guaranteed opportunity to seek additional funding from the Texoma Angels investor group. Everyone who participates will gain a better understanding of how to develop and follow a realistic business plan.

Now in its sixth year, **IdeaWF** has two contest categories. The "Startup- GO" category is for startups or small ventures that have earned only \$50,000 or less in revenue in the past 2 years (November 2012 to November 2014). The "Expansion- GROW" category is for companies with over \$50,000 but less than \$250,000 in revenue for the past 2 years. The judges select the top companies in each category and also name a third company the "Judges' Choice" winner. The two category winners receive the same prize packages, with the "Judges Choice" winner receiving a smaller prize package. In the unlikely event the judges don't see a strong winner in a category they have the option to name two category winners from the same category.

Because of all this, **IdeaWF** is a competition where everyone wins. All participants in the competition win as they hone their skills as an entrepreneur and are more prepared to succeed in their business; some participants even win cash/prizes and/or receive money from investors. The business community wins because the increased entrepreneurial activity will stimulate their existing businesses and create growth opportunities. Finally, the whole community wins because, as these new companies build a world-wide customer base, more money flows into the region, rewarding the entrepreneurs, their employees and their investors.

IdeaWF Orientations Attend an IdeaWF ORIENTATION SESSION

The session lasts about an hour and familiarizes people with the contest. More importantly, this session starts the education process by teaching attendees how to write an effective executive summary. That also hones in on what makes for an attractive start-up opportunity. The orientation sessions are held in the Dillard College of Business, Room 189 (First Floor) at the following times and dates:

- Monday, October 27 5:30 – 7:00 pm
- Thursday, October 30 7:00 -8:30 pm
- Wednesday, November 05 11:30 am – 1:00 pm
- Tuesday, November 11 7:00 - 8:30 pm

The sessions are identical – you only need to attend one.

please visit ideawf.com for rules and criteria for the competition



The Heartland Conference
NCAA Division II conference
Founded in 1999

Dallas Baptist University (Dallas)

Men – baseball, basketball, cross country, golf, soccer, tennis, track and field

Women – cross country, golf, soccer, tennis, track and field, volleyball

Lubbock Christian (Lubbock)

Men – baseball, basketball, cross country, golf, soccer

Women – basketball, cross country, golf, soccer, softball, volleyball

Newman University (Wichita)

Men – baseball, basketball, bowling, cross country, golf, soccer, tennis, wrestling

Women – basketball, bowling, cross country, golf softball, soccer, tennis, volleyball

Oklahoma Christian University (Oklahoma City)

Men – baseball, basketball, cross country, golf, soccer, track and field

Women – basketball, cross country, golf, soccer, softball, track and field

Oklahoma Panhandle State University (Goodwell)

Men – baseball, basketball, cross country, football, golf,

Women – basketball, cross country, golf, softball, volleyball

Rogers State (Claremore)

Men – baseball, basketball, cross country, golf, soccer

Women – basketball, cross country, golf, soccer, softball, track and field

St. Edward's University (Austin)

Men – baseball, basketball, golf, soccer, tennis

Women - basketball, golf, soccer, softball, tennis, volleyball

St. Mary's University (San Antonio)

Men – baseball, basketball, golf, soccer, tennis

Women – basketball, golf, soccer, softball, tennis, volleyball

Texas A&M International University (Laredo)

Men – baseball, basketball, cross country, golf, soccer

Women – basketball, cross country, golf, soccer, softball, volleyball

The University of Texas of the Permian Basin (Odessa)

Men – baseball, basketball, cross country, soccer, swimming, tennis

Women – basketball, cross country, soccer, softball, swimming, tennis, volleyball

University of Arkansas-Fort Smith

Men – baseball, basketball, cross country, golf, tennis

Women – basketball, cross country, golf, tennis, volleyball

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Finance Committee
November 6, 2014**

The Finance Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 5:15 p.m., Thursday, November 6, 2014. Committee members in attendance were Mr. Mike Bernhardt, Chairman; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; and Mr. Jeff Gregg. Other regents attending the meeting were Mr. Kenny Bryant, Ms. Tiffany Burks, Mr. Shawn Hessing, Ms. Nancy Marks, Mr. Sam Sanchez, and Student Regent Jesse Brown.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Bob Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the Graduate School; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Director of Human Resources; Mr. Chris Stovall, Controller; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association (SGA) were President Rebecca Stogner and Student Observer Mikayla Williams.

Chairman Bernhardt called the meeting to order at 5:15 p.m.

Reading and Approval of Minutes

15-28. The minutes of the Finance Committee meeting August 7, 2014, were approved by the committee as presented.

Summaries of Financial Support 9/1/13-8/31/14 and 9/1/14-10/14/14

15-29. Mr. Bernhardt noted that this item included the FY 14 year-end summary of financial support as well as gifts received since September 1. He mentioned some of the major gifts received since the August board meeting.

- a. The Geology Department, through the efforts of Dr. Scott Meddaugh, received the following major gifts of software:
 - 1) Information Analytics Expertise (IHS) donated Kingdom Suite and Petra software licenses valued at \$3.99 million.

- 2) Schlumberger Information Solutions donated Petrel and Eclipse software licenses and three months maintenance valued at \$4.8 million in FY 14, and donated another year of maintenance in FY 15 valued at an additional \$914,000.
- b. Mr. and Mrs. Jim McCoy pledged \$450,000 to the EURECA Program to promote and facilitate undergraduate student and faculty research.
- c. Ms. Martha Fain donated \$50,000 for the terrace renovation at the Museum.
- d. Mr. Al Guinn contributed \$20,000 for the FY 15 Laing/Guinn Challenge to match new and lapsed donors to the Annual Fund.
- e. The MSU cycling team received \$15,000 from the Hotter 'N Hell Hundred organization.
- f. Mr. and Mrs. Corky B. Cummings contributed \$10,000 for the terrace renovation at the Museum.
- g. Mr. Leo Anderson contributed \$10,000 to the Annual Fund for university needs.
- h. The total of gifts, grants, and pledges received in FY 14 set a new record for MSU with \$20,782,633.

Mr. Bernhardt congratulated the administration, faculty, staff, students, and everyone involved for reaching this level of giving. Dr. Farrell thanked Mrs. Marks for her assistance in identifying potential donors. Mr. Bernhardt noted that a list of donors was in each regents' folder and encouraged board members to write thank you notes to the individuals they were assigned.

Frank and Nancy Harvey Student Development Fund – FY2014

- 15-30. Mr. Bernhardt noted that the report concerning this fund for fiscal year 2014 was shown in the agenda. He reported that earnings totaling \$22,786.38 were allocated for scholarships. There being no questions, this item was presented as a point of information only.

Redwine Quasi-Endowment Fund Report – FY 2014

- 15-31. Mr. Bernhardt noted that the report concerning this fund was shown in the agenda. Dr. Fowlé reported that as of August 31 the Redwine endowed funds had grown by \$1.2 million to a total of \$12 million. The university paid approximately 45 bases points for investment management fees. She noted that additional funds received from the Redwine estate totaling \$1.1 million were expended for the communication campaign with Noel

Levitz, graduate school operations, and the Quality Enhancement Plan (QEP)/EURECA Undergraduate Research. The balance of locally held funds is \$751,000 with \$120,000 earmarked for Honor's Scholarships. Mr. Hessing asked where the locally held funds were kept. Dr. Fowlé responded that the locally held funds were part of the university's cash concentration pool. This item was presented as a point of information only.

Review and Acceptance of Financial Report

15-32. Mr. Bernhardt reported that Dr. Fowlé had prepared a six-year trend analysis power point presentation. He asked that, in the interest of time, she highlight the information and forward the presentation to the board after the meeting. Dr. Fowlé noted that the July financial report and explanation was included in the agenda document. She reported that Mr. Stovall would complete the Annual Financial Report (AFR) before Christmas and it would be forwarded to the board for their information and review. She noted that the university originally budgeted \$1.9 million from reserves to balance the FY 14 budget but needed only \$500,000 of those funds at year end. The FY 15 budget anticipated a fall enrollment of 5,975 and the final enrollment was 101 students below that estimate. However, when all of the calculations were complete regarding undergraduate and graduate tuition, exemptions and waivers, Tier II, and other cost factors, it is estimated that the shortfall from the lower enrollment is \$350,000. She added that savings of \$200,000 were experienced in the area of scholarships, which would reduce the shortfall for the year to approximately \$150,000. She indicated that her office would continue to monitor the budget throughout the year.

Mr. Gregg moved acceptance of the July financial report as presented. Mr. Crosnoe seconded the motion and it was approved.

Review and Acceptance of Investment Report

15-33. Mr. Bernhardt noted that the fourth quarter FY 2014 investment report was presented in the agenda. Dr. Fowlé stated that she and Mr. Stovall would be working to modify the report to make it easier to read. She added that she would work with Mr. Bernhardt to ensure the report included the appropriate information. Mr. Bernhardt asked board members to let him or Dr. Fowlé know of any preferences they have regarding the report.

Dr. Fowlé stated that the university has three types of investments: cash holdings, endowed funds, and quasi-endowment funds. Information regarding each of these was presented in the report. She reported that the gain on cash holdings invested with the Texas A&M System totaled approximately 5% compared to less than 1% earned previously.

Dr. Givens moved acceptance of the investment report as presented. Mr. Gregg seconded the motion and it was approved.

Mr. Bernhardt asked Dr. Fowlé to look at all university investments to determine if there might be additional benefit from moving other funds to the Texas A&M System investment pool. He asked that she report on her findings in February.

Review of Personnel Reports and Salary/Title/Position Changes in 2013-2014 Budget

15-34. The reports of personnel changes in July and August were presented in the agenda document. Mr. Crosnoe moved the board ratify these items as presented. Dr. Givens seconded the motion and it was approved.

Review of Personnel Reports and Salary/Title/Position Changes in 2014-2015 Budget

15-35. The report of personnel changes in September was presented in the agenda document. Dr. Rogers noted that the EURECA program required additional secretarial support. Mr. Brown asked if students lost their jobs as a result of a full-time individual being hired. Dr. Stewart responded that students were originally hired to provide clerical support. However, the work that needed to be done involved the handling of sensitive information and a full-time secretary was required to fill the position.

Mr. Gregg moved the board ratify these items as presented. Mr. Crosnoe seconded the motion and it was approved.

Increased Faculty Promotion Salary Awards

15-36. Mr. Bernhardt noted that the administration had recommended approval of salary increases for faculty promoted to Associate Professor and Professor as presented in the agenda. Dr. Rogers reported that these amounts had been given during the last two years and the board had approved the increments for those promoted as part of the budget approval process. This approval by the board would ensure continuation at these levels in future budgets. He added that this action would help treat the problem of salary compression between newly hired and experienced faculty. Dr. Stewart noted that this is a benefit to the faculty as well as an incentive for faculty to continue their scholarship. Dr. Givens asked if these amounts would automatically be given upon promotion. Dr. Stewart responded in the affirmative.

Mr. Crosnoe moved approval of this item. Mr. Gregg seconded the motion and it was approved.

Music Fee

15-37. Mr. Bernhardt reported that the administration had recommended the establishment of a Differential Institutional Enhancement Fee of \$16 per semester credit hour for Music (MUSC) and Applied Music (AMUS) courses, with the exception of MUSC 1033, Appreciation of Music. This fee would become effective with the spring 2015 semester and would provide funds to be used for payment of accompaniment needs for students' applied lessons and recitals. Dr. Stewart explained that music students pay for accompanists as part of their curriculum. The amounts paid vary depending on whether the student's emphasis is voice or instrumental, and the level of instruction. Currently, students make the payments directly to the accompanists. The administration recommended the flat fee in an effort to simplify the process and allow students to be able to use their financial aid to pay for these fees.

Mr. Gregg moved approval of this item as presented. Mr. Crosnoe seconded the motion.


Dr. Givens asked how much the fee for accompanists would increase for a full-time student taking 15 semester credit hours in Music. Dr. Stewart responded that a vocal major would generally pay \$200 for an accompanist each semester. She added that for an instrumental major, it would depend on the instrument and the classification of the student. She stated that during a four-year academic career, the new fee would be less than what students would pay if they were paying for accompanists external to their regular tuition and fees.

There being no further discussion, the motion was approved.

Adjournment

The Finance Committee discussion concluded at 5:40 p.m.

Reviewed for submission:



Michael Bernhardt, Chairman
Midwestern State University
Board of Regents Finance Committee

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Audit, Compliance, and Management Review Committee
November 6, 2014**

The Audit, Compliance, and Management Review Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 5:40 p.m., Thursday, November 6, 2014. Committee members in attendance were Mr. Sam Sanchez, Chairman; Ms. Tiffany Burks, Mr. Jeff Gregg, and Ms. Nancy Marks. Other regents attending the meeting were Mr. Mike Bernhardt, Mr. Kenny Bryant, Mr. R. Caven Crosnoe, Dr. Lynwood Givens, Mr. Shawn Hessing, and Student Regent Jesse Brown.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Bob Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the Graduate School; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Director of Human Resources; Mr. Chris Stovall, Controller; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association (SGA) were President Rebecca Stogner and Student Observer Mikayla Williams.

Chairman Sanchez called the meeting to order at 5:40 p.m.

Reading and Approval of Minutes

15-38. The minutes of the Audit, Compliance, and Management Review Committee meeting August 7, 2014, were approved as presented.

Historically Underutilized Business (HUB) Year-End Report – FY 2014

15-39. Mr. Sanchez noted that this report was presented in the agenda and asked Dr. Fowlé to comment. Dr. Fowlé reported that 52% of all purchases in FY 2014 were made from HUB vendors. She added that this was an improvement over 50% in FY 13 and 45% in FY 12. She added that the increase in purchases from Black-owned businesses had increased from a low of \$10,000 in FY 12 to \$521,000 in FY 2014. This item was presented as a point of information only.

Contract Management Activities

15-40. Mr. Macha reported that 432 contracts were processed in FY 14 through the Contract Management System. This item was presented as a point of information only.

Audit and Compliance Activities

15-41. Mr. Taylor reported that since the last update in August the peer-review had been completed and the report should soon be finalized. He stated that he had completed the audit of state proportional benefits reimbursement as requested by Governor Perry. He reported that there were no material adverse findings and that based on the audit testing MSU is calculating state funded benefits correctly.

Mr. Taylor noted that he had worked with Mr. Macha and Mr. Stovall to form a Compliance Workgroup to ensure that the university is operating in compliance with all applicable laws and statutes. Members of the workgroup have been appointed and an initial meeting was held. He stated that beginning in February the board would receive reports from Mr. Stovall regarding the activities and findings of the Compliance Workgroup.

This item was presented as a point of information only.

Audit Plan – FY 15

15-42. Mr. Sanchez reported that the Texas Internal Auditing Act requires the board to approve the internal auditor's audit plan. Mr. Taylor's proposed plan was presented in the agenda. Mr. Taylor reported that he had allowed a significant amount of time for consulting in FY 15 so that he might touch as many areas as possible and maximum the limited internal resources. He indicated that he had estimated that he could do five consulting arrangements for every audit performed. He noted that he also included time in the plan for compliance activities.

Mr. Sanchez asked Mr. Taylor if he had adequate resources to accomplish what needed to be done by his office. Mr. Taylor responded that while he had the resources to complete the plan as presented, he did not have the resources necessary to address all of the risks. Mr. Sanchez asked if Mr. Taylor was still working on recommendations in this regard. Mr. Taylor responded that recommendations from the peer review should be available prior to the February board meeting and that he would report to the board when the information was available.

Mr. Gregg moved approval of the plan as presented. Mrs. Marks seconded the motion and it was approved.

Adjournment

The Audit, Compliance, and Management Review Committee discussion concluded at 5:45 p.m.

Reviewed for submission:



Sam Sanchez, Chairman
Midwestern State University
Board of Regents Audit, Compliance, and
Management Review Committee

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
November 6, 2014**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room of the Hardin Administration Building at 1:30 p.m., November 6, 2014. Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Ms. Tiffany Burks; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; Mr. Jeff Gregg; Ms. Nancy Marks; Mr. Sam Sanchez; and Student Regent Jesse Brown.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Bob Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the Graduate School; Dr. Martin Camacho, Dean of the Fain College of Fine Arts; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Mr. Newman Wong, Staff Senate Parliamentarian; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Director of Human Resources; Mr. Chris Stovall, Controller; Mr. Randy Kirkpatrick, Chief Information Officer; Mr. Jim Hall, P.C./Network Services Manager; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Also attending the meeting was Ms. Nadia Zhiri, representing Treanor Architects. Representing the Student Government Association (SGA) were President Rebecca Stogner and Student Observer Mikayla Williams. Representing the news media were Mr. Cody Samples, MSU Campus Watch; Mr. Jake Carney, KAUZ Channel 6; and Ms. Mechelle Dixon and Mr. J. D. Williams, KFDX Channel 3.

Chairman Hessing called the meeting to order at 1:30 p.m. and Ms. Gaynor introduced the guests.

Opening Comments

Mr. Hessing welcomed everyone to the meeting. He reminded everyone that the meeting was being streamed live on the internet. He noted that new technology had been added to the board room to provide a better experience for internet viewers. He thanked Ms. Ashlock and the Information Technology personnel for their work in handling this upgrade. Mr. Hessing asked everyone to silence their cell phones and asked individuals not seated at the table to move near the table when answering questions or making presentations so that they could be heard by those watching the meeting online.

Public Comment

Mr. Hessing stated that in accordance with Board of Regents By-Laws, MSU Policy 2.22, members of the public were invited to address the Midwestern State University Board of Regents through written and oral testimony. He noted that no one had signed up to speak.

MSU Organization Chart

15-02. Mr. Hessing noted that an updated organization chart was distributed to the board (see Attachment 1) and an explanation of changes was shown in the agenda document. This item was presented as a point of information only.

Discussion of Higher Education Issues

15-03. Mr. Hessing reported that this was the board's opportunity to discuss current issues and trends in higher education. He noted that the next item and other items on the agenda would cover a number of higher education issues. There was no additional discussion regarding this matter.

MSU Priorities

15-04. Mr. Hessing stated that in August the board asked Dr. Rogers and the administration to develop a "Top Ten List" for the university. He noted that this information was previously sent to the board as shown as Attachment 1. Dr. Rogers reviewed the document with the board and noted that the ten items represented categories that would be of continuing concern for the university.

Mr. Brown asked if a parking garage would be needed if the university did not receive legislative funding for a new Gunn College building. Dr. Rogers responded that a decision had not been made regarding the best plan if a new building is not funded and built. He noted that discussions and planning would continue in the coming months.

Dr. Givens noted that in the document Dr. Rogers stated his preference that the Moffett Library update should take precedence over construction of a Welcome Center. He indicated his previous understanding that the Welcome Center was critical to increasing university enrollment. Dr. Rogers responded that as the university's needs were discussed fully it became apparent that the updating of Moffett Library was a higher priority and ultimately affected larger numbers of students than did the construction of a new Welcome Center. He indicated the importance of providing an inviting space for students to use as a study center. He added that some work would be done to improve the current Welcome Center until additional funding was available. He stated that this would be adequate in the intermediate term. Dr. Givens asked if the funds needed for the Library renovation were much greater than the amount required for the Welcome Center. Dr. Rogers stated that when funding to totally renovate the Library was not received in the last legislative session, it was determined that upgrades would be done gradually as funds became available.

Mr. Bernhardt asked why the enrollment projections in the document were so conservative compared to some of the numbers previously discussed by the Board of Regents. Dr. Lamb responded that while he had been asked in the past about the

possibility of achieving higher numbers, the estimates presented were in line with the current trajectory. He indicated that the projections showed the university at 6,400 in the next five years. Dr. Rogers added that the possibility exists that enrollment could exceed these figures depending on distance education programming, new degree programs, and other factors. However, for the purpose of this exercise it was determined best to provide conservative projections.

Dr. Givens asked about the cost of tuition and fees for a full-time student taking courses on-line compared to a student taking courses on campus. Dr. Fowlé responded that students pay \$50 per semester credit hour for distance education courses. However, students taking all on-line courses are exempted from paying certain fees. Mr. Hessing asked if MSU's pricing for on-line courses was consistent with other universities in Texas. Dr. Fowlé responded that she would provide comparison information. Dr. Rogers commented that distance learning, if it is done well, will cost as much as on-campus instruction. He noted that the benefit of distance education is that the university can reach students who otherwise could not go to college.

Mr. Crosnoe asked if online students were reported the same as other students in the university's enrollment figures. Dr. Rogers responded that they were. Mr. Crosnoe asked what percentage of the enrollment is made up of online students. Dr. Lamb responded that 96% of the beginning freshmen were traditional on-campus students. He added that approximately 900 of the overall student population are distance education only students.

Mr. Hessing noted that this item was presented as a point of information only. He noted that this information and discussion was very important as the university prepares for the transition to a new president in the coming months. He asked Dr. Rogers to provide a brief update on these areas at each board meeting so that the board does not lose sight of the priorities.

Naming Opportunities

- 15-05. Mr. Hessing noted that the board members' folders contained the recommendation to name Seminar Room 226 in Bea Wood Hall, the "James Hoggard Seminar Room," to recognize the 47 years of meritorious service by James Hoggard, Emeritus Professor of English. Dr. Rogers thanked Dr. Farrell for his efforts regarding this recommendation. He reported that Professor James Hoggard retired from MSU in 2013. Mr. Hoggard holds the Master of Fine Arts in Creative Writing from the University of Kansas and at his retirement was the Perkins-Prothro Professor of English at MSU. He has written thousands of literary pieces, poetry, novels, short stories, translations, stage plays, and essays. He was named Poet Laureate of Texas in 2000. Dr. Farrell stated that this naming was initiated by Ms. Elizabeth Hawley through her generous donations to the university.

Mr. Bryant moved approval of this item as presented. Mrs. Marks seconded the motion and it was approved.

Recess

The meeting recessed at 2:05 p.m. The committee reconvened at 5:48 p.m.

Executive Session

Mr. Hessing announced that the Board of Regents would go into closed session as allowed by Texas Government Code Chapter 551, Section 074 to consider Items 15-07 (Presidential Search) and 15-27 (Tenure). The closed session began at 5:48 p.m. Mr. Hessing, Mr. Bernhardt, Mr. Bryant, Mrs. Burks, Mr. Crosnoe, Dr. Givens, Mr. Gregg, Mrs. Marks, Mr. Sanchez, Mr. Brown, Mr. Macha and Ms. Barrow remained for all of the discussion. Dr. Rogers, Dr. Stewart, Dr. Fowlé, Dr. Lamb, Dr. Farrell, and Mr. Taylor remained for the discussion of item 15-27 only.


Open Meeting Resumes

The closed session ended at 6:12 p.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session.

Adjournment

The committee of the whole meeting adjourned at 6:13 p.m. with no additional action taken.

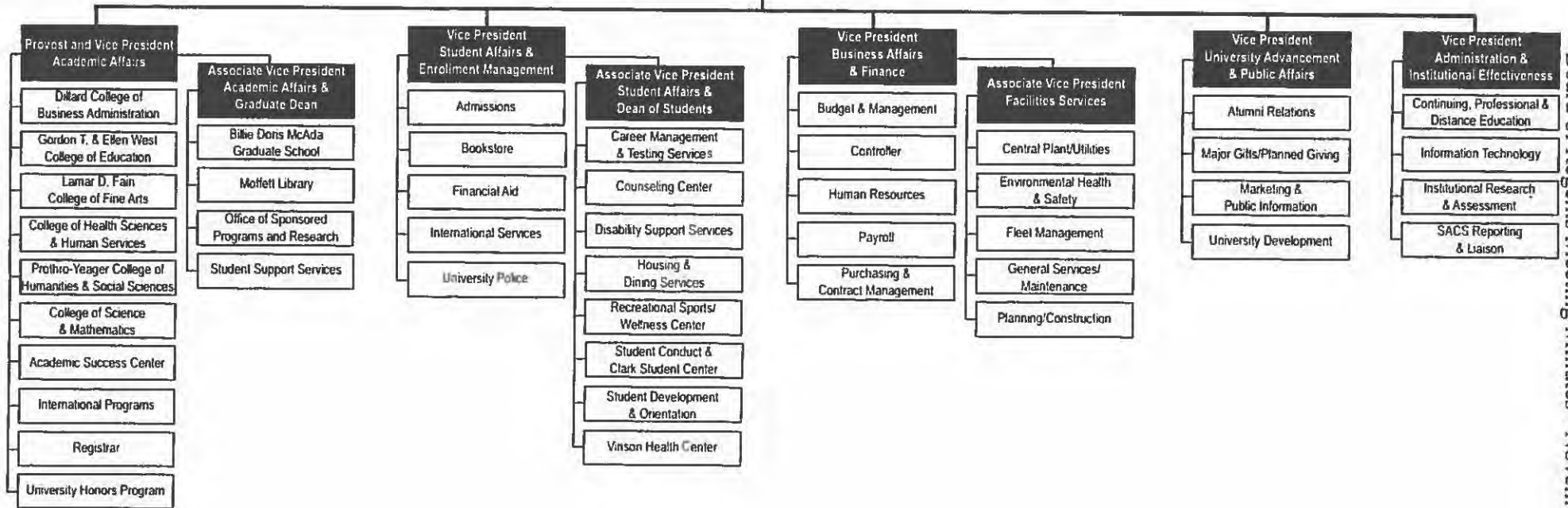
Reviewed for submission:


J. Kenneth Bryant, Secretary
Midwestern State University
Board of Regents

ATTACHMENTS:

1. Revised Organization Chart
2. MSU Top Ten Memo – Dr. Rogers – 11/5/14

Midwestern State University Organization Chart



**Office of the President**

3410 Taft Boulevard Wichita Falls, Texas 76308-2099
o 940.397.4211 f 940.397.4010

To: MSU Board of Regents
Mr. Shawn Hessing, Chairman
Mr. Michael Bernhardt
Mr. J. Kenneth Bryant
Mrs. Tiffany Burks
Mr. R. Caven Crosnoe
Dr. Lynwood Givens
Mr. Jeff Gregg
Mrs. Nancy Marks
Mr. Samuel M. Sanchez
Mr. Jesse Brown, Student Regent

From: Jesse W. Rogers
President

Date: November 5, 2014

Subject: Top Ten Priorities for Midwestern State University

A President's Cabinet Retreat was held October 28, 2014, to discuss the university's top ten priorities that will ensure the university's growth, quality, and adequacy of the campus. Each cabinet member submitted priorities and all related to the Strategic Master Plan. Several of the priorities listed below will be conducted simultaneously and others will be determined by adequate funding and new funding models. Some will be made available through gifts to the university and changes promulgated by the Texas Legislature and the Texas Higher Education Coordinating Board. Consequently, the priorities are presented as Top Ten with annotations related to timing, availability of funds, and urgency of completion. Some priorities are interrelated but all will be critical to the future of Midwestern State University (MSU) and should be maintained as ongoing projects. The Top Ten Priorities are related to:

- Campus Master Plan
- Parking
- Enrollment
- New Interdisciplinary Academic Programs
- Distance Learning
- Student Engagement and Retention
- Athletics
- Branding of MSU
- Financial Planning and Budgeting
- Information Technology

Campus Master Plan

After a thorough review of the Campus Master Plan (Building Plan), it was unanimous among the Cabinet that the building of new campus housing and facilities for the Mass Communication and Music Programs be placed as high construction priorities. Completion of these projects should serve to increase MSU's enrollment, student retention, and will provide much needed space and quality equipment for Mass Communication and Music.

Additionally, it was decided to place parking issues as a separate top ten priority that will be determined by enrollment and campus development. As planning proceeds, attention needs to be turned toward a new and expanded tutoring center. If funds are available for the new health sciences building, a desirable location for a new tutoring center will be Bridwell Hall where the Dental Hygiene Clinic now exists. External parking, entrances, and space will allow the renovation of this building into an accessible university tutoring center.

Also, it was determined that Ferguson Hall, which would be vacated after the West College of Education moves into a portion of the Bridwell Hall following the construction of a Health Sciences and Human Services (HSHS) building, could possibly be used as space for Information Technology (IT) and possibly for some of the offices currently located on the second floor of Hardin South. An analysis of the space requirements for IT will be accomplished to determine how those could be met by the space in Ferguson. Further, it was decided that completion of the Moffett Library update should take precedence over construction of a Welcome Center in Hardin South. The Library should be renovated to make it inviting and more effective as a study center. A minor reconstruction and renovation of Hardin South will suffice for a Welcome Center. These recommendations will be made to the university's architect as planning continues.

Parking

As a consequence of the building of new campus housing and the HSHS building, the reconfiguration of parking on the campus will continue. The comments made herein are based upon the assumption that a new HSHS building will be built in the parking lot south of the Prothro-Yeager building. Several pertinent variables still exist before the current parking plan in the Master Plan can be refined. In the meantime, an interim parking plan will be in place for the 2015-2016 academic year. Depending upon enrollment, commuter demand, approval of construction of a HSHS building, and funding factors that will be known after the legislative session, the administration recognizes the necessity of a parking garage in order to save campus space and provide adequate parking for resident students near student housing.

Additionally, the administration concludes that future parking should be based upon residential, commuter, faculty/staff, commuter remote, and faculty/staff remote alternatives with varying costs. It is unanimous among the President's Cabinet that such a parking plan must be devised for the short-term and long-term future of the university's wise use of space.

Enrollment

The prediction of enrollment in any one year and in future years is possible within reasonable limits. However, so many factors affect headcount enrollment and credit hour production that it is a difficult proposition. The natural tendency of any administration is to be optimistic but it is more fiscally responsible to temper that optimism with the real factors that affect

enrollment. Enrollment growth with the normal associated number of credit hours per student in the next five years is critical to every aspect of MSU, from campus construction to the university's operating budget and to the Athletics Program. In order to achieve most of the university's goals, enrollment needs to expand to 6,400 within the next five years and to 7,000 within the next fifteen years.

Interdisciplinary Academic Programs

There should be a constant effort at all institutions of higher learning to maintain a curriculum and programs with modern content as the knowledge in all subjects expands and changes. MSU has a history of engaging successfully in such an effort. However, it is always a challenge to add new academic programs that do not simply pull students from existing programs and ultimately do not increase enrollment. Consequently, it is of highest priority that MSU study and find ways to combine existing courses and faculty into interdisciplinary programs that are and will be in high demand. These possibly include:

1. Programs with current faculty involved
 - a. Health Care Administration (Health Sciences and Business)
 - b. Health Care Education (Health Sciences and Education)
 - c. Bioinformatics (Biology and Computer Science)
 - d. Health Informatics (Health Sciences and Computer Science)
 - e. Energy Management (Business and Petroleum Geology or Engineering)
2. New programs
 - a. Computational Sciences (Computer Science and Biology, Chemistry, or Mathematics)
 - b. Genomics (Molecular Biology and Biochemistry)
 - c. Proteomics (Protein Biochemistry and Computer Science)

Distance Learning

Related to enrollment and, consequently, income, Midwestern State will expand its Distance Education Program. MSU has a large Distance Education Program since all health science programs, with the exception of Dental Hygiene, are offered online. Additionally, the BAAS, criminal justice, and most of the core curriculum are offered online. However, expansion is possible with the investment of funds and time. It would be necessary in the future to hire experienced faculty who can and will teach using distance education methodology, and to place the new core curriculum online alongside the old for three to four years.

Student Engagement and Retention

Surveys of MSU's freshmen indicate the need to increase the engagement of students at MSU. The retention of students from the freshman to sophomore year has remained at 70 percent for decades. This retention rate must be improved and a newly designed, required freshman seminar program will be considered for incoming students. Learning communities are currently being built and these strategies have been shown to increase student retention and to increase student engagement or attachment to the university. This matter is of highest priority and will demand attention from the university's administration and faculty for the foreseeable future.

Athletics

Athletic programs are an essential part of today's university and, in fact, educational environment. MSU is proud that its NCAA Division II program continues to compete at the most competitive level of the Lone Star Conference. After conversations with student representatives, it was decided that an increase in the university's Athletic Fee at this time is not prudent. However, we believe that an Intramural/Athletics Facility Fee if the university would commit to establishing artificial turf fields that athletics would share with students, and improve the soccer and softball stadiums that are not up to MSU's standards. The Intramural/Athletics Facility Fee could be approved as a fee that increases to \$100 per student per semester or \$10 per semester credit hour in the next three to five years depending upon enrollment and other developments. This would allow for the further expansion of athletic facilities including such major projects as the building of a tennis center or a football stadium on campus.

At the heart of the athletics program is enrollment and the university's continued competitiveness at the Division II level, as well as the stabilization of the Lone Star Conference into a conference with a greater number of schools.

Branding of MSU

It is a necessity to expand the recognition of MSU, not only in the Dallas/Ft. Worth metropolitan area, where progress has been made, but throughout the state of Texas and even the southwestern United States. It is clear to the administration that funds should be spent on consultants who specialize in branding colleges and universities. Further thought will be given to the branding of MSU and the use of these funds for assistance in such a project.

Financial Planning and Budgeting

All universities, from the smallest to the largest, struggle to develop a comprehensive model of fiscal stability. The reason for this is that the state's formula system demands a continuing expansion of enrollment in order to cover the cost of academic inflation, which normally runs slightly above core inflation. An expanded enrollment even negates significant increases in tuition and fees. A comprehensive model of fiscal stability must be developed for MSU because of the university's modest enrollment outlook. The university has dramatically slowed its hiring and held open positions over the last several years following the economic effects of lower enrollment and reduced funding from the state of Texas. Financial stability and predictability are critical and must remain in the forefront of the thoughts of the MSU Board of Regents and the administration.

For the near-term future, the university awaits the Legislative Budget Board's base budget which will be revealed in January as the legislature begins working on the 2015-2016 and 2016-2017 state budgets. As I have mentioned previously, this legislative session has more pending economic issues than any that we have noted in the past several decades. MSU must wait on the legislature for (1) formula amounts, (2) incentive funding appropriation amounts, (3) possible funding to offset Hazlewood tuition and fee waivers, and (4) a possible increase in the Higher Education Assistance Fund. These matters could determine millions of dollars of funding even for a school the size of MSU. When the base budget is presented in January, the budgets for the next two years will become the highest priority demanding the attention of the administration.

Information Technology

Additional funding is needed to provide for staffing as well as the purchase and implementation of the necessary technology to support faculty, students, and staff. This would include appropriate monitoring and upgrades to the university's wireless coverage, internet band width, the Campus Portal, classroom technology, and the security system as warranted, as well as additional components to the Banner system such as Degree Works. Careful consideration must be given to Information Technology staffing levels to meet additional workload demands.

**MINUTES
BOARD OF REGENTS
MIDWESTERN STATE UNIVERSITY
November 7, 2014**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 9:00 a.m., Friday, November 7, 2014. Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Ms. Tiffany Burks; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; Mr. Jeff Gregg; Ms. Nancy Marks; Mr. Sam Sanchez; and Student Regent Jesse Brown.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Bob Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Graduate Dean; Mr. Kyle Owen, Associate Vice President for Facilities Services; Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students; and Dr. Martin Camacho, Dean of the Fain College of Fine Arts. Also attending the meeting were Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the MSU Staff Senate; Ms. Dawn Fisher, Director of Human Resources; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Special guests at the meeting were Dr. Magaly Rincón-Zachary, Director of Undergraduate Research, and Ms. Rachel Whatley, member of EURECA and a radiologic science student. Representing the news media was Mr. John Ingle, *Times Record News*.

Chairman Hessing called the meeting to order at 9:00 a.m. and Ms. Gaynor introduced the guests.

Opening Comments

Mr. Hessing welcomed everyone to the meeting and thanked the board members for their participation, discussion, and action at the committee meetings Thursday. He noted that the meeting was being streamed live on the internet. He asked everyone to silence or turn off their cell phones.

Public Comment

Mr. Hessing stated that in accordance with the Board of Regents By-Laws, MSU Policy 2.22, members of the public are invited to address the Board of Regents through written and oral testimony. He noted that no one had signed up to speak during this time.

Reading and Approval of Minutes

15-43, 44 and 45. Minutes of the Board of Regents meetings August 7, August 8, and September 22, 2014 were approved as presented.

Executive Committee Report

Mr. Hessing noted the items presented at the Executive Committee meeting for committee approval and information only, as well as items removed from the agenda for additional discussion. Information concerning these items may be found in the minutes of the Executive Committee meeting held November 6, 2014.

Item Presented for Committee Approval Only

15-09. Committee Minutes

Items Presented for Information Only

15-10. Campus Condition Index

15-11. Campus Facilities Implementation Plan and Campus Construction Updates

15-12. Information Technology Report

Items Removed from Agenda for Additional Discussion

15-13. Phase I Housing and Mass Communication Addition Project

15-14. Phase I Housing and Mass Communication Addition Project Financing

Phase I Housing and Mass Communication Addition Project and Financing

15-13 and 14. Mr. Hessing noted that these items were tabled for further discussion today. He reported that board members had received the amortization schedule for the project as requested (see Attachment 1). Dr. Givens expressed appreciation for this additional information. He noted that he met with Dr. Fowlé and Dr. Lamb and he was quite satisfied with what was presented. Mr. Hessing reminded the board of the six specific recommendations related to these board items:

- a. Approve a 500-bed housing project and an approximately 18,500 square foot addition to the east side of the Fain Fine Arts Building to house the mass communication program.
- b. Approve a maximum budget of \$33.25 million for the residence hall and \$5 million for the mass communication addition.
- c. Approve Buford Thompson Construction as Construction Manager at Risk for this project, at a cost not to exceed \$2 million.
- d. Authorize the administration to move the Redwine Quasi-Endowment to the Texas A&M University System for investing.
- e. Approve expanding the use of the Redwine Quasi-Endowment to include debt repayment for the mass communication building portion of the debt service, in addition to earnings being used to support the Honors Program.

- f. Approve bonding of the overall project in an amount not to exceed \$38.25 million.

Mr. Bernhardt moved approval of these recommendations as presented. Mrs. Burks seconded the motion and it was approved.

Academic and Student Affairs Committee Report

Dr. Givens noted the items presented at the Academic and Student Affairs Committee meeting for committee approval and information only. Information concerning these items can be found in the minutes of the committee meeting held November 6, 2014.

Item Presented for Committee Approval Only

15-15. Committee Minutes

Items Presented for Information Only

15-16. Faculty Report

15-17. Staff Report

15-18. Student Government Report

15-19. Athletics Report

15-20. Enrollment Report – Fall 2014

Academic and Student Affairs Committee Consent Agenda

Dr. Givens recommended the following items that were approved by the Academic and Student Affairs Committee and placed on the Consent Agenda for the board's consideration.

15-21. December 2014 Graduating Class – approved the list of candidates for graduation.

15-22. Addition of Degree Program – Master of Science with a Major in Geosciences – approved the new program as presented.

15-23. Addition of Certificate Program in Petroleum Engineering – approved the certificate program as presented.

15-24. Addition of 4-8 Generalist Teacher Certification and Change to Secondary Teacher Certification Grades – approved item as presented.

15-25. Core Curriculum – approved the inclusion of courses in the core as presented.

15-26. *MSU Policies and Procedures Manual* Changes – approved changes to the policies noted below as presented:

- a. Policy 3.135 – Faculty Sick Leave
- b. Policy 3.138 – Absence From Duty
- c. Policy 3.216 – Staff Termination Discharge
- d. Policy 3.217 – Employee Leave Policies
- e. Policy 3.313 – Vehicle Operator's License Requirement

- f. Policy 3.326 – Personnel Records
- g. Policy 3.330 – Student Employment
- h. Policy 3.347 – Dependent Education Assistance Program

15-27. Faculty Tenure – approved granting tenure to Dr. Debra Walker, nursing faculty member

Mr. Hessing asked if there were items any member wanted to remove from the Consent Agenda. There being none, Mrs. Burks seconded Dr. Givens' motion to approve the Consent Agenda as presented. The motion was approved.

Finance Committee Report

Mr. Bernhardt noted the items presented at the Finance Committee meeting for committee approval and information only. Information concerning these items can be found in the minutes of the Finance Committee meeting held November 6, 2014.

Item Presented for Committee Approval Only

15-28. Committee Minutes

Items Presented for Information Only

15-29. Summaries of Financial Support

15-30. Frank and Nancy Harvey Student Development Fund – FY 14 Report

15-31. Redwine Quasi-Endowment Fund Report – FY 14

Finance Committee Consent Agenda

Mr. Bernhardt recommended the following items approved by the Finance Committee and placed on the Consent Agenda for the board's consideration.

15-32. Financial Report – accepted the monthly financial report for July, 2014.

15-33. Investment Report – accepted the fourth quarter 2014 Investment Report.

15-34. Personnel Reports and Changes in FY 2014 Budget – ratified the changes as presented.

15-35. Personnel Reports and Changes in FY 2015 Budget – ratified the changes as presented.

15-36. Increased Faculty Promotion Salary Awards – approved the promotion salary increments as presented.

15-37. Music Fee – approved the establishment of a Differential Institutional Enhancement Fee of \$16 per semester credit hour for Music (MUSC) and Applied Music (AMUS) courses, with the exception of MUSC 1033, Appreciation of Music. Further approved this fee effective with the spring 2015 semester and that the funds be used for payment of accompaniment needs for students' applied lessons and recitals.

Mr. Hessing asked if there were items any member wanted to remove from the Consent Agenda. There being none, Mr. Sanchez seconded Mr. Bernhardt's motion to approve the Consent Agenda as presented. The motion was approved.

Audit, Compliance, and Management Review Committee Report

Mr. Sanchez noted the items presented at the Audit, Compliance, and Management Review Committee meeting for committee approval and information only. Additional information concerning these items can be found in the minutes of the committee meeting held November 6, 2014.

Item Presented for Committee Approval Only

15-38. Committee Minutes

Items Presented for Information Only

15-39. Historically Underutilized Business Report – FY 14

15-40. Contract Management Activities

15-41. Audit and Compliance Activities

Audit, Compliance, and Management Review Committee Consent Agenda

Mr. Sanchez recommended the following item approved by the Audit, Compliance, and Management Review Committee and placed on the Consent Agenda for the board's consideration.

15-42. Audit Plan – FY 15

Mr. Hessing asked if any member wanted to remove this item from the Consent Agenda. There being none, Mrs. Marks seconded Mr. Sanchez's motion to approve the Consent Agenda as presented. The motion was approved.

Other Business

President's Report

15-46. Information was presented concerning the following matters.

- a. University Dashboard – an updated Dashboard was presented as shown in Attachment 2. Dr. Rogers noted that the administration developed and presented the MSU Dashboard to the board for the first time in November 2013. He indicated that the Dashboard provides a quick look at certain performance indicators. Dr. Rogers pointed out and discussed the following items from the Dashboard.
 1. Items 1.i. and j. – these figures showed the increase in the number of distance education courses offered each year. He added that 1.j. shows the number of distance education students during a full year. He stated that this number could not be used to compare to the fall enrollment figure. He indicated that he would

ask Mr. McClendon in Institutional Research to provide a figure for the fall only for future reference.

2. Item 2.a. – First Time Student Retention – Dr. Rogers reported that MSU’s freshman to sophomore retention had been between 69% and 75% for many years and that universities throughout the United States had experienced similar rates. He added that of the students who drop out of college as freshmen approximately 25% return to college and finish a college degree. The second year retention rate is also of concern. He stated that helping students connect with the university is critical in student retention.
3. Item 2.e. and f. – Four-Year and Six Year Graduation Rates – graduation rates are based on students who enter college for the first time as full-time students. This definition is set by the U.S. Department of Education. Dr. Rogers explained that any student who begins college as a part-time student does not count toward an institution’s graduation rate. Additionally, students who transfer to the university do not count toward MSU’s graduation rate. He noted that while MSU’s four-year graduation rate had increased from 11.8% in FY 2009 to 20.64% in FY 14, a great deal of work remains to be done in this regard. The university’s six-year graduation rate has increased from 30.6% to 45.57% during the same time period. He indicated that the university is committed to continuing to increase the four-year and six-year graduation rates.
4. Item 2.d. – Degree Efficiency – Dr. Rogers reported that the American Association of State Colleges and Universities (AASCU) developed this method of calculation. AASCU reports that this calculation more accurately reflects the institution’s success in graduating students, whether they begin as full-time freshmen during a fall semester, transfer students, part-time students, or as spring or summer entrants. He noted that the number reported in the Dashboard appears high, but that it is a much better indicator of what is happening in higher education.
5. Item 2.j. – Degrees Awarded to At-Risk Students – Dr. Rogers reported that At-Risk is defined by the Texas Higher Education Coordinating Board as a student who enters as a part-time student, receives Pell Grant assistance, graduates high school with a GED, is 20 years or older when first entering college, or has an SAT/ACT score that is less than the national average. He noted that he was proud of MSU’s performance in this area.

Dr. Rogers stated that the university would continue working on the areas presented in the Dashboard. Mr. Hessing asked who prepared the Dashboard. Dr. Rogers responded that the Office of Institutional Research and Assessment provided the data and that he worked with the cabinet to determine the areas to be considered and the targets.

Mr. Bernhardt asked if there was a team or a group working on student retention issues. Dr. Rogers responded that Dr. Stewart and Dr. Lamb are leading the effort and have ideas on what should be put into place. Mr. Bernhardt indicated that he would like to see a report summarizing what is currently being done, what is planned for the future, and what the institution would like to accomplish.

- b. Enhancing Undergraduate Research Endeavors & Creative Activities (EURECA) Presentation – Dr. Rogers introduced Dr. Magaly Rincón-Zachary, director of the Office of Undergraduate Research. Dr. Rincón-Zachary thanked the board for the invitation to speak about EURECA and the Undergraduate Research Opportunities and Summer Workshop (UGROW) programs. She indicated that she was very proud of what the university was building and was proud to be part of the MSU family. She reviewed the presentation as shown in Attachment 2. Dr. Rincón-Zachary reported that the heart of the program is engaging students with a faculty mentor and forming collaborative partnerships. She noted that this is a prime example of student engagement. Dr. Rincón-Zachary reported that the program was approved in April, 2013 and the first EURECA cohort began in the fall 2013. The university's Quality Enhancement Program (QEP) provides a forum where all students involved in research, whether supported by EURECA or UGROW can present the new knowledge that has been created. The QEP has energized the students and the faculty. She stated that there are currently 173 students involved in the EURECA program. She reported the following percentages of student participation by college:

1. College of Science and Mathematics – 52%
2. Gunn College of Health Sciences and Human Services – 27%
3. Prothro-Yeager College of Humanities and Social Sciences – 6%
4. Fain College of Fine Arts – 6%
5. West College of Education – 3%

She noted that 90% of the students participating from the Gunn College were from Dr. Beth Vealé's classes in radiologic science. She added that her vision for the future is for every student at MSU to experience undergraduate research in one form or another. She added her hope that undergraduate research would be integrated into the overall curriculum of the university.

Dr. Rincón-Zachary introduced Ms. Rachel Whatley, a radiologic science student who was involved for one year in EURECA. Ms. Whatley noted that after looking at the Dashboard, statistically speaking, she should not be a successful college student. She noted that a portion of her childhood was spent in a shelter and she graduated high school with a GED. However, she was not a successful EURECA participant. Ms. Whatley reported that her current research began with a casual conversation at a professional conference in Albuquerque. As a participant in the American Society of Radiologic Technologists leadership development program she was assigned a mentor. Her mentor was Dr. James Johnston, Dean of the Gunn College of Health Sciences and Human Services at MSU. Dr. Johnston shared with Ms. Whatley his idea for a research program and she helped him build a team, including a student from the engineering program. Dr. Dale McDonald, Associate Professor of Engineering at MSU, also joined the team and they received funding through EURECA during the first year. The team has grown and while no longer funded by

EURECA, they are currently preparing for clinical trials at the United Regional Health Care System. Ms. Whatley noted that through EURECA she has gained confidence, knowledge, and friendship. She has presented at three different research forums and received a first place research award at a conference in Las Vegas. She added that in 2013 she was selected as the first place Rising Star student by the North Texas Radiologic Technology Society. She noted that the president of the organization told her she was selected for the award based on her involvement in undergraduate research. Ms. Whatley stated that EURECA had opened many doors for her as a student and she thanked the MSU Board of Regents, administration, and faculty for their support of undergraduate research. She also recognized Dr. Beth Vealé for being the first faculty member to involve her in undergraduate research, Dr. James Johnston for always making time to mentor her, Dr. Dale McDonald for his energy and enthusiasm, and Dr. Magaly Rincón-Zachary for her support throughout the process. She added her thanks to the patient faculty members who have helped her as she struggled with data analysis, formatting, literature review, annotated bibliographies, and data base navigations. She expressed appreciation to the board for the opportunity to share the program with them.

Mr. Hessing thanked Dr. Rincón-Zachary and Ms. Whatley for their presentation.

- c. Marketing Presentation – Dr. Rogers noted that in reviewing the Top Ten List he had mentioned the importance of MSU’s marketing and branding. He asked Ms. Julie Gaynor to bring the board up to date on MSU’s efforts in this regard. Ms. Gaynor presented information shown in Attachment 2. She introduced the staff in her office and thanked them for their work on behalf of the university.

Ms. Gaynor reported that her last board update was in February 2013 and focused on university branding standard. She stated that the university began implementing the standards later that spring. Slide 4 showed one of the first projects her office worked on following the approval of the standards. She indicated that the College of Science and Mathematics needed recruiting pieces that looked professional and provided the right information and messaging. Her office worked with them on an outside piece that could be used by all of the college and inserts that could be used by each program.

Slide 5 showed some of the pieces that were designed for the Admissions Office. This included post cards, an information piece, and the Viewbook that is used in the recruiting process. Slides 6 and 7 showed some of the pieces that were developed for the new McAda Graduate School and various other university programs and activities.

Ms. Gaynor reviewed the different facets of the university’s advertising campaign. She noted that her office receives the largest number of comments regarding billboards. MSU advertises in *Texas Monthly* three times each year in specific education issues. Television advertising is new to the campaign this year. She stated that the university has a sponsorship package at Memorial Stadium and advertises in movie theatres locally and in the Dallas/Ft. Worth area. She added that she has adjusted the budget for online advertising.

Ms. Gaynor noted that her office has collaborated with the athletics department this year. Slides 9-10 showed some of the results of this effort. She then discussed the *Sunwatcher* magazine. She noted that the university previously printed two issues annually, but budget reductions have resulted in one print issue and one on-line issue each year. She indicated that the *Sunwatcher* rates very well when compared to other institutions. Dr. Farrell added that the cost for the publication and distribution of two issues would be approximately \$80,000.

Ms. Gaynor explained that the university is on social media and her department works closely with Student Affairs. She noted that MSU has a YouTube channel and encouraged individuals to sign on to www.YouTube.com/MidwesternState to view university videos. She added that the Board of Regents meetings are also on this channel.

Ms. Gaynor discussed the community pride campaign and reported that approximately 2,000 MSU t-shirts were distributed to corporate sponsors. She reported that business employees wear MSU t-shirts on game days or during special events.

The presentation ended with information regarding work that had been accomplished to increase efficiency of the website as well as upcoming projects for her office.

Ms. Gaynor thanked the board for the opportunity to provide this report. She asked if individuals had questions regarding the presentation. Mr. Gregg suggested that the name of the city be printed larger on the out-of-town billboards.

Recess

The Board meeting recessed at 10:12 a.m. and resumed at 10:20 a.m.

Executive Session

Mr. Hessing announced that the Board of Regents would go into closed session as allowed by the Texas Government Code Chapter 551, Sections 551.071, .072, and .074, to consider Items 15-47 (Presidential Search), 15-48a (Consultation with Attorney), and 15-48b (Real Property). The closed session was properly announced at 10:20 a.m. Mr. Hessing, Mr. Bernhardt, Mrs. Burks, Mr. Bryant, Mr. Crosnoe, Dr. Givens, Mr. Gregg, Mrs. Marks, Mr. Sanchez, Mr. Brown, Mr. Macha, and Ms. Barrow remained for the entire session. Dr. Rogers, Dr. Stewart, Dr. Fowlé, Dr. Lamb, Dr. Farrell, Dr. Clark, Mr. Taylor, and Mr. Owen remained only for the discussion of Items 15-48a and 15-48b. Dr. Jessica Kozloff and Dr. Eric Richtmyer, Academic Search Consultants, joined the meeting for the discussion of Item 15-47.

Open Meeting Resumes

The closed session ended at 11:30 a.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session.

Adjournment

There being no further business, the meeting was adjourned at 11:31 a.m.

I, J. Kenneth Bryant, the fully appointed and qualified Secretary of the Midwestern State University Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the minutes of the Midwestern State University Board of Regents meeting November 7, 2014.



J. Kenneth Bryant, Secretary

ATTACHMENTS:

1. New Residence Hall Debt Service
2. University Dashboard
3. EURECA Power Point Presentation
4. Marketing Plan Power Point Presentation

New Residence Hall - Revenue, Expenses & Financing

| | |
|---------------------|--------------|
| Number of Beds | 500 |
| Price per Space | \$66,500 |
| Max Amount Financed | \$33,250,000 |
| Interest Rate | 4.0% |
| Number of Years | 30 |

| | | <i>Beds</i> | <i>Total</i> | <i>Occupancy</i> | <i>NET</i> |
|---------------------------------------|---------|-------------|--------------|------------------|--------------------|
| <i>Annual Revenue/Bed (Double)</i> | \$4,800 | 448 | \$2,150,400 | 93% | \$1,999,872 |
| <i>Annual Revenue/Bed (Single)</i> | \$5,280 | 36 | \$190,080 | 100% | \$190,080 |
| <i>Annual Revenue/Bed (RA Single)</i> | \$0 | 16 | \$0 | 100% | \$0 |
| | | 500 | | | \$2,189,952 |

| Year | Building Revenue * | Housing Revenue | Operations ** | Debt Service | NET |
|-------|--------------------|-----------------|---------------|-----------------------|---------|
| FY'15 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FY'16 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FY'17 | \$2,189,952 | \$110,000 | (\$700,000) | (\$1,598,100) | \$1,852 |
| FY'18 | \$2,233,751 | \$110,000 | (\$710,500) | (\$1,629,450) | \$3,801 |
| FY'19 | \$2,278,426 | \$105,000 | (\$721,158) | (\$1,660,100) | \$2,169 |
| FY'20 | \$2,323,995 | \$105,000 | (\$731,975) | (\$1,693,625) | \$3,395 |
| FY'21 | \$2,370,474 | \$105,000 | (\$742,954) | (\$1,729,700) | \$2,820 |
| FY'22 | \$2,417,884 | \$105,000 | (\$754,099) | (\$1,764,425) | \$4,360 |
| FY'23 | \$2,466,242 | \$100,000 | (\$765,410) | (\$1,797,800) | \$3,031 |
| FY'24 | \$2,515,566 | \$100,000 | (\$776,891) | (\$1,837,350) | \$1,325 |
| FY'25 | \$2,565,878 | \$100,000 | (\$788,545) | (\$1,872,650) | \$4,683 |
| FY'26 | \$2,617,195 | \$95,000 | (\$800,373) | (\$1,910,650) | \$1,172 |
| FY'27 | \$2,669,539 | \$90,000 | (\$812,379) | (\$1,946,250) | \$911 |
| FY'28 | \$2,722,930 | \$90,000 | (\$824,564) | (\$1,984,350) | \$4,016 |
| FY'29 | \$2,777,389 | \$85,000 | (\$836,933) | (\$2,024,750) | \$706 |
| FY'30 | \$2,832,936 | \$85,000 | (\$849,487) | (\$2,067,250) | \$1,200 |
| FY'31 | \$2,889,595 | \$80,000 | (\$862,229) | (\$2,106,750) | \$616 |
| FY'32 | \$2,947,387 | \$80,000 | (\$875,162) | (\$2,148,150) | \$4,075 |
| FY'33 | \$3,006,335 | \$75,000 | (\$888,290) | (\$2,191,250) | \$1,795 |
| FY'34 | \$3,066,461 | \$75,000 | (\$901,614) | (\$2,235,850) | \$3,997 |
| FY'35 | \$3,127,791 | \$70,000 | (\$915,138) | (\$2,281,750) | \$902 |
| FY'36 | \$3,190,347 | \$70,000 | (\$928,866) | (\$2,328,750) | \$2,731 |
| FY'37 | \$3,254,153 | \$65,000 | (\$942,799) | (\$2,374,125) | \$2,230 |
| FY'38 | \$3,319,237 | \$60,000 | (\$956,940) | (\$2,421,750) | \$546 |
| FY'39 | \$3,385,621 | \$55,000 | (\$971,295) | (\$2,468,000) | \$1,327 |
| FY'40 | \$3,453,334 | \$50,000 | (\$985,864) | (\$2,517,500) | -\$30 |
| FY'41 | \$3,522,400 | \$50,000 | (\$1,000,652) | (\$2,569,750) | \$1,998 |
| FY'42 | \$3,592,848 | \$45,000 | (\$1,015,662) | (\$2,619,375) | \$2,812 |
| FY'43 | \$3,664,705 | \$40,000 | (\$1,030,897) | (\$2,671,000) | \$2,809 |
| FY'44 | \$3,737,999 | \$40,000 | (\$1,046,360) | (\$2,729,000) | \$2,639 |
| FY'45 | \$3,812,759 | \$35,000 | (\$1,062,056) | (\$2,782,875) | \$2,829 |
| | | | | (\$61,962,325) | |

* Building revenue assumes a 2% annual rate increase

** Building operating expenses assume a 1.5% annual increase

NET DEBT SERVICE

Midwestern State University
Proposed Revenue Financing System Bonds, Series 2015
Scenario 1: Revenue Constraint of \$1.6MM, increasing by 2% yearly
Interest based on AA-/A1 Ratings
Current Market Rates as of 10/23/2014
****Preliminary - For Discussion Purposes Only****

| Period Ending | Principal | Interest | Total Debt Service | Capitalized Interest Fund | Net Debt Service |
|---------------|------------|---------------|--------------------|---------------------------|------------------|
| 08/31/2015 | | 99,635.42 | 99,635.42 | 99,635.42 | |
| 08/31/2016 | | 1,434,750.00 | 1,434,750.00 | 1,434,750.00 | |
| 08/31/2017 | 165,000 | 1,433,100.00 | 1,598,100.00 | | 1,598,100 |
| 08/31/2018 | 200,000 | 1,429,450.00 | 1,629,450.00 | | 1,629,450 |
| 08/31/2019 | 235,000 | 1,425,100.00 | 1,660,100.00 | | 1,660,100 |
| 08/31/2020 | 275,000 | 1,418,625.00 | 1,693,625.00 | | 1,693,625 |
| 08/31/2021 | 320,000 | 1,409,700.00 | 1,729,700.00 | | 1,729,700 |
| 08/31/2022 | 365,000 | 1,399,425.00 | 1,764,425.00 | | 1,764,425 |
| 08/31/2023 | 410,000 | 1,387,800.00 | 1,797,800.00 | | 1,797,800 |
| 08/31/2024 | 465,000 | 1,372,350.00 | 1,837,350.00 | | 1,837,350 |
| 08/31/2025 | 520,000 | 1,352,650.00 | 1,872,650.00 | | 1,872,650 |
| 08/31/2026 | 580,000 | 1,330,650.00 | 1,910,650.00 | | 1,910,650 |
| 08/31/2027 | 640,000 | 1,306,250.00 | 1,946,250.00 | | 1,946,250 |
| 08/31/2028 | 705,000 | 1,279,350.00 | 1,984,350.00 | | 1,984,350 |
| 08/31/2029 | 775,000 | 1,249,750.00 | 2,024,750.00 | | 2,024,750 |
| 08/31/2030 | 850,000 | 1,217,250.00 | 2,067,250.00 | | 2,067,250 |
| 08/31/2031 | 925,000 | 1,181,750.00 | 2,106,750.00 | | 2,106,750 |
| 08/31/2032 | 1,005,000 | 1,143,150.00 | 2,148,150.00 | | 2,148,150 |
| 08/31/2033 | 1,090,000 | 1,101,250.00 | 2,191,250.00 | | 2,191,250 |
| 08/31/2034 | 1,180,000 | 1,055,850.00 | 2,235,850.00 | | 2,235,850 |
| 08/31/2035 | 1,275,000 | 1,006,750.00 | 2,281,750.00 | | 2,281,750 |
| 08/31/2036 | 1,375,000 | 953,750.00 | 2,328,750.00 | | 2,328,750 |
| 08/31/2037 | 1,485,000 | 889,125.00 | 2,374,125.00 | | 2,374,125 |
| 08/31/2038 | 1,610,000 | 811,750.00 | 2,421,750.00 | | 2,421,750 |
| 08/31/2039 | 1,740,000 | 728,000.00 | 2,468,000.00 | | 2,468,000 |
| 08/31/2040 | 1,880,000 | 637,500.00 | 2,517,500.00 | | 2,517,500 |
| 08/31/2041 | 2,030,000 | 539,750.00 | 2,569,750.00 | | 2,569,750 |
| 08/31/2042 | 2,185,000 | 434,375.00 | 2,619,375.00 | | 2,619,375 |
| 08/31/2043 | 2,350,000 | 321,000.00 | 2,671,000.00 | | 2,671,000 |
| 08/31/2044 | 2,530,000 | 199,000.00 | 2,729,000.00 | | 2,729,000 |
| 08/31/2045 | 2,715,000 | 67,875.00 | 2,782,875.00 | | 2,782,875 |
| | 31,880,000 | 31,616,710.42 | 63,496,710.42 | 1,534,385.42 | 61,962,325 |

Midwestern State University Dashboard Indicator and Projections

Updated for November 2014 Board of Regents Meeting

| | | Annual Performance | | | | Target |
|-------------------------------------|--|-----------------------|--------------|--------------|-----------|--------------|
| | | Base Year (2008-2009) | 2012-2013 | 2013-2014 | 2014-2015 | 2018-19 |
| 1. Student Access | | | | | | |
| 1.a | Total Enrollment (Headcount) | 6,093 | 5,916 | 5,870 | 5,874 | 6,230 |
| 1.b | FTE Enrollment (based on FT +1/3 PT) | 4,819 | 4,618 | 4,605 | 4,653 | 4,922 |
| 1.c | Number of Beginning Freshmen (Fall) (Registrar Number, FT + PT) | | 612 | 817 | 813 | 900 |
| 1.d | Average Course Load of FT UG | | 13.95 | 14.06 | 13.92 | 13.97 |
| 1.e | Percent of Students Receiving Pell Grant (UG Fall) | 24.6% | 32.30% | 37.16% | 37.90% | 41.72% |
| 1.f | Number of Community College Transfer Students Enrolled | 1952 | 2237 | 2207 | 1950 | 2,000 |
| 1.g | Percentage of Hispanic students enrolled (enr/%) | 9.20% | 12.30% | 13.90% | 14.00% | 20.00% |
| 1.h | Percentage of African American students enrolled (enr/%) | 12.70% | 12.20% | 12.90% | 14.10% | 14.50% |
| 1.i | Online and Distance Education (courses offered per year) | 367 | 538 | 637 | | 968 |
| 1.j | Distance Education Only (unduplicated, full year) | 966 | 1279 | 1232 | | 1549 |
| 2. Student Success | | | | | | |
| 2.a | First Time Student Retention Rate (First year) | 74.90% | 71.00% | 68.28% | 72.85% | 75.00% |
| 2.b | First Time Student Retention Rate (Second year) | 61.00% | 54.18% | 56.40% | 53.21% | 55.00% |
| 2.c | Transfer Student Retention Rate (First Year) | 73.10% | 67.60% | 68.30% | 69.62% | 72.00% |
| 2.d | Degree Efficiency Attainment ((AA*2+BA*4)/Fall UG FTE) | 92.61% | 95.82% | 97.79% | | 95.00% |
| 2.e | First Time Student Graduation Rate (Four Year, Based on 4 year Cohort) | 11.80% | 21.39% | 20.64% | | 32.15% |
| 2.f | First Time Student Graduation Rate (Six Year) (First Time Fulltime Cohort) | 30.60% | 44.49% | 45.47% | | 52.00% |
| 2.g | Transfer Student Graduation Rate (Four Year) | 50.80% | 49.03% | 46.41% | | 51.29% |
| 2.h | Pass Rate on Certification Exam - Education | 87.60% | 94.00% | 97.00% | | 95.00% |
| 2.i | Pass Rate on Certification Exam - Nursing | 73.48% | 83.57% | 75.50% | | 85.00% |
| 2.j | Number of Degrees Awarded to At-Risk Students | 814 | 959 | 877 | | 958 |
| 2.k | Number of Degrees Awarded in STEM Fields | 91 | 102 | 115 | | 126 |
| 2.l | Number of Degrees Awarded in Health Science Fields | 371 | 428 | 396 | | 446 |
| 2.m | Total Degrees Awarded (Total) | 1220 | 1303 | 1270 | | 1300 |
| 3. Operational Effectiveness | | | | | | |
| 3.a | State Appropriations per FTE Student | \$4,934.68 | \$4,581.03 | \$4,764.56 | | \$5,225.26 |
| 3.b | Total Expenditures per FTE Student | \$15,860.17 | \$19,308.83 | \$20,679.75 | | \$26,640.33 |
| 3.c | Student /Faculty Ratio (Using CDS FTE/Faculty FTE for Fall) | 19.0 | 16.8 | 17.0 | | 19.0 |
| 3.d | Administrative Cost Rate (as percent of operating budget) | 10.33% | 10.44% | 10.51% | | 10.00% |
| 3.e | Average SCH to Bachelor's degree | 146.87 | 145.5 | 145.7 | | 140 |
| 4. Competitive Resources | | | | | | |
| 4.a | Total Annual Giving (AFR reported) | \$14,010,481 | \$9,749,807 | \$16,986,200 | | \$10,000,000 |
| 4.b | Total Endowment (university-held, Foundation, Charitable Trust) | \$44,588,397 | \$63,582,196 | \$68,254,004 | | \$80,087,716 |
| 4.c | Alumni Giving Rate | 8% | 6.60% | 5.30% | | 6.00% |

Gray shaded areas will not be updated until the end of FY 15

Target estimates are shown in beige



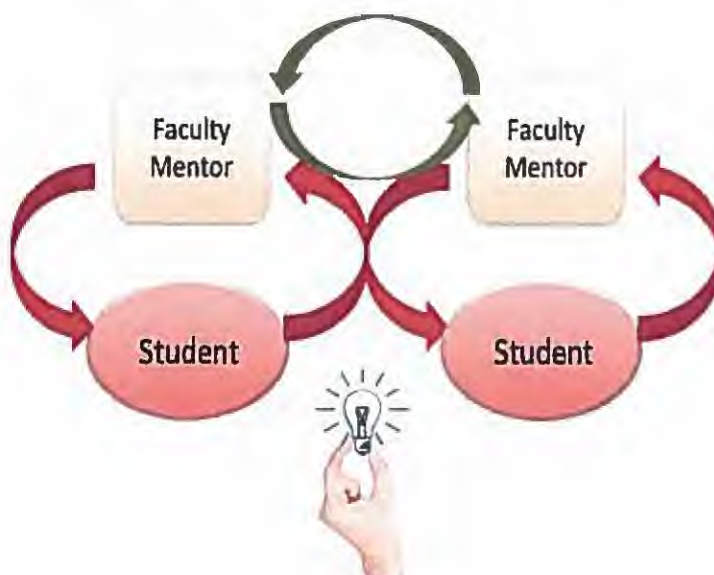
enhancing undergraduate research endeavors & creative activities



Magaly Rincón-Zachary

Office of Undergraduate Research

Collaborative Partnerships



Why Should We Support and Promote Undergraduate Research and Creative Activity?

- Student engagement
 - retention
- Workforce
- Strong alumni



Where we are...

- Campus wide
 - 173 students

Vision for the Future

- Every MSU student should experience research
 - How?
 - EURECA & UGROW
 - Integration into the curriculum
 - Capstone
 - Collaborative partnerships with students & faculty from COPLAC institutions
 - Industry and community partners



Introductions

Sandra Barnett: Assistant Director of Marketing

Ashley Lindsey: Publications Specialist

Kathy Floyd: Marketing and Public Information Assistant

Matt Shirey: Webmaster



MIDWESTERN
STATE UNIVERSITY

Branding Standards

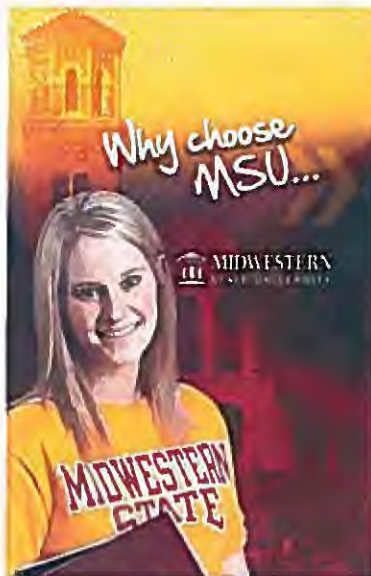
Visual and verbal identity

Universities must extend and protect their identities as a business imperative. Consistency in colors, font, messages, and layout is vital to a university's message. A strong brand helps to shape the way key constituents view Midwestern State University, both now and in the future.

**Branding Standards
Implemented in May 2013**

College of Science & Mathematics





Undergraduate Admissions



McAda Graduate School



Billie Doris McAda
GRADUATE
SCHOOL
MIDWESTERN STATE UNIVERSITY

MSU GRADUATE SCHOOL OPEN HOUSE

Tuesday, October 7 5:30 pm. Dillard College of Business, Rm 189
Meet the faculty coordinators of our 26 graduate programs, learn about the admission process, and mingle with current students.

RSVP at graduateschool@msu.edu or 940.397.4920

www.msu.edu/graduateschool

knowledge personal growth career advancement affordability



Music Series at

Alkin
Dorelle Chung
Winner of the Borokovsky International Piano Competition
performing with Peter Karlag, Tam Helen O'Connor,
William Purvis, David Shifrin, and Stephen Taylor



We help to advise other departments on campus with direct marketing and advertising campaigns.



DOUBLE YOUR DOLLARS



Now is a great time to invest in Midwestern State University. Two matching gift opportunities are available to you through the generosity of our MSU Family.

The Long-Chain Challenge will double all new year gifts. Also, all gifts designated for the purchase of equipment for petroleum engineering programs in the MSU School of Engineering will be matched by two generous donors, \$100 for \$200.

Your Gift Could Be
TWICE AS NICE

| | | |
|-------|-------------|-------|
| \$50 | WILL BECOME | \$100 |
| \$100 | WILL BECOME | \$200 |
| \$200 | WILL BECOME | \$400 |

SCAN QR NOW >>>

Advertising campaign

- Billboards
- Local newspaper
- Texas Monthly
- Community events
- Local television
- Memorial Stadium
- Movie theaters (local & DFW)
- Targeted online advertising
- Mall advertising



MIDWESTERN
STATE UNIVERSITY

Make it yours!

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WICHITA FALLS, TEXAS



Collaboration with Athletics

MIDWESTERN STATE UNIVERSITY
MUSTANGS FOOTBALL

2014
MAROON & GOLD
FOOTBALL GAME
MSU

SATURDAY, APRIL 12
MEMORIAL STADIUM
Pre-game activities 4 p.m.
Game 5 p.m.

Come out and get a glimpse of your 2014 MSU Mustangs.

- FREE admission
- FREE hot dogs
- FREE T-shirts to first 500 fans
- Live music
- Kids Zone
- MSU Bookstore on location with your MSU gear
- Meet players, coaches and Maverick T. Mustang the mascot.

FOOD • FUN • EXCITEMENT

FOOTBALL
MSU
FESTIVAL

WELCOME BACK DINNER

MSU

WELCOME BACK DINNER



2014
SPORTS
MSU
SHOWCASE

SATURDAY, SEPTEMBER 13

OFFICIAL WELCOME TO THE NEW YEAR
CASH PRIZES
5:00 PM
FAMILY FUN
7:00 PM
SPORTS SHOWCASE
8:00 PM
FOOTBALL 7:30 PM

2014 season tickets on sale now!
For more information, visit msumustangs.com

Join the excitement!

StangGang

MSU STUDENT ATHLETIC CLUB

BE LOUD BE PROUD

Get your game face on and support your MSU student athletes. With membership: T-SHIRT DISCOUNTS COUPONS

MSU

MUSTANGS

FOR MORE INFORMATION
CALL 800-247-6789 or
email info@stanggang.com

MIDWESTERN STATE UNIVERSITY
TAKE A SEAT 2014-15

MSU BASKETBALL

SEASON TICKETS on SALE NOW!

msumustangs.com

Community Pride Campaign – the Proud Crowd T-shirt campaign for MSU events and game day.



Website

- Implementation of new content management system
- Hardware redundancy
- Hands-on training sessions
- Responsive design



Website

Working with individual programs to update their webpages and develop strategies for presenting information



Upcoming Projects

- Finalize trademark information
- Agreement with Strategic Management Associates
- New interactive Calendar System
- Increased Digital Advertising

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

December 1, 2014

The Board of Regents, Midwestern State University, met in special session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 2:00 p.m., Monday, December 1, 2014. Board members in attendance at the university were Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Ms. Nancy Marks; and Mr. Jesse Brown, Student Regent. Regents attending the meeting via teleconference connection were Mr. Shawn Hessing, Chairman; Mr. Caven Crosnoe; Dr. Lynwood Givens; Mr. Jeff Gregg; and Mr. Sam Sanchez.

Administrative staff members present included Dr. Jesse Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; and Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the McAda Graduate School; Mr. Matthew Park, Associate Vice President for Student Affairs; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Judith McGinnis, *Times Record News*.

Chairman Hessing called the meeting to order at 2:00 p.m. Ms. Barrow introduced individuals in attendance. He reminded attendees that the meeting was being streamed live on the internet and asked everyone to silence their cell phones.

Public Comment

Mr. Hessing stated that in accordance with the Board of Regents By-Laws, MSU Policy 2.22, members of the public are invited to address the Midwestern State University Board of Regents through written and oral testimony. He noted that no one had signed up to speak.

Resolutions – Student Housing and Mass Communication Building Projects Bond Sales

15-49. Mr. Hessing reported that in November the board approved the student housing and mass communication building project and approved bonding of the project in an amount not to exceed \$38.25 million. He noted that following the board meeting Dr. Fowlé learned that two resolutions needed specific board approval prior to the Texas Public Finance Authority (TPFA) meeting to consider MSU's request for financing. The resolutions recommended for approval were included in the agenda document. Mr. Hessing added that the board received a copy of the letter and supporting documentation that was sent to the TPFA as shown as Attachment 1.

Mr. Bryant moved approval of the two resolutions as presented. Mr. Bernhardt seconded the motion. There being no questions or discussion, the motion was approved.

Adjournment

There being no further business, the meeting was adjourned at 2:05 p.m.

I, J. Kenneth Bryant, the fully appointed and qualified Secretary of the Midwestern State University Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the minutes of the Midwestern State University Board of Regents meeting December 1, 2014.



J. Kenneth Bryant, Secretary

ATTACHMENT:

1. MSU's Request for Bonding – Texas Public Finance Authority



Office of the President
3410 Taft Boulevard Wichita Falls, Texas 76308-2099
o 940.397.4211 f 940.397.4010

November 21, 2014

Mr. Billy M. Atkinson, Jr., Chair
Texas Public Finance Authority
300 West 15th Street, Suite 411
Austin, TX 78701

Dear Mr. Atkinson,

Please find a set of materials in preparation of Midwestern State University's request for bonding at the December 4th meeting of the Texas Public Finance Authority Board. We will be requesting financing for a new residence hall and addition to our Fine Arts building in an amount not to exceed \$38.25 million. The Midwestern State University Board of Regents has approved both projects and has authorized the administration to seek bond financing through the Texas Public Finance Authority. Enclosed you will find:

1. A project description;
2. A project budget that identifies expenditures to be capitalized;
3. An estimated expenditure schedule (including the first date the agency estimates expending funds and the estimated project completion date) based on an amount of \$38.25 million;
4. A proforma of residence hall net income that will be used for servicing \$33.25 million of the debt (the balance, \$5 million, will be serviced from the Redwine quasi-endowment proceeds);
5. The proposed cost of debt service on \$33.25 million calculated by First Southwest which was used in preparation of the proforma; and
6. An affirmation that Bond proceeds will only be used for state agency purposes.

We will be holding a special meeting of the Board of Regents before the December 4th TPFA Board meeting to approve the financing and reimbursement resolutions. We will bring copies of those approved resolutions to the December 4th TPFA Board meeting to be included in our package. We look forward to discussing these projects with you. Please let me know if you need any additional information or have any questions.

Sincerely,

Jesse Rogers
President

mwsu.edu

An Equal Opportunity/Affirmative Action Employer and Educator

Midwestern State University

Project Description

December 4, 2014

Midwestern State University requests bonding authority in an amount not to exceed \$38.25 million for two projects: a 500-bed residence hall of approximately 150,000 square feet and an 18,500 square foot addition to the Fain Fine Arts building for the mass communication program. Both of these projects were approved by MSU's Board of Regents at the November 7, 2014 Board of Regents meeting.

Residence Hall

Justification - Over the last two academic years, university housing has been in an overflow situation, with the Fall 2014 having 214 students housed in off-campus overflow accommodations. The university currently does not enforce its housing policy also because of the housing shortage. If the housing policy were enforced, an additional 458 students (Fall 2013 numbers) would be required to live on campus. The university has experienced the largest freshmen enrollments two years in a row, with over 800 freshmen enrolling at the university, of which more than 70% are from outside Wichita Falls' immediate vicinity. Capacity at the university is 1,320 beds.

Financing – Attached is a proforma for the debt service on \$33.20 million. The debt service estimates were provided by First Southwest based on 30-year debt service with escalating payments over time. In addition, because the university will not be generating revenue until the facility is rented out beginning in Fall 2016, interest between the time of bond issuance and the first debt payment will need to be capitalized.

Fain Fine Arts Addition - Mass Communication

Justification – The Fain Fine Arts facility was built in 1978 and was constructed to accommodate the art and theatre departments. Because of lack of funding at the time, the wing for music was not built with the plan that when funding became available, it would be added. Also, in the late 70's, mass communications technical requirements were not as great as they are today with the growth of the internet, social media, and media convergence. Space has been carved out from the theatre and arts programs to accommodate mass communication and music programs. Mass communication is one of the largest majors on campus with facilities that are wholly inadequate given today's technical requirements in the discipline. The proposed 18,500 addition to the building will allow music to back-fill into the space vacated by mass communication. The new addition would include a modern TV studio, editing bays, control rooms, converged newsroom, broadcast laboratory, journalism classroom, and faculty offices. The cost of the addition is not to exceed \$5 million.

Financing – The annual debt service for \$5 million at 30 years at 4% is expected to run under \$300,000 per year. The university has a \$12 million quasi-endowment that will be invested at Texas A&M University System this spring. The Midwestern State University Board of Regents has directed that proceeds from the quasi-endowment be used to pay for debt service financing for this project. Estimates from Texas A&M University System on the proceeds from this \$12 million quasi-endowment are \$580,000 - \$600,000 a year.

New Residence Hall



Preliminary - Schematic Design Estimate of Probable Cost

3-Nov-14

Gross SF: 151,570
Floors: 5 Stories

Beds: 52
448
500
single
double
total

| Description | Cost (\$) | \$/SF | % of Total |
|-------------------------|----------------------|-----------------|---------------|
| 1 Foundations | 180,000 | 1.19 | 1% |
| 2 Substructure | 275,000 | 1.81 | 1% |
| 3 Superstructure | 1,920,000 | 12.67 | 7% |
| 4 Exterior Closure | 1,990,000 | 13.13 | 7% |
| 5 Roofing | 265,000 | 1.75 | 1% |
| 6 Interior Construction | 4,730,000 | 31.21 | 18% |
| 7 Conveying Systems | 325,000 | 2.14 | 1% |
| 8 Mechanical | 7,200,000 | 47.50 | 27% |
| 9 Electrical | 4,050,000 | 26.72 | 15% |
| 10 General Requirements | 1,587,000 | 10.47 | 6% |
| 11 Fixed Equipment | 14,000 | 0.09 | 0% |
| 12 Sitework | 1,046,000 | 6.90 | 4% |
| 13 Design Contingency | 1,900,000 | 12.54 | 7% |
| 14 Escalation | 1,285,000 | 8.48 | 5% |
| Subtotal: | \$ 26,767,000 | \$176.60 | 100.0% |

| | | |
|---------------------------------|----------------------|------------|
| Total Construction Cost: | \$ 26,767,000 | 81% |
|---------------------------------|----------------------|------------|

| | | | |
|-------------------------------------|------------------------|---------------------|------------|
| 1 Site Acquisition | | \$ - | |
| 2 Utility relocation | (included above) | \$ - | |
| 3 Hazardous Material Abatement | (included above) | \$ - | |
| 4 Street Improvements | | \$ - | |
| 5 Development Fees | | \$ - | |
| 6 Site Survey | (Included in A/E fees) | \$ - | |
| 7 Soil Borings | Apex | \$ 11,950 | |
| 8 A/E Fees | 7.05% | \$ 1,887,074 | |
| Programming | | \$ 75,000 | |
| Specialty Consultants | | \$ 79,000 | |
| FFE | | \$ 86,250 | |
| Record Drawings | | \$ 15,000 | |
| Survey | | \$ 9,000 | |
| Reimbursable Expenses | | \$ 57,850 | |
| 10 Drawing reproduction | (included above) | \$ - | |
| 11 Testing and Inspections | | \$ 30,000 | |
| 12 Furniture, Fixtures, & Equipment | | \$ 50,000 | |
| Bedroom | 1,350 | \$ 675,000 | |
| Common/appliances/etc | 3,500 | \$ 1,750,000 | |
| 13 Fiber/ Telephone / Data | | \$ 100,000 | |
| 14 Moving Expenses | | \$ - | |
| 15 Financing Costs | | \$ - | |
| 16 Fundraising Costs | | \$ - | |
| 17 Legal Fees | | \$ - | |
| 18 Construction Contingency | 5% | \$ 1,338,350 | |
| Total Soft Cost: | | \$ 6,164,474 | 19% |

| | | |
|----------------------------|----------------------|--|
| Total Project Cost: | \$ 32,931,474 | |
|----------------------------|----------------------|--|

STRENGTH THROUGH EXPERIENCE



Mass Communications Addition



Preliminary - Schematic Design Estimate of Probable Cost

3-Nov-14

Gross SF: 18,500
Floors: 2 Stories

| Description | | Cost (\$) | S/SF | % of Total |
|--------------------------|----------------------------------|----------------------------------|----------|------------|
| 1 | Foundations | 117,500 | 6.35 | 3% |
| 2 | Substructure | 36,300 | 1.96 | 1% |
| 3 | Superstructure | 358,600 | 19.38 | 9% |
| 4 | Exterior Closure | 335,800 | 18.15 | 8% |
| 5 | Roofing | 103,600 | 5.60 | 3% |
| 6 | Interior Construction | 462,500 | 25.00 | 11% |
| 7 | Conveying Systems | 30,000 | 1.62 | 1% |
| 8 | Mechanical | 702,200 | 37.96 | 17% |
| 9 | Electrical | 645,800 | 34.91 | 16% |
| 10 | General Requirements | 281,800 | 15.23 | 7% |
| 11 | Fixed Equipment | 42,100 | 2.28 | 1% |
| 12 | Sitework | 296,500 | 16.03 | 7% |
| 13 | Design Contingency | 512,000 | 27.68 | 12% |
| 14 | Escalation | 196,200 | 10.61 | 5% |
| Subtotal: | | \$ 4,120,900 | \$222.75 | 100.0% |
| Total Construction Cost: | | \$ 4,120,900 | | 83% |
| 1 | Site Acquisition | \$ - | | |
| 2 | Utility relocation | (included above) \$ - | | |
| 3 | Hazardous Material Abatement | (included above) \$ - | | |
| 4 | Street Improvements | \$ - | | |
| 5 | Development Fees | \$ - | | |
| 6 | Site Survey | (included in A/E fees) \$ - | | |
| 7 | Soil Borings | Estimate \$ 5,000 | | |
| 8 | A/E Fees | 10.00% \$ 412,090 | | |
| | Programming | \$ - | | |
| | Specialty Consultants | \$ 75,000 | | |
| | FFE | \$ 30,000 | | |
| | Record Drawings | \$ 5,000 | | |
| | Survey | \$ 6,000 | | |
| | Reimbursable Expenses | \$ 10,000 | | |
| 10 | Drawing reproduction | (included above) \$ - | | |
| 11 | Testing and Inspections | \$ 10,000 | | |
| 12 | Furniture, Fixtures, & Equipment | General; Not Specialty \$ 50,000 | | |
| 13 | Fiber/ Telephone / Data | Estimate \$ 50,000 | | |
| 14 | Moving Expenses | \$ - | | |
| 15 | Financing Costs | \$ - | | |
| 16 | Fundraising Costs | \$ - | | |
| 17 | Legal Fees | \$ - | | |
| 18 | Construction Contingency | 5% \$ 206,045 | | |
| Total Soft Cost: | | \$ 859,135 | | 17% |
| Total Project Cost: | | \$ 4,980,035 | | |

STRATEGIC THROUGH EXPERIENCE

TREANOR
ARCHITECTS

Midwestern State University
Estimated Drawdown Schedule for Housing and Mass Communication Addition

| | |
|----------------|---------------------|
| CCL: | \$30,600,000 |
| Architect fee: | \$2,468,302 |
| FFE | \$5,181,698 |
| Project total: | <u>\$38,250,000</u> |

| <u>Month</u> | <u>Date</u> | <u>Architect %</u> | <u>Contractor %</u> | <u>Architect Payment</u> | <u>Contractor Payment</u> | <u>FFE</u> | <u>Running Total</u> |
|--------------|-------------|--------------------|---------------------|--------------------------|---------------------------|-------------|----------------------|
| 1 | Nov-14 | 7 | | \$172,781 | | | \$172,781 |
| 2 | Dec-14 | 5 | | \$123,415 | | | \$296,196 |
| 3 | Jan-15 | 6 | | \$148,098 | | | \$444,294 |
| 4 | Feb-15 | 8 | | \$197,464 | | | \$641,759 |
| 5 | Mar-15 | 9 | | \$222,147 | | | \$863,906 |
| 6 | Apr-15 | 15 | | \$370,245 | | | \$1,234,151 |
| 7 | May-15 | 15 | 1.5 | \$370,245 | \$459,000 | | \$2,063,396 |
| 8 | Jun-15 | 2 | 2 | \$49,366 | \$612,000 | | \$2,724,762 |
| 9 | Jul-15 | 2 | 2 | \$49,366 | \$612,000 | | \$3,386,128 |
| 10 | Aug-15 | 2 | 6 | \$49,366 | \$1,836,000 | | \$5,271,494 |
| 11 | Sep-15 | 2 | 5 | \$49,366 | \$1,530,000 | | \$6,850,860 |
| 12 | Oct-15 | 2 | 3 | \$49,366 | \$918,000 | | \$7,818,226 |
| 13 | Nov-15 | 2 | 4 | \$49,366 | \$1,224,000 | | \$9,091,592 |
| 14 | Dec-15 | 2 | 6 | \$49,366 | \$1,836,000 | | \$10,976,959 |
| 15 | Jan-16 | 2 | 7 | \$49,366 | \$2,142,000 | | \$13,168,325 |
| 16 | Feb-16 | 2 | 9 | \$49,366 | \$2,754,000 | | \$15,971,691 |
| 17 | Mar-16 | 2 | 10 | \$49,366 | \$3,060,000 | | \$19,081,057 |
| 18 | Apr-16 | 2 | 11 | \$49,366 | \$3,366,000 | | \$22,496,423 |
| 19 | May-16 | 2 | 12 | \$49,366 | \$3,672,000 | \$1,000,000 | \$27,217,789 |
| 20 | Jun-16 | 2 | 6 | \$49,366 | \$1,836,000 | \$1,000,000 | \$30,103,155 |
| 21 | Jul-16 | 2 | 3 | \$49,366 | \$918,000 | \$1,000,000 | \$32,070,521 |
| 22 | Aug-16 | 2 | 2.5 | \$49,366 | \$765,000 | \$1,000,000 | \$33,884,887 |
| 23 | Sep-16 | 2 | 4 | \$49,366 | \$1,224,000 | \$1,181,698 | \$36,339,951 |
| 24 | Oct-16 | 3 | 6 | \$74,049 | \$1,836,000 | | \$38,250,000 |
| 25 | | 100 | 100 | \$2,468,302 | \$30,600,000 | \$5,181,698 | |

New Residence Hall - Revenue, Expenses & Financing

| | |
|---------------------|--------------|
| Number of Beds | 500 |
| Price per Space | \$66,500 |
| Max Amount Financed | \$33,250,000 |
| Interest Rate | 4.0% |
| Number of Years | 30 |

| | | <i>Beds</i> | <i>Total</i> | <i>Occupancy</i> | <i>NET</i> |
|---------------------------------------|---------|-------------|--------------|------------------|--------------------|
| <i>Annual Revenue/Bed (Double)</i> | \$4,800 | 448 | \$2,150,400 | 93% | \$1,999,872 |
| <i>Annual Revenue/Bed (Single)</i> | \$5,280 | 36 | \$190,080 | 100% | \$190,080 |
| <i>Annual Revenue/Bed (RA Single)</i> | \$0 | 16 | \$0 | 100% | \$0 |
| | | 500 | | | \$2,189,952 |

| Year | Building Revenue * | Housing Revenue | Operations ** | Debt Service | NET |
|-------|--------------------|-----------------|---------------|-----------------------|---------|
| FY'15 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FY'16 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FY'17 | \$2,189,952 | \$110,000 | (\$700,000) | (\$1,598,100) | \$1,852 |
| FY'18 | \$2,233,751 | \$110,000 | (\$710,500) | (\$1,629,450) | \$3,801 |
| FY'19 | \$2,278,426 | \$105,000 | (\$721,158) | (\$1,660,100) | \$2,169 |
| FY'20 | \$2,323,995 | \$105,000 | (\$731,975) | (\$1,693,625) | \$3,395 |
| FY'21 | \$2,370,474 | \$105,000 | (\$742,954) | (\$1,729,700) | \$2,820 |
| FY'22 | \$2,417,884 | \$105,000 | (\$754,099) | (\$1,764,425) | \$4,360 |
| FY'23 | \$2,466,242 | \$100,000 | (\$765,410) | (\$1,797,800) | \$3,031 |
| FY'24 | \$2,515,566 | \$100,000 | (\$776,891) | (\$1,837,350) | \$1,325 |
| FY'25 | \$2,565,878 | \$100,000 | (\$788,545) | (\$1,872,650) | \$4,683 |
| FY'26 | \$2,617,195 | \$95,000 | (\$800,373) | (\$1,910,650) | \$1,172 |
| FY'27 | \$2,669,539 | \$90,000 | (\$812,379) | (\$1,946,250) | \$911 |
| FY'28 | \$2,722,930 | \$90,000 | (\$824,564) | (\$1,984,350) | \$4,016 |
| FY'29 | \$2,777,389 | \$85,000 | (\$836,933) | (\$2,024,750) | \$706 |
| FY'30 | \$2,832,936 | \$85,000 | (\$849,487) | (\$2,067,250) | \$1,200 |
| FY'31 | \$2,889,595 | \$80,000 | (\$862,229) | (\$2,106,750) | \$616 |
| FY'32 | \$2,947,387 | \$80,000 | (\$875,162) | (\$2,148,150) | \$4,075 |
| FY'33 | \$3,006,335 | \$75,000 | (\$888,290) | (\$2,191,250) | \$1,795 |
| FY'34 | \$3,066,461 | \$75,000 | (\$901,614) | (\$2,235,850) | \$3,997 |
| FY'35 | \$3,127,791 | \$70,000 | (\$915,138) | (\$2,281,750) | \$902 |
| FY'36 | \$3,190,347 | \$70,000 | (\$928,866) | (\$2,328,750) | \$2,731 |
| FY'37 | \$3,254,153 | \$65,000 | (\$942,799) | (\$2,374,125) | \$2,230 |
| FY'38 | \$3,319,237 | \$60,000 | (\$956,940) | (\$2,421,750) | \$546 |
| FY'39 | \$3,385,621 | \$55,000 | (\$971,295) | (\$2,468,000) | \$1,327 |
| FY'40 | \$3,453,334 | \$50,000 | (\$985,864) | (\$2,517,500) | -\$30 |
| FY'41 | \$3,522,400 | \$50,000 | (\$1,000,652) | (\$2,569,750) | \$1,998 |
| FY'42 | \$3,592,848 | \$45,000 | (\$1,015,662) | (\$2,619,375) | \$2,812 |
| FY'43 | \$3,664,705 | \$40,000 | (\$1,030,897) | (\$2,671,000) | \$2,809 |
| FY'44 | \$3,737,999 | \$40,000 | (\$1,046,360) | (\$2,729,000) | \$2,639 |
| FY'45 | \$3,812,759 | \$35,000 | (\$1,062,056) | (\$2,782,875) | \$2,829 |
| | | | | (\$61,962,325) | |

* Building revenue assumes a 2% annual rate increase

** Building operating expenses assume a 1.5% annual increase

**Midwestern State University
Redwine Quasi-endowment
Financing Proforma for Mass Communication**

| | |
|--------------------------------|--------------|
| Endowed Funds start | 12,000,000 |
| Debt Amount | 5,000,000 |
| Term | 30 |
| Interest rate for debt service | 4% |
| Annual Debt Service Payment | \$289,150.50 |
| Annual growth on funds | 7.0% |
| Distribution rate | 5% |

| <u>Year</u> | <u>Endowment Value</u> | <u>Growth</u> | <u>Annual Distribution</u> | <u>Mass Communication Debt Service</u> | | | <u>Honors</u> |
|-------------|------------------------|---------------|--------------------------------|--|-----------------|------------------------------|---------------|
| | | | | <u>Principal</u> | <u>Interest</u> | <u>Principal balance</u> | |
| 1 | 12,000,000 | 12,840,000 | 642,000 | 89,150 | 200,000 | 4,910,850 | 352,850 |
| 2 | 12,198,000 | 13,051,860 | 652,593 | 92,717 | 196,434 | 4,818,133 | 363,443 |
| 3 | 12,399,267 | 13,267,216 | 663,361 | 96,425 | 192,725 | 4,721,708 | 374,210 |
| 4 | 12,603,855 | 13,486,125 | 674,306 | 100,282 | 188,868 | 4,621,426 | 385,156 |
| 5 | 12,811,819 | 13,708,646 | 685,432 | 104,293 | 184,857 | 4,517,132 | 396,282 |
| 6 | 13,023,214 | 13,934,838 | 696,742 | 108,465 | 180,685 | 4,408,667 | 407,591 |
| 7 | 13,238,097 | 14,164,763 | 708,238 | 112,804 | 176,347 | 4,295,863 | 419,088 |
| 8 | 13,456,525 | 14,398,482 | 719,924 | 117,316 | 171,835 | 4,178,547 | 430,774 |
| 9 | 13,678,558 | 14,636,057 | 731,803 | 122,009 | 167,142 | 4,056,539 | 442,652 |
| 10 | 13,904,254 | 14,877,552 | 743,878 | 126,889 | 162,262 | 3,929,650 | 454,727 |
| 11 | 14,133,674 | 15,123,031 | 756,152 | 131,965 | 157,186 | 3,797,685 | 467,001 |
| 12 | 14,366,880 | 15,372,561 | 768,628 | 137,243 | 151,907 | 3,660,442 | 479,478 |
| 13 | 14,603,933 | 15,626,209 | 781,310 | 142,733 | 146,418 | 3,517,709 | 492,160 |
| 14 | 14,844,898 | 15,884,041 | 794,202 | 148,442 | 140,708 | 3,369,267 | 505,052 |
| 15 | 15,089,839 | 16,146,128 | 807,306 | 154,380 | 134,771 | 3,214,887 | 518,156 |
| 16 | 15,338,821 | 16,412,539 | 820,627 | 160,555 | 128,595 | 3,054,332 | 531,476 |
| 17 | 15,591,912 | 16,683,346 | 834,167 | 166,977 | 122,173 | 2,887,355 | 545,017 |
| 18 | 15,849,178 | 16,958,621 | 847,931 | 173,656 | 115,494 | 2,713,699 | 558,781 |
| 19 | 16,110,690 | 17,238,438 | 861,922 | 180,603 | 108,548 | 2,533,096 | 572,771 |
| 20 | 16,376,516 | 17,522,872 | 876,144 | 187,827 | 101,324 | 2,345,270 | 586,993 |
| 21 | 16,646,729 | 17,812,000 | 890,600 | 195,340 | 93,811 | 2,149,930 | 601,449 |
| 22 | 16,921,400 | 18,105,898 | 905,295 | 203,153 | 85,997 | 1,946,777 | 616,144 |
| 23 | 17,200,603 | 18,404,645 | 920,232 | 211,279 | 77,871 | 1,735,497 | 631,082 |
| 24 | 17,484,413 | 18,708,322 | 935,416 | 219,731 | 69,420 | 1,515,766 | 646,266 |
| 25 | 17,772,906 | 19,017,009 | 950,850 | 228,520 | 60,631 | 1,287,247 | 661,700 |
| 26 | 18,066,159 | 19,330,790 | 966,539 | 237,661 | 51,490 | 1,049,586 | 677,389 |
| 27 | 18,364,250 | 19,649,748 | 982,487 | 247,167 | 41,983 | 802,419 | 693,337 |
| 28 | 18,667,260 | 19,973,969 | 998,698 | 257,054 | 32,097 | 545,365 | 709,548 |
| 29 | 18,975,270 | 20,303,539 | 1,015,177 | 267,336 | 21,815 | 278,029 | 726,026 |
| 30 | 19,288,362 | 20,638,548 | 1,031,927 | 278,029 | 11,121 | 0 | 742,777 |

NET DEBT SERVICE

Midwestern State University
Proposed Revenue Financing System Bonds, Series 2015
Scenario 1: Revenue Constraint of \$1.6MM, increasing by 2% yearly
Interest based on AA-/A1 Ratings
Current Market Rates as of 10/23/2014
Preliminary - For Discussion Purposes Only

| Period Ending | Principal | Interest | Total Debt Service | Capitalized Interest Fund | Net Debt Service |
|------------------|------------|---------------|-----------------------|------------------------------|---------------------|
| 08/31/2015 | | 99,635.42 | 99,635.42 | 99,635.42 | |
| 08/31/2016 | | 1,434,750.00 | 1,434,750.00 | 1,434,750.00 | |
| 08/31/2017 | 165,000 | 1,433,100.00 | 1,598,100.00 | | 1,598,100 |
| 08/31/2018 | 200,000 | 1,429,450.00 | 1,629,450.00 | | 1,629,450 |
| 08/31/2019 | 235,000 | 1,425,100.00 | 1,660,100.00 | | 1,660,100 |
| 08/31/2020 | 275,000 | 1,418,625.00 | 1,693,625.00 | | 1,693,625 |
| 08/31/2021 | 320,000 | 1,409,700.00 | 1,729,700.00 | | 1,729,700 |
| 08/31/2022 | 365,000 | 1,399,425.00 | 1,764,425.00 | | 1,764,425 |
| 08/31/2023 | 410,000 | 1,387,800.00 | 1,797,800.00 | | 1,797,800 |
| 08/31/2024 | 465,000 | 1,372,350.00 | 1,837,350.00 | | 1,837,350 |
| 08/31/2025 | 520,000 | 1,352,650.00 | 1,872,650.00 | | 1,872,650 |
| 08/31/2026 | 580,000 | 1,330,650.00 | 1,910,650.00 | | 1,910,650 |
| 08/31/2027 | 640,000 | 1,306,250.00 | 1,946,250.00 | | 1,946,250 |
| 08/31/2028 | 705,000 | 1,279,350.00 | 1,984,350.00 | | 1,984,350 |
| 08/31/2029 | 775,000 | 1,249,750.00 | 2,024,750.00 | | 2,024,750 |
| 08/31/2030 | 850,000 | 1,217,250.00 | 2,067,250.00 | | 2,067,250 |
| 08/31/2031 | 925,000 | 1,181,750.00 | 2,106,750.00 | | 2,106,750 |
| 08/31/2032 | 1,005,000 | 1,143,150.00 | 2,148,150.00 | | 2,148,150 |
| 08/31/2033 | 1,090,000 | 1,101,250.00 | 2,191,250.00 | | 2,191,250 |
| 08/31/2034 | 1,180,000 | 1,055,850.00 | 2,235,850.00 | | 2,235,850 |
| 08/31/2035 | 1,275,000 | 1,006,750.00 | 2,281,750.00 | | 2,281,750 |
| 08/31/2036 | 1,375,000 | 953,750.00 | 2,328,750.00 | | 2,328,750 |
| 08/31/2037 | 1,485,000 | 889,125.00 | 2,374,125.00 | | 2,374,125 |
| 08/31/2038 | 1,610,000 | 811,750.00 | 2,421,750.00 | | 2,421,750 |
| 08/31/2039 | 1,740,000 | 728,000.00 | 2,468,000.00 | | 2,468,000 |
| 08/31/2040 | 1,880,000 | 637,500.00 | 2,517,500.00 | | 2,517,500 |
| 08/31/2041 | 2,030,000 | 539,750.00 | 2,569,750.00 | | 2,569,750 |
| 08/31/2042 | 2,185,000 | 434,375.00 | 2,619,375.00 | | 2,619,375 |
| 08/31/2043 | 2,350,000 | 321,000.00 | 2,671,000.00 | | 2,671,000 |
| 08/31/2044 | 2,530,000 | 199,000.00 | 2,729,000.00 | | 2,729,000 |
| 08/31/2045 | 2,715,000 | 67,875.00 | 2,782,875.00 | | 2,782,875 |
| | 31,880,000 | 31,616,710.42 | 63,496,710.42 | 1,534,385.42 | 61,962,325 |

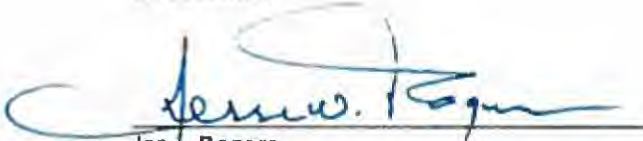


Office of the President
3410 Tait Boulevard Wichita Falls, Texas 76308-2099
☎ 940.397.4211 | 940.397.4010

Midwestern State University Affirmation of Bond Proceeds Use

This statement is to affirm that the use of bond proceeds by Midwestern State University in an amount not to exceed \$38.25 million will not be used for any purpose other than that that was presented to the Texas Public Finance Authority Board on December 4, 2014. The purpose as presented is for a 500-bed residence hall project estimated at an amount not to exceed \$33.25 million and an 18,500 square foot addition to the Fine Arts building to be used for the mass communication program in an amount not to exceed \$5 million. Total bond proceeds on these two projects are not to exceed \$38.25 million.

So Affirmed,


Jesse Rogers
President
Midwestern State University

11/21/14
Date


Marilyn M. Fowle
Vice President for Business Affairs and Finance
Midwestern State University

11/21/14
Date

mwsu.edu

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